



MINUTES OF THE MEETING OF EAST LOTHIAN COUNCIL

TUESDAY 24 JUNE 2025
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON
AND VIA HYBRID MEETING FACILITY

1

Committee Members Present:

Councillor S Akhtar
Councillor E Allan (R)
Councillor R Bennett
Councillor L Bruce
Councillor C Cassini (R)
Councillor D Collins (R)
Councillor F Dugdale
Councillor J Findlay
Councillor A Forrest
Councillor N Gilbert (R)
Councillor N Hampshire

Councillor L Jardine
Councillor C McFarlane
Councillor C McGinn
Councillor G McGuire
Councillor S McIntosh
Councillor K McLeod
Councillor J McMillan (Convener)
Councillor L-A Menzies
Councillor B Ritchie
Councillor T Trotter
Councillor C Yorkston

Council Officials Present:

Mr L Rockey, 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 L Byrne, Head of Children's Services (R)
Mr K Dingwall, Head of Development
Ms E Dunnet, Head of Finance
Ms N McDowell, Head of Education
Ms W McGuire, Head of Housing
Ms C Rodgers, Acting Head of Communities & Partnerships (R)
Ms E Barclay, Democratic Services Assistant
Mr S Cooper, Service Manager – Communications (R)
Mr C Grilli, Service Manager – Governance
Mr D Henderson, Service Manager – Service Accounting (R)
Mr E Hendrikson, Team Manager – Amenity Services
Mr E John, Service Manager – Sport, Countryside and Leisure
Ms C Morris, Team Manager – Schools Estate and PPP Project
Mr A Stewart, Project Manager – Growth Delivery

(R) = remote participant

Visitors Present:

None

Clerk:

Mrs L Gillingwater

Apologies:

None

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

The clerk recorded the attendance of Members by roll call.

Declarations of Interest/Transparency Statements:

Item 1: Transparency statement – Councillor Cassini stated that she was a patron of the Honest Toun Association.

Item 2: Transparency statement – Councillor Menzies stated that she was a Council-appointed member of the Board of EnjoyLeisure.

Item 3: Transparency statement – Councillor McIntosh stated that her children attended Pinkie St Peter's Primary School.

Item 3: Transparency statement – Councillor Jardine stated that her child attended East Linton Primary School.

Items 5 and 12: Declaration of Interest – Councillor Forrest advised that he had had involvement in both items and that he would leave the meeting for the duration of those items.

1. MINUTES FOR APPROVAL

The minutes of the following meetings of East Lothian Council were approved: East Lothian Council, 29 April 2025.

2. YEAR-END FINANCIAL REVIEW 2024/25

A report was submitted by the Executive Director for Council Resources providing an update on the draft financial position for the year ending 31 March 2025.

The Service Manager for Service Accounting, David Henderson, presented the report, providing a detailed update as regards the year-end financial results for General Services (Sections 3.8-3.43 of the report), an update on capital expenditure (Sections 3.44-3.47), and the position with the Housing Revenue Account (HRA) (Sections 3.48-3.53). In conclusion, he noted that the year-end figures showed an improved position, but this was due to reliance on ongoing mitigation measures, the use of reserves and other one-off mitigations.

Responding to questions from Councillor Bruce, Mr Henderson indicated that the timescales for the review of public holidays had not yet been confirmed. As regards the IJB financial plans, he advised that some efficiency targets had not been achieved, and that the partners

were working together on proposals for savings, progress on which would be monitored monthly.

On the overspend in Children's Services, Mr Henderson explained that this was largely related to residential placements; although officers worked hard to minimise children being placed in residential settings, sometimes this was unavoidable. Additional funding had been allocated to this service for 2025/26 to mitigate this pressure, and the situation would be kept under review.

Councillor Allan asked about overspends on particular health and social care contracts. Mr Henderson noted that this related to the former 'supporting people' funding, which had been used to fund housing support contracts; from 1 April this funding would transfer to the Head of Housing, and the contracts would be subject to further review. He added that additional funding would be available in 2025/26 to mitigate the overspend in this area.

In response to a question from Councillor Jardine on staffing costs, Mr Henderson pointed out that the underspend in the staffing budget amounted to 1.75% of the entire staffing budget. On the impact of not filling posts, he noted that some library and community centre hours had had to be reduced. However, library opening times had now reverted to pre-November 2024 levels.

On questions raised by Councillor Gilbert, Mr Henderson provided an explanation of how budgets would be managed and monitored, with financial recovery plans being requested where necessary. He warned that savings may not be delivered for demand-led services. As regards the use of IJB reserves, he advised that the IJB had taken the decision to allocate reserves to meet NHS services, but in 2023/24 unallocated reserves had been used to support Council-delegated services. Mr Henderson also advised that the new schools at Blindwells and Old Craighall would open in August 2025, and that the new school at Whitecraig would open in October 2025.

Councillor Trotter questioned the position regarding garden waste collection and sports facilities income. Mr Henderson indicated that due to the timing of the introduction of the garden waste scheme, the income target had not been achieved in 2024/25; however, it was expected that this would be achieved in 2025/26. He also expected the savings for sports facilities to be delivered in 2025/26. On the impact of rent levels, Mr Henderson made reference to the housing investment plans, approved by Council in February 2025. He advised that work would soon be underway to develop a 30-year HRA business plan; budgets and rent levels would continue to be set in accordance with the Financial Strategy and investment priorities. He added that the impact of low rent levels would be that there would be less funding available to modernise existing stock and build new homes, but that a balance had to be struck between that and keeping rents at affordable levels.

Councillor Hampshire asked for further detail on the VAT rebates. Mr Henderson advised that the Council had been able to recover VAT payments dating back to 2010 for sports and leisure, and also for car parking; some were outwith the scope of VAT and backdated payments had been recovered. No further VAT payments would apply to these two areas going forward.

Responding to a number of questions from Councillor McIntosh, Nicola McDowell, Head of Education, explained that the underspend in early years intervention services had not resulted in any children being disadvantaged, and she anticipated that this funding would be required in future years. On the impact of employers' National Insurance contributions, Sarah Fortune, Executive Director for Council Resources, advised that the UK Government's offer to the Scottish Government had not yet been confirmed.

Councillor Akhtar asked questions relating to IJB services. On the £2.8m overspend, Mr Henderson pointed out that this related to Council-delegated services, and that there had been

a resource transfer from the NHS to support delayed discharge and other aspects. The Chief Executive informed Members that he had had a positive meeting with the Chief Executive of NHS Lothian recently, and they had agreed to focus on reform, as well as early intervention and prevention, in order to respond to the challenges. He assured Councillor Akhtar that there was a willingness from the NHS to collaborate with the Council.

Councillor Cassini asked questions in relation to recruitment restrictions and housing completion. Mr Henderson referred to his earlier response regarding the impact of recruitment restrictions on some services, e.g. library opening hours. He noted that the restrictions had been relaxed somewhat to allow posts to be filled where there would otherwise be a detrimental impact on service delivery. Concerning housing completions and revenue estimates, he advised that it was difficult to estimate the level of income due to a number of variables, noting that there was a margin of error of c.5%.

Councillor Menzies questioned if the Letter of Guarantee for EnjoyLeisure and the Brunton Theatre Trust should be subject to annual review or linked to financial performance. Mr Henderson noted that both organisations faced financial challenges and if this position worsened, then they may need additional contributions from the Council. He assured her that the Council worked closely with both Boards. He added that the Letter of Guarantee was provided to support the audit process, and it was for the external auditor to give an opinion on their going concern status. Further, both organisations were required to bring an annual performance report to the Audit & Governance Committee for further scrutiny, so there were robust governance arrangements in place.

On the progress of the annual audit, Mr Henderson stated that the annual accounts would be submitted by 30 June. A report would be presented to Council in August, supported by a Members' briefing, and he expected the audit to be completed by November, after which the outcome would be reported to the Audit & Governance Committee.

Opening the debate, Councillor Hampshire reiterated the financial challenges facing the Council, particular in relation to care services. He stressed the need for the Council to deliver further efficiencies and generate income and he thanked staff for their efforts in managing their budgets.

Councillor Akhtar highlighted the pressures on providing social care services and the need to shift the balance of care, including greater investment in primary care and community care.

Councillor Jardine welcomed the proposed 30-year business plan for the HRA. She also urged Members to take any concerns they have to their respective political parties.

Councillor McGinn paid particular tribute to library staff for their commitment during the period of reduced opening hours.

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

Decision

The Council agreed:

- i. to note the draft revenue and capital out-turn positions, and that these were provisional and remain subject to audit;
- ii. that following the decision of the IJB to allocate its remaining unallocated reserves to meeting NHS delegated pressures, and in line with section 9.14 of the Scheme of

Integration, to provide an additional contribution of £2.803m to the IJB to fund the overspend in Council services;

- iii. to provide a letter of guarantee to support the going concern assumption for EnjoyLeisure and the Brunton Theatre Trust;
- iv. to approve the updated budget mitigation measures, noting the change to recruitment measures and that they would remain under review through the quarterly monitoring process; and
- v. to approve the increase in unallocated reserves balance to £8.506m.

3. LEARNING ESTATE PAUSED CAPITAL PROJECTS

A report was submitted by the Executive Director for Education and Children's Services seeking approval for an amendment to the 2025/26-2029/30 capital programme whereby projects previously paused be unpaused due to need.

The Head of Education, Nicola McDowell, presented the report, drawing attention to a number of capital projects that she proposed should be reinstated on the capital budget, in relation to Elphinstone Primary School, Letham Mains Primary School, Knox Academy, Macmerry Primary School, Longniddry Primary School, Windygoul Primary School, Preston Lodge High School and Pinkie St Peter's Primary School. She proposed that a number of other paused capital projects should be reviewed at the end of 2025.

In response to questions from Councillor Bruce, Ms McDowell and Claire Morris, Team Manager for Schools Estate and PPP Project, advised that work was underway regarding the hand-back strategy for the PPP Project schools, which would include feasibility studies. As regards Preston Lodge High School, as there would soon be a breach in capacity, internal reconfiguration works were required now; however, the works would be kept to a minimum to address the breach. Members would be kept informed of progress on the hand-back of PPP schools. Concerning Preston Tower Primary School, Ms Morris noted that there was no forecast breach in capacity at the school, so she would not recommend unpausing that project at present.

Councillor Trotter questioned if the template for forecasting roll numbers required to be reviewed. Ms McDowell reported that roll projections had been subject to a recent internal audit, involving officers from a number of services. She was of the view that the process was robust. On the funding of the works, Ms Morris indicated that the level of works had been scaled back to be accommodated within existing developer contributions where possible, with only two projects requiring additional borrowing of £2.396m. This borrowing would not impact on other schemes during the current financial year, but would be reflected in future budget development.

With reference to North Berwick High School, Councillor Findlay asked if developer contributions would need to be returned if the project was not started within the stated timescales. Ms Morris did not have details of the expiry date to hand, but she did not think it was imminent; she would report back on this.

In response to a question from Councillors Forrest and Cassini on Section 75 Agreements, Keith Dingwall, Head of Development, advised that the Council would always seek to maximise developer contributions; however, certain requirements had to be met, otherwise the developer could appeal. He explained that the level of contributions had to be assessed at the point of determining the application. He accepted that increased costs of construction materials, etc. had impacted the Council.

Councillor Jardine asked if there was still a desire to replace East Linton Primary School. Ms Morris referred to a previous application to the Scottish Government for funding to replace the school, which had not been successful. She noted that there was currently no capital funding available to replace the school, and so the priority was to do the required work to meet current role projections and work with the available developer contributions to deliver this.

As regards the proposed work at Longniddry Primary School, Ms Morris confirmed that there would be a breach in early years' provision in 2026, and that there would be a further projected breach within the primary school in 2031, which would be considered at a later date.

Councillor Hampshire made reference to the significant investment in education facilities as a result of growth in East Lothian. He had hoped that a new primary school could be delivered in East Linton; however, this had not been supported by the Scottish Futures Trust.

A number of Members welcomed the proposal to unpause the projects listed in the report and the use of Section 75 funding to support these projects. Some concerns were raised about the long-term future of some of the school buildings.

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

Decision

The Council agreed:

- i. to that provision would be made in the capital programme for the following projects, which would be fully funded by developers' contributions:
 - alterations and refurbishment to Elphinstone Primary School to provide additional teaching and toilet provision
 - additional toilet and catering provision as an initial phase at Knox Academy with planning being undertaken on phase 2 to deliver additional teaching space
 - alteration and refurbishment of Macmerry Primary School to provide additional teaching and toilet provision
 - extension of Longniddry Primary School to provide additional teaching and early years provision
 - masterplan works to be undertaken relating to the planned extension of Windygoul Primary School
 - feasibility works to commence on the future requirements for alteration and expansion of Preston Lodge High School;
- ii. that provision would be made in the capital programme for the following projects would require an element of Council borrowing:
 - planned extension of Letham Mains Primary School to deliver additional teaching, toilet and circulation space; this project would be funded by a combination of developer's contributions and Council borrowing of £1.912m;
 - increasing the playing pitch capacity to meet the planning requirement for Pinkie St Peter's Primary School;
- iii. to note that several learning estate projects were recommended to remain paused and subject to further review once updated roll projections are available at the end of 2025 these projects relate to: Wallyford Primary School, Rosehill High School, North Berwick High School Prestonpans Tower Upper and Lower Campuses.

4. FEES FOR HEALTH-RELATED PLANNING APPLICATIONS

A report was submitted by the Executive Director for Place seeking approval for reduced fees to be applied to certain applications within the Planning Service of the Council.

The Head of Development, Keith Dingwall, presented the report, drawing attention to the regulation which allows planning authorities to reduce application fees for certain types of development. He proposed a 50% reduction on fees for health-related planning applications, adding that given the amount of work involved in determining applications it would be appropriate to charge 50% of the fee.

On the definition of 'health-related', Mr Dingwall advised that the guidance on this was clear, and that officers had also looked at the practices of other planning authorities – the applicant would be a not-for-profit organisation, and would need to demonstrate clear health benefits (which would also cover mental health) for local residents. Each application would be assessed on its own merits, and the existing planning process would be followed. Mr Dingwall added that the success of this practice would be monitored and would be reviewed on an annual basis.

The proposals set out in the report were welcomed by a number of Members, who noted that reducing planning fees would assist groups seeking to improve the health of those living within their communities.

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

Decision

The Council agreed to approve the introduction, from 1 July 2025, of a 50% reduction of fees for planning applications, certificates of lawful use or development, certificates of proposed use or development, advertisement consents, and applications made under Section 42 of the Town and Country Planning (Scotland) Act 1997 (as amended) in the following circumstances:

- where the application relates to development which, in the opinion of the planning authority, has the primary purpose of contributing to a not-for-profit enterprise or social enterprise; and
- where the application relates to development which, in the opinion of the planning authority, is likely to contribute to improving the health of residents in the area to which the application relates.

5. PROPOSED CHANGES TO THE COMMON GOOD COMMITTEES' SCHEME OF ADMINISTRATION

A report was submitted by the Executive Director for Council Resources seeking Council approval of proposed changes to the Scheme of Administration for Common Good Committees.

Declaration of Interest: having declared an interest, Councillor Forrest left the meeting for the duration of this item.

The Service Manager for Governance, Carlo Grilli, presented the report, advising that the purpose of the proposed changes was to improve the governance and scrutiny around Common Good Committees.

Responding to questions from Councillor Bruce, Mr Grilli advised that in relation to the maintenance of Common Good assets in areas not covered by the Common Good Committee, there could be scope for Local Members to make comment. As regards the maintenance plan, this would be a long-term plan; however, the details were not yet finalised.

Councillor Findlay asked if there was the potential for Local Members to be overruled on applications within their area. Mr Grilli confirmed that this was a possibility, but added that the views of the relevant Community Council would be important in considering applications.

Councillor Menzies queried the process for appointing the Convener. Mr Grilli pointed out that the Convener would normally be appointed at the beginning of a new Council term, but as the Committee was being established mid-term, it was proposed that the Provost takes on this role for the remainder of the term.

Councillor Jardine asked if Area Partnerships should also be consulted on applications. Mr Grilli explained that the proposal to consult Community Councils was based on their statutory status. However, this could be reviewed in future.

In response to questions from Councillor McIntosh, Mr Grilli cautioned against the idea of Community Councils having a vote on applications, as administering Common Good funds was a Council duty. He advised that some aspects of Common Good business would be heard in public, but grant applications would continue to be heard in private.

Councillor Akhtar voiced her concern about Members taking decisions on Common Good funds outwith their own areas. Mr Grilli reiterated that administering Common Good funds was a responsibility for the Council, and that the full Council was often required to take such decisions. He added that the new arrangements would be reviewed as part of the regular reviews of Standing Orders.

The proposals were broadly welcomed by Members, who felt that greater consistency would be achieved in determining applications, and also that Community Councils would be given an opportunity to comment on applications within their ward. The proposed production of an annual maintenance plan was also received positively.

In response to concerns raised by Councillor Findlay, Councillors Hampshire and McMillan reassured him that the views of Members on applications within their ward would be taken into account, as local knowledge was important, and that it was hoped consensus could be reached on determining applications.

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

For (19): Councillors Akhtar, Allan, Bennett, Bruce, Collins, Dugdale, Gilbert, Hampshire, Jardine, McFarlane, McGinn, McGuire, McIntosh, McLeod, McMillan, Menzies, Ritchie, Trotter, Yorkston

Against (1): Councillor Findlay

Abstentions (0):

Decision

The Council agreed:

- i. to approve the proposed changes associated with Common Good Committees, including the revised Scheme of Administration, effective from the start of the 2025/26 committee session;
- ii. to approve the appointment of the Provost of the Common Good Committee; and
- iii. to note that a change to the approved Schedule of Meetings for 2025/26 would be required (with proposed meeting dates set out within the report).

Sederunt: Councillor Forrest returned to the meeting.

6. SHORT-LIFE CROSS-PARTY GROUP FOR HOUSING

A report was submitted by the Executive Director for Place advising of the role and remit of the Short-life Cross-party Group for Housing.

The Head of Housing, Wendy McGuire, presented the report, reminding Members of the agreement by Council in February 2025 to set up a Short-life Cross-party Group for Housing. She noted that in addition to the membership set out at Section 3.3 of the report the Depute Leader should also be included.

Councillor Bruce questioned if the proposed time period of 18 months would be sufficient to deal with the various housing issues. Ms McGuire felt that 18 months was reasonable. She was also of the view that there was no requirement for a housing committee, as there were already appropriate governance and scrutiny arrangements in place.

Councillor McIntosh sought information on the housing emergency action plan. Ms McGuire referred to the review of the Local Housing Strategy action plan and advised that a similar plan would be devised for the housing emergency, which would be monitored by the cross-party group and shared with the Housing Partners Board; other stakeholders would also be consulted.

Councillor Jardine proposed an amendment to the recommendations, namely that Recommendation 2.2 should be amended to read:

2.2 To approve the Terms of References attached at Appendix A, with the following amendment to the membership of the Group: *Add* 'Convener of the Policy and Performance Review Committee' and *replace* 'Leader of the Opposition' with 'Shadow Spokesperson for Housing & Property Maintenance'.

Councillor Jardine thanked officers and the Administration for taking forward ideas for the oversight of housing matters. She noted the clear connection between the work of the cross-party group and the PPRC and believed that it would be helpful to have the PPRC Convener as a member of the group, as well as the Shadow Spokesperson for Housing & Property Maintenance.

Councillor Trotter seconded the amendment.

Councillor Hampshire indicated that he would be happy to support the amendment. As regards the housing emergency, he pointed out that the Council had built 1174 new affordable homes over the past five years, but that more were required to meet the demand. He accepted that this would be challenging, alongside delivering the modernisation programme. He welcomed the proposal to discuss ideas on a cross-party basis.

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

Decision

The Council agreed:

- i. to establish a Short-life Cross-party Group for Housing to monitor, review and have oversight of the affordable housing emergency over the next eighteen months; and
- ii. to approve the Terms of Reference for the Short-life Cross-party Group for Housing (attached at Appendix A to the report), with the membership amended to include the Deputy Council Leader and the Convener of the Policy and Performance Review Committee, and to replace the Leader of the Opposition with the Shadow Spokesperson for Housing & Property Maintenance.

7. SUMMER RECESS ARRANGEMENTS 2025

A report was submitted by the Executive Director for Council Resources advising Members of the arrangements for dealing with urgent business during the summer recess 2025, and seeking approval of the addition of a Recess Committee to the Scheme of Administration.

The Head of Corporate Support, Hayley Barnett, presented the report, advising of the proposal to establish a Recess Committee, in accordance with Standing Order 15.6, and drawing attention to the associated terms of reference.

In response to questions from Councillor Jardine, Ms Barnett provided a summary of business brought forward during recent recess periods. She also noted that the Chief Executive had powers to deal with urgent matters.

Councillor Jardine proposed an amendment to the recommendations, namely that Recommendation 2.2 should be amended to read:

2.2 To approve the addition of a Recess Committee to the Scheme of Administration, and the terms of reference for that committee (set out in Appendix 1 [to the report]), with amended membership to include the Leaders of Opposition Groups.

Councillor Jardine commented that the proposal outlined in the amendment would enable Members to work more collaboratively and provide cross-party scrutiny.

Councillor Gilbert seconded the amendment, commenting that different political perspectives should be represented as this would strengthen accountability.

Councillor Hampshire assured Members that the Administration would not seek to deal with business through recess powers that would not be supported by the wider Council. He suggested that the Chief Executive could consult with the Leader of the Opposition on any business coming forward during recess periods.

Councillor Bruce considered that including more Members would make it easier for recess business to be undertaken, and so he was supportive of the amendment. His views were shared by Councillors McIntosh and Menzies.

There followed a discussion about the membership of the proposed Recess Committee. The Monitoring Officer clarified that if Councillors Jardine and Gilbert were prepared to adjust their

amendment to reflect the 'Leader of the Opposition' as opposed to 'Leaders of Opposition Groups' then there would be no need for a further amendment. Following a short adjournment, Councillors Jardine and Gilbert agreed that they would be happy with this change. Councillor McGuire also supported this position.

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

Decision

The Council agreed:

- i. to note the application of recess business arrangements, in accordance with Standing Order 15.6, outlined at Section 3.1 of the report;
- ii. to approve the addition of a Recess Committee to the Scheme of Administration, and the terms of reference for that committee (set out in Appendix 1 to the report), with amended membership to include the Leader of the Opposition; and
- iii. to note that a summary of business carried out during the recess period, including the minutes of Recess Committee meetings, would be brought to the Council meeting of 26 August 2025, and that copies of all reports approved during the recess period would be lodged in the Members' Library.

8. APPOINTMENTS TO COMMITTEES AND PARTNERSHIPS

A report was submitted by the Executive Director for Council Resources seeking approval of proposed changes to the SNP Group's membership of Committees and Partnerships.

The Clerk presented the report, drawing attention to the proposed changes to Committee and Partnership membership, as set out within Section 3.1 of the report.

Councillor Dugdale thanked Councillor Trotter for his input to the work of the Education and Children's Services Committee, and welcomed Councillor Cassini to that committee.

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

Decision

The Council agreed to approve the proposed changes to the SNP Group's membership of Committees and the East Lothian Integration Joint Board, as set out below:

- Education and Children's Services Committee – Councillor Cassini to replace Councillor Trotter
- Joint Consultative Committee – Councillor Jardine to replace Councillor Cassini
- East Lothian Integration Joint Board – Councillor Allan to replace Councillor Jardine

9. APPOINTMENT TO THE POSTS OF HEAD OF DEVELOPMENT AND HEAD OF COMMUNITIES & PARTNERSHIPS

A report was submitted by the Executive Director for Council Resources advising of the decision of the Chief Officer and Head Teacher Appointments Sub-Committee to appoint Keith Dingwall to the post of Head of Development, and to appoint Eamon John to the post of Head of Communities & Partnerships.

The Clerk presented the report, advising that Mr Dingwall had taken up his new post in early June and that Mr John would assume his new role on 30 June.

The Provost welcomed the officers to their new posts, and he thanked Ray Montgomery and Caroline Rodgers for acting in those roles.

Decision

The Council agreed:

- i. to note the decision of the Chief Officer and Head Teacher Appointments Sub-Committee to appoint Keith Dingwall to the post of Head of Development and Eamon John to the post of Head of Communities & Partnerships
- ii. to advise Council that following receipt of satisfactory pre-employment checks, Keith Dingwall was offered the post of Head of Development and commenced employment in the post on 2 June 2025;
- iii. to advise Council that following receipt of satisfactory pre-employment checks, Eamon John was offered the post of Head of Development and would commence employment in the post on 30 June 2025;
- iv. to note the minute of the Chief Officer and Head Teacher Appointments Sub-Committee held on 30 April 2025 for the appointment of Head of Development (attached at Appendix 1 to the report); and
- v. to note the minute of the Chief Officer and Head Teacher Appointments Sub-Committee held on 16 May 2025 for the appointment of Head of Communities & Partnerships (attached at Appendix 2 to the report).

10. SUBMISSIONS TO THE MEMBERS' LIBRARY SERVICE, 14 APRIL TO 8 JUNE 2025

A report was submitted by the Executive Director for Council Resources noting the reports submitted to the Members' Library since the meeting of the Council in April 2025.

Decision

The Council agreed to note the reports submitted to the Members' Library Service between 14 April and 8 June 2025, as listed in Appendix 1 to the report.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

The Council 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.

Sponsorship of Blindwells Strategic Outline Business Case

A private report seeking approval to sponsor the Blindwells Strategic Outline Business Case, approve its submission to the UK and Scottish Governments for consideration, and delegate authority to the Executive Director for Council Resources to engage with the UK and Scottish Governments with a view to progressing to Outline Business Case stage was approved.

Common Good Application

A private report seeking determination of an application for Common Good funding was approved, with funding being awarded as follows: Musselburgh Congregational Church: £20,000.

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East Lothian Council
Action Record: February – June 2025

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Action Ref.	Meeting Date	Item Number and Title	Action(s) Agreed	Action Owner(s)	Target Completion Date	Actual Completion Date	Comments/Responses/ Additional Information
25/01	25 02 25	03 CSWO Annual Report 2023/24	Additional question: to provide information on children's daycare provision in next PPRC report	Lindsey Byrne	12 06 25	12 06 25	1140 Hours update to PPRC on 12 06 25 – Recommended for closure
25/02	25 02 25	08 Motion: Global Fossil Fuel Non-proliferation Treaty	Motion: Motion continued (under SO11) pending further discussion at Cross-party Group on Climate Change and Sustainability	Cllr McIntosh	n/a		Motion to be considered at the next Cross-party Group meeting (Sept 25)
25/03	25 02 25	09 Motion: Local Heat and Energy Efficiency Strategy	Motion: Motion continued (under SO11) to allow for consideration of detail and impact	Cllr Jardine	n/a		
25/04	29 04 25	07 A1 Road Network: Litter Management Responsibilities	Report recommendations: i. that the Chief Executive should write to Scottish Ministers requesting a review of litter management responsibilities for the full section of the A1 and a move towards consistency with areas part of the special road order to allow the Council to focus	Laurence Rockey		09 05 25	Letters issued on 9 May Recommended for closure

Action Ref.	Meeting Date	Item Number and Title	Action(s) Agreed	Action Owner(s)	Target Completion Date	Actual Completion Date	Comments/Responses/ Additional Information
			resources on population centres, local road network and area of ownership/responsibility; ii. that the Chief Executive should write to other local authorities with trunk road litter management responsibilities and CoSLA, providing information on the local context and seeking support for the requested review.				
25/05	29 04 25	13 Motion: Security of Nation's Energy Supply	Motion: Motion continued (under SO11) pending further discussion at Cross-party Group on Climate Change and Sustainability	Cllr Hampshire	n/a		Motion to be considered at the next Cross-party Group meeting (Sept 25)
25/06	29 04 25	15 PRIVATE Applications for Common Good Funding	Additional question: to provide information on the costs to the Council re. supporting civic events	Tom Reid		23 06 25	Information provided by the Head of Infrastructure; emailed to Members on 23 06 25 Recommended for closure
25/07	24 06 25	02 Year-end Financial Review 2024/25	Report recommendation: iii. to provide a letter of guarantee to support the going concern assumption for	David Henderson		22 07 25	Letters issued to both organisations on 22 07 25 Recommended for closure

Action Ref.	Meeting Date	Item Number and Title	Action(s) Agreed	Action Owner(s)	Target Completion Date	Actual Completion Date	Comments/Responses/ Additional Information
			EnjoyLeisure and the Brunton Theatre Trust				
26/07	24 06 25	03 Learning Estate Paused Capital Projects	Additional question: to provide information on the implications as regards the expiry of developer contributions for the paused project at North Berwick High School	Claire Morris		26 06 25	No expiry date confirmed yet for NBHS developer contributions; earliest expiry date anticipated to be 2035 Recommended for closure

11 August 2025

COMMITTEE:	East Lothian Council
MEETING DATE:	26 August 2025
BY:	Executive Director for Council Resources
REPORT TITLE:	Submissions to the Members' Library Service, 9 June – 10 August 2025
REPORT STATUS:	Public

1 PURPOSE OF REPORT

- 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

Members are recommended to:

- 2.1 Note the reports submitted to the Members' Library Service between 14 April and 8 June 2025, 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 RESOURCE AND OTHER IMPLICATIONS

5.1 Finance: None

5.2 Human Resources: None

5.3 Other (e.g. Legal/IT): None

5.4 Risk: None

6 INTEGRATED IMPACT ASSESSMENT

6.1 **Select the statement that is appropriate to your report by placing an 'X' in the relevant box.**

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

X

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

- 7.1 Appendix 1 – Bulletin of business submitted to the Members' Library, 9 June – 10 August 2025

8 BACKGROUND PAPERS

- 8.1 East Lothian Council Standing Orders: Standing Order 3.4

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

Name	Lel Gillingwater
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Date	11 August 2025

Head of Service Approval

Name	Hayley Barnett
Designation	Head of Corporate Support
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Completed
Approval Date	11 August 2025

**MEMBERS' LIBRARY SERVICE RECORD FOR THE PERIOD
8 JUNE – 10 AUGUST 2025**

Reference	Originator	Document Title	Access
52/25	Head of Infrastructure	Building Warrants Issued Under Delegated Powers – May 2025	Public
53/25	Head of Corporate Support	Establishment Changes – May 2025	Private
54/25	Executive Director for Council Resources	Staffing report for the Creation of a Temporary Projects Officer – HR	Private
55/25	Executive Director for Council Resources	Creation of a Performance & Systems Development Team within Housing	Private
56/25	Executive Director for Council Resources	Creation of a Senior Rent Income Officer Post within Rent Income Team	Private
57/25	Head of Development	East Lothian Council Response to Consultation on Statutory Guidance for Climate Change Duties	Public
58/25	Executive Director for Place	Community Council Elections 2025	Public
59/25	Executive Director for Place	Update on Blindwells Strategic Outline Business Case	Public
60/25	Executive Director for Council Resources	Staffing Report for the Creation of an Operations Officers within the Arts Service	Private
61/25	Head of Infrastructure	Sale of Land and Buildings, Haddington	Private
62/25	Head of Communities and Partnerships	Community Intervention Funding Allocations 2024/25	Public
63/25	Executive Director for Council Resources	In-House Pest Control Service – Phase 2	Private
64/25	Head of Infrastructure	Sale of Land, Dirleton	Private
65/25	Head of Infrastructure	Grant of Servitude Rights, Wallyford	Private
66/25	Executive Director for Place	Confirmation of Tree Preservation Order at Cromwell Road, North Berwick [TPO no. 149 (2025)]	Public
67/25	Executive Director for Council Resources	East Lothian Council Draft (Unaudited) Annual Accounts 2024-25	Public
68/25	Head of Corporate Support	Establishment Changes for June 2025	Private
69/25	Head of Infrastructure	Building Warrants issued under Delegated Powers between 1 st and 30 th June 2025	Public
70/25	Executive Director for Council Resources	Creation of 2 x Modern Apprentice - Trainee Roads Officer	Public
71/25	Executive Director for Council Resources	Review of Management Structure within Housing Services	Private
72/25	Head of Development	Edinburgh Innovation Hub Update	Private

73/25	Executive Director for Council Resources	Staffing Report for the Creation of a Community Care Worker – Housing Occupational Therapy within Housing	Private
74/25	Head of Infrastructure	Spring 2025 Additions to the List of Roads	Public
75/25	Executive Director for Council Resources	Service Review – Telecare Team	Private
76/25	Executive Director for Council Resources	Review of Engineering Services & Building Standards Structure	Private
77/25	Head of Corporate Support	East Lothian Integration Joint Board 2025/26 Directions	Public
78/25	Executive Director for Council Resources	Review of Emergency Care within the Home Care Team	Private
79/25	Executive Director for Council Resources	Review of Working Hours of The Cove – Dunbar Primary School	Private
80/25	Head of Infrastructure	Building Warrants Issued under Delegated Powers between 1 and 31 July 2025	Public
81/25	Head of Corporate Support	Establishment Changes – July 2025	Private
82/25	Executive Director for Council Resources	Service Review: Transport Services – MA Posts within VPMU	Private
83/25	Head of Infrastructure	Sale of Land near Inglisfield, Gifford	Public
84/25	Head of Infrastructure	Lease for Office Space within the Fisherrow Centre	Public
85/25	Executive Director for Council Resources	Review of Law Primary School Nursery	Private

11 August 2025

COMMITTEE: East Lothian Council

MEETING DATE: 26 August 2025

BY: Executive Director for Council Resources

REPORT TITLE: Accounts Commission – Best Value

REPORT STATUS: Public

4

1 PURPOSE OF REPORT

- 1.1 To provide Members with an update on the key findings from the Accounts Commission – Best Value Controller of Audit report.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Note the key findings from the Accounts Commission review of Controller of Audit's report on Best Value in East Lothian Council, as set out within Appendix 1.
- 2.2 Note the Council's response and summary of actions detailed within Appendix 2 and summarised at paragraph 3.4.

3 BACKGROUND

- 3.1 Audit Scotland presented the 2023/24 annual audit report to Council on 29 April 2025, and at that meeting Members were informed that East Lothian Council would be subject to a Best Value report in line with statutory guidance. The Controller of Audit has prepared a Best Value report on East Lothian Council based on evidence collected by auditors in the 2022/23 and 2023/24 annual audits. This report has been considered by the Accounts Commission with their key findings published on 3 July 2025. There is a statutory process aligned to this reporting which includes the following:

- The Council must consider the findings at a Council meeting within 3 months of receiving the report.
 - The notification of this meeting must be published in a newspaper in the local area stating when the findings will be considered, and the nature of these findings and recommendations. This notification has been formally published in the East Lothian Courier on 7 August 2025.
 - The local authority must inform the Commission as soon as possible after the meeting of any decisions made.
 - The Council must publish in a newspaper a notice containing a summary of any such decisions.
- 3.2 Senior ELC officers were in attendance at the public session on 12 June 2025 where the Controller of Audit and the Council's External Auditors presented their findings to the Accounts Commission. The findings from the Accounts Commission were published on 3 July, and these are included within **Appendix 1** alongside the Controller of Audit report. In addition, senior officers, including a number of Elected Members, will discuss the findings with the Accounts Commission on 20 August 2025. An update on the discussion will be provided to Members following the meeting.
- 3.3 The delivery of Best Value and the key findings remain aligned to the Council Plan, values and key corporate strategies including financial and transformation, many of which are subject to separate reports to be considered at the Council meeting on 26 August 2025.
- 3.4 A response to each of the key findings is reflected in **Appendix 2** with a summary of key next steps set out in the table below. Aligned to the statutory process, a detailed response will be issued to the Accounts Commission following Council discussion.

Finding	Action	Responsible	Target Completion Date
1	Continue to progress the delivery of the Council's financial strategy and work towards the development of a balanced budgets for 2026/27 onwards.	Executive Director / Head of Finance	February 2026 & ongoing
2	Deliver a plan to PPRC to support Member development.	Head of Corporate Support	September 2025

2	Finalise and implement review of performance reporting	Transformation and Digital Portfolio Manager	June 2026
2 & 4	Finalise review of workforce plan	Head of Corporate Support	December 2025
2	Complete review of Council Plan Action Plan to refocus actions and present to Council	Service Manager - Communications	August 2025
3	Implement and develop new finance system	Exec Director / Head of Finance	November 2025 (phase 1)
4	Annual report on ESES City Region Deal to Council	Exec Director / Head of Development	October 2025
5	Finalise development of participation and engagement strategy	Exec Director / Head of Communities	December 2025
6	Implement planned improvements to staff engagement and the employee survey	Organisational Development Manager	April 2026

Table 1: Key actions in response to Accounts Commission findings

4 POLICY IMPLICATIONS

- 4.1 This report will support the achievement of the Council's strategic priorities, as set out within the Council Plan and provides external validation of the Council's commitment to delivering Best Value, in line with its statutory duties. The findings will not in themselves result in any direct policy implications but provide a commentary on the Council's arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost).

5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: No direct implications arising from the recommendations in this paper; however, the Controller of Audit's report highlights that financial sustainability must remain a key priority for the Council.
- 5.2 Human Resources: No direct implications arising from the recommendations in this paper.

- 5.3 Other (e.g. Legal/IT): None identified.
- 5.4 Risk: No direct implications arising from the recommendations in this paper.

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 **Select the statement that is appropriate to your report by placing an 'X' in the relevant box.**

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

X

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

Subject	Impacts identified (Yes, No or N/A)
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Socio-economic disadvantage/poverty	
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Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

7.1 Appendix 1 – Accounts Commission – Controller of Audit Report

7.2 Appendix 2 – Key Findings & Management Responses

8 BACKGROUND PAPERS

8.1 Report to Council, 29 April 2025 – Annual Audit Report 2023/24

https://www.eastlothian.gov.uk/meetings/meeting/17334/east_lothian_council

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

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Head of Service Approval

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Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Completed
Approval Date	18 August 2025

Best Value

East Lothian Council



ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
July 2025

Contents



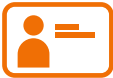




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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Key facts

	270	Square miles
	113,000	Population
	4,144	Workforce (FTE)
	22	Elected members 10 Scottish Labour, 6 Scottish National Party, 4 Scottish Conservative and Unionist, 1 Scottish Green Party, 1 Independent. Minority Labour Administration
	£45.9m	Cumulative budget gap for 2026/27 and the following three years (based on a flat cash settlement and 5 per cent increases in council tax)
	£286m	Net revenue budget/expenditure 2023/24
	£141m	Capital budget 2023/24, (£107m General Fund, £34m HRA)

Commission findings

The Accounts Commission endorses the Controller of Audit's report on Best Value in East Lothian Council ([presented at page 6](#)) and the recommendations made by auditors in their recent reports. Following consideration of these reports at its meeting on 12 June, the Commission has made the findings presented below:

- 1** Against the demand challenges presented by East Lothian's growing population, the council has improved or maintained performance across many service areas. But this is set against the use of reserves to balance budgets. The council recognises that this is no longer sustainable, and we are pleased to see a financial strategy that commits to limiting the use of one-off resources going forward and to using reserves for 'invest to save' initiatives. Elected members must continue to work together to take the difficult decisions necessary to address the projected cumulative budget gap and ensure financial sustainability.
- 2** In response to resource and demand-led pressures, the Council Plan now focuses on a smaller number of key priorities, underpinned by its financial strategy, transformation strategy and workforce plan. A focus on defining actions, setting clear targets, maintaining oversight of performance, and clearly articulating required improvement actions for these plans is important, if the council's ambitions are to be realised. As auditors have recommended, the council must also be clear about what is an acceptable level of performance in non-priority areas.
- 3** We expect to see evidence in subsequent audits of significant progress in relation to the council's transformation strategy. Of particular importance is ensuring capacity to deliver its digital transformation projects, which have the potential to shape the workforce of the future and lay the foundations for service transformation. We encourage digital and finance teams to continue to work collaboratively as a new finance system is implemented, so that risks are minimised and the system's full benefits can be realised, including improved efficiency and more robust internal controls.
- 4** Like many councils, East Lothian faces persistent workforce capacity, recruitment and retention challenges, so we would encourage it to build on its existing workforce planning foundations and fully implement the auditors' recommendations

as a matter of priority. The council should also continue to seek opportunities to collaborate and share services and staff with other councils and partners. The Commission recognises the council's commitment to leadership development for officers, and training for elected members on effective scrutiny. Ensuring continued development for councillors is critical given the difficult choices that lie ahead.

- 5** The council's commitment to community engagement and empowerment is demonstrated through its service structures and delegated funding. We were encouraged by the way the council engaged with residents in advance of decisions on council tax (as part of setting its 2025/26 budget) and look forward to hearing about how its new Participation and Engagement Strategy can deepen dialogue with communities about the difficult choices that lie ahead. Community views will be invaluable to the cross-party budget working group when taking tough decisions about prioritisation and future budgets.
 - 6** A high response rate to the council's most recent staff engagement survey is encouraging and we look forward to seeing what more it does in future surveys to encourage and facilitate more front-line, non-office-based staff to complete the survey. The survey identified issues around work-related stress and workloads, so it is important to have a complete picture, allowing appropriate action plans to be developed and implemented.
-

Controller of Audit report

1. This report is made by the Controller of Audit to the Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected in the 2022/23 and 2023/24 annual audits of the council, with the latter reported in March 2025. [Appendix 1](#) includes links to the 2022/23 and 2023/24 Annual Audit Reports (AAR) and [Appendix 2](#) includes a link to the Best Value Statutory Guidance.

2. The reporting of Best Value is undertaken through the annual audit of each council and includes detailed work focusing on a Scotland-wide theme. The Best Value theme for 2022/23 was councils' leadership of the development of new local strategic priorities while the 2023/24 theme focused on workforce innovation.

3. The Best Value theme for 2024/25 is Transformation and how councils are redesigning and delivering more efficient services to achieve planned outcomes. The work undertaken by the auditor at the council was not complete in time to be covered here and will be reported on in the 2024/25 Annual Audit.

Pace of continuous improvement

4. East Lothian Council (the council) are committed to the principles of Best Value, with performance in most areas improving over time and relative to family group and national averages.

5. The council has an experienced management team in place that has been relatively stable in recent years. In February 2025, the former chief executive retired and a new chief executive joined the council in April 2025.

6. The council have been largely receptive to the improvement recommendations made by the auditor. However, a number of internal control inconsistencies and inefficiencies persist, and the council needs to strengthen the digital strategy, cybersecurity, and the business continuity management strategy and associated policies, to address prior year audit recommendations.

7. Financial sustainability must remain a priority for the council which has a relatively low level of reserves. The council will need to maintain a focus on financial resilience including developing key indicators and measures.

Best Value Assurance Report follow-up

8. The council has made good progress in implementing the improvement actions in response to the findings and conclusions from the previous (BVAR) in 2018. The recommendations have been tracked through the council's improvement plan, alongside other external audit recommendations and council identified improvement accounts. This is monitored annually. As the council has implemented the improvement actions, further improvement opportunities have been identified as the council looks for continuous improvement. The external auditor will continue to monitor the council's progress in relation to these wider improvement actions as part of their annual audit.

Leadership review

9. Leadership in the development of new local strategic priorities was the subject of Best Value thematic work in 2022/23. The auditor concluded that the council's leadership have been effective in setting out a clear vision and priorities but could enhance the performance objectives it wants to achieve in its priority areas.

10. Governance arrangements are well established, but auditors highlighted that in June 2024 the Audit and Governance Committee and the Policy and Performance Review Committee meetings had to be cancelled or rescheduled as both were not quorate.

11. The Council Plan 2022-27 was approved by the council in August 2022. In February 2024, the council approved proposals to re-prioritise the council plan recognising that the context, including the longer-term impact of the pandemic and cost of living, had changed. The council agreed to focus on delivering a smaller number of priorities than originally envisaged. The council's vision is aligned with community planning priorities in the East Lothian Plan 2017-27 (the Local Outcome Improvement Plan).

12. The council has now set clear performance outcome targets for each of its refreshed priority areas to ensure resources are allocated appropriately. However, greater clarity on what is an acceptable level of performance in non-priority areas is still needed.

13. The council has a range of plans and strategies underpinning the council plan's vision and objectives. These include a Transformation Strategy, Recovery and Renewal Plan, Poverty Plan, Equality Plan, Climate Change Strategy, Integration Joint Board Strategic Plan and the Economic Development Strategy. The Council Action Plan, containing 68 actions, includes implementation of each of these strategies/plans as a single action.

14. Council priorities continue to reflect the need to reduce inequalities, and the council approved the East Lothian Partnership's four-year plan to tackle poverty across the area in August 2024.

15. The council has a Climate Change Strategy which is due to be updated for 2025-30, following consultation on a revised draft at the end of 2024. It is important that actions in the strategy have specific targets for improvement.

16. The council has a Digital Strategy, approved in January 2023, structured around the key themes of the council plan and the need to invest in digital technology to drive transformation. A digital transformation board has been established to oversee performance against the digital strategy and provide the governance, prioritisation and allocation of resources.

17. The council recognise that service transformation is at the heart of delivering financially sustainable public services and a Transformation Strategy was approved in August 2024.

18. A leadership development programme was introduced in 2022 to empower officers to make informed decisions. Corporate and senior management teams have participated in the programme with ongoing roll-out in 2024/25.

19. Training and development are available to all elected members. An induction programme was provided to newly elected members after the May 2022 elections. Officers are responsive to elected members' requests for information. Briefings are regularly provided to give more detailed explanations than is possible in a formal council meeting.

20. There are cross-party working groups including the Budget Working Group and the Climate Change and Sustainability Forum. These foster cross-party discussion and exploration of options for priority areas in advance of formal decision-making at council meetings.

Citizen and community engagement

21. The council are committed to community empowerment as a key principle of its vision. The council's Connected Communities Service has a key role in delivering the council's community empowerment objectives, encompassing the Community Learning and Development Service, support for local area partnerships, community councils and grant funding for community organisations. There are six locally based Connected Communities teams with a significant focus on taking a place-based approach.

22. Communities had the opportunity to put forward their views on council priorities through public consultation for the 2023/24 budget. Further community engagement will be needed so that local citizens understand the difficult decisions needed to ensure financial sustainability of public services.

23. The council has delegated a £200,000 budget to each of its area partnerships (Musselburgh £250,000) for use in relation to general projects, citizen and community engagement and local amenity services.

Effectiveness of performance reporting

24. The council reports on a series of annual performance measures in its Annual Performance and State of the Council Report. The report details how the council is endeavouring to deliver Best Value and good governance and summarises progress made against the actions set out in the council plan action plan.

25. The council has a continuous improvement framework 'Improvement to Excellence' that encompasses objective-setting, planning and management, performance management, self-evaluation and external assessment and accreditation.

26. A key part of the framework is the adoption of a suite of 'Top 50' council plan indicators as the key indicators that monitor progress in achieving the council's strategic goals. A sub-set of 'Top 10' of these indicators has been identified to show at a glance how the council is performing in achieving the council plan.

27. These indicators are updated quarterly and reported through the Policy and Performance Review Committee. The reports are readily accessible on the council's website and show actual performance against target performance, performance trend (whether improving or deteriorating) and a brief commentary on performance.

28. The auditor has concluded that the council has satisfactory arrangements for the preparation and publication of statutory performance information. However, there remains scope to enhance public performance reporting via inclusion of fuller commentary on changes in performance, areas of underperformance and measures to be taken.

Reported performance

29. Performance for 2022/23 was reported to council in the 'State of the Council' report in February 2024. The report for 2023/24 is delayed until June 2025 following the departure of the officer responsible for coordinating the report.

30. Information available on 2023/24 performance was included in the council's accounts. Only 37 of the 'Top 50' indicators could be reported. Of these indicators 15 (40.5 per cent) had improved, eight (21.6 per cent) stayed the same and 14 (37.8 per cent) showed a decline when compared to the previous year.

31. The council reported that 43 per cent of the 37 indicators included in the accounts were on or above target (green), 32 per cent just below or moving towards target (amber), and 24 per cent below target (red).

32. Of the council's 'Top 10' indicators, five were reported as maintained or improving, and two as showing a decline. Data was not available for the other three indicators at the time the accounts were compiled.

33. A review of all LGBF indicators shows that 60 of 107 (56 per cent) available indicators have improved since the base year, five (five per cent) have stayed the same and 42 (39 per cent) have declined. The proportion of the 76 'performance' indicators improving is higher at 64 per cent, with the proportion of the 20 'cost' indicators showing improvement lower at 55 per cent. All 11 of the 'satisfaction' indicators have declined.

34. Of the council's 76 LGBF 'performance' indicators 55 per cent are in the top two quartiles, having increased from 43 per cent in the base year.

35. Considering the latest year in isolation, 45 per cent of the council's LGBF indicators have improved, 40 per cent were assessed as deteriorating and 15 per cent as staying the same. Only three councils had a larger proportion of indicators improve.

Workforce planning

36. In 2023/24, the Best Value thematic review focused on workforce innovation and how councils are responding to workforce challenges. The auditor identified scope to improve target-setting and use of data in the council's workforce planning arrangements, recommending that the council develop a workforce planning performance management framework, linked to its workforce plan, to inform future workforce planning. In total the auditor made eight recommendations.

37. The council Workforce Plan 2023-27 was approved by the council's cabinet in January 2023. It includes an overall vision that the council will be an employer of choice and nine core objectives. It is not clear, however, how workforce planning takes place at the service level to support the council level plan and auditors recommended that the council prepare guidance and templates to support service level planning.

38. The council's workforce plan provides data on the overall headcount and grading, a breakdown by protected characteristics, and available trend data. However, how data is informing the overall strategic approach to workforce planning could be clearer. The workforce plan is supported by an action plan with 40 actions; however not all have appropriate targets which makes it difficult to objectively evaluate what progress has been made and define what success looks like.

39. The council continues to look for opportunities to share services but has limited formal arrangements in place. The council does share a chief internal auditor with Midlothian Council and has an arrangement with the

City of Edinburgh Council who carry out insurance services on its behalf following the retirement of the person undertaking this work.

40. The council has completed a limited number of corporate digitalisation projects. Auditors concluded that the council needs to increase the pace of roll out of its digital transformation projects and address capacity issues within the IT team. Measures for the impact of digital technology on workforce productivity and service outcomes need to be developed. The council could also better set out how it expects digital technology to shape its future workforce, and the progress it is making in tackling digital exclusion among its staff.

41. The council conducted an employee engagement survey in 2023 focused on staff health and wellbeing with an overall response rate of just under 46 per cent. In the survey, 50.9 per cent of wider council staff, 81.5 per cent of teachers and 44.7 per cent of non-teaching school staff who responded reported work-related stress and concerns about workload. The council developed a corporate action plan in response to the 2023 staff survey, actions from which have been integrated into the workforce plan action plan, and a range of initiatives are in place to promote staff wellbeing.

42. The council has revised its flexible and homeworking policies and developed a detailed measurement framework in 2020 to capture the impact of its employees working more remotely but has not applied this. Auditors have recommended that the council should review the effectiveness of its Work Smart policy.

Financial management and sustainability

43. The auditor concluded that the council's medium-term financial plans reflect the council's strategic priorities, budget and savings plans are aligned with the 2022-27 Council Plan, and that the council has appropriate budget-setting and monitoring arrangements in place. The auditor highlighted, however, ongoing internal control inconsistencies and inefficiencies at the council, which increase the risk of control weaknesses. Measures need to be put in place to address these issues before the council migrates to a new financial system.

44. The council recognise the financial challenges facing the organisation and in August 2024 approved the Transformation Strategy 2024-29 to help address longer-term sustainability issues.

45. The council's planning context includes population growth, with a 12.6 per cent increase between 2011 and 2022 (99,717 to 112,300 people) and it has a slightly higher proportion of people over 75 years old (9.8 per cent compared to the Scottish average of nine per cent).

46. In 2022/23, the council reported a £6 million overspend, and the general fund balance fell from £29.7 million to £26.4 million. An overspend was also reported for 2023/24 when the council overspent

by £12.3 million. The council have been unable to fully deliver against its savings plans and mitigation actions.

47. Of the £12.3 million overspend in 2023/24, £3.1 million was met from IJB reserves and £9.2 million met from council reserves. Despite the overspend, the General Fund balance increased by £7.8 million to £34.2 million as the council made use of financial flexibilities relating to service concession arrangements (PPP/PFI).

48. The overall general fund balance at 31 March 2024 was £34.2 million, with £26.6 million earmarked for specific priorities. The uncommitted balance was £7.6 million or 2.2 per cent of the revenue budget for the year. The council's policy was to hold a minimum uncommitted general fund balance of £7.2 million.

49. The financial strategy 2025-30 sets a target minimum unallocated general fund balance of 2.5 per cent of the net revenue budget, which would be £8.6 million based on the 2025/26 budget. Key financial information for the council is included in [Exhibit 1](#).

Exhibit 1.

East Lothian Council – key financial information

Budget-setting	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Budget gap	12.9	19	17.3	17.7
Planned to be met via:				
• Savings and flexibilities	0.4	6.7	9.8	2.3
• Use of reserves	8.7	7.4	2.9 ¹	5.9 ¹
• Additional council tax/funding	3.8 (3%)	4.9 (7%)	4.6	9.5 (10%)
Actual				
Savings delivered	0.4	5.8 (87%)		
Reserves			Forecast²	
Use of / (contribution to) reserves	(6.5)	(10.3)	2.2	
Total usable reserves carried forward	45.2	55.5	53.3	
• General fund	26.4	34.2	36.1	
– Earmarked	19.2	26.6	27.6	
– Uncommitted	7.2	7.6	8.5	

Notes:

1. Includes use of capital reserves.

2. Council provided figures May 2025.

Source: Council accounts, committee papers and **43** provided figures

50. Of the councils £26.6 million earmarked general fund balance at the 31 March 2024, £18.5 million is earmarked for transformation, £1.1 million is earmarked for future budgets, £1.1 million is held in respect of devolved school management, and £1.8 million is earmarked for other purposes. Remaining amounts relate to affordable housing (£1.6 million), Scottish Futures Trust funding (£1.3 million) and service concession support (£1 million).

51. The council's total usable reserves carried forward at 31 March 2024 (£55.5 million) represents 17.1 per cent of its budget. This is below the family group and national averages, which are 21 per cent and 23.9 per cent respectively. The council was ranked 26 for this LGBF indicator.

52. The council is forecasting a further overspend in 2024/25 and an unplanned use of reserves of £1.1 million (February 2025 quarter 3 financial review). It is expected that total usable reserves will fall by £2.2 million, to £53.3 million, when the outturn is reported for 2024/25 (based on figures provided by the council at the end of May 2025).

53. The council's current financial strategy includes a set of budget development principles which includes a 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 reduction.

54. The auditor is satisfied that reserves levels are being regularly reviewed but highlights ongoing sustainability issues associated with using reserves to fund recurring expenditure. A clear plan and effective management of the council's reserves will be a necessary part of maintaining financial sustainability. Given the scale of the financial challenge, auditors have recommended that the council develop financial resilience indicators and resilience measures with a greater emphasis on its reserve position.

55. When the budget was set for 2025/26, the council identified savings of £2.3 million and planned to use £5.9 million of capital reserves to smooth loan charges. A council tax increase of ten per cent was approved.

56. The council is forecasting a cumulative budget gap of £45.9 million for the period 2026/27 to 2029/30 (based on a flat cash settlement and five per cent increases in council tax). This assumes the proposed savings of £2.3 million are delivered in 2025/26. The council has yet to set out how it will close its budget gap for 2026/27 and beyond, and elected members will need to work together to take some difficult decisions.

Housing revenue account

57. In 2023/24, the council planned for and delivered a surplus on the HRA prior to the charging of £1.3 million of capital expenditure to revenue. The HRA reserve increased slightly to £1.5 million.

58. Gross rent arrears as at 31 March as a percentage of rent due for that year increased from 5.8 per cent in 2022/23 to 6.3 per cent in 2023/24.

Delivery of the capital programme

59. The council approved a general services capital programme for 2023/24 of £98.9 million, and a housing capital programme of £33.9 million.

60. The outturn on the general services capital programme spend was reported as £51.1 million for 2023/24, representing a slippage of 53 per cent against the revised budget. The underspend reflects measures agreed by the council to pause or delay any uncommitted expenditure as well as a variation from the expected timing of spend across a number of projects.

61. The housing capital programme outturn was reported as £42.9 million for 2023/24, £9 million higher than the original budget. This reflects the increase in the number of new build council house sites which has been met by additional grant funding and an increase in borrowing.

62. The council's overall capital financing requirement (its underlying need to borrow) increased from £567.7 million to £625 million in 2023/24. The council's ratio of general fund financing costs to net revenue stream in 2023/24 was below the family group and national averages (ranked ten). While the HRA financing cost ratio is above family group and national averages (ranked 21 out of 26). The auditor has recommended that the council should establish clear indicators to support its assessment of the ongoing affordability of the capital programme.

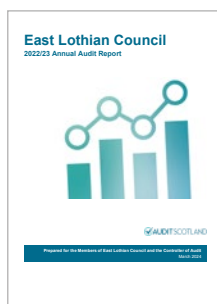
Appendix 1

2022/23 and 2023/24 Annual Audit Reports

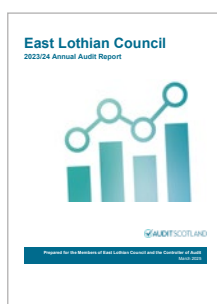
These reports summarise the findings from the 2022/23 and 2023/24 annual audits of East Lothian Council.

Each Annual Audit Report comprises:

- significant matters arising from the audit of the council's Annual Accounts
- conclusions on the council's performance in meeting its Best Value duties
- conclusions on the following wider scope areas that frame public audit as set out in the Code of Audit Practice 2021:
 - Financial management
 - Financial sustainability
 - Vision, leadership and governance
 - Use of resources to improve outcomes.



2022/23 Annual Audit Report **East Lothian Council** March 2023



2023/24 Annual Audit Report **East Lothian Council** March 2024



Appendix 2

Best Value Statutory Guidance

The Local Government in Scotland Act 2003 introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices
- to make arrangements for the reporting to the public of the outcome of the performance of functions.

Best Value

East Lothian Council



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

Phone: 0131 625 1500 Email: info@audit.scot

www.audit.scot

ISBN 978 1 915839 77 0

Appendix 2 - Accounts Commission – Controller of Audit Report Key Findings

1. Against the demand challenges presented by East Lothian's growing population, the council has improved or maintained performance across many service areas. But this is set against the use of reserves to balance budgets. The council recognises that this is no longer sustainable, and we are pleased to see a financial strategy that commits to limiting the use of one-off resources going forward and to using reserves for 'invest to save' initiatives. Elected members must continue to work together to take the difficult decisions necessary to address the projected cumulative budget gap and ensure financial sustainability.

- a. ELC management response:

- i. Managing the financial environment and the financial sustainability remains a key priority of the Council, and Council reports and strategies remain aligned to this priority.
 - ii. The Council-approved financial strategy aims to minimise the use of reserves, and this objective was evidenced through the approved budget for 2025/26. The strategy includes the establishment and use of a Transformation Fund which supports investment in critical areas to support transformation and financial sustainability.
 - iii. The cross-party budget working group remains a fundamental pillar to support effective discussions aligned to the budget development process. The 2025-26 budget achieved cross party support, and discussions are progressing on developing budget proposals for 2026-2031.

2. In response to resource and demand-led pressures, the Council Plan now focuses on a smaller number of key priorities, underpinned by its financial strategy, transformation strategy and workforce plan. A focus on defining actions, setting clear targets, maintaining oversight of performance, and clearly articulating required improvement actions for these plans is important, if the council's ambitions are to be realised. As auditors have recommended, the council must also be clear about what is an acceptable level of performance in non-priority areas.

- a. ELC management response:

- i. The Council has a wide range of statutory duties and functions. Key performance areas are closely monitored and reviewed by the Council Management Team and political oversight and scrutiny are reported through the Council's governance structures.
 - ii. The Council has been reviewing its strategic approach to performance reporting and some key areas of development are summarised below:
 1. Wider scrutiny of performance has been an area of review by PPRC, and the Committee supported by officers and the Improvement Service, have undertaken a self-assessment to support and enhance effective scrutiny and drive forward improvement. A development plan will be presented to PPRC in September to support member development.

2. The Council Management Team has been undertaking a review of performance indicators, and wider oversight in terms of reporting to inform future discussions both at official and political level aligned to the future shape and delivery of services going forward.
 3. A refreshed approach to performance reporting was presented to PPRC in June 2025, which includes a focus on both strategic and service level performance and structured around the Council's key strategies and priorities. The first Directorate level performance reports will be presented to PPRC in September 2025.
 4. In addition, national Local Government Benchmarking report continues to be presented to PPRC, and additional training will be developed for members to support effective scrutiny.
 5. Officers have been progressing a review of the workforce plan with reference to the audit Best Value thematic recommendations. This review has included a review of actions and SMART measurable targets and alignment with enhanced service planning. An update will be presented through the Council's political governance in forthcoming months.
 6. Work has been ongoing to review the Council Plan Action Plan including alignment with Performance reporting. A separate report will be presented to Council in August 2025, including a reduction and refocus from 68 actions to 36.
- iii. Given the challenging fiscal environment and enhanced demands, the need to consider Best Value in how the Council resources are allocated within the budget is an important and ongoing area of focus. This also remains an important area to support both local and national discussions around the level of funding and impact of funding in supporting outcomes for our communities.
3. We expect to see evidence in subsequent audits of significant progress in relation to the council's transformation strategy. Of particular importance is ensuring capacity to deliver its digital transformation projects, which have the potential to shape the workforce of the future and lay the foundations for service transformation. We encourage digital and finance teams to continue to work collaboratively as a new finance system is implemented, so that risks are minimised and the system's full benefits can be realised, including improved efficiency and more robust internal controls.
- a. ELC management response:
- i. In August 2024, Council approved a refreshed Transformation Strategy from 2024-2029, and an annual update setting out progress on the Transformation Strategy will be presented to Council in August 2025.
 - ii. The Transformation Strategy remains aligned to support the financial sustainability of the Council and has a number of key

- enablers and strategic objectives, including to support digital transformation.
- iii. The Council has already earmarked a transformation fund to support organisational change, and this fund has been used to support investment in digital technology particularly investment to enable the development of the new Finance system.
 - iv. The Council has in place a Digital Transformation Board which is chaired by the Executive Director for Council Resources and remains the key focus for strategic digital workstreams.
 - v. The Council's focus to date has been on progressing with upgrading key corporate systems which remain fundamental to the effectiveness of the delivery of council services and supports the wider customer and transformation journey.
 - vi. The implementation of the new finance system remains a critical priority for the organisation and is on progress to implement the first phase in autumn 2025. This new system will result in enhanced integration, and automation and standardisation of many processes which required manual interface.
4. Like many councils, East Lothian faces persistent workforce capacity, recruitment and retention challenges, so we would encourage it to build on its existing workforce planning foundations and fully implement the auditors' recommendations as a matter of priority. The council should also continue to seek opportunities to collaborate and share services and staff with other councils and partners. The Commission recognises the council's commitment to leadership development for officers, and training for elected members on effective scrutiny. Ensuring continued development for councillors is critical given the difficult choices that lie ahead.
- a. ELC management response:
 - i. The Council's workforce plan was approved by Cabinet in 2023 and remains in place until 2027. Officers have been reviewing the workforce plan action plan in line with the Audit recommendations to there are clear deliverable actions, and to further integrate workforce planning within strategic plans and service plans.
 - ii. This work has been overseen by the Council Management Team and the Head of Corporate Support has now taken over as Senior Responsible Officer to oversee strategic workforce planning. An update will be presented through the Council's political governance in forthcoming months.
 - iii. The Council has in place a number of shared services, such as Insurance and Internal Audit, and continues to explore wider opportunities which would support a shared services / collaboration with other councils where it is feasible and beneficial to do so. Shared partnership working with a broad range of stakeholders including other Councils remains a key focus, with significant regional discussions progressing through City Region Deal partnership. An update on the City Region Deal and areas of

focus will be presented to Council in October. Effective partnership and collaborative working remains a fundamental priority for the Council.

- iv. The Council Management Team remains committed to Leadership Development and over recent years has continued to support a broad programme of leadership development across the organisation including Aspiring Leaders Programme, sponsored by Executive Director for Education & Children's Services.
 - v. The Council continues to support elected member development, and in March 2025 facilitated a Member development session supported by the Improvement Service to support scrutiny, and further work has also been undertaken to conduct self-evaluation assessments within scrutiny Committees in Audit & Governance and Policy Performance Review Committee. Ensuring Members have the continued skills, and knowledge to support effective decisions remains an important and on-going area of development.
5. The council's commitment to community engagement and empowerment is demonstrated through its service structures and delegated funding. We were encouraged by the way the council engaged with residents in advance of decisions on council tax (as part of setting its 2025/26 budget) and look forward to hearing about how its new Participation and Engagement Strategy can deepen dialogue with communities about the difficult choices that lie ahead. Community views will be invaluable to the cross-party budget working group when taking tough decisions about prioritisation and future budgets.
- a. ELC management response:
 - i. Community engagement and empowerment remains fundamental to support the delivery of council services and aligned to the needs of our communities. The Council has supported extensive engagement with the community on a broad range of issues, and on-going engagement remains fundamental to support Council decisions.
 - ii. The cross-party budget agreed in February 2025, recognised a joint commitment to ensure that we continue to support effective and meaningful engagement in reporting and monitoring the financial decisions that underpin the budget. A participation and engagement strategy remains under development with the aim to support and enhance our community engagement and consultation.
 - iii. Consideration will be given to running a budget survey in order to supplement this work ahead of the 2026-27 budget. This will help to inform future decisions to support the sustainability and direction of the Council.
6. A high response rate to the council's most recent staff engagement survey is encouraging and we look forward to seeing what more it does in future surveys to encourage and facilitate more front-line, non-office-based staff to complete the survey. The survey

identified issues around work-related stress and workloads, so it is important to have a complete picture, allowing appropriate action plans to be developed and implemented.

a. ELC management response:

- i. Staff engagement and consultation remains fundamental to the effective running of the organisation and remains even more critical given the organisation focus and need to support effective change to support ongoing financial sustainability to support the delivery of community outcomes.
- ii. Officers have also been reviewing how we engage with the workforce and have developed a range of interventions including staff engagement survey, toolbox talks etc to ensure that our workforce are engaged and supported. In addition, the new Chief Executive has introduced a weekly video message to staff, designed to inform and engage all areas of the workforce.
- iii. Wider staff engagement will continue to be developed and supported to ensure that all staff have the opportunity to engage and support effective and open communication across the organisation. In June 2025 the Council Management Team considered and approved a series of recommendations to develop and improve staff engagement, the effectiveness of the employee survey and actions to address digital exclusion in the workforce. These improvements will be implemented over the coming months.
- iv. Officers have been developing and updating an integrated approach to service planning and workforce planning which incorporates a continued focus on health and wellbeing. The Head of Corporate Support has now taken over as Senior Responsible Officer to oversee strategic workforce planning, and an update on the workforce plan will be presented through the Council's political governance in forthcoming months.

COMMITTEE: East Lothian Council

MEETING DATE: 26 August 2025

BY: Executive Director for Council Resources

REPORT TITLE: Council Plan Action Plan Update

REPORT STATUS: Public

5

1 PURPOSE OF REPORT

- 1.1 To seek approval of updated Council Plan actions, based on the three overarching priorities which were adopted in 2024.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Approve the revised/updated actions in support of the Council Plan 2022-27 (Appendix 1).
- 2.2 Note the intention to initiate development work on a new Council Plan for 2027-32, including work to review overarching priorities.

3 BACKGROUND

- 3.1 The East Lothian Council Plan 2022-2027 continues the journey towards realising our vision for an even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.
- 3.2 The Council Plan was adopted whilst the country was still in the throes of the COVID-19 pandemic. Consequently, one of the three over-arching objectives set out in the Plan was Recovery and Renewal from COVID-19. This was based on the Recovery and Renewal Plan adopted by the Council in October 2021. In June 2023 the Council agreed to close this Plan as 'Recovery and Renewal' from the pandemic had become 'business as usual' with 'building back better' then embedded with the

Council Plan and other key strategies such as the Local Housing Strategy, Economy Strategy and all service plans.

- 3.3 The Council Plan retains two of its original overarching objectives: Reduce poverty and inequality – supporting our communities to deal with the growing levels of poverty and inequality; Respond to the Climate Emergency – meeting our net zero climate change targets.
- 3.4 A report considered by Council on 27 February 2024 noted that, since the adoption of the Council Plan in August 2022, the context and key factors that influenced its objectives and priorities had changed, highlighting factors such as the long-term economic impacts of the pandemic, inflation and the significance of population growth and demographic changes. This, of course, has significant implications in an increasingly challenging financial environment for local government.
- 3.5 The report noted that, in order to respond to new challenges and the limited resources it has, the Council needed to focus on delivering a smaller number of priorities than was originally set out in the Council Plan. Council approved a proposal to re-prioritise the Council Plan. Three interlinked, complementary priorities which are aligned to the Council Plan's overarching and long-term thematic objectives were devised: Ensure the financial sustainability of the Council through the delivery of approved savings and transforming the way we deliver services; Target resources on statutory services and focus on the highest risks and those most in need; Deliver key infrastructure, economic development and environmentally sustainable projects within available Council resources and maximising external funding.
- 3.6 The Council Plan Action Plan originally contained 68 specific actions. On 27 February 2024, in agreeing to re-prioritise the Council Plan, Council noted that a further report recommending a new action plan based on these priorities and the Council budget would be brought forward. The Council Management Team have since reviewed the original actions under the lens of the three updated priorities set out above.
- 3.7 This review has seen the number of actions reduced to 36, with each one linked to one of the revised priorities. Some of the original actions are considered 'business as usual', while others have been consolidated to produce a revised set of actions which are more directly aligned with the three priorities. It is hoped that this represents a simpler and clearer presentation of actions, providing officers with a sharper focus on delivery given the need to focus on a small number of priorities than originally set out in the Council Plan.
- 3.8 As highlighted at the 12 June 2025 meeting of the Policy and Performance Review Committee, a review of our approach to performance reporting has been taking place, with work progressing well within the Council Management Team to review the current indicators and select the specific indicators to be presented to PPRC from September 2025. The intention is to ensure that the updated 36 Council Plan actions are reflected in this work, as part of a golden thread

between the Council Plan, council strategies generally and performance reporting.

- 3.9 Whilst Council is being asked to agree to the 36 revised Council Plan actions today, it is recognised that we cannot stand still and are operating in an increasingly challenging and dynamic environment – but one in which it is important to grasp the opportunities which lie ahead, particularly in relation to growing the local economy and contributing to achieving a more prosperous, safe and sustainable East Lothian. Therefore, with a view to developing a new Council Plan for 2027 and beyond, it is our intention to commence work on a review of the overarching priorities referenced above to ensure that our strategic aims and the priorities and actions which support them, remain relevant for the longer term and reflective of our aspirations for East Lothian and that of our local communities.
- 3.10 We will begin work on development of the new Council Plan following the 2026/27 budget process. It is our intention to align the next Council Plan with our budget-setting and change processes.

4 POLICY IMPLICATIONS

- 4.1 The Council Plan and creation of a consolidated set of priorities and commitments assists the Council in ensuring that corporate and service planning is well founded on a clear vision and strategic direction. This will also assist the Council in delivering services in accordance with our statutory Best Value obligations.

5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: No new implications
- 5.2 Human Resources: No new implications
- 5.3 Other (e.g. Legal/IT): No new implications
- 5.4 Risk: No new implications

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 ***Select the statement that is appropriate to your report by placing an 'X' in the relevant box.***

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the

☐

environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

X

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	Y
Socio-economic disadvantage/poverty	Y
Climate change, the environment and sustainability	Y
Corporate parenting and care-experienced young people	Y
Storage/collection of personal data	N
Other	N/A

No negative impacts have been identified as a result of the updated Council Plan actions. The actions will support achievement and delivery of the three overarching priorities, providing a simpler and clearer presentation and a sharper focus on delivery.

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

- 7.1 Appendix 1: 2022-2027 Council Plan – revised actions

8 BACKGROUND PAPERS

- 8.1 2022–2027 Council Plan Action Plan, available at:

https://www.eastlothian.gov.uk/meetings/meeting/16948/east_lothian_council

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

Name	Stewart Cooper
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Tel/Email	01620 827464
Date	1 August 2025

Head of Service Approval

Name	Hayley Barnett
Designation	Head of Corporate Support
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Confirm IIA has been carried out.
Approval Date	7 August 2025

Appendix 1: 2022–2027 Council Plan – revised actions

Priority 1: Ensure the financial sustainability of the council through the delivery of approved savings and transforming the way we deliver services

	Objective/action
1	Implement the council's Digital Strategy to maximise provision of digital services, digital engagement with customers and maintain reliable and resilient digital infrastructure.
2	Implement the council's 2023-27 Workforce Plan which is focused on: <ul style="list-style-type: none">• Sustaining a skilled, flexible, high performing and motivated workforce• Supporting and initiating transformational change• Building and sustaining leadership and management capacity.
3	Implementing the council's financial and transformation strategies, ensuring the council remains financially sustainable, and that available resources are targeted to support the delivery of core council priorities.

Priority 2: Target resources on statutory services and focus on the highest risks and those most in need

	Objective/action
4	Implement the four key objectives of the East Lothian Poverty Plan 2024-2028.
5	Implement the East Lothian Council 2021-2025 Equality Plan's 38 actions based around seven high level equality outcomes.
6	Improve the employability of East Lothian's workforce, promoting skills development and training in core sectors and supporting apprenticeship and modern apprenticeship opportunities.
7	Reduce the poverty related attainment gap, raise the attainment and achievement of our children and young people and help our children and young people achieve their potential.
8	Reduce homelessness and number of those living in temporary accommodation.
9	Ensure resources follow people's needs for social care services and continue to shift the balance of care through developing community-based options and maximising opportunities to live independently for as long as possible.
10	Review our early years offer to make sure we provide the best start through integrated arrangements with key partners and working with providers and parents to roll out enhanced hours of early learning in a flexible way.

11	Implement the Children and Young People's Service Plan, including developing whole family support services to provide effective early help.
12	Ensure children's rights are placed at the heart of everything we do and incorporate the United Nations Convention on the Rights of the Child into council policies and practices.
13	Seek to enhance children and adolescent community mental health services (CAMHS) and provide targeted mental health and wellbeing support for children and young people and their families.
14	Continue to embed the recommendations of the Independent Care Review to shift policy, practice and culture to #KeepThePromise
15	Embed trauma informed and trauma responsive practice into everything we do – recognising the prevalence of trauma such as Adverse Childhood Experiences, and its impact on the emotional, psychological and social wellbeing of people.
16	Implement the Integration Joint Board's 2022-2025 Strategic Plan.
17	Support carers and young carers to build resilience in order for them to sustain their caring role whilst meeting their potential.
18	Continue to develop services and facilities to allow people to remain in their own home for as long as it is safe to do so, including working with our NHS partners to further develop the hospital to home and hospital at home services to get people home from hospital quickly and enable them to stay at home.
19	Work with NHS Lothian to improve access to GP facilities and services in our communities.
20	Work in partnership to provide suitable housing to enable self-care and independent living across East Lothian for older people and people with extra care needs.
21	East Lothian will continue to comply with the duty under the Counter-Terrorism and Security Act 2015, working collaboratively and proactively with partner agencies on matters relating to CONTEST and Prevent.

Priority 3: Deliver key infrastructure, economic development and environmentally sustainable projects within available council resources and maximising external funding

	Objective/action
22	Implement approach to streamline the number of council assets held and to ensure those operated are maximised in terms of use. Linked to this, services should be designed around our local communities, with powers devolved to local levels wherever possible, including to community councils and area partnerships, with citizens involved in decisions in a

	meaningful way – fulfilling our commitment to devote at least 1% of our revenue budget to participatory budgeting.
23	Implement the Climate Change Strategy 2025-2030.
24	In partnership with stakeholders, develop a strategy to address coastal erosion, marine pollution and encourage biodiversity along the coast.
25	Deliver the East Lothian Local Economy Strategy 2024–2034 by supporting a fair, green and resilient economy through aligned planning policy and regional collaboration. This includes integrating the goals of the Local Economy Strategy into Local Development Plan 2 and the Regional Prosperity Framework, with a focus on growing community wealth, enabling just transition investment, growth in rural employment, and maximising the potential of strategic sites such as Cockenzie, Blindwells, Dunbar, and the Edinburgh Innovation HUB and Park.
26	Prepare, consult on and then adopt Local Development Plan 2, taking account of any local place plans that communities bring forward and allocating sufficient land for development.
27	Proactively lead the development and promotion of East Lothian’s strategic sites, including the Edinburgh Innovation Hub, Cockenzie, Blindwells, and Dunbar, to attract long-term, socially and environmentally responsible inward investment. Ensure this investment delivers secure, high-quality local employment, strengthens local supply chains, and contributes to inclusive economic growth and the development of community wealth.
28	Support the growth and resilience of East Lothian’s business base by targeting advice, funding, and capacity-building support to SMEs, start-ups, and rural enterprises, with a focus on socially and environmentally responsible businesses, local supply chain development, and inclusive employment. Encourage innovation, entrepreneurship and new models of ownership such as social enterprises and cooperatives, aligned to opportunities in priority sectors including clean energy, food & drink, tourism, digital, and care.
29	Work with energy companies to ensure as many jobs as possible come to East Lothian via the development of the off-shore windfarms, whilst seeking to retain employment for highly-skilled employers as Torness power station is decommissioned.
30	Continue to invest in our school estate, including new primary schools and extensions or upgrades to schools across the county, to meet growing demand in line with the Learning Estate Strategy.
31	Review the current Local Housing Strategy and complete the development and implementation of the new East Lothian Housing Strategy 2024-2029, whilst identifying new models to deliver affordable housing.

32	Invest in delivering over 700 new council homes and continue working with our registered social landlord partners to deliver over 400 new homes for social rent.
33	Continue to maximise funding and invest in homes to improve their energy efficiency to help reduce bills, prioritising the insulation and decarbonisation of all housing, helping to tackle fuel poverty as well as the climate crisis across all tenures.
34	Review the existing Local Transport Strategy, with actions that where resourced help to reduce emissions, enable active travel and enhance public transport.
35	Deliver a revised and updated Open Space Strategy that will seek to ensure provision of quality, useable, accessible local greenspace, enabling access to parks, greenspaces and the natural environment across our communities; and actions to protect and enhance open space / greenspace for people and nature where resourced to do so.
36	Support the provision of improved broadband and seek improved mobile telephony, including in rural areas.

COMMITTEE: East Lothian Council

MEETING DATE: 26 August 2025

BY: Executive Director for Council Resources

REPORT TITLE: Draft Annual Accounts 2024-25

REPORT STATUS: Public

6

1 PURPOSE OF REPORT

- 1.1 To provide an update on the draft unaudited accounts for the Council and Group entities for the year ending 31 March 2025. In accordance with regulations, the unaudited accounts must be formally scrutinised by Members by 31 August 2025.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Note that the draft annual accounts for the Council and its wider group, and the Dr Bruce Trust, have been submitted to External Audit prior to the statutory deadline of 30 June 2025. Draft accounts were submitted without the adjustment for operating and non-operating asset valuations. These were not available ahead of the submission deadline due to the delays in finalising the 2023-24 audited accounts. The valuation report has since been received and an adjusted version of the draft accounts will be submitted to External Audit ahead of the statutory audit.
- 2.2 Note that the accounts will remain in draft pending the finalisation of the statutory audit which is expected to complete by November 2025.

3 BACKGROUND

- 3.1 A report on the 2024-25 financial year end position, and draft accounts was considered by Council at its meeting on [24 June 2025](#) (Item 02). The report highlighted that the draft accounts would be submitted for audit in line with the statutory deadline of 30 June 2025, with formal

Council consideration of the unaudited accounts to be undertaken after this.

3.2 In accordance with the requirements of the 2014 regulations, the unaudited accounts must be formally scrutinised by Members by 31 August 2025. To support this, a number of key elements have been undertaken:

- An Elected Members' briefing pack has been issued to support and assist Members in this statutory duty by highlighting key information relating to the 2024-25 unaudited accounts and explaining relevant aspects of the Local Government Financial Framework.
- All Elected Members have access to the draft accounts which have been published in the Members' Library Service ([MLS 67/25 East Lothian Council \(Unaudited\) Accounts 2024-25](#)) and the opportunity to raise any significant questions or lines of enquiry to provide further clarity and understanding.
- In accordance with statutory requirements, the draft accounts were made available for public inspection for a 3-week period concluding 21 July 2025. No objections were received during this period.

4 POLICY IMPLICATIONS

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

5 RESOURCE AND OTHER IMPLICATIONS

5.1 Finance: No direct financial implications arise from the submission for audit of the accounts. Audit fees are paid for the audit process.

5.2 Human Resources: No direct personnel implications arise from the submission for audit of the accounts. The audit and public inspection process involve East Lothian Council staff support.

5.3 Other (e.g. Legal/IT): None

5.4 Risk: None

6 INTEGRATED IMPACT ASSESSMENT

6.1 ***Select the statement that is appropriate to your report by placing an 'X' in the relevant box.***

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-

X

economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☐

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

7.1 None

8 BACKGROUND PAPERS

8.1 Members' Library Service – June 2025 – 67/25 East Lothian Council Draft Unaudited) Annual Accounts 2024/25

https://www.eastlothian.gov.uk/meetings/meeting/17445/members_library_service

8.2 Council – 24 June 2025 - Item 2 – Finance Review 2024/25

https://www.eastlothian.gov.uk/meetings/meeting/17335/east_lothian_council

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

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Date	8 August 2025

Head of Service Approval

Name	Ellie Dunnet
Designation	Head of Finance
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Yes
Approval Date	13 August 2025

COMMITTEE: East Lothian Council

MEETING DATE: 26 August 2025

BY: Executive Director for Council Resources

REPORT TITLE: Quarter 1 Financial Review 2025/26

REPORT STATUS: Public

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1 PURPOSE OF REPORT

- 1.1 To provide an update on the in-year financial position at the end of June 2025.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- Note the outcome of the Quarter 1 financial performance against approved budgets including progress toward delivering agreed budget efficiencies.
 - Note the risks and other factors that may impact that position by year-end and the range of ongoing intervention measures approved by Council.
 - Note the additional Scottish Government funding received since Council approved the budget in February 2025.
 - Note the update on the Integration Joint Board (IJB) position.
 - Agree to the creation of an earmarked reserve to offset future pressures within waste and recycling services.
 - Agree to uplift the subsidy payment to Enjoy by £250,000, as detailed in paragraphs 3.42 to 3.47.
 - Note the key performance information for council tax collection, rent collection and Scottish Welfare Fund spending.

- Note the revised General Services Capital budget and forecast spend and the update on Prudential and Treasury Indicators
- Agree to the inclusion of the phase 1 expansion of Knox Academy within the updated capital programme, as detailed in paragraph 3.59.
- Note the HRA Revenue and Capital spend forecast.

3 BACKGROUND

- 3.1 Council approved the 2025/26 Financial Strategy and associated financial plans on and prior to 18 February 2025.
- 3.2 The Council continues to face increasing cost and demand pressures which present significant challenges to financial sustainability. The most significant of these pressures remain in demand led services particularly within Health and Social Care Services delegated to the IJB and Children's Services. Accordingly, the budget approved by Council for 2025/26 reflects a significant uplift in the budget provision for these services. In addition, there remain pressures arising from the timing and delivery of planned financial savings.
- 3.3 The Council continues to face a high number of significant financial and other risks, which may materialise over the remainder of the financial year. These risks include the ongoing teacher pay negotiations and policy expectations relating to minimum learning hours and reduced class contact time and will continue to be closely monitored.
- 3.4 Within this context, the Finance Service will continue to work with colleagues across services to manage expenditure commitments in 2025/26 and the future implications going forward.

General Services Revenue Summary – 30 June 2025

- 3.5 The approved General Services revenue budget for 2025/26 included the following:
- Planned expenditure commitments of £344 million to support service delivery.
 - A planned drawdown of £9.980 million from Capital Reserves.
 - A planned transfer of £1.193 million to the Service Concessions Earmarked Reserve.
 - Planned recurring service efficiencies of £1.542 million and the continued delivery of £2.5 million of efficiencies relating to the management of staffing budgets.
- 3.6 An analysis of the financial position across service groups is set out in in **Appendix 1** with further details in the paragraphs below.

- 3.7 At Quarter 1, the forecast outturn for 2025-26 is in line with the overall budget after taking account of planned reserve movements. Before applying planned use of reserves, there is a forecast overspend of £7.7 million.
- 3.8 Within this overspend there are various one-off costs that are being funded from earmarked reserves. The planned use of earmarked reserves for one-off funding totals £2.041 million split as follows:
- Planned use of Transformation Fund and other ring-fenced funds, £1.492 million.
 - Planned use of Health & Social Care (IJB delegated services), £549,000 – this figure has been agreed with the IJB Chief Officer and Chief Financial Officer.
- 3.9 There are also several planned transfers to earmarked reserves that need taken account of, totalling £3.087 million, they are for:
- Empty Homes Premium for Affordable Housing, £454,000.
 - Scottish Futures Trust Funding for Wallyford Learning Campus, £1.440 million, in line with Council's decision to create this reserve in June 2024.
 - Service Concessions Adjustments, £1.193million, in line with Council's decision to create this reserve in June 2024.
- 3.10 The revised position after applying transfers to and from earmarked reserves is an overspend of £8.791 million to be funded from planned use of Capital Reserves. The Capital Reserves available to fund the overspend is £9.980 million meaning at this stage no unplanned use of reserves will be required.
- 3.11 At this stage, after taking account of one-off costs to be funded from earmarked reserves, no Head of Service area has an overspend forecast. This includes Children's and IJB delegated services which overall are forecasting modest underspends reflective of the additional investment in these areas.
- 3.12 Non-Service Expenditure is showing an overspend projection due to the staff performance factor and undelivered savings from previous years being included in this area. The staff performance factor will be met by vacant posts in services and other underspends and additional council tax income are offsetting the prior year undelivered savings.
- 3.13 There do remain areas of emerging pressure, which are offset by underspends elsewhere in service budgets and these are summarised below:
- Children's Services (Management), £680,000 – External residential and alternative interventions budget

- Education (Inclusion and Wellbeing), £750,000 – External day schools and residential costs
- Health & Social Care, £300,000 – Commissioned Care costs.
- Roads, £300,000 – Increasing cost of materials
- Undelivered 2025/26 savings, £85,000 – more detail in section 3.26.

3.14 A number of these pressures will be recurring beyond this financial year.

Risks and Other Factors

- 3.15 Pay agreements for non-teaching staff have been reached with Trade Unions and whilst the individual Council allocations have not yet been confirmed, the Scottish Government have committed to fund the costs above 3% in each of 2025/26 and 2026/27. The agreements are for 4% in 2025/26 and 3.5% in 2026/27 and the forecast assumes this additional funding being provided.
- 3.16 Negotiations are ongoing with Teachers' Unions and the forecast assumes that any settlement above 3% will be funded by the Scottish Government.
- 3.17 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.
- 3.18 The forecast assumes £3.8 million of teacher funding that has not yet been confirmed by the Scottish Government which is linked to maintaining teacher numbers. At this stage it is expected that teacher numbers will meet the target.
- 3.19 There are ongoing discussions about increasing minimum learning hours for Primary 1 and 2 pupils to 25 hours which is excess of the current East Lothian provision which could cost an additional £900,000 by 2027/28. In addition, Scottish Government has indicated an expectation that meaningful progress is made towards reduced class contact time for teachers, which could cost an additional £4.5 million. At this stage it is not anticipated that the Scottish Government will provide the funding required to enable these changes; however, failure to do so could result in a penalty being applied to existing funding available to the Council.
- 3.20 The potential for increases in requirements for demand led services such as Homelessness, Children's, and Adult Social Work along with growing demand for Additional Support Needs services remains an ongoing risk which could give rise to overspends during the year.
- 3.21 Work is ongoing to determine the impact of employer national insurance increases on commissioned services. This has the potential to present budget pressures for the IJB.

- 3.22 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 sections 3.26 to 3.28.
- 3.23 The 2024/25 accounts remain subject to audit and any material changes to the outturn position could impact on the availability of reserves to support financial resilience.
- 3.24 Severe weather over autumn and winter could increase costs for the Council, particularly in Infrastructure Services.

Approved Mitigations

- 3.25 At the June 2025 Council meeting, the Council agreed to continue the following control measures which the CMT is responsible for applying, they are:
- Recruitment – posts will only be filled if there would be an obvious detrimental impact on the service being provided from not doing so and sign-off has been given by CMT and EMT. This applies to all posts.
 - 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 collaborate 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.
- 3.26 These control measures will remain under review through the quarterly budget monitoring process.

2025/26 Efficiencies

- 3.27 Council approved planned efficiencies of £1.542 million for 2025/26. At this stage, £750,000 have been achieved, £707,000 are assessed as achievable though further work may be required and £85,000 are assessed as unachievable in the current financial year. **Appendix 2** sets out the position in more detail. The savings that are not achievable this year are:
- Move file sharing with external organisations from Objective Connect to M365 Toolset, £40,000 – due to a staff vacancy the work required

to facilitate this change could not be progressed and the existing contract had to be extended for 12 months. The post has now been filled, and the saving is expected to be achieved in 2026/27.

- Realign contributions to City Region Programme Management Office (PMO) based on population, £45,000 – this saving cannot be delivered at this stage and will require the agreement of all partners in the City Region Deal to agree to firstly review the charge and agree any changes in charges to partners. The cost has increased in 2025/26 and therefore there is a double pressure of the undelivered saving and the unbudgeted cost increase. The Service Manager is working to identify alternative options to mitigate this pressure.

3.28 In 2024/25, just over £2 million of efficiencies had not been delivered, of those, charging for garden waste collection, review of the management of sports facilities and the review of adaptations have now been delivered. This leaves £1.5 million of prior year savings not yet fully achieved, they are:

- Asset Review, £1 million – Work is ongoing and a separate paper to this Council meeting will set out options for starting to meet this savings target.
- Income generation, £500,000 – work is progressing to develop proposals, and income is expected to be achieved in 2025/26 but depending on timing of implementation it may not be the full amount.

3.29 In addition to the above, a saving planned for 2023/24, to review public holidays, has not yet been delivered.

Council Tax

3.30 At this stage, there is a forecast surplus in the council tax budget of £1.3 million. This is due to an increase in the number of dwellings over and above the estimates incorporated into the budget, along with earlier occupation of the dwellings being completed this financial year. This will be taken account of in the council tax assumptions for 2026/27.

3.31 Without this surplus in council tax, there would be an overspend projected at this stage and a need to make an unplanned drawdown from reserves.

Additional Funding

3.32 Since Council approved the 2025/26 budget in February 2025, there has been additional funding of £145,000 from the Scottish Government. This is set out in more detail in **Appendix 3**.

3.33 This includes confirmation of funding assumed for the February 2025 budget setting as set out below:

- Real Living Wage for Commissioned Services in Children's Services – the confirmed figure was £49,000 lower than the estimate in the budget.
 - Employer National Insurance Increase – the confirmed figure was £70,000 higher than the estimate in the budget.
- 3.34 The additional funding is to support existing commitments or specific national policy objectives so they cannot help to alleviate wider pressures in the Council's financial position.
- 3.35 The Council has also been notified of an uplift in the amount of funding that it will receive from DEFRA to cover chargeable disposal costs as defined in the Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024. The budget approved by Council for 2025/26 reflects assumed funding of £2.63 million which was based on the indicative allocations notified to councils in November 2024. As a result of improvements made to the modelling system, the Council has now been notified that the anticipated total Extended Producer Responsibility (EPR) for packaging payment 2025/26 is £3.79 million. This payment covers the net efficient costs associated with collection and disposal of household packaging waste from kerbside collections, waste brought to Household Waste and Recycling Centres and bring sites. In the event that this enables release of budget across waste and recycling services, it is recommended that an earmarked reserve is created to offset future potential pressures in this area, including replacement of the recycling fleet and the waste incineration tax. This will also help to minimise the budget risk of any future changes to this funding.

Integration Joint Board

- 3.36 The IJB has delegated authority over the Health & 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.
- 3.37 The Council recognised the demand challenges facing the delegated IJB services and agreed to increase funding by around £4 million in 2025/26 on top of passported funding from the Scottish Government to help address these pressures.
- 3.38 At this stage, there is an underspend forecast for the IJB of £438,000. This includes funding from unscheduled care monies of £549,000 to cover costs associated with this policy which has been agreed with the Chief Officer and the Chief Financial officer of the IJB. Discussions regarding the quantum and nature of this funding remain ongoing.
- 3.39 While this is a positive position, there remain several areas of pressure including commissioned services for older people which will need to be addressed in the longer term.

- 3.40 The IJB is currently working to develop robust and deliverable medium-term financial plans, which can meet the full extent of the projected budget gap including that arising from delegated Council functions in collaboration with the funding partners.

Council's Group Components

- 3.41 In line with the Council decision in June 2025, letters of guarantee were provided to both Enjoy Leisure and the Brunton Theatre Trust.
- 3.42 There have been ongoing discussions with Enjoy Leisure regarding financial challenges, including a shortfall in funding to enable payment of the real living wage, rising costs and capital expenditure demands. In March, Enjoy Leisure directors contacted Council officers to request additional financial support.
- 3.43 In recognition of these challenges, and the Council's ongoing commitment to supporting Enjoy and maintaining effective partnership working, an in-year uplift of £250,000 to Enjoy's contract payment is proposed. Capacity has been identified within the budgets for amenity services to enable this and this will mean that the 2025-26 contract payment from the Council to Enjoy will be £2,274,600 in total. Council is asked to approve this recommendation in order to ensure that Enjoy is able to continue its vital role in improving health and wellbeing across the county, and support payment of the Real Living Wage in line with the Council's obligations as an accredited Living Wage employer.
- 3.44 Subject to approval of this recommendation, the Chief Executive will write to Enjoy's Chief Executive and Board Chair asking that this uplift is used to ensure:
- The operation of all assets included within the existing 10-year contract including all public leisure buildings.
 - The implementation of the Real Living Wage across the enjoy workforce during the 25/26 financial year.
 - A continued focus on income generation including a strong focus on marketing and business generation to drive income and a reduction on the need for Council support.
 - Collaborative working on energy management – a commitment to work towards investment with return on renewables, insulation and energy recovery to drive towards net zero carbon emissions, reduce costs and evidence a reduction on energy costs.
 - A continued open book collaborative approach to contract management through appropriate governance and contract arrangements.
 - Strategic Planning and Asset Management – through this next engaged phase of the ELC / Enjoy partnership undertake collaborative transformative work to consider business sustainability

including an independent review. Focus on assets being planned within our wider strategic asset review process, LDP2 and county growth identifying opportunities across leisure, education, community and office space to work in partnership to maximise asset utilisation and reduce the cost burden where it is appropriate to do so.

- 3.45 The £250,000 is built into the current Council forecast on a recurring basis, and Council is asked to approve this additional funding subject to Enjoy accepting the offer.
- 3.46 In response to the capital expenditure demands which Enjoy faces in relation to Dunbar Leisure Pool, the Council has offered the following support:
- £50,000 grant from the Community Intervention Fund.
 - Offer of further financial support in the form of a loan from the Council to Enjoy.
 - Ongoing commitment to supporting Enjoy to secure external funding to enable future capital investment.
- 3.47 Officers remain committed to building on the strong partnerships with Enjoy Leisure and the Brunton Theatre Trust to develop the longer-term financial relationship and secure the future of these organisations for the benefit of East Lothian's communities.

Performance Information within Revenues & Benefits

- 3.48 Council tax in-year collection is slightly below target at Quarter 1. Demand from customers for support remains high and an additional 218 new properties were added in Quarter 1. Debt recovery work has been initiated for unpaid current year council tax, and work continues to support those who are struggling to pay by offering flexible payment arrangements and signposting advice and financial support to help maximise income where eligibility exists and manage debt.

Period	Actual	Target	Variance
Q1 2025/26	27.64%	27.76%	-0.12%

- 3.49 Current Tenant Rent Arrears is currently lower than the target set, partially helped by the summer rent free fortnight. Work is ongoing to support tenants making the transition from Housing Benefits to Universal Credit through the managed migration.

Period	Actual (£000)	Target (£000)	Variance (£000)
Q1 2025/26	£1,386	£1,433	-£47

- 3.50 The Scottish Welfare Fund remains a key element of the local safety net, offering vital support to residents' financial hardship through the provision of Crisis Grants and Community Care Grants. This is funded from the Scottish Governments wider Social Security Assistance budget. The Council received £581,000 of funding from the Scottish Government which has been supplemented by a carry forward of £140,000 from 2024/25. The overall funding available in 2025/26 is £721,000 of which £200,000 had been used by the end of Quarter 1. 54% of the grants paid out are to families facing exceptional pressure with around 34% paid to those requiring living expenses.

Q1 2025/26	Community Care Grants	Crisis Grants	Total
Applications	379	916	1,295
Awards	247	543	790
Award Rate	65.17%	59.28%	61%
Total Award	£128,000	£72,000	£200,000
Average Award	£518	£133	£253

General Services Capital Summary – 30 June 2025

- 3.51 The approved budget for 2025/26 has been updated to reflect carry forward flexibility of £19.6 million from the closing position at the end of 2024/25, the outcome of which remains subject to the conclusion of the audit. The carry forward includes accelerated spend in 2024/25 and the reprofiling of budgets into 2025/26. As a result of this, the external income budget is increased by £1.7 million with a corresponding increase in borrowing of £17.9 million.
- 3.52 **Appendix 4** shows the approved and updated 2025/26 budgets and expenditure to 30 June 2025, showing spend of £14.5 million relative to the updated gross expenditure budget of £77 million.
- 3.53 At this stage, expenditure of around £74.7 million is forecast by the end of the financial year. The 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. There remains a wide range of external pressures which place significant pressure on wider affordability limits.
- 3.54 In addition to the normal RAG flags, a P flag is included to identify projects where the variance is due to a change in spend profile, related to project progress.

- 3.55 The reduced forecast is due to savings in projected out-turns and some delays in projects, most notably the Aberlady Primary School extension and the relocation of Haddington Day Centre.
- 3.56 A summary of the key areas of variation are shown below:
- An increase in the Town Centre Regeneration forecast following confirmation of the Place Based Investment Programme Funding.
 - An increase in the Nature Restoration forecast following confirmation of Scottish Government funding.
 - An increase in the Whitecraig Primary School forecast due to contractor claims because of delays onsite. Negotiations remain ongoing and future reports to Council will provide updates as this situation develops.
- 3.57 Several projects have been completed in the first quarter including the bridge replacing the Markle Level Crossing which is now open to the public as well as Blindwells and Craighall Primary School which will be open to pupils for the start of the new school term in August 2025.
- 3.58 A review is ongoing to identify capacity within existing budgets in the current financial year to relocate Olivebank Centre in Musselburgh to the Wallyford Learning Campus. This relocation requires reconfiguration work at the Acorn Centre within the campus before it can be accommodated.
- 3.59 Aligned to the Council decision in June, projections have been included to reflect education projects which were un-paused in the capital plan. This has added £2.1 million to the capital plan which is fully developer funded. The projection for Knox Academy has been increased in order to progress Phase 1 of a 2-phase expansion. Phase 1 is funded wholly from developer contributions and will provide additional toilet facilities, and a food outlet in a revised pupils social space and will increase pupil capacity. Phase 2 in future years will further the school expand capacity with a number of additional classrooms, PE expansion and toilet facilities. Council is asked to approve this further change to the capital budget.
- 3.60 The projection for developer contributions, early learning 1140 grant and other funding sources are linked to the projections of the projects they support. There continues to be ongoing risks around the timing and realisation of planned developer contributions that may put additional strain on borrowing requirements and this position will continue to be closely monitored.
- 3.61 The reduction in projected expenditure has reduced the in-year borrowing requirement projection by £4.4 million.

Treasury Update – 30 June 2025

- 3.62 In accordance with the 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.
- 3.63 During the first quarter of the financial year, external borrowing of £10 million has been undertaken. No borrowing was repaid during this period.
- 3.64 It is important to note that the borrowing requirement as reported in the General Services and HRA monitoring is borrowing from the Loans Fund.
- 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 uses 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.
- 3.65 The Prudential, Treasury Management and Loans Fund indicators are set out in **Appendix 5**. For context, the 2024/25 Actual and 2025/26 Budget as per the approved Treasury Strategy as well as the projections for 2025/26 based on the Q1 position for General Services and HRA capital are shown.
- 3.66 Key points to note from the appendix:
- The budget figures for 2025/26 were set based on in-year 2024/25 capital projections. The actual outturn was lower for General Services meaning the starting point for 205/26 was also lower, despite increases in other long-term liabilities due to changes in accounting requirements for leased assets. However, for the HRA the actual outturn was higher. In year capital expenditure forecasts indicate that the overall closing CFR will be slightly below the budget figure.
 - The CFR will only start to fall when loans fund principal repayments are greater than the in-year borrowing requirement, i.e. the amount of borrowing repaid during the year exceeds the level of new borrowing.
 - The Loans Fund follows the same pattern as the CFR. As a result of the projected capital expenditure, loans fund advances are increasing above the principal repayment of loans fund debt.

3.67 Cash balances were healthy in the first quarter of the financial year. As investment rates have been higher than the interest rate on our bank account balance, several short-term investments were placed. In summary:

- 35 short term investments were placed.
- Maturity Range – one day to three months
 - 33 investments with HM Treasury
 - One sustainable investment (to mature in second quarter)
 - One investment with local authorities (to mature in the second quarter)

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

Housing Revenue Account – 30 June 2025

3.69 The HRA is expected to breakeven at this stage. The significant work that was undertaken in the final quarter of 2024/25 and which has continued in the first quarter of 2025/26 to reduce the backlog of void properties continues to have a positive impact and is reflected in increased repairs costs. The voids projection at this stage shows an improved financial position for the third quarter in a row. **Appendix 6** sets out the revenue spend for the year.

3.70 Capital expenditure at quarter 1 was £4.5 million with around £34.5 million of spend forecast for the year. This is significantly less than the £43.8 million budget approved by Council. Further details are provided in **Appendix 7**. The main points to note are:

- The expected number of completions in 2025/26 is 84 houses, down 10 from the budgeted figures. This is due to slight delays in work proceeding at two sites, Schaw Road and Halhill North. Overall, 30 houses were expected to be completed at these sites in 2025/26 with 20 now forecast. The 10 outstanding houses are expected to be completed in 2026/27. Around £1.3 million of budget will be carried forward to 2026/27 for these sites.
- Due to delays relating to planning and operational reasons, there are changes in the timescale to deliver new build council houses at three sites, Hermanflatt, Wallyford Area 1 and Wallyford Primary School. This has resulted in reduced spend in 2025/26 which will now be incurred in 2026/27. Around £8 million of budget will be carried forward to 2026/27 for these sites.
- The impact of this slippage will be reflected in the updated 5-year housing capital programme budget model that is currently being developed.
- Modernisation and Energy Efficiency budgets are projected to spend to budget and programmes are progressing.

- At this stage, there have been no Mortgage to Rent purchases.
- 3.71 The forecast borrowing to fund the capital programme is around £8 million less than budgeted and this reflects the slippage in new council house building.
- 3.72 Looking ahead, to meet the two key tests in the financial strategy, a £1 million minimum HRA balance and a debt-to-income ratio below 40%, it will be necessary to review the 10-year model financial model and develop a longer-term business plan to ensure that funding priorities, including modernisation and new build council housing remain affordable within available resources. Work is ongoing to develop a 30-year business model.

Conclusion

- 3.73 Whilst the in-year position reported is positive with no requirement for any unplanned use of reserves at this stage, the Council continues to operate in a challenging financial environment. The current budget still requires a planned use of £9 million of one-off reserves which will have to be addressed in future year budget models. This is in addition to the ongoing challenges of population growth, increasing demand for services and continuing increase in the cost of operating services.
- 3.74 The Council will continue to take steps to ensure that it can sustain the delivery of vital services to the community and effectively manage wider assets. The scale of the challenge will require difficult decisions in the years ahead to ensure ongoing financial sustainability.

4 POLICY IMPLICATIONS

- 4.1 There is 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 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: as described above and in the supporting appendices
- 5.2 Human Resources: none
- 5.3 Other (e.g. Legal/IT): none
- 5.4 Risk: as described above and in the supporting appendices

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 *Select the statement that is appropriate to your report by placing an 'X' in the relevant box.*

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

X

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

- 7.1 Appendix 1 – General Fund Monitoring
- 7.2 Appendix 2 – General Services Revenue Budget Efficiencies
- 7.3 Appendix 3 – Additional Funding
- 7.4 Appendix 4 – General Services Capital
- 7.5 Appendix 5 – Treasury Update

7.6 Appendix 6 – HRA Revenue

7.7 Appendix 7 – HRA Capital

8 BACKGROUND PAPERS

8.1 Council – 10 December 2024 – Item 3 Financial and Capital Strategies 2025 to 2030

https://www.eastlothian.gov.uk/meetings/meeting/17332/east_lothian_council

8.2 Council – 18 February 2025 – Item 2 Budget, Council Tax and Rent Setting 2025/26 Onwards

https://www.eastlothian.gov.uk/meetings/meeting/17417/east_lothian_council

8.3 Council – 18 February 2025 – Item 2a Cross Party Housing Revenue Account including Council House Rent Proposals 2025/26 to 2029/30

https://www.eastlothian.gov.uk/meetings/meeting/17417/east_lothian_council

8.4 Council – 18 February 2025 – Item 2b Cross Party General Services Revenue and Capital Budget Including Council Tax Proposals 2025/26 to 2029/30

https://www.eastlothian.gov.uk/meetings/meeting/17417/east_lothian_council

8.5 Council – 18 February 2025 – Item 3 Treasury Management Strategy 2025/26 to 2029/30

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9 AUTHOR AND APPROVER DETAILS

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Name	Ellie Dunnet David Henderson Ann-Marie Glancy
Date	6 August 2025

Head of Service Approval

Name	Ellie Dunnet
Designation	Head of Finance
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Yes
Approval Date	14 August 2025

Appendix 1
East Lothian Council
Budget Monitoring 2025/26 - Quarter 1

Service	Head of Service	Business Unit	2025/26 Budget	Year to Date			2025/26 Budget Variance to Date %	Financial Risk Assessment
				2025/26 Actual to Date	2025/26 Budget to Date	2025/26 Budget Variance to Date		
			£'000	£'000	£'000	£'000		
Education & Children's	Children's	Performance & Service Delivery	1,499	433	426	7	1.64%	
Education & Children's	Children's	Management	6,784	1,373	1,130	243	21.50%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,155	486	539	-53	-9.83%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	3,804	862	873	-11	-1.26%	
Education & Children's	Children's	TAC, Disability & Resources	2,029	-28	22	-50	-227.27%	
Education & Children's	Children's	Fostering, Adoption & Internal Resources	6,351	1,611	1,816	-205	-11.29%	
Education & Children's	Children's	Early Years Intervention	1,109	212	220	-8	-3.64%	
Education & Children's	Children's	Disability Short Breaks	999	248	220	28	12.73%	
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		24,730	5,197	5,246	-49	-0.93%	
Education & Children's	Education	Inclusion & Wellbeing	15,863	1,602	1,360	242	17.79%	
Education & Children's	Education	Pre-School Education	17,381	1,876	1,882	-6	-0.32%	
Education & Children's	Education	Primary Schools	61,391	15,221	15,659	-438	-2.80%	
Education & Children's	Education	Secondary Schools	61,855	14,400	14,491	-91	-0.63%	
Education & Children's	Education	Schools' Support	3,380	904	982	-78	-7.94%	
Education & Children's	Education	East Lothian Works	1,326	666	705	-39	-5.53%	
EDUCATION & CHILDREN'S	EDUCATION TOTAL		161,196	34,669	35,079	-410	-1.17%	
EDUCATION & CHILDREN'S TOTAL			185,926	39,866	40,325	-459	-1.14%	
Council Resources	Finance	Financial Services	3,909	2,033	2,015	18	0.89%	
Council Resources	Finance	Revenues & Financial Support	5,078	955	1,073	-118	-11.00%	
Council Resources	Finance	Procurement, Digital and Transformation	1,303	375	412	-37	-8.98%	
COUNCIL RESOURCES	FINANCE TOTAL		10,290	3,363	3,500	-137	-3.91%	
Council Resources	Corporate	IT Services	3,970	755	725	30	4.14%	
Council Resources	Corporate	People & Council Support	5,053	1,978	2,048	-70	-3.42%	
Council Resources	Corporate	Governance	2,653	401	422	-21	-4.98%	
Council Resources	Corporate	Communications	602	127	130	-3	-2.31%	
COUNCIL RESOURCES	CORPORATE TOTAL		12,278	3,261	3,325	-64	-1.92%	
COUNCIL RESOURCES TOTAL			22,568	6,624	6,825	-201	-2.95%	
Health & Social Care Partnership	Head of Operations	Adult Social Work	35,379	7,826	7,597	229	3.01%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	11,090	2,167	2,265	-98	-4.33%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,271	490	509	-19	-3.73%	
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	22,071	4,711	4,839	-128	-2.65%	
Health & Social Care Partnership	Head of Operations	Head of Operations	5,426	34	18	16	88.89%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,984	2,062	2,089	-27	-1.29%	
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		81,221	17,290	17,317	-27	-0.16%	
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			81,221	17,290	17,317	-27	-0.16%	
Place	Development	Planning & Environmental Services	1,002	342	373	-31	-8.31%	
Place	Development	Economic Development	829	728	707	21	2.97%	
PLACE	DEVELOPMENT TOTAL		1,831	1,070	1,080	-10	-0.93%	
Place	Housing	Housing, Strategy & Development	358	46	85	-39	-45.88%	
Place	Housing	Property Maintenance Trading Account	-1,153	1,282	1,282	0	0.00%	
Place	Housing	Community Housing Group	3,849	-164	-143	-21	-14.69%	
PLACE	HOUSING TOTAL		3,054	1,164	1,224	-60	-4.90%	
Place	Infrastructure	Asset Maintenance & Engineering Services	3,745	837	885	-48	-5.42%	
Place	Infrastructure	Strategic Asset & Capital Plan Management	-820	279	359	-80	-22.28%	
Place	Infrastructure	Facility Trading Activity	-428	2,750	2,793	-43	-1.54%	
Place	Infrastructure	Facility Support Services	3,889	265	304	-39	-12.83%	
Place	Infrastructure	Landscape & Countryside Management	7,069	2,156	2,184	-28	-1.28%	
Place	Infrastructure	Active Business Unit	4,117	863	909	-46	-5.06%	
Place	Infrastructure	Roads Services	4,194	453	411	42	10.22%	
Place	Infrastructure	Transportation	2,399	192	280	-88	-31.43%	
Place	Infrastructure	Waste Services	13,319	1,507	1,614	-107	-6.63%	
PLACE	INFRASTRUCTURE TOTAL		37,484	9,302	9,739	-437	-4.49%	
Place	Communities & Partnerships	Connected Communities	6,495	2,161	2,171	-10	-0.46%	
Place	Communities & Partnerships	Protective Services	2,296	665	665	0	0.00%	
Place	Communities & Partnerships	Customer Services Group	4,815	1,359	1,434	-75	-5.23%	
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		13,606	4,185	4,270	-85	-1.99%	
PLACE TOTAL			55,975	15,721	16,313	-592	-3.63%	
SERVICE TOTAL			345,690	79,501	80,780	-1,279	-1.58%	
Non-Service Expenditure Sub-Total			20,352	186	-689	875	-127.00%	
Total Expenditure			366,042	79,687	80,091	-404	-0.50%	
Funded By Sub-Total			-357,255	-149,821	-149,640	-181	-0.12%	
Net Expenditure			8,787	-70,134	-69,549	-585	-0.84%	
Reserves Funding Sub-Total			-8,787	0	-555	555	100.00%	
TOTAL LEDGER POSITION			0	-70,134	-70,104	-30	-0.04%	

Appendix 2
East Lothian Council
2025/26 Budget Efficiencies - Quarter 1

Service	2025/26		
	Achieved	Amber	Unachievable
	£'000	£'000	£'000
Education	521	0	0
Finance	45	75	0
Corporate Services	64	0	40
Development	0	310	45
Housing	0	50	0
Infrastructure	120	52	0
Communities	0	120	0
Non Service Expenditure	0	100	0
Total	750	707	85
	48.64%	45.85%	5.51%
			1,542

Appendix 3

East Lothian Council

Budget Monitoring 2025/26 - Additional Funding from the Scottish Government

	£million
2025/26 GRG (per Budget Amendment)	265.319
Additional Funding - GRG	
Social Care Real Living Wage (settlement less than estimate in the budget)	-0.049
Employer NI Increase (settlement higher than estimate in the budget)	0.070
Kinship & Foster Care Funding	0.037
Nature Restoration Fund	0.068
Holiday Playschemes and Activities for Disabled Children	0.019
Total Additional Funding	0.145
Revised GRG	265.464

Appendix 4
East Lothian Council
General Services Capital Budget Monitoring Summary 2025/26
Quarter 1

	RAG	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget-Actual Variance 2025/26	Projected Outturn 2025/26	Updated Budget - Outturn Variance 2025/26
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000
Community Projects							
Community Intervention	G	200	242	-	(242)	242	-
Community Facility Transformation	G	100	100	-	(100)	100	-
Community Intervention Fund - Pump Tracks	G	360	580	0	(580)	580	-
Community Public Art	G	-	155	0	(155)	155	-
Bleachingfield Centre Remodelling Works	G	2	18	-	(18)	18	-
Dunbar Conservation Area Regeneration Scheme (CARS)	G	575	775	-	(775)	775	-
Support for Business	G	-	-	(0)	(0)	-	-
CCTV	G	169	212	5	(207)	212	-
Town Centre Regeneration	G	-	57	2	(55)	557	500
Total Community Projects		1,406	2,139	8	(2,132)	2,639	500
Town Centre Regeneration (PBIP) Grant		(208)	(265)	(2)	263	(765)	(500)
Other Funding Sources		(510)	(1,101)	(0)	1,100	(1,151)	(50)
GCG REFUS		-	-	-	-	-	-
Total Income: Community Projects		(718)	(1,366)	(3)	1,363	(1,916)	(550)
Community Projects - General Capital Grant/Borrowing Requirement		689	774	5	(769)	724	(50)
ICT							
IT Programme & Digital Opportunities	G	2,200	2,200	272	(1,928)	2,200	-
Telecare System upgrade to Digital	G	121	121	-	(121)	121	-
Total ICT		2,321	2,321	272	(2,049)	2,321	-
Other Funding Sources	G	-	-	-	-	-	-
Total Income: ICT		-	-	-	-	-	-
ICT - General Capital Grant/Borrowing Requirement		2,321	2,321	272	(2,049)	2,321	-
Fleet							
Amenties - Machinery & Equipment - replacement	G	200	200	19	(181)	200	-
Vehicles	G	5,774	7,493	273	(7,220)	7,493	-
Total Fleet		5,974	7,693	292	(7,400)	7,693	-
Other Funding Sources	G	-	-	-	-	-	-
Total Income: Fleet		-	-	-	-	-	-
Fleet - General Capital Grant/Borrowing Requirement		5,974	7,693	292	(7,400)	7,693	-
Open Space							
Synthetic Pitch Replacement Programme	G	350	318	18	(300)	318	-
Cemeteries (Burial Grounds)	G	400	584	14	(570)	584	-
Climate Change Emergency	G	800	800	-	(800)	800	-
Coastal / Flood Protection schemes - Musselburgh	G	1,394	1,714	61	(1,653)	1,714	-
Coastal Change Management	G	166	166	-	(166)	166	-
Coastal Car Park Toilets	G	4	44	45	1	50	6
Core Path Plan	G	100	200	-	(200)	200	-
Harbour Walls	G	250	250	-	(250)	250	-
Nature Restoration	G	120	120	-	(120)	163	43
Replacement Play Equipment	G	545	545	1	(544)	545	-
Polson Park	G	140	160	-	(160)	160	-
Sports and Recreation LDP	G	2,237	2,654	112	(2,543)	2,654	-
Street litter bin replacement	G	40	40	27	(13)	40	-
Waste - New Bins	G	150	150	80	(70)	150	-
Waste - Machinery & Equipment - replacement	G	50	50	15	(35)	50	-
Total Open Space		6,746	7,796	373	(7,423)	7,845	49
Developer Contribution		(1,274)	(1,615)	(112)	1,504	(1,615)	-
Capital Receipts		-	-	-	-	-	-
Other Funding Sources		(1,125)	(1,204)	(42)	1,162	(1,304)	(100)
Total Income: Open Space		(2,399)	(2,819)	(154)	2,665	(2,919)	(100)
Open Space - General Capital Grant/Borrowing Requirement		4,346	4,977	219	(4,758)	4,926	(51)
Roads, Lighting and related assets							
Cycling Walking Safer Streets	G	496	739	172	(567)	739	-
Parking Improvements	P	878	1,181	15	(1,166)	700	(481)
Roads	G	-	-	-	-	-	-
Roads - Structures, Traffic Signals, Area Partnerships	G	620	620	30	(590)	620	-
Roads - Carriageways	G	4,480	4,480	493	(3,987)	4,480	-
Roads - Footways	G	950	950	170	(780)	950	-
Roads - Street Lighting	G	450	450	22	(428)	450	-
Roads - Externally Funded Projects	G	3,459	3,459	65	(3,395)	2,281	(1,179)
Total Roads, Lighting and related assets		11,333	11,880	968	(10,912)	10,220	(1,660)
Developer Contribution		(453)	(453)	-	453	-	453
Other Funding Sources		(3,006)	(3,013)	65	2,948	(2,288)	725

Appendix 4
East Lothian Council
General Services Capital Budget Monitoring Summary 2025/26
Quarter 1

	RAG	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget- Actual Variance 2025/26	Projected Outturn 2025/26	Updated Budget - Outturn Variance 2025/26
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000
Community Projects							
Total Income: Roads, Lighting and related assets		(3,459)	(3,466)	(65)	3,402	(2,288)	1,179
Roads etc. - General Capital Grant/Borrowing Requirement		7,874	8,414	903	(7,511)	7,932	(481)
Property - Education							
Aberlady Primary - extension	P	3,935	4,245	-	(4,245)	1,000	(3,245)
Blindwells Primary - new school	G	1,632	4,610	3,432	(1,179)	4,210	(400)
Craighall Primary - New School	G	1,572	4,930	3,259	(1,671)	4,530	(400)
East Linton Primary School - Toilet Upgrades	G	-	-	-	-	574	574
Elphinstone Primary - extension	G	-	-	-	-	626	626
Free School Meals Expansion to P6-7	G	-	83	-	(83)	83	-
Haddington Primary School (Lower Campus)	G	47	47	-	(47)	47	-
Gullane Primary - extension including Early Learning and 1140	G	-	-	(390)	(390)	-	-
Kingsmeadow Primary School (Upper Campus)	G	25	26	-	(26)	26	-
Knox Academy Extension	G	-	52	-	(52)	394	342
Law Primary - extension including Early Learning and 1140	G	-	25	3	(23)	25	-
Letham Primary - New School	G	47	47	2	(44)	47	-
Letham Primary - Extension	G	-	-	-	-	55	55
Longniddry Primary - Extension	G	-	-	-	-	507	507
North Berwick High School - Extension	G	-	143	41	(102)	143	-
Ormiston Primary - extension	A	100	100	-	(100)	100	-
Pinkie St Peter's Primary - sports hall extension	G	-	6	-	(6)	6	-
Pinkie St Peter's Primary - extension including Early Learning and 1140	G	-	278	-	(278)	278	-
Ross High School - extension	G	-	13	-	(13)	13	13
St Gabriel's Primary School	G	-	-	19	19	-	-
School Estate - Curriculum Upgrades	G	-	267	(43)	(309)	267	-
School Estate - Security Upgrades	G	232	232	-	(232)	232	-
School Estate - ASN Provision Space	G	140	140	10	(130)	140	-
Wallyford Primary - New School	G	115	120	22	(98)	120	-
Wallyford Learning Campus	G	-	766	275	(492)	766	-
Whitecraig Primary - new school including Early Learning and 1140	A	2,297	9,427	2,419	(7,008)	10,827	1,400
Windygoul Primary - Early learning and 1140 extension	G	156	156	-	(156)	156	-
Total Property - Education		10,296	25,713	9,048	(16,665)	25,172	(528)
Developer Contribution							
1140 Grant Income		(3,030)	(5,839)	(4,759)	1,079	(8,001)	(2,162)
Other Funding Sources		(173)	(173)	-	173	(156)	17
Total Income: Property - Education		(3,203)	(6,012)	(4,759)	1,252	(8,157)	(2,145)
Property Education - General Capital Grant/Borrowing Requirement		7,093	19,702	4,289	(15,412)	17,015	(2,673)
Property - Other							
Accelerating Growth		8,533	6,188	3,277	(2,911)	6,588	400
- Cockenzie	A	2,369	2,369	63	(2,306)	2,769	400
- Levelling Up Project Cockenzie	G	6,164	3,819	3,214	(605)	3,819	-
- Blindwells	G	-	-	-	-	-	-
- Innovation Hub	G	-	-	-	-	-	-
- A1/QMU Junction	G	-	-	-	-	-	-
Court Accommodation	G	22	22	1	(21)	22	-
Demolitions - various sites	G	369	369	-	(369)	369	-
Eskmill Fire Station Demolition	G	17	17	-	(17)	17	-
Relocation of Haddington Day Centre to Tynebank Resource Centre	G	1,325	1,325	-	(1,325)	150	(1,175)
Loch Centre Tranent - Major Refurbishment Works	G	276	970	84	(886)	970	-
Demolition of TUs	G	84	84	3	(81)	84	-
New ways of working Programme	G	990	1,368	65	(1,303)	1,368	-
Prestongrange Museum	G	833	2,096	8	(2,088)	2,096	-
Property Renewals	G	3,000	3,112	93	(3,019)	3,112	-
Replacement Childrens House	G	1,101	1,101	-	(1,101)	1,101	-
Sports Centres	G	240	240	1	(239)	240	-
Total Property - Other		16,791	16,893	3,534	(13,359)	16,118	(775)
Developer Contribution							
Capital receipts		-	-	-	-	-	-
TCR		(2,369)	(2,369)	(63)	2,306	(2,769)	(400)
Other Funding Sources		-	(162)	-	162	(162)	-
Total Income: Property - Other		(5,266)	(2,921)	(2,581)	340	(2,921)	-
Property Other - General Capital Grant/Borrowing Requirement		9,156	11,440	889	(10,551)	10,265	(1,175)
Total Property Spend - Education and Other							
Total Income: Property - Education and Other		27,087	42,606	12,582	(30,024)	41,289	(1,317)
Property-Education and Other - General Capital Grant/Borrowing Requirement		(10,839)	(11,464)	-	7,404	(14,010)	(2,545)
Property-Education and Other - General Capital Grant/Borrowing Requirement		16,248	31,142	5,178	(25,963)	27,280	(3,862)
Capital Plan Fees	G	2,650	2,650	-	(2,650)	2,650	-
PPP Projects	G	-	-	-	-	-	-
Total Gross Expenditure		57,517	77,085	14,494	(62,591)	74,657	(2,428)

Appendix 4
East Lothian Council
General Services Capital Budget Monitoring Summary 2025/26
Quarter 1

	RAG	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget- Actual Variance 2025/26	Projected Outturn 2025/26	Updated Budget - Outturn Variance 2025/26
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000
Community Projects							
Other Funding Sources		-	-	-	-	-	-
PPP Lease Liability Restatement		-	-	-	-	-	-
Total Income:PPP Projects		-	-	-	-	-	-
Income							
Developer Contribution	G	(4,758)	(7,907)	(4,871)	3,036	(9,616)	(1,709)
1140 Grant Income	G	(173)	(173)	-	173	(156)	17
Town Centre Regeneration (PBIP) Grant	G	(208)	(427)	(2)	425	(927)	(500)
Flood scheme general capital grant	G	14,134	14,134	-	(14,134)	14,134	-
Capital receipts	G	(7,369)	(7,369)	(5,063)	2,306	(7,769)	(400)
Other Funding Sources	G	(9,907)	(8,239)	(2,689)	5,550	(7,663)	575
Scottish Government General Capital Grant	G	(1,282)	(1,282)	(1,282)	-	(1,282)	-
Total Income		(9,563)	(11,263)	(13,907)	(2,644)	(13,280)	(2,017)
Borrowing Requirement	G	47,954	65,822	587	(65,235)	61,377	(4,445)

Appendix 5
Prudential and Treasury Indicators 2025/26
Quarter 1

1 PRUDENTIAL INDICATORS	2024-25	2025-26	2025-26
	Actual £'000	Budget £'000	Q1 Projection £'000
1.1 Capital Expenditure			
General Services	91,921	57,517	74,657
HRA	32,471	43,820	34,741
TOTAL	124,392	101,337	109,398
1.2 Capital Financing Requirement (CFR) – General Services			
brought forward 1 April	313,376	356,643	342,283
carried forward 31 March	342,283	390,824	389,893
In year borrowing requirement	28,907	34,181	47,610
1.3 Capital Financing Requirement (CFR) - HRA			
brought forward 1 April	265,745	284,350	286,472
carried forward 31 March	286,472	312,242	306,919
In year borrowing requirement	20,726	27,891	20,447
1.4 Total CFR excluding PPP and leases			
General Services	342,283	390,824	389,893
HRA	286,472	312,242	306,919
TOTAL	628,755	703,065	696,812
1.5 Annual Change in CFR			
General Services	28,907	34,181	47,610
HRA	20,726	27,891	20,447
TOTAL	49,633	62,072	68,058
1.6 Ratio of financing costs to net revenue stream			
General Services	4.95%	7.30%	7.06%
HRA	33.63%	36.97%	36.02%
1.7 Impact of Capital Investment Decisions			
General Services – Debt per Band D equivalent	£5,489	£6,180	£6,166
HRA – Debt per dwelling	£30,427	£32,781	£32,222

2 TREASURY MANAGEMENT INDICATORS	2024-25	2025-26	2025-26
	Actual £'000	Budget £'000	Q1 Projection £'000
2.1 Authorised Limit for External Debt -			
Borrowing at 31 March	708,000	741,000	737,000
Other long term liabilities (PPP and Leases)	38,000	33,000	34,000
Total	746,000	774,000	771,000
2.2 Operational Boundary for External Debt -			
Borrowing at 31 March	645,144	720,562	714,627
Other long term liabilities (PPP and Leases)	37,712	32,041	33,889
Total	682,856	752,604	748,516
2.3 Actual External Debt			
Borrowing at 31 March	559,402	637,466	631,079
Other long term liabilities (PPP and Leases)	37,712	32,041	33,889
Total	597,115	669,507	664,968

3 LOANS FUND	2024-25	2025-26	2025-26
	Actual £'000	Budget £'000	Q1 Projection £'000
3.1 General Services			
Opening balance	313,376	356,643	342,283
Add advances	35,715	47,658	61,081
Less repayments	(6,807)	(13,478)	(13,471)
Closing balance	342,284	390,824	389,893
3.2 HRA			
Opening balance	265,745	284,350	286,472
Add advances	26,558	34,184	26,828
Less repayments	(5,831)	(6,293)	(6,381)
Closing balance	286,473	312,242	306,919
3.3 Total			
Opening balance	579,121	640,993	628,755
Add advances	62,274	81,842	87,909
Less repayments	(12,638)	(19,770)	(19,851)
Closing balance	628,757	703,065	696,812

Appendix 6
East Lothian Council
Budget Monitoring HRA 2025/26 - Quarter 1

	2025/26 Budget	2025/26 Actual	2025/26 Budget to Date	2025/26 Variance (Surplus) / Deficit
	£'000	£'000	£'000	£'000
Total Income	-43,940	-10,862	-30,639	33,078
Total Expenditure	40,956	4,496	17,550	-36,460
(Surplus) / Deficit for Year	-2,984	-6,366	-13,089	-3,382

2025/26 Forecast	2025/26 Forecast Variance
£'000	£'000
-43,900	40
41,084	128
-2,816	168

	2025/26 Budget
	£'000
Management of Balances	
Opening (Surplus) / Deficit	-2,017
CFCR	3,400
(Surplus) / Deficit for Year	-2,984
Closing (Surplus) / Deficit	-1,601

2025/26 Forecast	2025/26 Forecast Variance
£'000	£'000
-2,017	0
3,232	-168
-2,816	168
-1,601	0

Appendix 7

East Lothian Council

Budget Monitoring HRA Capital 2025/26 - Quarter 1

	2025/26 Budget	2025/26 Actual to Date	2024/25 Budget to Date	2025/26 Budget Variance to Date	2025/26 Forecast	2025/26 Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Modernisation	13,375	2,077	3,344	-1,267	13,375	0
Energy Efficiency Fund	2,500	106	625	-519	2,500	0
New Council Housing	26,169	2,382	6,542	-4,160	16,782	-9,387
Fees	1,496	0	0	0	1,496	0
Mortgage to Rent	280	0	0	0	280	0
TOTAL	43,820	4,565	10,511	-5,946	34,433	-9,387

Funded By:

	2025/26 Budget	2025/26 Actual to Date	2024/25 Budget to Date	2025/26 Budget Variance to Date	2025/26 Forecast	2025/26 Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Grants	-6,040	-1,158	-1,510	352	-4,617	1,423
Grants MTR	-196	0	0	0	-196	0
CFCR	-3,400	0	0	0	-3,400	0
Borrowing	-34,184	0	0	0	-26,220	7,964
TOTAL	-43,820	-1,158	-1,510	352	-34,433	9,387

COMMITTEE:	East Lothian Council
MEETING DATE:	26 August 2025
BY:	Executive Director for Council Resources
REPORT TITLE:	Budget Development 2026-27 Onwards
REPORT STATUS:	Public

1 PURPOSE OF REPORT

- 1.1 To support the development of the five-year budget plans for 2026-27 onwards.
- 1.2 To provide Members with updated budget projections, scenario planning and a revised funding gap, and to highlight the key assumptions and risks within these.
- 1.3 To outline the process and next steps for setting the financial strategy and budgets for 2026-27 onwards.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Note the financial outlook, revised budget projections and key assumptions for financial planning 2026-27 onwards set out within the report.
- 2.2 Note the significant risks which the Council continues to face to financial sustainability and balancing the budget over the medium term.
- 2.3 Agree that the measures to deliver the further budget savings detailed within paragraph 3.18 (Table 1) will be implemented from 1 April 2026.
- 2.4 Agree the next steps to developing the budget and financial strategy for 2026-27 onwards, as set out within paragraph 3.40.

3 BACKGROUND

- 3.1 This report sets out the context for developing the 5-year financial strategy and budget plan for 2026-27 onwards, including key considerations for both revenue and capital General Services and Housing Revenue Account (HRA) budgets. It will cover an overview of the current national and local context, an update to the high-level revenue projections for general services, alternative scenario plans, key assumptions, risks and next steps.
- 3.2 Since the 2025-26 budget was agreed, the cross-party budget working group has continued to meet to discuss the financial challenges facing the Council and the possible decisions that Council will need to consider over the medium term in order to balance future budgets, ensure financial sustainability and deliver on priority outcomes.

National & Local Context

- 3.3 The Council continues to operate in a highly uncertain economic climate, with single-year finance settlements up to and including 2025-26 presenting significant challenges to medium-term financial planning.
- 3.4 The UK Government Spending Review¹ announcement on 11 June 2025 covers the years 2026-27 to 2028-29 for resource (day-to-day) spending and up to 2029-30 for capital, and reflects average annual increases in spending of 1.5% between 2025-26 and 2029-30. Within this, commitments to increase spending on defence and NHS (England) will likely mean a real terms cut to other budgets.
- 3.5 The future Scottish growth rate for resource spending is 0.8% and commentators have indicated that all of this could be absorbed by the NHS in Scotland. The settlement for Scotland announced as part of the chancellor's Spending Review was below the previous forecasts made by the Scottish Fiscal Commission on both the capital and resource side.
- 3.6 On 25 June 2025, Scottish Government's medium-term financial strategy (MTFS)², its Fiscal Sustainability Delivery Plan³ and Scottish Fiscal Commission updated forecasts⁴ were published. This identifies that excluding welfare spend, there will be no increase to the real terms

¹https://assets.publishing.service.gov.uk/media/686270a608bf2f53761219fc/E03349913_HMT_Spending_Review_June_2025_TEXT_PRINT_CS.pdf

² <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2025/06/scotlands-fiscal-outlook-scottish-governments-medium-term-financial-strategy-3/documents/scotlands-fiscal-outlook-scottish-governments-medium-term-financial-strategy-2025/scotlands-fiscal-outlook-scottish-governments-medium-term-financial-strategy-2025/govscot%3Adocument/scotlands-fiscal-outlook-scottish-governments-medium-term-financial-strategy-2025.pdf>

³ <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2025/06/scottish-governments-fiscal-sustainability-delivery-plan/documents/scottish-governments-fiscal-sustainability-delivery-plan-2025/scottish-governments-fiscal-sustainability-delivery-plan-2025/govscot%3Adocument/scottish-governments-fiscal-sustainability-delivery-plan-2025.pdf>

⁴ <https://fiscalcommission.scot/wp-content/uploads/2025/06/Scotlands-Economic-and-Fiscal-Forecasts-Update-June-2025-Summary.pdf>

revenue funding position between 2026-27 and 2028-29. The capital funding outlook to 2030-31 is a year-on-year reduction in real terms.

- 3.7 With expenditure demands forecast to grow by just over 2% each year, this gives rise to a substantial funding gap for Scottish Government over this period, estimated at almost £5 billion within the MTFS although subsequent analysis indicates that the deficit could increase to around £6.5 billion.
- 3.8 The Fiscal Sustainability Delivery Plan (FSDP) sets out the actions the Scottish Government is intending to take to close this funding gap, including:
- A reduction in workforce of 0.5% a year, saving £700 million by 2029-30. (Given the expected increases in NHS staffing this is likely to mean bigger staff cuts elsewhere.
 - Wider public sector efficiencies and reforms and revenue raising to save a further £1.5 billion by 2029-30. This is likely to mean substantial reductions in administration costs.
 - Increased “public value”, expected to generate savings between £300 million and £700 million a year.
- 3.9 In total, these actions are expected to generate enough savings to close the resource spending gap, with more detail on how cashable savings will be achieved expected as part of the Scottish Spending Review in December.
- 3.10 The Scottish Fiscal Commission’s assessment of future spending pressures notes that the recently agreed public sector pay deals which include an element of protection from inflation may present risks to the size of the funding gap and the ability to close it.
- 3.11 There is less detail in the FSDP on how the Scottish Government intends to close the capital gap, although greater private sector involvement is mentioned. The position is expected to become clearer after publication of a refreshed Infrastructure Investment Plan, alongside the 2026-27 Budget, and the draft Climate Change Plan, also due later this year.
- 3.12 Scottish Government also published its Public Sector Reform Strategy⁵ in June. The strategy sets out Scottish Government’s plans for creating a system that will significantly increase the scale and pace of change is collaborative and integrated by default, and outlines plans to ensure that the public services system will:
- Be efficient and effective with the right-size delivery landscape.
 - Better join up services and focus on helping people.

⁵ <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2025/06/scotlands-public-service-reform-strategy-delivering-scotland/documents/scotlands-public-service-reform-strategy-delivering-scotland/scotlands-public-service-reform-strategy-delivering-scotland/govscot%3Adocument/scotlands-public-service-reform-strategy-delivering-scotland.pdf>

- Prioritise prevention.
 - Empower people and communities to shape the services that matter to them.
 - Be fiscally sustainable.
- 3.13 At this stage, it is difficult to determine what the implications of these national announcements will be for the local government sector. Given Scottish Government's stated key priorities (child poverty, cutting NHS waiting times, climate change, economic growth and a shift in funding towards prevention and early intervention), it is likely that other areas may face significant real terms cuts post 2025-26. The Scottish Parliament Information Centre's analysis⁶ of the MTFS announcement noted that local government's share of total Scottish Government spending falls from 24.4% in 2025-26 to 23% in 2029-30.
- 3.14 At a local level, while the precise impact will not be known until December, these announcements indicate that the funding challenges which the Council has faced in recent years are likely to remain a prominent feature of budget setting over the medium term. This means that the Council's financial strategy must maintain its focus on taking sustainable budget decisions and ensuring that resources are targeted to the areas of highest need.
- 3.15 The next key fiscal event will be Chancellor's Autumn Budget which is anticipated in late October or early November. The next major stage of the budget process in Scotland will follow in December when the Scottish Government publishes the 2026-27 budget alongside the conclusions of the Scottish Spending Review, as well as supporting documents on Public Sector Pay Policy and the results of a multi-year resource spending review.

Revised Budget Projections – General Services

- 3.16 Council agreed the 5-year budget plan for 2025-26 onwards on 18 February 2025, which reflected the following:
- 10% council tax increase in 2025-26, with indicative annual increases of 5% in the following 4 years.
 - Planned revenue savings totalling £8.9 million over the next 5 years.
 - Use of £9.980 million from the capital fund in 2025-26, to smooth the impact of debt charges.
 - Capital investment (general services) of £211 million over the next 5 years
 - Allowance for pay pressures of 3% in 2025-26 to 2027-28, and 2% in the subsequent two years.

⁶ <https://spice-spotlight.scot/2025/07/15/balancing-the-scottish-budget-the-challenges-ahead/>

- Flat cash settlement in all years from 2026-27 onwards.

3.17 Ongoing challenges brought about by population growth and demographic change are continuing to increase the gap between available funding and growing expenditure demands. As one of the fastest growing council areas in Scotland, this remains a significant challenge at a local level, and is set alongside other pressures facing the whole of the public sector including pay and contract inflation, growing demand for services and increasing expectations arising from new policy commitments at a national level. Officers and Members continue to raise awareness of these challenges through the appropriate channels within Scottish Government and COSLA.

Revenue

3.18 The strategic budget model has been rolled forward and updated to reflect recent developments likely to significantly impact the financial projections. In accordance with the budget development framework, the strategic projections span the next 5 years, and the budget model has been updated to incorporate 2030-31 as year 5. A summary is provided within **Appendix 1**, and key changes are summarised below:

Pay: A two year pay deal has been agreed for local government employees, craft workers and chief officials covering 2025-26 and 2026-27. This will see annual pay increases of 4% and 3.5% respectively, applicable from 1 April with the costs over and above 3% being met through additional Scottish Government funding. The updated budget model in Appendix 1 reflects this increase assuming that the same uplifts will also be applied to teachers pay (noting that these negotiations remain ongoing at the time of drafting this report.) This does not give rise to any net change in the budget model, given the previous assumption of a 3% increase and assumed funding for the additional 0.5% which has been incorporated into the model. The future years' pay assumptions reflect 3% increases in 2027-28 and 2028-29, and 2% in the subsequent 2 years.

Cost pressures: The model has also been updated to reflect known and emerging non-pay related revenue budget pressures including inflation, revenue costs of capital and new policy obligations. Cost pressures shown include investment in the following areas in 2026-27:

Education: £0.6 million growth to fund the implementation of minimum learning hours for primary 1 and 2. In addition, further growth of £1.3 million is included to support the revenue costs of the expansion of the school estate due to population growth.

Inclusion & Wellbeing: £0.8 million investment to support demographic growth and increasing demand for these services.

Children's Services: £0.56 million budget increase to reflect demographic growth, and to target growth in the number of internal foster carers.

Health & social care: £1m which reflects demographic growth and transitions.

Funding: As noted above, the model has been updated to reflect additional funding to support the 2026-27 pay award, including a proportionate share that will transfer to the IJB. In addition, the model also reflects assumed funding to support the Real Living Wage increases, which will also impact on the funding that will transfer to the IJB. This assumption is based on precedent but will not be confirmed until the draft settlement is received in December.

Funding of £3.79 million to support the packaging Extended Producer Responsibility (EPR) is anticipated in 2025-26. The Council has not yet received notification of the level of funding it is due to receive in 2026-27, but it is possible that the amount will be lower than the current year.

Council Tax: The model continues to reflect assumed annual council tax increases of 5%, but these projections have been updated to reflect current assumptions regarding the tax base (i.e. the number of properties liable to pay council tax, adjusted according to banding and assumed levels of discounts and reductions).

Existing savings: As noted above, Council has previously agreed to the delivery of savings measures totalling £8.9 million over the next 5 years (including the current financial year). Officers are continuing to progress these decisions; however, a high degree of risk has been identified to the timing of delivery of some of the agreed savings. Appendix 1 accordingly reflects a proposed reprofiling of some of the previously agreed savings to reflect anticipated delivery dates. In addition, the quarter one monitoring position has identified the following savings which are considered to be unachievable and the proposed updates to the 2026-27 budget model reflect these pressures:

- City Region PMO £0.045 million – this saving would require agreement of all partners and is not considered achievable at this stage. A further cost pressure has emerged during the year from an increased charge to support this. Alternative measures to deliver a saving from this service area form part of the proposed new savings noted below.
- Review of public holidays £0.3 million – while discussions remain ongoing, this saving which was part of the budget agreed in 2023-24 has not yet been delivered.

New savings: In addition to the savings previously agreed by Council, the Council Management Team has been working alongside the cross-party budget working group to identify further budget savings to close the budget gap. The budget model reflects further reductions totalling £1.468 million and it is proposed that Council agrees these reductions as part of this report. A breakdown of these savings is shown below:

Service Area	Proposal	2026/27 £000	2027/28 £000
Infrastructure	Reduce costs of cleaning equipment	2	
Infrastructure	Full recharge of amenity services to common good	123	
Infrastructure	Wallyford Learning Campus Income	100	
Infrastructure	Capital Recharge for Project Management	25	
Infrastructure	Contract / Utility Efficiencies (Active Business Unit)	25	
Infrastructure	Contract Efficiencies - Amenities	50	
Infrastructure	Plant nursery income	20	
Infrastructure	Increase burials charges - 5%	20	
Communities	Redesign library HQ functions in light of new system	35	
Housing	Reduction in use of B&B accommodation	30	20
Development	Planning fee increase	33	
Development	Reduce non-staffing tourism budget	30	
Education	Reduce catering budget	870	
Council Support	Introduce Bring Your Own Device for Mobile Phones	42	
Council Support	Digitisation/efficiencies within registrars service	3	
Finance	Loan restructure	40	
	Total	1,448	20

Table 1: Proposed additional savings 2026-27 onwards

Salary slippage: The revised budget model reflects increases to the assumed vacancy factor in response to pay and NI increases and recent and projected budget outturn for staff costs.

- 3.19 The results of this give rise to an updated 5-year budget gap of £73.8 million including IJB pressures of £9.2 million. Members will be aware that both the Council and the IJB must set balanced budgets which means taking steps to close the gap between the available resources and expenditure demands.
- 3.20 After taking account of planned savings and indicative annual council tax rises of 5%, the residual five-year budget gap remains at £43.5 million. This includes a residual budget gap in 2026-27 of £10.4 million. In setting balanced budgets for each of these years, Council will need to agree savings or apply further council tax increases in order to close the budget gap, unless additional government funding is forthcoming. HSCP budgets are set by the IJB and will need to be balanced either through the identification of savings or additional funding.
- 3.21 It is recommended the high-level projections set out within Appendix 1 form the initial basis of financial planning to develop the general services revenue budget for 2026-27 onwards. Work will continue to update these projections over the coming months ahead of the budget setting meeting. Key areas will include:
- Updates to incorporate implications arising from UK and Scottish Government budget announcements and the 2026-27 local government finance settlement.

- 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.
- Updates to the forecast demographic pressures within IJB delegated services.
- Quantifying the impact of employer NIC increases on commissioned services as these crystallise over the coming months, which may result in further increased pressure for the IJB.
- Revised cost pressures to incorporate material changes to policy, demographic pressure or external risk factors which emerge during the current financial year.
- Inclusion of further proposed savings to close the funding gap enabling a balanced budget to be set for 2026-27.
- Consideration of the potential impact of a pay and grading review.

Scenario Planning

3.22 Recognising the range of variables that exist within the updated projections, two alternative scenarios have been developed which reflect the potential impact of changes to the key assumptions reflected in **Appendix 1**. The three scenarios are summarised below with the 'neutral' case used for planning purposes set against alternative favourable and adverse scenarios. Table 2 shows the overall funding gap in each of the 3 scenarios, and table 3 shows the residual gap after taking account of planned savings and assumed council tax increases.

	2026-27 £000	2027-28 £000	2028-29 £000	2029-30 £000	2030-31 £000	Total £000
Favourable	16,940	12,071	10,363	11,840	12,402	63,616
Neutral	17,940	17,528	14,129	11,549	12,636	73,782
Adverse	22,542	21,658	15,783	15,159	16,156	91,298

Table 2: Scenario planning: Funding gap council + IJB

	2026-27 £000	2027-28 £000	2028-29 £000	2029-30 £000	2030-31 £000	Total £000
Favourable	9,305	6,659	4,764	5,901	6,214	32,843
Neutral	10,356	12,220	8,630	5,721	6,561	43,488
Adverse	16,647	18,257	12,355	11,602	12,549	71,410

Table 3: Scenario planning: Savings required council + IJB

3.23 Within Tables 2 and 3 above, the following variables have been applied to the assumptions applied in the neutral scenario:

Favourable scenario (shown in green)

- Assumes annual pay awards of 2% from 2027-28 onwards.
- Assumes a 10% higher completion rate on new homes for council tax purposes than the neutral scenario.
- Assumes that all savings will be delivered in line with existing plans.
- Assumes a reduced level of emerging service pressures and lower future employer pension contribution rates.

Adverse scenario (shown in red)

- Assumes annual pay awards of 3% from 2027-28 onwards.
- Assumes a 10% lower completion rate on new homes for council tax purposes than the neutral scenario.
- Assumes a lower level of savings in the staffing budget due to vacancies.
- Assumes that council tax increases will be capped at 3%.
- Assumes increased pressures arising from policy change at a national level, including reduced class contact time.

3.24 The neutral scenario reflects the recommended basis for planning and is summarised within Tables 2 and 3 (shown in **amber**) above for the purpose of comparison.

3.25 While it is hopefully unlikely that all the assumptions set out in the adverse scenario above would materialise, this sets out the potential scale of risk which the Council could face, amounting to a 5-year funding gap of £91.2 million. This reflects a significant increase on the 5-year adverse scenario projection for 2024-30, reported to Council last August and would present a significant risk to financial sustainability if this were to materialise.

3.26 Development of the budget will be informed on an ongoing basis by consultation feedback through the council's Participation and Engagement strategy. In the shorter term, consideration will be given to issue budget survey to inform and support budget development for 2026-27.

Capital

3.27 As noted elsewhere in this report, the 5-year capital plan agreed by Council on 18 February 2025 reflects capital expenditure plans totalling £211 million. After taking into account slippage from 2024-25 capital budgets, as well as a review of paused capital projects, gross planned capital expenditure over the next 5 years of £248 million is expected, giving rise to a net new borrowing requirement of £122 million. The updated 5-year capital budget is shown at **Appendix 2**.

3.28 In the context of the existing capital financing requirement of £390 million for general services, consideration will need to be given to the

sustainability of the current and future capital programmes in terms of the overall debt position, as well the revenue costs of financing this.

3.29 Population growth has been one of the key drivers of capital investment in recent years, with investment in the learning estate representing a significant proportion of recent and planned capital expenditure. In light of funding constraints, increased borrowing costs and reduced availability of capital grants it is appropriate at this stage to consider and prioritise these plans within current affordability parameters, using the criteria set out in the capital strategy:

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

3.30 At this stage, there are known further expenditure demands totalling £43.5 million in 2030-31, giving rise to a further borrowing requirement of £1.9 million. Revised future capital expenditure requirements will be collated over the coming months and will need to be considered against the criteria set out above.

HRA

3.31 As part of the budget meeting in February 2026, Council will meet to set the rent levels for the next financial year. The core assumptions set out in the existing strategy reflect assumed annual increases of 5%, subject to the satisfaction of the following key tests:

- Minimising the impact of debt charges by operating within the recommended upper limit for the ratio of debt charges to income of 40% and maximising the in-year use and application of capital receipts, available capital grants, and revenue balances where possible.
- In support of contingency planning, ensuring that the reserve or balance left on the HRA does not fall below £1.0 million, allowing the Council to maintain a cushion against any unexpected increase in costs or loss of income.

3.32 Risks arising from the removal of affordable housing subsidy for the current financial year, coupled with uncertainty over the availability of funding in future years present a significant risk to financial planning, and the Council's capacity to increase the supply of affordable housing in East Lothian. Officers are in the process of updating HRA budget projections for 2026-27 onwards, and the implications of these risks will

require careful consideration to ensure that revised plans remain sustainable in the context of reduced capital funding. Alongside this, work is underway to develop a 30-year business plan for the HRA to support strategic capital planning and inform the future rent strategy. It is anticipated that the initial work to develop the longer-term business plan will be completed in 2026.

Budget Development Principles

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

- i. Establishment of a cross-party budget working group to oversee the development of detailed budget proposals and the different work streams supporting this.
- ii. 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.
- iii. A holistic approach to budget development, which recognises the relationship between capital and revenue planning and the role of investment in cost reduction strategies.
- iv. 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.
- v. Ensuring alignment of financial planning and resources with wider strategic priorities, the Council Plan and consultation results.
- vi. Consideration of a 5-year budget plan aligned to the financial and capital strategies.

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

- Investing in digital transformation
- Resourcing and enabling the asset review
- Support for service reviews and wider transformation
- Cost reduction through energy efficiency
- Investment in early intervention and prevention
- Developing and growing income streams

- 3.35 Council has made a commitment to support transformation workstreams through reserves created through the application of fiscal flexibilities in 2023/24. The proposed Transformation Strategy, which is subject to consideration by Council at this meeting details the vision and approach to transformation, as well as the arrangements in place to monitor and report progress.
- 3.36 Over the coming months, these principles will be considered as part of the development of the financial strategy for 2026-27 onwards which will be presented to Council in December. A key priority to support future budget planning over the medium term and build on these principles will be early development and decision making around savings opportunities over the medium term.

2025-26 Budget Actions

- 3.37 A number of actions were approved by Council alongside the current year's budget to support future budget development and the Council's financial strategy. An update on progress to address these actions is provided below:

- i) Action: In light of the significant funding gap which the Council faces for 2026-27 onwards, officers across all service areas are being asked to progress further work to develop a range of options to close the funding gap, aligned to levers set out within the financial strategy, and Council Plan objectives.

Update: The Council Management Team has developed an initial list of options to close the budget gap through reductions to service budgets which has been shared with members. Some of these proposals have been incorporated into the updated projections as additional savings to reduce the budget gap, and it is recommended that Council agrees that these are taken forward as part of this report.

- ii) Action: Working to incorporate effective and meaningful engagement with the public and other key stakeholders in reporting and monitoring the financial decisions which underpin the budget.

Update: This is subject to ongoing consideration and will be supported through the Council's Participation and Engagement Strategy which is currently under development. Consideration will be given to running a budget survey in order to supplement this work ahead of the 2026-27 budget.

- iii) Action: A review of oversight and scrutiny arrangements for housing policy, performance and strategic planning to support the development of a longer-term strategy for the housing revenue account, encompassing the business plan and future rent levels.

Update: A cross-party housing group has been established and is due to meet for the first time on 19 September. Alongside this, work to develop the long-term business plan is progressing.

- iv) Action: As part of the cross-party group's ongoing work to support strategic financial planning and budget development, focus areas over the coming year will include a renewed emphasis on poverty and inequality, ensuring that resources are prioritised towards progressing work in this area, and developing the longer-term financial relationship with external partners including the IJB, Enjoy Leisure and the Brunton Theatre Trust.

Update: These areas remain subject to ongoing consideration through the cross-party budget working group.

Conclusion & Next steps

- 3.38 This report highlights the range of uncertainties and challenges which the Council faces in developing its budgets for 2026-27 onwards. The financial environment continues to present one of the biggest risks to the Council's ability to deliver on its priorities and achieve positive outcomes for our people and communities.
- 3.39 Despite this, the recurring general services revenue budgets continue to commit annual expenditure in excess of £340 million to support service delivery, alongside significant capital investment to meet the needs of our growing population. Budget planning will therefore focus on a sustainable approach to prioritising these resources to ensure that the best possible outcomes are achieved for East Lothian residents, and that limited resources are targeted to the areas of greatest need.
- 3.40 The current indicative budget development timetable was considered by Council in April. Key milestones and activities are summarised below:

Date	Meeting	Action
August 2025	Council	To consider the financial landscape and context for budget setting for 2026-27 onwards, including an update on progress with discussions aligned to closing the funding gap.
August 2025	Council	Q1 financial update report, to include an overview of progress towards delivering agreed savings for 2025-26.
October 2025	Council	Draft financial outlook report to Council, setting out and significant changes to high level budget forecasts and

		measures to balance the budget for 2026-27 onwards.
December 2025	Council	Consider the financial and capital strategies for 2026-27 onwards.
January 2026	Cabinet	Budget development update, including implications of the draft local government finance settlement.
February 2026	Council	Council budget meeting to agree budgets for 2026-27 onwards, and set council tax and rent levels for the forthcoming financial year.

Table 4: Indicative budget development timetable 2026-27 onwards

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 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: As set out within the body of the report.
- 5.2 Human Resources: No direct implications arising from the recommendations in this paper.
- 5.3 Other (e.g. Legal/IT): None identified.
- 5.4 Risk: As set out within the body of the report. Managing the financial environment is captured and reported as part of the corporate risk register.

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 **Select the statement that is appropriate to your report by placing an 'X' in the relevant box.**

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the

X

environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☐

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

7.1 Appendix 1 – High Level General Services Revenue Budget Projections 2026 – 2031 (Neutral Scenario)

Appendix 2 – Updated Capital Programme 2025-2030 (General Services)

8 BACKGROUND PAPERS

8.1 Report to Council, 10 December 2024: Financial and Capital Strategies 2025-30

https://www.eastlothian.gov.uk/meetings/meeting/17332/east_lothian_council

- 8.2 Report to Council, 18 February 2025: Budget, Council Tax and Rent Setting 2025-26 onwards

https://www.eastlothian.gov.uk/meetings/meeting/17417/east_lothian_council

- 8.3 Report to Council, 29 April 2025: Finance Update

https://www.eastlothian.gov.uk/meetings/meeting/17334/east_lothian_council

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

Name	Ellie Dunnet
Designation	Head of Finance
Tel/Email	edunnet@eastlothian.gov.uk
Date	7 August 2025

Head of Service Approval

Name	Sarah Fortune
Designation	Executive Director of Council Resources
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Yes
Approval Date	18 August 2025

East Lothian Council Cross Party Budget
High Level Revenue Summary - General Services
2026/27 - 2030/31

	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000	Total £000
Base Budget	344,103	342,264	346,182	347,552	348,338	
Growth						
Pay	8,047	7,377	8,253	5,443	5,536	34,656
Inflation & Indexation	3,048	3,389	3,462	2,347	1,900	14,146
Growth including RCC	4,750	6,483	5,742	5,120	7,027	29,122
Debt Charges	-3,398	802	292	1,139	-327	-1,492
Total Growth	12,447	18,051	17,749	14,049	14,136	76,432
Funding / income changes						
RSG - additional funding	0	0	0	0	0	0
RSG - pay award funding (Council)	-980	0	0	0	0	-980
RSG - pay award funding (IJB)	-119	0	0	0	0	-119
RSG - funding for new policy commitments (Council)	0	0	0	0	0	0
RSG - funding for new policy commitments (IJB)	-1,600	-1,500	-1,500	-1,000	-1,000	-6,600
SFT funding	73	63	6	0	0	142
Service Concessions Flexibility	-107	42	-98	-277	0	-440
Total Funding Changes	-2,733	-1,395	-1,592	-1,277	-1,000	-7,997
FUNDING GAP COUNCIL + IJB	9,714	16,656	16,157	12,772	13,136	68,435
Service Concessions - Contribution to Reserves	107	-42	98	277	0	440
SFT funding - Contribution to Reserves	1,595	-63	-6	0	0	1,526
Use of capital reserve	7,878	2,102	0	0	0	9,980
General Fund Balance	0	0	0	0	0	0
Total Reserve Movements	9,580	1,997	92	277	0	11,946
Existing savings plans (breakdown below)	-2,354	-2,625	-1,120	-500	0	-6,599
Risk to savings delivery	1,000	1,500	-1,000	-1,000	-500	0
Existing savings plans (IJB)	0	0	0	0	0	0
Total Savings	-1,354	-1,125	-2,120	-1,500	-500	-6,599
BUDGET GAP REMAINING	17,940	17,528	14,129	11,549	12,636	73,782
PROPOSED ADDITIONAL SERVICE REDUCTIONS	-1,448	-20	0	0	0	-1,468
Council tax - additional dwellings	-2,036	-892	-805	-808	-736	-5,277
Council tax rate increase y1-5 5%	-4,100	-4,396	-4,694	-5,020	-5,339	-23,549
Total Council Tax	-6,136	-5,288	-5,499	-5,828	-6,075	-28,826
REVISED BUDGET GAP COUNCIL + IJB	10,356	12,220	8,630	5,721	6,561	43,488

For Information - Future Year Budget Gaps

Percentage reduction in service budgets required to balance budget	3.6%	2.6%	1.7%	1.9%
Further council tax increase required to balance budget	13.9%	9.2%	5.7%	6.1%

Breakdown of Planned Savings

	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000	Total £000
EXISTING SAVINGS (previously agreed by Council)						
<u>Deliverable Savings</u>						
Finance	-14	-85	0	0	0	-99
Council Support	-90	-20	0	0	0	-110
Infrastructure	-120	0	-120	0	0	-240
Development	-80	0	0	0	0	-80
Housing	-50	-20	0	0	0	-70
Income generation	-1,000	-1,400	0	0	0	-2,400
Asset Review	-1,000	-1,100	-1,000	-500	0	-3,600
	-2,354	-2,625	-1,120	-500	0	-6,599
<u>Reprofile of Savings with Delivery Risks</u>						
Income generation	0	1,400	-1,000	0	-400	0
Asset Review	1,000	100	0	-1,000	-100	0
	1,000	1,500	-1,000	-1,000	-500	0
Further Savings - Education	-870	0	0	0	0	-870
Further Savings - Infrastructure	-365	0	0	0	0	-365
Further Savings - Development	-63	0	0	0	0	-63
Further Savings - Communities	-35	0	0	0	0	-35
Further Savings - Housing	-30	-20	0	0	0	-50
Further Savings - Finance	-40	0	0	0	0	-40
Further Savings - Council Support	-45	0	0	0	0	-45
TOTAL PROPOSED ADDITIONAL SAVINGS	-1,448	-20	0	0	0	-1,468
TOTAL BUDGET SAVINGS & EFFICIENCIES	-2,802	-1,145	-2,120	-1,500	-500	-8,067

Reconciliation of IJB Position

Growth

Pay	874	869	898	653	668	3,962
Inflation & indexation	2,010	1,763	1,800	1,225	1,182	7,980
Growth including RCC	1,030	987	760	653	500	3,930
TOTAL	3,914	3,619	3,458	2,531	2,350	15,872

Funding / income changes

RSG - pay award funding	-119	0	0	0	0	-119
RSG - funding for new policy commitments	-1,600	-1,500	-1,500	-1,000	-1,000	-6,600
TOTAL	-1,719	-1,500	-1,500	-1,000	-1,000	-6,719

FUNDING GAP - IJB	2,195	2,119	1,958	1,531	1,350	9,153
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Existing savings plans	0	0	0	0	0	0
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FUNDING BUDGET GAP - IJB	2,195	2,119	1,958	1,531	1,350	9,153
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Expenditure
Community Projects
Community Intervention
Community Facility Transformation
Community Intervention Fund - Pump Tracks
Community Public Art
Bleachingfield Centre Remodelling Works
Dunbar Conservation Area Regeneration Scheme (CARS)
North Berwick Skatepark
Support for Business
Fisherrow - spend to save project
CCTV
Town Centre Regeneration
Total Community Projects

Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total	External Funding	GCG funding/ Borrowing Requirement
2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	£000	£000	£000
242	200	200	200	200	1,042	-	1,042
100	100	100	100	100	500	-	500
580	-	-	-	-	580	(443)	137
155	-	-	-	-	155	(155)	-
18	-	-	-	-	18	(18)	-
775	12	-	-	-	787	(692)	95
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
212	-	-	-	-	212	-	212
57	-	-	-	-	57	(57)	-
2,139	312	300	300	300	3,352	(1,366)	1,986

ICT
IT Programme & Digital Opportunities
Telecare system - Analogue to Digital
Total ICT

2,200	2,300	2,325	2,300	2,300	11,425	-	11,425
121	103	106	-	-	330	-	330
2,321	2,403	2,431	2,300	2,300	11,755	-	11,755

Fleet
Amenties - Machinery & Equipment - replacement
Vehicles
Total Fleet

200	200	200	200	200	1,000	-	1,000
7,493	2,081	1,943	3,708	2,500	17,725	-	17,725
7,693	2,281	2,143	3,908	2,700	18,725	-	18,725

Open Space
Synthetic Pitch Replacement Programme
Cemeteries (Burial Grounds)
Climate Change Emergency
Coastal / Flood Protection schemes - Musselburgh
Coastal Change Management
Coastal Car Park Toilets
Core Path Plan
Harbour Walls
Nature Restoration
Polson Park
Replacement Play Equipment
Sports and Recreation LDP
- Aberlady Sports & Play Capacity
- Aubigny Sports Centre Expansion
- Blindwells Allotments
- Blindwells Cemetery Plots
- Blindwells Community Sports
- Blindwells Equipped Play
- Craighall Sports Pitches
- Craighall Allotments
- Craighall Pavilion
- Dirleton Play Equipment
- East Linton Memorial Park
- Elphinstone Pavilion
- Fa'side Path
- Gullane Pitches
- Gullane Play Equipment
- Hallhill Sports Pitch & Changing
- Heritage Implementation Plan
- Letham Path Network
- Letham Pavillon
- Longniddry-Haddington Path Improvements
- Macmerry Sports Facilities
- Wallyford 4 Team Pavilion
- Whitecraig Pavilion & Pitch
- Windygoul Sports Pitch
- Windygoul Allotments
Street litter bin replacement
Waste - New Bins
Waste - Machinery & Equipment - replacement
Total Open Space

318	700	260	1,075	-	2,353	-	2,353
584	500	400	500	-	1,984	-	1,984
800	-	-	-	-	800	(800)	-
1,714	2,011	4,741	21,334	34,494	64,293	(42,311)	21,982
166	-	-	-	-	166	-	166
44	-	-	-	-	44	(42)	2
200	-	50	50	50	350	-	350
250	-	-	-	-	250	-	250
120	-	-	-	-	120	-	120
160	-	-	-	-	160	-	160
545	100	100	100	100	945	-	945
2,654	944	-	424	2,583	6,606	(5,701)	905
-	-	-	-	-	-	-	-
36	220	-	-	-	256	(256)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,333	2,333	(2,333)	-
-	-	-	424	-	424	(424)	-
-	-	-	-	-	-	-	-
-	-	-	-	23	23	(23)	-
773	611	-	-	-	1,384	(1,384)	-
-	23	-	-	-	23	(23)	-
66	-	-	-	-	66	(66)	-
-	32	-	-	-	32	(32)	-
161	-	-	-	-	161	(161)	-
166	-	-	-	-	166	(166)	-
41	-	-	-	-	41	(41)	-
211	-	-	-	-	211	(211)	-
1	5	-	-	-	6	(6)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13	-	-	-	-	13	(13)	-
108	-	-	-	-	108	(108)	-
905	-	-	-	-	905	-	905
-	-	-	-	227	227	(227)	-
165	53	-	-	-	219	(219)	-
8	-	-	-	-	8	(8)	-
40	40	40	40	40	200	-	200
150	150	150	150	150	750	-	750
50	50	50	50	50	250	-	250
7,796	4,495	5,791	23,723	37,466	79,271	(48,855)	30,417

Roads, Lighting and related assets
Cycling Walking Safer Streets
Parking Improvements
Roads
Roads - Structures, Traffic Signals, Area Partnerships
Roads - Carriageways
Roads - Footways
Roads - Street Lighting
Roads - externally funded projects
Total Roads, Lighting and related assets

739	-	-	-	-	739	(7)	732
1,181	851	5,000	-	-	7,032	-	7,032
-	-	-	-	-	-	-	-
620	620	620	620	620	3,100	-	3,100
4,480	3,480	3,480	3,480	3,480	18,400	-	18,400
950	950	950	950	950	4,750	-	4,750
450	450	450	450	450	2,250	-	2,250
3,459	3,270	280	100	100	7,209	(7,209)	-
11,880	9,621	10,780	5,600	5,600	43,481	(7,216)	36,265

	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total	External Funding	GCG funding/ Borrowing Requirement
	2025/26	2026/27	2027/28	2028/29	2029/30			
	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure								
Property - Education								
Aberlady Primary - extension	4,245	75	-	-	-	4,320	(959)	3,362
Blindwells Primary - new school	4,610	326	-	-	-	4,936	(1,815)	3,121
Craighall Primary - New School	4,930	319	-	-	-	5,249	(1,933)	3,316
East Linton Primary - Toilet upgrades	574	-	-	-	-	574	(574)	-
Elphinstone Primary - extension	626	1,469	-	-	-	2,095	(2,095)	-
Free School Meals Expansion to P6-7	83	-	-	-	-	83	-	83
Haddington Primary School (Lower Campus)	47	-	-	-	-	47	(47)	-
Kingsmeadow Primary (Upper Campus)	26	-	-	-	-	26	(26)	-
Kingsmeadow Primary - Toilet Reinstatement	-	-	103	-	-	103	(103)	-
Knox Academy Extension (subject to approval)	394	110	120	2,050	-	2,674	(2,674)	-
Law Primary - extension including Early Learning and 1140	25	-	-	-	-	25	-	25
Letham Primary - New School	47	-	-	-	-	47	-	47
Letham Primary - Extension	55	318	3,336	963	-	4,672	(4,672)	-
Longniddry Primary - extension	507	1,500	1,500	500	-	4,007	(4,007)	-
Macmerry Primary - extension	-	521	502	-	-	1,023	(1,023)	-
North Berwick High School - Extension	143	-	-	-	-	143	-	143
Ormiston Primary - extension	100	-	-	-	-	100	-	100
Pencaitland PS	-	90	693	-	-	783	(783)	-
Pinkie St Peter's Primary - extension including Early Learning and 1140	278	-	-	-	-	278	-	278
Pinkie St Peter's Primary - sports hall extension	6	484	-	-	-	490	-	490
Preston Lodge High School - extension (phase 1)	-	1,000	-	-	-	1,000	(1,000)	-
Ross High School - extension	13	-	-	-	-	13	(13)	-
School Estate - Curriculum Upgrades	267	-	-	-	-	267	-	267
School Estate - Security Upgrades	232	216	212	144	56	860	-	860
School Estate - ASN Provision Space	140	-	-	-	-	140	-	140
St Gabriel's Primary - extension including Early Learning and 1140	-	-	-	-	-	-	-	-
Wallyford Primary - New School	120	-	-	-	-	120	-	120
Wallyford Learning Campus	766	-	-	-	-	766	-	766
Whitecraig Primary - new school including Early Learning and 1140	9,427	278	-	-	-	9,705	(1,656)	8,049
Windygoul Primary - Early learning and 1140 extension	156	-	-	-	-	156	(156)	-
Windygoul Primary - extension	-	104	540	-	-	644	(644)	-
Total Property - Education	27,817	6,810	7,006	3,657	56	45,347	(24,180)	21,167
Property - Other								
Accelerating Growth	6,188	-	-	-	-	6,188	(4,942)	1,246
- Cockenzie	2,369	-	-	-	-	2,369	(2,369)	-
- Levelling Up Project Cockenzie	3,819	-	-	-	-	3,819	(2,573)	1,246
- Blindwells	-	-	-	-	-	-	-	-
- Innovation Hub	-	-	-	-	-	-	-	-
- A1/QMU Junction	-	-	-	-	-	-	-	-
Future of Brunton Theatre	-	-	-	-	-	-	-	-
Court Accommodation	22	-	-	-	-	22	-	22
Demolitions - various sites	369	-	-	-	-	369	-	369
Eskmill Fire Station Demolition	17	-	-	-	-	17	-	17
Relocation of Haddington Day Centre to Tynebank Resource Centre	1,325	434	-	-	-	1,759	-	1,759
Loch Centre Tranent - Major Refurbishment Works	970	4,614	64	-	-	5,647	-	5,647
Demolition of TUs	84	-	-	-	-	84	-	84
New ways of working Programme	1,368	100	-	-	-	1,468	-	1,468
Prestongrange Museum	2,096	-	-	-	-	2,096	(511)	1,586
Property Renewals	3,112	2,000	2,000	2,000	2,000	11,112	-	11,112
Regeneration opportunities - property acquisition	-	-	-	-	-	-	-	-
Replacement Childrens House	1,101	701	27	-	-	1,830	-	1,830
Sports Centres	240	240	240	240	240	1,200	-	1,200
Whitecraig Community Centre	-	-	-	-	-	-	-	-
Total Property - Other	16,893	8,089	2,331	2,240	2,240	31,793	(5,453)	26,340
Projects subject to external funding								
River Tyne / Haddington Flood Protection scheme	-	-	-	-	-	-	300	300
Future Theatre Provision	-	-	-	-	-	-	-	-
Town Centre Investment - Tranent & Western Villages	-	-	-	-	-	-	-	-
Total Projects subject to external funding	-	-	-	-	-	-	300	300
PPP Projects	-	-	-	-	-	-	-	-
Capital Plan Fees	2,650	2,730	2,812	2,896	2,983	14,070	-	14,070
Total Gross Expenditure	79,189	36,741	33,593	44,624	53,645	247,793		161,024
Income								
Developer contributions	(9,984)	(6,613)	(6,254)	(3,937)	(2,583)	(29,372)		
1140 grant income	(173)	(104)	(540)	-	-	(817)		
Town centre regeneration grant income	(427)	-	-	-	-	(427)		
Flood scheme general capital grant	14,134	3,071	(3,648)	(13,699)	(20,979)	(21,121)		
Other	(8,239)	(3,584)	(460)	(5,110)	(9,270)	(26,663)		
Capital receipts	(7,369)	(5,000)	(5,000)	(2,000)	(4,000)	(23,369)		
Scottish Government general capital grant	(1,282)	(2,338)	(6,014)	(7,211)	(7,211)	(24,056)		
Total Income	(13,340)	(14,568)	(21,916)	(31,957)	(44,043)	(125,825)	(86,769)	(39,056)
Net Borrowing Requirement	65,849	22,172	11,677	12,667	9,603	121,968		121,968

COMMITTEE:	East Lothian Council
MEETING DATE:	26 August 2025
BY:	Executive Director for Place
REPORT TITLE:	Richardson Bequest Funding, Common Good and Herdmanflat
REPORT STATUS:	Public

1 PURPOSE OF REPORT

- 1.1 To seek approval to allocate monies from the Haddington Common Good Fund for the delivery of six affordable housing units within the Herdmanflat development.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Note the purpose of the Richardson Bequest was to provide a sum of money for the erection and conditioning of six cottages including the payment of rent and taxes for all time coming.
- 2.2 Note the decision by the Court of Session to determine that the original purpose of this fund was not capable as intended and that this fund should be invested in the Common Good Fund for Haddington.
- 2.3 Note that the proposal to allocate a proportion of these funds to deliver six units at Herdmanflat seeks to provide a similar arrangement as that sought by the Richardson Bequest, without the rent and taxes.
- 2.4 Approve the allocation of £1,620,000 from this fund to deliver six units within this development which will be held for the benefit of the Common Good Fund for Haddington.
- 2.5 Delegate authority to the Head of Infrastructure to agree the details and enter into a lease with East Lothian Mid-Market Homes LLP (ELMMH), to provide an income to the Common Good Fund for Haddington.

3 BACKGROUND

3.1 The late John Richardson was a solicitor and the Town Clerk of Musselburgh, East Lothian. Mr Richardson was originally from Haddington and left a will following his death in 1940. Under the will, Mr Richardson appointed trustees and conveyed to them the whole of his means and estate in trust for various purposes. One such purpose was to provide for a trust fund for the maintenance of his stepdaughter, Dora Margaret Pinhorne.

3.2 On Mrs Pinhorne's death, the will provides that the remainder of that fund, forms part of the residue of Mr Richardson's estate and trustees were directed to distribute Mr Richardson's estate. The final legacy, dealing with the residue of Mr Richardson's estate (and hereafter referred to as the "Bequest"), is as follows:

"And [LASTLY] I direct my trustees subject to the foregoing so far as capable of taking effect to pay and make over the residue of my means and estate to the Town Council of my native town of Haddington to be held by them as part of the common good of the Burgh in all time coming and the annual income to be devoted and applied to the improvement and amenity of the town and to be known as 'The John Richardson Bequest', but subject to the Burgh of Haddington, in the first instance, setting aside a sufficient sum to erect six cottages in the district of Haddington and having same erected, - the said cottages shall be used for the occupation thereof by deserving natives of Haddington free of rent, rates and taxes, and the Burgh of Haddington shall out of said residue pay the cost of the erection and conditioning of said six cottages and set aside a sufficient sum to ensure the upkeep of said cottages and the payment of rates and taxes thereof in all time coming."

3.3 Mrs Pinhorne died in 1990 at age 102 and, following Mrs Pinhorne's death, East Lothian District Council received the sum of around £267,000 under the John Richardson Bequest on 5 June 1990. The fund received under the Bequest was never spent or disposed of by the Council. The fund has now accumulated to the extent that as of 31 March 2025, the Bequest has a value of £3,048,532.

3.4 The Council wished to deal with this Bequest and noted that the terms of the Bequest in provision of six cottages as more particularly detailed above is unsustainable and therefore deemed undeliverable. Accordingly, the Council required certainty on how to discharge the responsibilities imposed on the Council as trustee under the Bequest and sought such clarification from the courts.

3.5 The Court decreed that the sums forming the Bequest should all be directed to the Common Good Fund for Haddington. All monies assigned to the Bequest have now been allocated to the Haddington Common Good Fund and as such the Bequest has now been dissolved and requirement now deemed to have been met.

- 3.6 It remains Council officers' wish to provide housing which would be similar in context to that envisaged by the Bequest. Further, Council officers consider that such provision could be provided within the Herdmanflat development.
- 3.7 The Herdmanflat development seeks to provide 145 units of housing on the former hospital site in Haddington. The housing will be a mixture of new-build housing and refurbishment of existing listed buildings. The units have been designed for an ageing population, including dementia-friendly design. The first phase, which was approved by Planning Committee in May 2025, will be the southern section of the site and will feature four three-storey buildings and one two-storey building accommodating a total of fifty-one homes. Included in this first phase will be a block consisting of six units of housing (Block E).
- 3.8 It is intention that the Haddington Common Good Fund would be utilised to build six homes within the development to honour the original intent of the fund. The cost of delivering these units will be circa £1,620,000.
- 3.9 These units would be held for the benefit of the Common Good Fund for Haddington and the proposal would be to lease these to East Lothian Mid-Market Homes (ELMMH) who could lease to tenants for mid-market rent. The terms of the rent and the lease still require to be developed, but initial calculations show that this should result in circa £37,000 per annum for the Common Good Fund for Haddington.
- 3.10 Should Members be minded to support this paper the intention would be that the Common Good Fund would be allocated six housing units within the Herdmanflat development and thereafter the Common Good Fund would benefit from the rentals obtained from these units and equally proportion of repairs to these units going forward.

4 POLICY IMPLICATIONS

- 4.1 None

5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: The Common Good would allocate £1,620,000 to fund the building of six new homes which would be leased to East Lothian Mid-Market Homes for an agreed rent. This would result in an annual return to the Common Good for an agreed period of time.
- 5.2 Human Resources: None
- 5.3 Other (e.g. Legal/IT): None
- 5.4 Risk: None

6 INTEGRATED IMPACT ASSESSMENT

6.1 **Select the statement that is appropriate to your report by placing an 'X' in the relevant box.**

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

☐

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☒

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	Positive impact
Socio-economic disadvantage/poverty	Positive impact
Climate change, the environment and sustainability	Positive impact
Corporate parenting and care-experienced young people	No impact
Storage/collection of personal data	No impact
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

7.1 None

8 BACKGROUND PAPERS

8.1 None

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

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Date	August 2025

Head of Service Approval

Name	Wendy McGuire
Designation	Head of Housing
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Confirmed
Approval Date	18 August 2025

COMMITTEE:	East Lothian Council
MEETING DATE:	26 August 2025
BY:	Executive Director for Place
REPORT TITLE:	Brunton Hall Replacement Project
REPORT STATUS:	Public

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to reaffirm the Council's commitment to the accommodation of the arts in Musselburgh and to seek approval to explore development opportunities that could achieve this.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Agree the continuing commitment to ensuring accommodation of the arts in the town of Musselburgh through the exploration of opportunities to finance the replacement of the Brunton Hall.
- 2.2 Approve the development of a Prior Information Notice (PIN) to test the market for the redevelopment of the Brunton Hall site to include a theatre and performance space.
- 2.3 Approve the establishment of a project development team to further progress this proposal.

3 BACKGROUND

History of Brunton and Committee Report, October 2024

- 3.1 In October 2024, the Council approved the closure and mothballing of the Brunton Hall due to the presence of reinforced autoclaved aerated concrete (RAAC). At that time, the estimated cost of refurbishment and RAAC remediation was £42.912 million. The cost to demolish and build

a new facility was estimated to be £50.742 million. It was agreed that these options were unaffordable, but a commitment was made to undertake a place-based development project to prepare options for the future of service delivery ensuring accommodation of the arts in the town of Musselburgh.

Feedback from Place Engagement and Public Petition

- 3.2 A programme of public engagement has been undertaken, with the insights gathered informing the Musselburgh place-based development project. Key building stakeholders and community groups were invited to a series of workshops which took place from 2 April to 15 April 2025. In addition, an online survey on East Lothian Consultation Hub ran from 19 May to 29 June 2025. There were 278 responses on the Brunton Hall with 98.2% in favour of an arts facility in the town of Musselburgh.
- 3.3 Respondents were asked their thoughts on how this could be delivered. The following are examples of the type of feedback received:
- Grant funding from sources such as Scottish Government, Scottish Arts Council and National Lottery
 - Increased income from additional commercial activities such as cinema, restaurant, retail space or commercial office space
 - Common Good
 - Donations from private individuals
 - Crowd funding and public share issue
 - Community ownership, like Bellfield in Portobello
 - Corporate sponsorship.
- 3.4 Independent of the placemaking project engagement, a petition launched in October 2024 calling for a replacement for the Brunton Hall has gathered nearly 5,500 signatures.

Affordability – Future Financial Pressures

- 3.5 There is strong public support for the continued provision of the arts in Musselburgh. However, repairing the existing Brunton Hall is financially unviable. A replacement is necessary, but the Council's capital plan is fully committed to statutory obligations and growth-related pressures. Delivering a new facility will require an alternative funding model, potentially involving commercial finance, government support, grant funding, or a combination thereof.

Historic Environment Scotland

- 3.6 Historic Environment Scotland (HES) launched a consultation on 31 July 2025 to seek views on whether the Brunton Hall should be listed as a building of special architectural or historic interest. In line with the Council's Standing Orders, the Council's Head of Development will respond to this consultation and provide the Council's views on this possible designation. Members of the public will also be able to respond to the consultation.

Proposed Strategy

- 3.7 Our proposed strategy is to explore redevelopment opportunities for a new arts facility on the site of the Brunton Hall through a Prior Information Notice (PIN) issued via Public Contracts Scotland.
- 3.8 PINs are public notices used to signal to the wider market that the buyer has a specific upcoming commercial need that will require support from one or more suppliers. PINs are a useful source of information to help understand the market. Information received through the PIN can be used to establish the market appetite for development opportunities. The PIN will outline our requirements as follows:
- Redevelopment of the site to include theatre and performance space
 - Remaining part of the site can be redeveloped commercially to offset the cost of providing a theatre and performance space, subject to obtaining necessary consents.
- 3.9 Given the scale of this project, it will be necessary to set up a project development team. The project team will consist of professional officers from a range of Council services and will be chaired by the Head of Infrastructure. It will oversee further development of the replacement theatre and will provide governance to the project. It will report to the Council's Management Team on a regular basis. It will also keep Members informed on a regular basis.

Brunton Theatre Trust

- 3.10 Engagement with the Brunton Theatre Trust will be essential to explore opportunities and develop a project brief. As the Council's ALEO partner, their involvement will be critical in shaping and informing future delivery options.

Common Good

- 3.11 Brunton Hall is designated as a Common Good asset. Under the Community Empowerment (Scotland) Act 2015, the Council is required to publish details of any proposed changes to such assets and consult with relevant community councils. Any opportunities arising from the Prior Information Notice (PIN) will be subject to formal consultation before any final decisions regarding the future of the site are made.

4 POLICY IMPLICATIONS

4.1 None

5 RESOURCE AND OTHER IMPLICATIONS

5.1 Finance: the Council's capital plan is fully committed to funding statutory obligations and growth-related pressures. Delivering a new arts facility in Musselburgh will require an alternative funding model, potentially involving commercial finance, government support, grant funding, or a combination thereof.

5.2 Human Resources: none

5.3 Other (e.g. Legal/IT): the Brunton Hall is classified as a Common Good asset. The Community Empowerment (Scotland) Act 2015 requires the Council to publish details of any proposed changes to Common Good assets and to open these proposals to community councils for consultation.

5.4 Risk: RAAC roof panels are present at the Brunton Hall and that structural surveys have identified significant structural issues with these. Council services operating from the Brunton Hall are being relocated to alternative locations as a result.

6 INTEGRATED IMPACT ASSESSMENT

6.1 **Select the statement that is appropriate to your report by placing an 'X' in the relevant box.**

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

X

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	

Subject	Impacts identified (Yes, No or N/A)
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

7.1 None

8 BACKGROUND PAPERS

- 8.1 Report to East Lothian Council, 29 October 2024 – The Brunton Hall RAAC Update, Proposal for Closure and Alternative Service Delivery
- 8.2 Report to Members' Library Service, 30 November 2024 – The Brunton Hall RAAC Options Appraisal

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

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Date	26 August 2025	

Head of Service Approval

Name	Tom Reid
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Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Completed
Approval Date	11/8/2025

COMMITTEE: East Lothian Council

MEETING DATE: 26 August 2025

BY: Executive Director for Place

REPORT TITLE: Proposed Redetermination Order: Bankton Junction South Roundabout of the A1

REPORT STATUS: Public

11

1 PURPOSE OF REPORT

- 1.1 This report relates to the promotion and making of a redetermination order in respect of the conversion of a section of carriageway at the Bankton Junction South Roundabout of the A1.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Approve the preparation of a redetermination order under Sections 1(1) and 152(2) of the Roads (Scotland) Act 1984, to redetermine the exercise of the public right of passage along a section of the circulatory carriageway of the existing roundabout to grass verge and footway to form a 'teardrop' gyratory, as further outlined in Appendix A. The aforementioned redetermination shall be carried out in accordance with processes under The Stopping Up of Roads and Private Accesses and the Redetermination of Public Rights of Passage (Procedure) (Scotland) Regulations 1986.
- 2.2 Approve the making and confirmation of the order if no representations are received by the Council in response to the publication of the proposals, or if representations are received but are subsequently withdrawn.
- 2.3 Instruct the Head of Infrastructure to report back to the Cabinet if representations to the proposed order are received and are subsequently not withdrawn.

3 BACKGROUND

- 3.1 East Lothian Council, as Local Traffic Authority, is responsible for the making or amending of Traffic Regulation Orders as necessary; to avert danger to road users; to prevent damage to the road; to aid free unrestricted movement on the road; to prevent inappropriate use of the road and/or adjoining property, improve road safety and amenity of the area.
- 3.2 The current road is between the central island and the A198 (north) arm of the roundabout which is located at the existing Bankton South Junction of the A1. The carriageway of the road is approximately 10m wide. The current public right of passage along the road is exercised by all classes of traffic.
- 3.3 In association with Condition 30 of Planning Ref Nos. 14/00768/PPM it is considered necessary to redetermine the section of carriageway as set out in the layout drawing within Appendix B.

4 POLICY IMPLICATIONS

- 4.1 Supports the Local Development Plan.

5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: All costs involved in connection with consultation, advertising, design, and implementation will be met by the developer Hargreaves Services (Blindwells) Ltd.
- 5.2 Human Resources: None
- 5.3 Other (e.g. Legal/IT): Legal have reviewed the report.
- 5.4 Risk: If the carriageway is not redetermined and the order is not made this will impact on the delivery of the existing Local Development Plan and future development with East Lothian Council. Bankton Junction is getting close to capacity due to the Blindwells development. The improvements will help alleviate these pressures.

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 ***Select the statement that is appropriate to your report by placing an 'X' in the relevant box.***

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-

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economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☐

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

- 7.1 Appendices A (redetermination of a section of the public road network) and B (existing road layout and extent of carriageway to be redetermined)

8 BACKGROUND PAPERS

- 8.1 None

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

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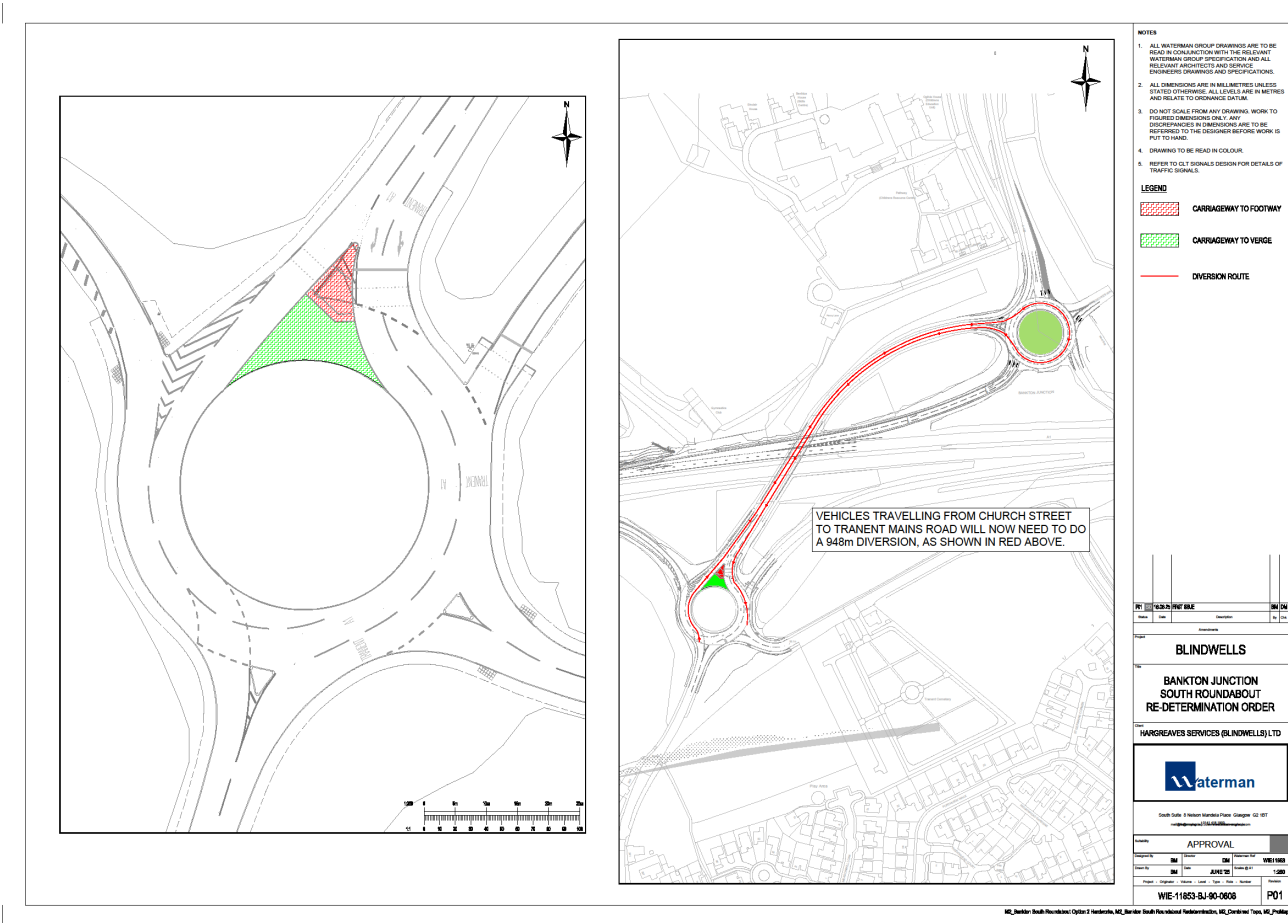
Head of Service Approval

Name	Tom Reid
Designation	Head of Infrastructure
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Completed
Approval Date	11 August 2025

Appendix A		
To redetermine a section of the public road network		
1	Bankton Junction South Roundabout of the A1.	To remove a section of carriageway and re-designate as verge footway.

Appendix B

Existing road layout and extent of carriageway to be redetermined



COMMITTEE:	East Lothian Council
MEETING DATE:	26 August 2025
BY:	Executive Director Resources
REPORT TITLE:	Transformation Annual Report
REPORT STATUS:	Public

1 PURPOSE OF REPORT

- 1.1 To update members on the delivery of the Council's Transformation Strategy and Action Plan.
- 1.2 To provide a high-level overview of the transformation progress, key achievements and strategic direction.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Note progress, key achievements and strategic direction.
- 2.2 Note the plans for development of future transformational change within the Council; and
- 2.3 Note the management information provided in Annex 1-5.
- 2.4 Agree that future Annual Reports and progress updates will be recorded in the Members Library.

3 BACKGROUND

- 3.1 On 27 August 2024, the Council approved the East Lothian Council's Transformation Strategy 2024-2029.
- 3.2 The Council continues to operate in a challenging environment with increases in demand for services within ongoing financial constraints.
- 3.3 East Lothian Council's Transformation Strategy 2024-2029 supports the councils response to these challenges by:

- Acknowledging the need for transformation to meet financial and service demand challenges.
- Prioritising building workforce capacity and skills to match the ambition and pace needed for transformation.
- Strengthening monitoring and reporting of financial and non-financial benefits and performance indicators.
- Committing to sustaining momentum and clarifying actions needed for successful delivery, including timescales, costs, resources, outcomes, and impacts.

3.4 This report highlights the following:

- Progress made against the Council's Transformation Strategy (2024–2029): Enablers, Strategic Objectives and Actions.
- Alignment with Audit Scotland's five Transformation principles
- The Councils management response to the Commission's expectations and recommendations outlined in Controller of Audit's report on Best Value in East Lothian Council, and Best Value thematic work: East Lothian Council Transformation: *how councils are redesigning and delivering more efficient services to achieve planned outcomes.*

4 POLICY IMPLICATIONS

4.1 There are no policy implications arising from this report.

5 RESOURCE AND OTHER IMPLICATIONS

5.1 Finance: None

5.2 Human Resources: None

5.3 Other (e.g. Legal/IT): None

5.4 Risk: None

6 INTEGRATED IMPACT ASSESSMENT

6.1

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a

X

corporate parent; or the storage/collection of personal data.

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☐

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

3.5 Appendix 1 – Transformation Annual Report 2025

8 BACKGROUND PAPERS

- 8.1 Item 08 East Lothian Council Transformation Strategy 2024-2029
https://www.eastlothian.gov.uk/meetings/meeting/17330/east_lothian_council
- 8.2 Item 09 Best Value Thematic Report
https://www.eastlothian.gov.uk/meetings/meeting/17308/audit_and_governance_committee

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

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Head of Service Approval

Name	Ellie Dunnet
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Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Yes
Approval Date	12/08/2025

Transformation Annual Report August 2025

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Introduction

Transformation plays a key role in enabling East Lothian Council to deliver its strategic objectives within the constraints of available resources. The Council's Transformation Strategy 2024–2029 sets out a clear vision:

To deliver a portfolio of change over a five-year period that supports financial sustainability and aligns with the Council Plan and Corporate Priorities.

This strategy is underpinned by four key **Enablers**—Portfolio Maturity, Transformation Capability, Engagement, and Collaboration—and seven **Strategic Objectives**, including the design of sustainable services, digital-by-default customer experiences, and a more commercial and intelligent council.

This Annual Report provides an overview of transformation activity undertaken during the first year of strategy implementation, following Council approval on 27 August 2024. It outlines progress against enablers and strategic objectives, highlights key projects and planned benefits, and reflects on external audit findings and recommendations. The report also sets out management's response to these recommendations.

Executive Summary

2024/25 marked a significant year in East Lothian Council's transformation journey. Guided by the Transformation Strategy 2024–2029, the Council made substantial progress in modernising services, enhancing digital capabilities, and improving outcomes for communities.

Key achievements include:

- Establishment of a Portfolio Management Framework and PMO to strengthen governance and delivery.
- Completion of foundational projects such as the Data Maturity Report, Enterprise Systems Strategy, and Manual Effort Analysis.
- Progress on major digital initiatives including the Finance System Replacement, Website Redesign, and M365 Rollout.
- Targeting delivery of financial benefits, with further efficiencies and cost avoidance underway.
- Implementation of new tools and processes to track non-financial benefits, including customer satisfaction, transparency, and resource release.

The Council's transformation activities are aligned with Audit Scotland's five principles—Vision, Planning, Governance, Collaboration, and Innovation—and respond directly to recommendations from the Best Value thematic audit. While challenges remain, particularly around capacity, the Council is committed to accelerating delivery, improving reporting, and embedding transformation across all services.

This report serves as the first annual update on transformation progress and demonstrates East Lothian Council's commitment to continuous improvement, financial sustainability, and service delivery.

Transformation Strategy Context

East Lothian Council Plan sets out the vision and priorities for the Council over the period 2022-2027. This Plan strategically aligned with the Scottish Government's public sector reform initiatives.

In recognition of the financial challenges and the changing world in which the Council is operating, there is an ongoing need to continue to modernise how we deliver services. The aim of the ELC Transformation Strategy 2024-2029 is:

- To align change with the councils' strategic goals
- To provide clear vision and direction for change
- To coordinate and prioritise change activities around its strategic objectives and enablers
- To enable cultural and operational change, with a focus on digital services, commercial culture, and business intelligence
- To support financial sustainability by prioritising savings, cost avoidance, and 'invest to save' initiatives
- To improve accountability and governance by introducing new project reporting and boards and establishing a Stage Gate review process
- To build capacity and resilience through an emphasis on workforce planning, leadership development and enhancing out digital transformation capacity

Best Value

In 2023, Audit Scotland began a new approach to auditing Best Value in Scottish councils. The new approach continues to audit against the statutory duty but is now fully integrated with the annual audit at each council. It also includes detailed work each year, focusing on a theme across all the councils, which will be collated into a national report.

Each year, the Commission identifies a theme for Best Value thematic work. The theme for 2024-25 was transformation (how councils are redesigning services to maintain outcomes and deliver services more efficiently).

In June 2025, Best Value auditors reported their findings on the Accounts Commission's requested thematic work on transformation to our Audit and Governance committee. The focus of the audit was the following four areas:

- To what extent does the council have clear plans for transformation that link to its priorities and support long-term financial sustainability?
- To what extent do the council's programme management arrangements facilitate effective oversight of its transformation plans?
- To what extent are communities and partners involved in the development and delivery of the council's plans for transformation?
- To what extent has the council considered the impact of its transformation activity, including on vulnerable or protected groups?

There was also reference to the Transformation Principles (Vision, Planning, Governance, Collaboration & Innovation). The table below maps East Lothian Councils Transformation Strategy to Audit Scotland Principles.

Audit Scotland Principle	Strategy Elements
Vision	Clear transformation vision aligned with Council Plan 2022–2027 and Financial Strategy 2024–2029. Focus on financial sustainability and service innovation.
Planning	Seven strategic objectives and four enablers guide transformation delivery. Integrated with Council Improvement Plan and national reform priorities.
Governance	Transformation Portfolio Board oversees portfolio delivery. Governance aligned with audit recommendations and performance reporting.
Collaboration	Emphasis on stakeholder engagement, regional partnerships, and community involvement through Participation & Engagement Strategy.
Innovation	Digital-by-default services, Online Customer Platform, and investment in digital transformation capacity.

The report presented to Audit and Governance committee on 17th June 2025 concluded that East Lothian Council has a clear transformation strategy aimed at delivering a portfolio of change over five years to support financial sustainability but faces a significant funding gap over the medium term. While the strategy includes fifteen defined projects and earmarked reserves to support delivery, to date only £6.1 million in recurring savings has been identified, which will not be sufficient to close the projected budget gap. This highlights the need for more ambitious and wide-reaching change. Governance and reporting structures are in place but staffing constraints and limited visibility of all transformation activity pose risks. The council is beginning to engage more with communities and partners and has introduced a new framework in 2024 to better monitor and report transformation benefits. Future transformation annual reports and quarterly financial reports will capture progress against planned benefits.

Details of the specific recommendations and the Councils response (agreed management action/timing) are shown in Annex 4 - Best Value thematic work: East Lothian Council Transformation Recommendations. Updates since June are highlighted in **green**.

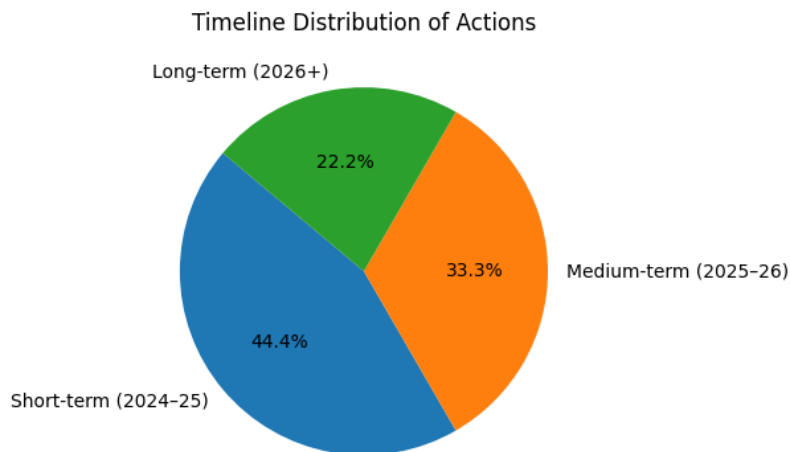
A Controller of Audit Report will be presented to Council on 26th August 2025. The function of the Controller of Audit is to report to the Commission on the accounts of local authorities, matters arising from the audits of local authorities, and the performance by authorities of their best value and community planning duties. Key Actions related to Transformation are:

Finding	Action	Responsible	Target Completion Date
1	Continue to progress the delivery of the council's financial strategy and work towards the development of a balanced budgets for 2026/27 onwards.	Executive Director / Head of Finance	February 2026 & ongoing
2	Finalise and implement review of performance reporting	Transformation and Digital Portfolio Manager	June 2026
2 & 4	Finalise review of workforce plan	Head of Corporate Support	December 2025
2	Complete review of Council Plan Action Plan to refocus actions and present to Council	Service Manager - Communications	August 2025
3	Implement and develop new finance system	Exec Director / Head of Finance	November 2025 (phase 1)

Progress against Enablers and Strategic Objectives

Following approval of the Transformation Strategy 2024-2029, a detailed Action Plan was developed to track progress against delivery of the enablers and strategic objectives. Highlights of progress to date are shown below, with full details available in Annex 1 – Action Plan Progress Update.

This pie chart illustrates the proportion of actions planned for Short-term (2024–25), Medium-term (2025–26), and Long-term (2026+).



Progress against Enablers

Portfolio, Programme, and Project Management Maturity

All short-term (2024–25) and medium-term (2025–26) actions are marked as Closed. Achievements include:

- Implementation of P3M3 recommendations.
- Establishment of a new Portfolio Framework.
- Introduction of Stage Gate processes and governance.
- Business case templates and approval processes rolled out.

Transformation Capability

All short-term actions are Closed, medium-term actions (2025–26) are On Target. Key developments:

- PMO established.
- OD function provided.
- Professional development planning underway.
- PSIF self-assessment rolled out in two services.

Engagement

Majority of actions are Closed or On Target. However, three actions are Delayed (communications strategy, online toolkits). Achievements include:

- “Shaping our Future” suggestions approach launched.
- Annual and quarterly reporting mechanisms established.
- Leadership training and satisfaction surveys implemented.

Collaboration

All initial actions Closed and are embedded as business-as-usual activities, reflecting the East Lothian Way Values and Behaviours and our on-going collaboration via networks like Solace, Improvement Service, and Digital Leaders. Collaboration and engagement with our communities will also be key in co-designing services that reflect local needs and aspirations, for relevant transformation projects.

Progress against Strategic Objectives

Sustainable Council Services

One action is Delayed, others are Closed or On Target. There is a focus on:

- Service reviews using Scottish Approach to Service Design (SatSD) and Lean Process Improvement.
- Cost-benefit analysis of services.
- Reducing agency costs.

Digital by Default Customer Services

All short-term actions are Closed. Medium-term actions On Target. Key projects are:

- Website and Finance System replacements.
- M365 rollout.
- Enterprise systems roadmap created.

Efficiencies and Value for Money

Short-term action is Closed, Medium-term action is On Target.

- Manual effort and forms project prioritised.

Commercial Culture & Income Generation

Short-term action is Closed, Medium-term actions are On Target. Projects include:

- Sponsorship and advertising.
- Commercial strategy development.

Becoming an 'Intelligent Council'

One action is Closed, others are On Target. There is a focus on:

- Power BI environment.
- Data maturity and strategy.
- Employee survey redesign.

Climate & Ecological Emergency

Most actions are Closed for 2025/26, others are On Target. Projects include:

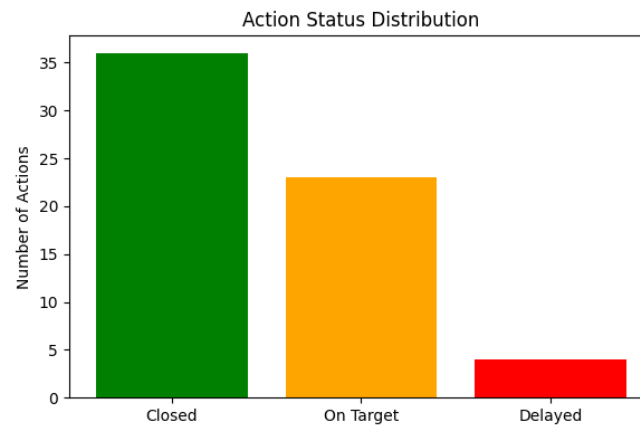
- Solar PV at Carberry site.
- Carbon literacy training.
- Carbon budgeting methodology.

Place Making & Asset Use

Short-term action is Closed, Long-term action is On Target. Key projects are:

- Corporate Asset Review
- Place Making Asset Management
- Lets and bookings project / cost recovery

The overall breakdown of action statuses across all strategic areas.



The above information provides highlights of progress against specific actions listed in the Action Plan that was developed in 2024. It should be noted that activities will continue against the Enablers and Strategic Objectives throughout the life of the strategy, with any ongoing or new actions captured in annual updates to the Action Plan.

Project highlights

The current portfolio of transformation projects delivery is planned to deliver by 2027. It includes a diverse range of initiatives, each at various stages of development, reflecting a dynamic and evolving portfolio.

A number of strategic and enabling projects were completed during the 2024/25 period. These include the Data Maturity Report, Enterprise Systems Strategy & Roadmap Report, BI Capability in ELC, and the Shaping our Future (SoF) Manual Effort Report. These initiatives have provided valuable insights and frameworks to support broader transformation efforts. Several projects are scheduled to conclude in the coming year (2025/26).

Meanwhile, new initiatives such as the Website Replacement, SoF Improvement – Forms, and others are in initial stages, ensuring a continued pipeline of innovation and improvement beyond 2026.

Key Achievements Across the Portfolio

- Several projects have completed major phases, for example: Corporate Asset Review Phase 1 and 2; Finance System Test Cycle 1; Web Replacement base site build.
- Sponsorship & Advertising is progressing toward contract finalisation.
- Place Making Asset Review and Parking Management projects have completed extensive public engagement and consultation phases.
- Web Replacement has used research outputs to inform design and architecture.
- Finance System Replacement and HMS have made progress in testing environments, data validation, and stakeholder demos. Note: A report to Council on 29 April 2025, noted delays and a revised date for HMS implementation - this remains under review https://www.eastlothian.gov.uk/download/meetings/id/25722/06_housing_management_it_system_and_rent_review_update.
- M365 Rollout has completed foundational work and is now progressing SharePoint pilot, user engagement and platform adoption
- Many projects (e.g. M365, Finance System, Web Replacement) highlight collaboration between IT, Transformation, and service areas.

Current Transformation Portfolio of Projects: Status Report as of 5 August 2025

NAME	PROJECT PURPOSE	CURRENT PERIOD	PORTFOLIO RAG
Energy Transformation	- Carberry / Macmerry renewable energy feasibility studies - Council Assets Energy Assessment	GREEN	AMBER
Sponsorship & Advertising	Generate income by selling advertising and sponsorship opportunities across council assets and services.	GREEN	
Corporate Asset Review	Align council assets with service needs by improving utilisation, reducing emissions, and exploring innovative delivery models.	AMBER/GREEN	
Place Making Asset Review	Create a community-focused service model by optimising shared property use and enabling asset rationalisation and savings.	AMBER/GREEN	
Housing Management System	Replace legacy housing systems with a modern, integrated solution to improve efficiency, service delivery, and digital alignment.	AMBER/RED	
Lets & Bookings	Implement a new corporate booking system with automated processes and standardised charges to improve efficiency and consistency.	AMBER/RED	
Finance System Replace	Modernise financial systems with a cloud-based solution to streamline processes, improve data, and support digital transformation.	AMBER	
LTS Parking Strategy	Review and modernise parking management to align with policy goals and support climate, economic, and accessibility objectives.	AMBER/GREEN	
Portfolio Management Office	Establish a PMO to standardise project governance, improve delivery, and align initiatives with corporate priorities.	GREEN	
Website Replacement	Deliver a new CMS for the council's website and intranet to improve user experience, accessibility, and digital service delivery.	AMBER/GREEN	
M365 Roll Out	Deploy Microsoft 365 across the council to enhance collaboration, records management, and digital working practices.	AMBER/GREEN	
SoF Improvement - Forms	Optimise internal and external forms using automation and workflow tools to improve efficiency and reduce manual processing.	GREEN	

Notes:

- The highest levels of investment relate to Assets, Parking, and digital projects.
- Regular review of Risks, Issues, Assumptions and Dependencies (RAID) indicate that there is improved control and resolution, reduced delivery risk exposure and stronger governance and RAID management maturity.

Service-led Transformational Projects

There are significant projects being progressed across the council that are ambitious and will deliver wide-reaching change. Projects that align with the transformation principles (Vision, Planning, Governance, Collaboration & Innovation) are:

- Energy Transformation: - Carberry / Macmerry renewable energy feasibility studies and Council Assets Energy Assessment.
- Community-based master planning: The former Cockenzie power station site acquired by the council in 2018 to support ambitions to promote economic growth and create employment opportunities. The Council was successful in its £11.3M bid for economic regeneration funding (formerly known as Levelling Up).

These projects involve significant partnerships and complexities and are managed outside of the Portfolio Management Framework. *Officers have considered options for incorporating service led transformation activity within future reporting and are committed to capturing resource commitment and planned benefits, from April 2026.*

Budgeted Savings

In addition, service-led projects to deliver budgeted savings (financial benefits) will continue to be monitored and reported via quarterly financial reports.

Benefits Realisation

Financial Benefits tracking now includes metrics such as cost savings, increased income, debt recovery and costs avoided.

Key Projects Delivering Financial Benefit

- Corporate Asset Review
- M365 Rollout
- Sponsorship & Advertising
- Website Replacement

These projects are anticipated to deliver combined revenue savings and cost avoidance in excess of £6m, and capital receipts of £20 million.

Validating financial benefits remains a priority for the Portfolio Management Office; collaboration with Finance is ongoing.

Non-Financial Benefits

The information below shows a summary of target benefits per project (see Annex 2 for further details). Resource commitment and planned benefits for the Councils wider transformation activity will be captured from April 2026.

Sponsorship & Advertising

- **Key Benefits:** Enhanced customer satisfaction, improved citizen engagement, economic development, income generation, and environmental/community impact.
- **Confidence:** High and Medium.

Placemaking

- **Key Benefits:** Improved engagement, data-informed initiatives, customer satisfaction, reduced transaction time, better building utilisation, energy efficiency, and transparency.
- **Confidence:** All benefits - Medium; many are TBC due to the stage of the project.

Housing Management System

- **Key Benefits:** Reduced transaction time, increased transparency, improved data sharing, environmental benefits, customer satisfaction, and access to new tools.
- **Confidence:** High and Medium

Lets & Bookings

- **Key Benefits:** Data-informed improvements, transparency, reduced complaints and transaction time, resource release, building utilisation, energy efficiency, and remote working.
- **Confidence:** Mostly Medium, with some High and Low.

Finance System Replacement

- **Key Benefits:** Increased transparency, reduced transaction, resource release, improved budget control, and automation.
- **Confidence:** High.

LTS Parking Strategy

- **Key Benefits:** Environmental and community improvements, carbon savings, customer satisfaction, energy subsidy, transparency, and reduced failure rates.
- **Confidence:** Mostly Medium, with some High and Low.

Website Replacement

- **Key Benefits:** Reduced transaction time and failure rates, improved customer satisfaction, resource release, citizen engagement, and performance KPIs.
- **Confidence:** High and Medium.

M365 Rollout

- **Key Benefits:** Resource release, reduced manual processes, remote working, improved collaboration, data governance, and reduced failure rates.
- **Confidence:** High and Medium.

Analysis of the non-financial benefits highlights a strong focus on:

- Customer and stakeholder impact
- Organisational capability and culture
- Innovation and learning
- Environmental sustainability

The portfolio demonstrates strong alignment with the Transformation Strategy, particularly in the areas of:

- Efficiencies and value for money
- Sustainable core council services
- Digital by default customer services
- Becoming a more 'Intelligent Council'

This reflects a clear focus on modernising operations, improving service delivery, and enabling data-driven decision-making. While the benefits are non-financial, many contribute indirectly to Financial Strategy 2024–2029 by:

- Releasing resources
- Reducing transaction time
- Improving transparency and governance

These outcomes support better financial control, reduced operational costs, and improved value for money.

Governance and assurance are embedded through increased transparency and regular monitoring via project boards as well as the Transformation Portfolio Board.

Governance & Reporting

East Lothian Council's Portfolio Management Framework (PMF), led by the Portfolio Management Office (PMO) and based on P3M3 principles, ensures consistent, controlled delivery of transformation projects. It supports governance, business case development, risk, and benefit management, and enforces quality through Stage Gates. All projects must follow standard documentation, reporting, and assurance processes to maintain alignment with strategic goals and ensure successful outcomes.

Originally developed to support delivery of the Transformation portfolio, the templates can be used by all services to help standardise and improve practice - helping the Sponsor, Project Manager, team, or Board steer a formalised and disciplined route through their projects. The PMO team are available to offer advice, guidance, and assistance on all aspects of portfolio and project management. All Guidance and toolkits are available on the Transformation intranet pages.

There are five elements to portfolio governance detailed within the Portfolio Management Framework (PMF), as follows:

1. **Defined Roles and Responsibilities** for Project and Programme Managers, Project Boards & Sponsors, Senior Users, Senior Suppliers, Team Managers and Head of Portfolio.
2. **Stage Gate Process:** Stage gates are control points within the project. Their principal purpose is to ensure that projects remain in control and are on track to realise the intended benefits. Within our project lifecycle there are six stage gates that a project will pass through. (3 for small / medium projects)
3. **Reporting Cycle:** Transformation Portfolio Board (TPB) meets at least Quarterly. Programme Boards / Project Boards meet every 6-8 weeks. Project Managers (PMs) submit Dashboards to PMO (two weeks) in advance of each TPB, highlighting any decisions or risks that need to be escalated. The Portfolio Management Office (PMO) monitor risks escalated from Project to Programme and Programme to Portfolio and include in the overarching Portfolio Dashboard. PMO reviews project Dashboards, supporting PMs through education, training, & coaching. PMO prepares agendas and reports for TPB.
4. **Risk Escalation Process & Routes:** Risks within the Transformation Portfolio are managed through a structured RAID (Risks, Assumptions, Issues, Dependencies) framework embedded at both project and portfolio levels. Project Managers are responsible for maintaining RAID logs, identifying and scoring risks, and escalating high-priority items to Project Boards. Sponsors and Boards provide oversight, approve mitigation strategies, and resolve issues beyond the project team's control. At the portfolio level, the PMO consolidates RAID data to identify trends and systemic risks, while the Transformation Portfolio Board addresses cross-cutting risks and ensures alignment with strategic objectives. This layered approach ensures timely escalation, informed decision-making, and proactive risk mitigation across the portfolio.
5. **Governance Structure:** The existing constitutional arrangements for decision making are unaffected, additional bodies have been put in place to ensure a co-ordinated approach is taken to oversight of the Transformation Portfolio of Programmes. Each project will have its own project board or report to an overarching programme board, reporting through to the TPB. Note there is an ongoing review of operational governance that might result in changes to the existing governance structure

Risks & Challenges

Risks

The Transformation Portfolio continues to operate in a complex and resource-constrained environment, with a high volume of active risks and dependencies. There are over 100 open risks, including 27 rated as very high (score ≥ 20), indicating a significant level of exposure across multiple projects. Recurring themes across the portfolio include:

- Resource and capacity constraints
- Stakeholder engagement and buy-in challenges, including operating in a political
- Benefit realisation risks, where delays, dependencies, or policy constraints may impact the achievement of planned benefits and outcomes

This distribution highlights the need for strengthened oversight, clearer decision-making processes, and improved alignment between strategic intent and operational delivery.

Challenges

- The council's internal capacity can pose a risk to delivery timelines and quality.
- Competing priorities and staff turnover can affect continuity.
- Consents, approvals contract negotiations, and external vendor dependencies can impact progress.
- Issues with system stability and integrations can impact progress of our digital projects, as well as data migration and governance.
- Resourcing Change Management and improving our digital maturity.
- Stakeholder buy-in and engagement are critical to success.

Actions taken to reduce the overall RAID load on the Portfolio

1. Sponsors and Project Managers have carried a thorough RAID review to:
 - Close or reassess longstanding entries
 - Review entries with past target dates to determine if actions have been completed or if risks are no longer relevant.
 - Promote closure of resolved items and escalation of critical risks.
 - Update project RAID log to reflect status.
2. Prioritise Benefits and Resource Risks
 - Focused on resolving risks that directly impact benefit realisation and delivery capacity.
 - Using benefit trackers and resource planning tools to monitor and mitigate these areas.
 - Engage with service leads to validate assumptions and dependencies.
3. Enhance Portfolio-Level Reporting
 - Used aggregated views to highlight risk clusters and cross-cutting themes to support decision-making at the Transformation Portfolio Board

Looking Ahead

In response to the findings of the Best Value thematic audit and the Audit Scotland Annual Report, East Lothian Council will take forward a series of targeted actions to strengthen transformation delivery and ensure alignment with strategic priorities and financial sustainability.

Key Priorities for the next year:

- Prioritise high-impact, cost-saving projects and implement the financial strategy's 'invest to save' commitment.
- Refresh the Digital Strategy and Digital Transformation Board to ensure robust governance, inclusivity, and futureproofing.
- Ensure successful implementation of the new finance system (Phase 1) through collaboration between digital and finance teams.
- Expand staff training and support for commercial approaches to service delivery and income generation.
- Explore new models for revenue generation, cost recovery, and shared services with partners.
- Tackle recruitment and retention challenges through our Workforce Planning Implementation Group
- Implement the Participation and Engagement Strategy to involve communities in shaping services and budgets for relevant transformation projects.
- Focus transformation efforts on efficiency, digital enablement, and improved customer experience.

Longer-term:

- Engage communities in co-designing services that reflect local needs and aspirations, for relevant transformation projects.
- Using data to identify suitable early interventions: designing services to meet the needs of a growing younger and older population, ensuring equity and sustainability.
- Develop business cases for projects that are focussed on delivering priority outcomes using new delivery models.
- Work with the CMT to deliver the councils emerging Target Operating Model (TOM)

Annex 1 – Action Plan Progress Update

Enablers

Portfolio, Programme, and Project Management Maturity

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

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Implement the recommendations of the P3M3 Maturity Assessment	Closed	Portfolio Framework has been established and rolled out to transformation projects and for wider council use.
Short 2024-25	Rationalising framework templates and focusing on what the information will be used for rather than gathering it	Closed	Updated templates designed and rolled out to transformation projects and for wider council use.
Short 2024-25	Developing a set of minimum requirements or standards that set out what is expected from projects (this should link to the development programme)	Closed	Established as part of new Portfolio Framework
Short 2024-25	Separating business justification from project controls	Closed	Established as part of new Portfolio Framework
Short 2024-25	Establishing a Stage Gate process linked to a project lifecycle to improve control and tracking, this will also rationalise the information gathering	Closed	Stage Gate process established as part of new Portfolio Framework
Short 2024-25	Reviewing the governance and controls arrangements to enable them to be flexible for different levels of risk and complexity in projects	Closed	Reviewed and updated as part of new Portfolio Framework
Medium 2025-26	Ensuring business cases are developed and approved, prioritising those with a strong financial/economic case	Closed	Business case templates rolled out and approval process established as part of the new Portfolio Framework

Transformation Capability

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

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Ensuring capacity (resource levels) align with council priorities and are within available resources	Closed	Assessed as part of the Service Review which was implemented 3/2/25
Short 2024-25	Ensuring Transformation Team workloads are managed using a consolidated work plan and prioritisation tool to ensure work aligns with council priorities and is within available resources	Closed	
Short 2024-25	Implement a Portfolio Management Office (PMO) that defines and maintains standards for project management within the council	Closed	Portfolio Management Office established
Short 2024-25	Ensure that the Team have or have access to key capabilities	Closed	Working with Transformation Portfolio Board and Project Sponsors to ensure resources are available when required.
Short 2024-25	Provide the Organisational Development function to the council, including Key capabilities	Closed	Provided by the OD Team
Medium 2025-26	Developing a professional development plan to help our staff be even more effective	On Target	Work has commenced to capture role-based development requirements
Medium 2025-26	Ensure that the team have support from Subject Matter Experts (SME's) across council services, including Audit, Communications, Customer Services, Finance, Human Resources, IT and Legal	On Target	Working with Transformation Portfolio Board and Project Sponsors to ensure resources are available when required.
Medium 2025-26	Roll out the Public Service Improvement Framework (PSIF) self-assessment approach to supporting improvement in the Council	On Target	CMT have approved the roll-out of PSIF. Service Planning templates and guidance have been updated. Two Services have completed their PSIF for 2025/26
Medium 2025-26	Undertake the PSIF Corporate Best Value Checklist	Delayed	A review is being undertaken to identify whether this will deliver significant additional benefits beyond the PSIF work identified above.

Engagement:

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

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Working with communications team to raise the profile and ensure key transformation / Shaping our Future messages and updates are communicated	Delayed	Developing a communications strategy for the transformation Service and the functions within it.
Short 2024-25	Developing and implementing on-line toolkits to enable staff to manage their own projects	Delayed	All Portfolio Management Office (PMO) templates on the intranet, developing toolkits for Service Design, Process Review and Change Management
Short 2024-25	Reviewing and updating on-line content for Transformation	Closed	Intranet pages launched, regularly reviewed, and updated.
Short 2024-25	Launch on-going Shaping our Future suggestions approach	Closed	Face to face workshops and surveys completed, now live online and reviewed quarterly
Short 2024-25	Publish SoF you-said, we-did/will information on the intranet	Closed	Intranet page updated, Inform article for staff
Medium 2025-26	Ensure highly effective transformative leadership among senior leaders and influence over transformation activity	On Target	Sponsor role-based training and Prosci “leading people through change” training for managers
Medium 2025-26	Annually reviewing and updating Service Plan (Improvement Plan), reporting progress to EMT	Closed	2025/26 Service Plan updated – to be repeated annually
Medium 2025-26	Ensuring that all leaders understand their role in driving and enabling transformation	On Target	Sponsor role-based training and Prosci “leading people through change” training for managers
Medium 2025-26	Undertaking surveys to capture feedback and satisfaction levels from internal customers	Closed	Customer Satisfaction Survey designed and issued. Improvement actions identified for 2024/25. – to be repeated annually
Medium 2025-26	Using post-project lessons learned to improve our portfolio management framework	Closed	Lessons Learned template in use. Key lessons will be captured and shared annually
Medium 2025-26	Producing an annual report capturing performance for each financial year	Closed	Annual Report for 2025 completed.
Medium 2025-26	Annually reviewing and updating our Portfolio Management Framework and templates	Closed	Process in place for updates informed by our Customer Satisfaction survey and advancements in our IT capabilities
Medium 2025-26	Annually reviewing and updating our Service Planning templates & Guidance	Closed	Updates for 2024/2025 include new PSIF and workforce planning sections and guidance.

Medium 2025-26	Produce Quarterly Reports on performance against the Transformation Strategy are presented to members, including known financial benefits targets and progress	Closed	This action has been removed with agreement that updates will be provided in the Annual Report, supplemented by quarterly financial updates
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Collaboration:

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

Timeframe	High Level Actions	Status	Notes
Short 2024-25	On-going analysis of public sector transformation to identify best practice innovation and collaboration opportunities	Closed	Business as usual, via change networks, Improvement Service, Solace, Digital Leaders, etc
Short 2024-25	Participate in and learn from Solace/Improvement Service (IS) Transformation Anchors:	Closed	Business as usual, via change networks, Improvement Service, Solace, Digital Leaders, etc
Short 2024-25	Identifying and collaborating with our transformation peer group across public sector:	Closed	Business as usual, via change networks, Improvement Service, Solace, Digital Leaders, etc
Short 2024-25	Maximise opportunities for innovation and collaboration across the public sector	Closed	Business as usual, via change networks, Improvement Service, Solace, Digital Leaders, etc

Strategic Objectives

To design sustainable (core) council services:

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

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Develop a consistent methodology to support reviews and re-modelling within services (SAAtSD/Process Analysis)	Delayed	Toolkits being introduced by other councils and Digital Office being reviewed to benchmark against and reuse where appropriate
Short 2024-25	Prioritise Shaping our Future Service Reviews, deploying our methodology (capabilities in Process Improvement, Customer Journey Mapping, Lean, and the Scottish Approach to Service Design (SAAtSD))	Closed	Concluded discovery stage of organisational manual activity analysis, with recommendations presented to Transformation Portfolio Board on 04 February 2025. First projects underway in line with recommended priorities.
Medium 2025-26	Analysing the cost and benefits of providing our services	On Target	Working to establish what costs are tracked and methodology for verification of all financial information relating to Transformation projects.
Medium 2025-26	Participate in and learn from Solace/Improvement Service (IS) Transformation Anchors	Closed	We have put forward representatives who will participate throughout the programme.
Medium 2025-26	Working with services to look at options to reduce agency costs through the implementation of more sustainable staffing structures	Closed	Included in workforce Planning activities

To design digital by-default customer services

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

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Prioritise and progress key digital transformation projects (prioritise those with greater financial benefits / cost avoidance, or enable further transformation)	Closed for 2024/25	Projects prioritised for progression include: <ul style="list-style-type: none"> Website Replacement underway with go-live planned for summer 2026 Finance System Replacement – Phased implementation underway with Phase 1 to go live October/November 2025, Phase 2 by 2026 Housing Management System – Phased implementation delayed – replan is underway. Microsoft 365 Roll-out. Pilot underway with Legal Services, to inform rollout to wider council for SharePoint.
Short 2024-25	Identify enterprise systems and create roadmap	Closed	Roadmap presented to Digital Transformation Board 10 March 2025. Action Plan to be progressed
Short 2024-25	Progress transformation actions detailed within the Customer Strategy Action Plan	Closed	5 Actions for transformation, three are complete with two now being managed as business as usual. Updates provided to Head of Communities every 6 months.
Medium 2025-26	Consolidate systems development resources	On Target	Digital Transformation Board have approved a phased implementation of this approach. Progress has been made moving Finance System and Lets & Bookings resources into central teams. Further resources will be moved on a system-by-system basis
Medium 2025-26	Participate in and learn from Solace/Improvement Service (IS) Transformation Anchors	Closed	We have put forward representatives who will participate throughout the programme.
Medium 2025-26	Partner with the Digital Office to identify and progress collective and scalable initiatives	On Target	We have put forward representatives who will participate in Digital Leaders forum and take up opportunities as they arise. To date, ELC are participating in the collective M365 licencing agreement and Visitor Levey (once for Scotland).

To deliver efficiencies and value for money

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

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Identify enablers required to reduce manual transactions, e.g. On-line forms solution	Closed	Concluded discovery stage of organisational manual activity analysis, with recommendations presented to Transformation Portfolio Board on 04 February 2025. First projects underway in line with recommended priorities. Currently initiating a review of HR processes, with forms central to the discussions on how we use the Midland system to its greatest capability.
Medium 2025-26	Prioritise and progress key lean / process improvement projects	On-target	Shaping our Future - Manual Effort - Forms project has been prioritised and is now being progressed. Further projects will be progressed in line with agreed priorities.

To develop a more commercial culture and increase income:

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

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Prioritise and progress key commercial projects	Closed for 2025/2026	Projects in delivery include: <ul style="list-style-type: none"> Establishing a partner to manage Sponsorship and Advertising on roads assets Implement Local Transport Strategy: Parking Strategy. Note: The Council retains the income from penalty charges to finance the ongoing costs of administering the operation, enforcement and adjudication on of the Decriminalised Parking Enforcement regime.
Medium 2025-26	Strengthen the council's contract management practices and identify areas where further improvement may be required	On Target	Working with procurement to provide training and roll-out a new approach for Contract and Supplier Management across the Council
Medium 2025-26	Develop a Commercial Strategy for the council	On Target	Not Started
Medium 2025-26	Exploring all options to recover the costs of service delivery	On Target	Will be implemented as part of service design projects
Medium 2025-26	Integrating commercial awareness with public sector values to help deliver better and more sustainable services for residents	On Target	Suitable training to be identified and used to develop guidance for staff
Medium 2025-26	Providing Learning and Development to increase the level of commercial and financial skills	On Target	Suitable training to be identified and used to develop guidance for staff

To become a more 'Intelligent Council':

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

Timeframe	High Level Actions	Status	Notes
Medium 2025-26	Build capability for Business Intelligence to support data-driven decision making/data maturity	Closed	Business case approved by Digital Transformation Board 10 March 2025.
Medium 2025-26	Progress key actions arising from the council's Data Maturity Assessment	On Target	Action Plan being developed and progressed
Medium 2025-27	Revise the Employee Survey process and question set to increase uptake and value for line managers/ELC.	Closed	Proposals for new approach to Employee Survey approved by CMT on 11 June 2025
Long 2026-27	Build the Corporate Power BI environment to fully enable the council and service departments to better understand and analyse their data to help improve business intelligence and decision making	On Target	Business case approved by Digital Transformation Board 10 March 2025. Learning from best practice in other organisations to shape our implementation. This will begin with developing a data strategy and piloting the use of Power Bi for 2-3 use cases in 2025/26. Learning from these pilots will inform improvements before rolling out capabilities in 2026/27.
Long 2026-27	Use performance data to identify and prioritise improvement projects, e.g. Early intervention & prevention	On Target	Business case approved by Digital Transformation Board 10 March 2025. Learning from best practice in other organisations to shape our implementation. This will begin with developing a data strategy and piloting the use of Power Bi for 2-3 use cases in 2025/26. Learning from these pilots will inform improvements before rolling out capabilities in 2026/27.

To support our response to the climate & ecological emergency:

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

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Prioritise and progress a pipeline of projects for Energy Transformation and Carbon reduction	Closed for 2025/26	The following projects have been prioritised and are being progressed <ul style="list-style-type: none"> • Carberry site - Solar PV, direct wire to Hamilton Waste: ELC income via % savings / land lease • Council Assets Energy Assessment by Clear Futures partners • Macmerry Industrial Estate renewable energy options
Short 2024-25	Support Council Reporting on progress against public net zero commitment	Closed	Actions agreed as part of development of the Councils Climate Change Strategy 2025-2030. Progress updates will be provided as part of business-as-usual activities
Medium 2025-26	Prioritise and progress key climate and sustainability projects	Closed for 2025/26	The following projects have been prioritised and are being progressed <ul style="list-style-type: none"> • Carberry site - Solar PV, direct wire to Hamilton Waste: ELC income via % savings / land lease • Council Assets Energy Assessment by Clear Futures partners Macmerry Industrial Estate renewable energy options
Medium 2025-26	Support the roll out a Carbon literacy programme for members	On Target	Training for new members of Transformation staff planned Sep/Oct 25. Working with Climate Change Officer to identify training for members
Medium 2025-26	Work with the councils Sustainability and Climate Change Officer to develop a methodology for carbon budgets & Pilot Carbon budgeting	Closed	Actions agreed as part of development of the Councils Climate Change Strategy 2025-2030. Progress updates will be provided as part of business-as-usual activities

To support place making and best use of our assets:

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

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Prioritise and progress key asset management projects	Closed for 2025/26	Current prioritised projects being implemented are: <ul style="list-style-type: none">• Corporate Asset Review (New Ways of Working)• Placemaking are being progressed. Transformation is supporting these service-led projects.
Long 2026-27	Develop a framework to support the implementation of a debt/cost-recovery approach to the use of council assets	On target	Work has commenced as part of the lets and bookings project, which is being progressed

Annex 2 – Benefits Realisation by Project

Project benefits are typically realised after the project has been completed and delivered. Therefore, reporting actual benefits realised will generally follow project closure

Details of planned benefits for the current portfolio of transformation projects are shown in the tables below.

Project Name	Benefit Category	Benefit Description	Benefit Confidence
Sponsorship & Advertising	Improved engagement with citizens	Increased visibility of local businesses	High
Sponsorship & Advertising	Customer Satisfaction	Enhanced perception of the council	High
Sponsorship & Advertising	Customer Satisfaction	Increased use of council assets	High
Sponsorship & Advertising	Customer Satisfaction	Improved control and consistency of advertising in East Lothian	Medium
Sponsorship & Advertising	Environmental and community benefits	Reduced unauthorised signage on roads assets	High

Project Name	Benefit Category	Benefit Description	Benefit Confidence
Place Making Asset Review	Resources Released	Reduced annual premises costs through smaller estate footprint.	Medium
Place Making Asset Review	Improved engagement with citizens	Greater collaboration and innovation due to co-location and digital enablement.	Medium
Place Making Asset Review	Improvement Initiatives informed by data	Improved staff wellbeing and productivity in modern, collaborative environments.	Medium
Place Making Asset Review	Customer Satisfaction	Improved public perception and internal engagement through modernised Council operations.	Medium
Place Making Asset Review	Customer Satisfaction	Increased citizen satisfaction with service locations/facilities.	Medium
Place Making Asset Review	Customer Satisfaction	Enhanced public trust through more transparent, effective service delivery.	Medium
Place Making Asset Review	Reduced Transaction Time	Enhanced operational efficiency through better-aligned assets.	Medium
Place Making Asset Review	Building utilisation	Better use of buildings	Medium
Place Making Asset Review	Energy consumption / costs / generation	Long-term environmental sustainability through green, efficient hubs.	Medium
Place Making Asset Review	Increased transparency	Improved equity of access to Council services across geography and demographics.	Medium

Project Name	Benefit Category	Benefit Description	Benefit Confidence
<i>Note: Planned benefits may change as a result of on-going replanning activities for this project</i>			
Housing Management System	Reduced Transaction Time	Streamlined Processes: Reduced numbers of applications used in processes & Time saved against current manual process	High
Housing Management System	Increased transparency	Streamlined Processes: Increased numbers of documents created and managed electronically and new integration to CRM	Medium
Housing Management System	Customer Satisfaction	Overall increase through: Additional customer service channels - Annual Residents Survey and New customer sentiment and satisfaction survey capabilities	Medium
Housing Management System	Improvement Initiatives informed by data	Increased security/compliance, New in-system capability for reporting and dashboards and Access to new functionality: home panes	Medium
Housing Management System	Improved engagement with citizens	New 360 view of customers	Medium
Housing Management System	Reduced Transaction Time	Access to new functionality: electronic case management	Medium

Project Name	Benefit Category	Benefit Description	Benefit Confidence
Lets & Bookings	Improvement Initiatives informed by data	Resources released with the introduction of automation and improved scheduled reporting	Medium
Lets & Bookings	Increased transparency	Reduction in abandoned bookings	Medium
Lets & Bookings	Reduced Failure Rate	Simplified Charging structure Increased resilience: cover for staff absence (system support)	Medium
Lets & Bookings	Reduced Transaction Time	Reduction in bookings requiring a subsidy/manual intervention	Medium
Lets & Bookings	Resources Released	Increased automation/reduced manual effort	High
Lets & Bookings	Customer Satisfaction	Improve ratings	Low
Lets & Bookings	Building utilisation	Improved scheduled reporting	High
Lets & Bookings	Department Performance KPI's	To optimise building use and move to full cost recovery for bookings	Low
Lets & Bookings	Customer Satisfaction	Consistency in charging	High

Project Name	Benefit Category	Benefit Description	Delivery Confidence
Finance Replacement	Increased transparency	Strengthening budget management arrangements through improved visibility of financial performance in real time and commitment-based accounting.	High
Finance Replacement	Reduced Transaction Time	Eliminating manual entry of invoices and blue slips	High
Finance Replacement	Increased transparency	Bringing greater uniformity to the purchasing process, ensuring approval before purchase and improved controls.	High
Finance Replacement	Resources Released	Improved management information to inform decision making.	High
Finance Replacement	Resources Released	Use of automation to improve the debt recovery process.	High
Finance Replacement	Resources Released	Efficiencies in the handling of financial data and reporting mechanisms through: <ul style="list-style-type: none"> • Integration of feeder systems • Automation of key process • Reduction in processing outside of the finance system • Improved reporting mechanisms 	High
Finance Replacement	Resources Released	Potential efficiencies within end to end purchasing process	High
Finance Replacement	Increased transparency	Enable budget holders to access real time budget information using CiA	High
Finance Replacement	Reduced Transaction Time	Prompt payment of suppliers.	High
Finance Replacement	Reduced Transaction Time	Enabling budget holders to access real time budget information using CiA.	High

Project Name	Benefit Category	Benefit Description	Benefit Confidence
LTS Parking Strategy	Carbon Savings	Year on Year improvements Improved air quality Reduced Carbon Emissions	Medium
LTS Parking Strategy	Carbon Savings	Reduction in car journeys Improved air quality Reduced Carbon Emissions	Medium
LTS Parking Strategy	Customer Satisfaction	Resident permit applications are made through self-service portal	High
LTS Parking Strategy	Energy consumption / costs / generation	Remove revenue burden of parking management from capital investment	Medium
LTS Parking Strategy	Environmental and community benefits	Improved road safety in town centres through improved parking management	Medium
LTS Parking Strategy	Environmental and community benefits	Increased number of environmental projects brought forward as a result of new parking income	Medium
LTS Parking Strategy	Reduced Failure Rate	Increased investment in the maintenance of road network: Improved satisfaction response Road Condition is maintained at a sustainable level	Medium
LTS Parking Strategy	Environmental and community benefits	Support the cultural / behaviour changes to improve the health of the citizens of East Lothian: Improved trends in life expectancy, self-declared health conditions and increased active travel trends	Low
LTS Parking Strategy	Customer Satisfaction	Reduced parking complaints in relation to inconsiderate / dangerous parking behaviours	Medium
LTS Parking Strategy	Customer Satisfaction	More targeted traffic management facilities: Increased accessibility to town centre facilities.	Medium
LTS Parking Strategy	Environmental and community benefits	New jobs created: Additional Parking Attendants Other Headcount to be identified as project goes live across EL	Medium
LTS Parking Strategy	Environmental and community benefits	Increased footfall in ELC High Streets through car parking space turn over	Medium
LTS Parking Strategy	Environmental and community benefits	Reduced number of town centre spaces used for long term parking	High
LTS Parking Strategy	Environmental and community benefits	Regular income to common good funds from parking management	High

Project Name	Benefit Category	Benefit Description	Benefit Confidence
Website Replacement	Reduced Transaction Time	See an overall reduction: Average time spent on site / searches	Medium
Website Replacement	Customer Satisfaction	Increase in those Satisfied and Very Satisfied	Medium
Website Replacement	Resources Released	See an overall reduction in content management systems as current contracts end	High
Website Replacement	Improved engagement with citizens	Improved accessibility of our web services (increased Silktide accessibility score)	Medium
Website Replacement	Department Performance KPI's	Maintain ISO27001 accreditation	High
Website Replacement	Resources Released	See an overall reduction in the number of Support Applications, as current contracts end	High
Website Replacement	Improved engagement with citizens	Reduction in number of calls to Contact Centre for services and increase in web usage	Medium
Website Replacement	Department Performance KPI's	High percent of web pages are reviewed and updated because of the expiry reminder: Web content is reviewed and re-published every six months	High
Website Replacement	Improved engagement with citizens	Reduced number of customer searches for information	High
Website Replacement	Reduced Failure Rate	Reduced number of downloadable documents	High

Project Name	Benefit Category	Benefit Description	Benefit Confidence
M365 Roll Out	Resources Released	Staff time released through improved collaboration on documents/use of MS Teams, transcriptions, improved productivity applications and tools, etc.	High
M365 Roll Out	Reduced Transaction Time	Reduction in manual processes and reduced time in completing tasks	Medium
M365 Roll Out	Numbers of staff working remotely on a regular basis	Increase number of staff able to work remotely on a regular basis	High
M365 Roll Out	Customer Satisfaction	Increased user / customer satisfaction with tools for collaboration / communication opportunity for cross-service working	Medium
M365 Roll Out	Department Performance KPI's	Increased utilisation of M365	Medium
M365 Roll Out	Improvement Initiatives informed by data	Improved cross-sector collaboration	High
M365 Roll Out	Improved engagement with citizens	Improved Engagement with Staff / Citizens	Medium
M365 Roll Out	Improvement Initiatives informed by data	Improved data governance and decision making	High
M365 Roll Out	Enhance Cyber Security	Reduced failure rates: e.g. Data breaches & down time & disaster recovery	Medium




Notes:

- Benefits from the Corporate Assets Review will be captured in the Project Close Report.
- Benefits from the Portfolio Management Office project will be captured in the Project Close Report.
- SoF Improvement – Forms: This project is at an early stage; benefits will be captured as work progresses and baselines are established.
- Resource commitment and planned benefits for the Councils wider transformation activity (For example Energy Transformation and Cockenzie) will be captured from April 2026.

Annex 3 - Audit Scotland's five Transformation principles

Transformation principles

Transformation is about radically changing how councils operate and deliver services to achieve planned outcomes in a financially sustainable way.

Vision 	<p>Have a clear vision that sets out the intended end state of any transformation activity, focused on:</p> <ul style="list-style-type: none"> • delivering large-scale recurring savings or generating income for the council, contributing to its longer-term financial sustainability • improving outcomes for citizens in line with council priorities • taking a whole-system approach to see and realise opportunities both within councils and more widely • meeting the needs of the people who use services and reduce inequalities • focusing on preventative activity, where applicable, to reduce the demand for services and to make them sustainable in the longer term.
Planning 	<ul style="list-style-type: none"> • Be clear on the scale of the change required and ensure transformation plans are sufficiently ambitious to credibly respond to the scale of the challenge. • Commit staff with appropriate skills, time and resources to ensure transformation occurs at the scale and pace required and that there is enough capacity for the changes to be embedded. • Be clear about the timescales, costs, outcomes, and anticipated impacts of transformation projects. • Show urgency and progress projects at pace without compromising appropriate governance on projects.
Governance 	<ul style="list-style-type: none"> • Have a clear process for monitoring, evaluating and reporting progress. • Put in place effective governance and escalation processes so that the transformation activities are well managed in their own right, but also able to be given priority alongside other business-as-usual activities.
Collaboration 	<ul style="list-style-type: none"> • Develop better working relationships with communities and/or partners to achieve a sustainable model of service delivery. • Actively consider the opportunities offered by regional or national sectoral collaboration, or by integrating services locally with partners, or by supporting individuals and communities to achieve desired outcomes in place of an existing service. • Learn from good practice across Scotland and beyond.
Innovation 	<ul style="list-style-type: none"> • Implement new ways of thinking, including innovation, creativity and a desire, willingness and action to change and do things in new and different ways that achieve the outcomes needed. • Embed the right culture and behaviours to manage change and help maximise the contribution of all the team.

Annex 4 - Best Value thematic work: East Lothian Council Transformation Recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Ensuring transformation plans are sufficiently ambitious</p> <p>The council faces a projected funding gap of over £17 million for 2025/26, rising to over £79 million by 2029/30. It estimates that the current portfolio of transformation projects will deliver recurring savings of £6.1 million over the five-year period to 2029/30. Whilst we recognise that transformation alone will not offer the full solution to the council's funding gap, the level of financial savings from the council's collective change activity should be commensurate with the scale of its financial challenges.</p>	<p>While we recognise that transformation activity is designed to have wider benefits beyond financial savings, the council should ensure its plans for transformation are sufficiently ambitious to respond to the financial challenges it faces</p>	<p>The Council is prioritising its resources to support a range of projects focused on key enablers of change. It has also prioritised the delivery of transformation as a key council objective.</p> <p>An update will be provided to Council in August 2025.</p> <p>Transformation & Digital Portfolio Manager</p> <p>August 2025 / ongoing</p> <p>This Transformation Annual Report 2025 closes this action.</p>
<p>2. Including all significant transformation activity in transformation strategy</p> <p>Officers have told the audit team about other significant transformation projects that are being taken forward by services that are not included in the current transformation programme.</p>	<p>There are a number of projects, led at service level, that the council consider to be transformational. The council should take the opportunity, when conducting the annual review of its Transformation Strategy (2024-2029), to ensure all significant transformation activity is reflected as well as ensuring that each project meets the objectives set out within its transformation strategy.</p>	<p>Officers will consider options for incorporating service led transformation activity within future reporting, with a view to capturing resource commitment and benefits delivered.</p> <p>Transformation & Digital Portfolio Manager</p> <p>August 2026</p> <p>Resource commitment and planned benefits for the Councils wider transformation activity will be captured from April 2026.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>3. Reporting on transformation</p> <p>Officers have committed to sharing detailed reporting on the progress of its transformation programme with elected members as part of its annual report, starting from Autumn 2025.</p> <p>Officers have told the audit team about other significant plans for change that are being taken forward by services that are not included in the transformation programme. There is a risk that officers and members do not have a full overview of the range of transformation activity taking place within the council.</p>	<p>The council should ensure it delivers on its commitment to report on transformation to elected members. This should include regular reporting on planned and realised financial and non-financial benefits from its transformation work in line with what is set out in the Transformation Strategy. The council should put in place arrangements to report to elected members on the full range of transformation activity being progressed.</p>	<p>A report will be presented to Council in August providing an update on progress made towards delivering the council's transformation strategy.</p> <p>This report will also consider how wider transformation activity can be incorporated into future updates to Council.</p> <p>Transformation & Digital Portfolio Manager</p> <p>August 2025</p> <p>Details of planned benefits for the current portfolio of transformation projects are shown in Annex 2 of this report. Resource commitment and planned benefits for the Council's wider transformation activity will be captured from April 2026.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>4. Resourcing transformation</p> <p>The demands of the council's business-as-usual activities are limiting the wider organisation's ability to respond to the increased demand for transformation staff resource. These pressures present a risk to the progress of the council's transformation programme</p>	<p>The council should ensure that its workforce has capacity to deliver on its transformation ambitions. This includes balancing workforce planning with the resource needs of wider business groups and recruiting additional roles for transformation if required.</p>	<p>The Council has allocated significant resources within earmarked reserves to support transformation activity, and this will remain under review to ensure that there is sufficient capacity to deliver on our ambitions in the context of acute funding constraints.</p> <p>Transformation & Digital Portfolio Manager</p> <p>December 2025</p> <p>To support this, work is ongoing to review our change maturity, the Scottish Approach to Change and the Improvement Service Culture self-assessment and how these may help us to deliver the Transformation Strategy and feed into our Workforce Strategy and Action Plan. Any recommendations arising from this work will be brought forward before December 2025.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>5. Measuring the impact of transformation</p> <p>The council is monitoring and reporting on the financial and non-financial benefits from its transformation projects. It recognises that benefits reporting is an area requiring further work to improve accuracy and consistency.</p>	<p>The council should continue to improve its methodology for measuring financial and non-financial benefits from its transformation projects.</p>	<p>The council recognises the importance of ensuring that the benefits of transformation are captured and reported. While the financial savings delivered are already being reported through regular finance updates, future reporting will also capture the non-financial benefits delivered.</p> <p>Transformation & Digital Portfolio Manager</p> <p>August 2025</p> <p>Benefits workshops have been undertaken for the current portfolio of transformation projects. Details of planned benefits for the current portfolio of transformation projects are shown in Annex 2 of this report. Resource commitment and planned benefits for the Councils wider transformation activity will be captured from April 2026.</p>

Annex 5 – Commission’s expectations and recommendations outlined in Controller of Audit’s report on Best Value in East Lothian Council

- Of particular importance is ensuring capacity to deliver its digital transformation projects, which have the potential to shape the workforce of the future and lay the foundations for service transformation.
- new finance system is implemented, so that risks are minimised, and the system’s full benefits can be realised, including improved efficiency and more robust internal controls.
- East Lothian faces persistent workforce capacity, recruitment, and retention challenges, so we would encourage it to build on its existing workforce planning foundations and fully implement the auditors’ recommendations as a matter of priority
- A high response rate to the council’s most recent staff engagement survey is encouraging and we look forward to seeing what more it does in future surveys to encourage and facilitate more front-line, non-office-based staff to complete the survey. The survey identified issues around work-related stress and workloads, so it is important to have a complete picture, allowing appropriate action plans to be developed and implemented.

COMMITTEE: East Lothian Council

MEETING DATE: 26 August 2025

BY: Executive Director for Council Resources

REPORT TITLE: Appointment of Chief Planning Officer

REPORT STATUS: Public

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1 PURPOSE OF REPORT

- 1.1 To seek formal approval of Council of Graeme Marsden as East Lothian Council's Chief Planning Officer

2 RECOMMENDATIONS

Members are recommended:

- 2.1 To appoint Graeme Marsden to the statutory post of Chief Planning Officer.

3 BACKGROUND

- 3.1 The Town and Country Planning (Scotland) Act 1997 (as amended) requires that each planning authority in Scotland must appoint a Chief Planning Officer.
- 3.2 The appointment role of the Chief Planning Officer became a statutory requirement in April 2024, to advise authorities on planning and other functions relating to development.
- 3.3 The post of Chief Planning Officer is to help strengthen leadership on planning and corporate recognition of the importance and positive influence of planning within their authorities. As required by the Act, guidance on the role of Chief Planning Officer was produced by the Scottish Government in March 2024. A copy of this guidance is contained as a background paper to this report. Planning authorities

must have regard to the appropriate qualifications and experience outlined in this guidance when making an appointment to the role.

- 3.4 In May 2025, Keith Dingwall, the Chief Planning Officer and Service Manager for Planning, was appointed as the Head of Development. Following a recruitment campaign, in July 2025, Graeme Marsden was confirmed as the preferred candidate to replace Keith Dingwall as Service Manager for Planning and Chief Planning Officer.
- 3.5 Mr Marsden has an undergraduate degree BSc (Hons) Urban & Regional Planning from Heriot-Watt University, membership of the Royal Town Planning Institute and 17 years' post-graduate experience in planning and planning-related roles. The last eight of those years have been at East Lothian Council, firstly at the Council's Planning Obligations Officer and more recently as a Project Manager within the Development Service.
- 3.6 It is considered that Mr Marsden has the relevant skills and experience that are necessary for the role. Mr Marsden commenced his new role as Service Manager for Planning on 1 August 2025; therefore, it is recommended to approve Mr Marsden's appointment to the statutory position of Chief Planning Officer.

4 POLICY IMPLICATIONS

- 4.1 None.

5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: There are no direct financial implications associated with the recommendations in this report with all posts provided for within approved budgets
- 5.2 Human Resources: None
- 5.3 Other (e.g. Legal/IT): None
- 5.4 Risk: None

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 ***Select the statement that is appropriate to your report by placing an 'X' in the relevant box.***

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-

X

economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☐

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

7.1 None

8 BACKGROUND PAPERS

8.1 Chief Planning Officers Guidance
<https://www.gov.scot/publications/chief-planning-officers-guidance/>

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

Name	Hayley Barnett
Designation	Head of Corporate Support
Tel/Email	hbarnett@eastlothian.gov.uk
Date	16 July 2025

Head of Service Approval

Name	Keith Dingwall
Designation	Head of Development
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	I confirm that IIA and other relevant checks (e.g. finance/legal) have been completed.
Approval Date	17 July 2025

MOTION TO EAST LoTHIAN COUNCIL
26 August 2025

Impacts and Consenting of Renewable Infrastructure in East Lothian's Communities

Preamble

For over 20 years, East Lothian Council has supported the energy industry to deliver significant change in our energy supply. We are continuing to consider every opportunity that will help the nation reduce its reliance on fossil fuels, reduce energy demand, and lower costs for businesses, householders and public services.

The Seventh UK Carbon Budget was recently published by the UK's Committee on Climate Change, and represents the official scientific advice to the UK Government. This budget lays out the need for rapid expansion of renewable infrastructure in order to meet our legally binding emissions pathways. The electrification of our heat and transport sectors will mean the UK requires twice as much electricity by 2040 as we used in 2023. To meet this demand, the UK Climate Change Committee recommends a six-fold increase in offshore wind capacity, doubling of onshore wind, and increase of solar capacity to 82Gw (all by 2040).

The Carbon Budget report underlines the economic benefits this transition will bring with upfront investment soon leading to paybacks in cheaper bills and protection from volatile international fossil fuel markets. Other multiple benefits identified include skilled jobs, opportunities for green finance, health benefits from reduced air pollution, and restoration of nature.

However, the benefits of this transition have so far not been felt by all, with Councillors from all parties being told by constituents that they are frustrated that the profits of the new infrastructure appear to flow mainly to large companies and a small number of local landowners. In East Lothian, many communities, especially in the east of the county, derive little benefit from this development and yet suffer many impacts of construction, traffic and change in land use which they feel have been inadequately consulted upon.

Councillors hear that, while energy developers have paid staff and significant budgets for each project, small communities (often represented by volunteers) are struggling to engage and respond meaningfully to the burgeoning number of development applications. This is a burden over and above the construction and operation impacts of projects. This is increasingly contributing to people feeling overwhelmed and under threat.

This motion is a cross-party attempt to recognise the feelings of the community and to indicate what actions East Lothian Council will take, alone or in partnership, and what changes we will call for at Scottish and UK government level.

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Motion

1. Spatial planning

It is noted that currently development applications come in on a speculative and profit-driven basis and that the assessment of these, whether done under local planning regulations or by the Energy Consents Unit, cannot include the question of the strategic need for the particular development, nor whether its proposed site is in fact the right location. For example, the independent energy agency NESO (National Energy System Operator) recently found that far more Battery Energy Storage Systems have been consented than will be required between now and 2030. This suggests many projects with consents will not ultimately go ahead – but this uncertainty creates even more stress for communities and leaves all stakeholders unable to proceed with alternative uses for the land which may be more environmentally and socially beneficial.

- This Council therefore agrees to ask the Leader of the Council to write to the UK and Scottish Governments, calling for greater strategic planning of renewables development, with greater devolution of power to local authorities to determine suitable sites for development within their areas.
- This letter should also go to both UK and Scottish Governments commending the joint commissioning of National Energy System Operator (NESO) to carry out a Strategic Spatial Energy Plan. This plan will identify all the infrastructure required to deliver the green, affordable energy capable of meeting our future energy needs. It should also ensure that such infrastructure is distributed fairly and equitably across all regions of the United Kingdom. However, the letter should also convey Council's concern that while we wait for the Strategic Spatial Energy Plan, many applications are being determined with no overarching strategy, and that further cooperation between local, Scottish and UK government is needed to address this lack of oversight.
- The letter will also ask the UK and the Scottish Governments to investigate whether a system similar to the Housing Land Requirement could be operated, with each local authority given a target for renewable capacity and applications within their authority be assessed against that target, to ensure a fair distribution of the burden of development between areas.
- Council also notes the fact that a landscape capability study is being produced to inform LDP2 as a way of directing development to appropriate areas, and that local communities will be consulted on sites in the proposed statutory plan making process.

2. Energy Consents Unit

The current limit for local planning determinations is set at 50 mW – this is now an outdated threshold as many developments currently exceed this threshold despite not being of national strategic importance, and are therefore passed to the Energy Consents Unit (ECU), with limited local authority input into the decision. Council recognises that many of our constituents have voiced concern that the ECU is not

subject to the same transparency or accountability as other planning authorities, and they only very rarely turn down development.

- This Council therefore agrees that in the letter to the Scottish Government requested above, the Leader of the Council will also specifically call for a review of the Energy Consents Unit, giving local planning departments the power and resources to determine more applications, and reviewing both the threshold for ECU determination and the transparency and processes of the ECU.

3. Community benefits

The current model of community benefits is outdated and does not offer enough to communities.

Some recent examples of local good practice in community benefits have included developers offering communities shares of the development (usually 1-2%).

Community ownership is in line with our agreed Community Wealth Building strategy and has been proven to increase community acceptance of renewable development elsewhere. Denmark's legal requirement for 20% of renewables to be community owned has in practice resulted in a sector in which more than 50% of wind capacity is owned by communities.

Council notes that the Scottish and UK Governments have both recently run consultations on community benefits and that ELC has responded to these arguing for all renewable developments to be mandated to provide community benefits.

- Council agrees that the Leader of the Council, when writing to the Scottish and UK Governments, should request a change in legislation so that all development must include community benefit, including a minimum of defined shares for community ownership which should be set at an ambitious threshold.

4. Other community concerns

Planning policy needs to be stronger to allow the consenting authority to impose conditions on energy development, ensuring meaningful engagement with local communities, for example on traffic controls, fire risk mitigation, and biodiversity enhancement plans, and to include a presumption of responsibility for the capture of waste heat and use for local heating purposes, unless it can be comprehensively shown that such a use is not possible.

- Council directs ELC officers to report on what policies could be included in LDP2 to give maximum strength to these types of conditions under current legislation, with a report to come back to a future Council as soon as is feasible.
- Council asks the Leader of the Council to write to the UK Government requesting that more powers are delegated under the Planning Act, and to the Scottish Government to then request more powers to local authorities under National Planning Guidance, both of which changes would strengthen the

powers of local authorities to impose conditions to mitigate development impacts and risks.

Proposed by (name): Shona McIntosh

Date: 14 August 2025

Seconded by (name): Norman Hampshire

Date: 14 August 2025

Received by (name of officer): Linda Gillie – Team Manager, Democratic & Licensing

Date: 14 August 2025

MOTION TO EAST LoTHIAN COUNCIL

26 August 2025

Request for Funding to Undertake a Full Independent Survey of Torness Power Station Site Characterisation to Establish Its Suitability for a New Nuclear Power Station

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Council notes:

1. Torness Power Station has played a critical role in the UK's energy generation and has been a key local employer for decades.
2. The station is expected to cease operations in the early 2030s, raising important questions about the future use of the site and the local economic impact of decommissioning.
3. The UK Government has expressed support for new nuclear as part of its net zero and energy security strategies.
4. A just transition to clean energy must include a mix of technologies and safeguard skilled jobs in communities like East Lothian.

Council believes:

5. The Torness site could be well-placed to host new nuclear infrastructure, and that early assessment of the site's characteristics is essential for informed decision-making.
6. Any decision on future use must be evidence-based and take into account environmental, technical, and community considerations.
7. Public investment in site feasibility studies is a necessary first step to secure a long-term plan for energy generation and employment in the region.

Council resolves:

8. That the Leader of the Council writes to the Secretary of State for Energy Security and Net Zero, requesting UK Government funding to undertake a full and independent survey of the Torness Power Station site characterisation that will establish its suitability for a new nuclear power station.
9. That the purpose of the survey be to assess the site's suitability for a new nuclear power facility, including geological, environmental, infrastructure, and community factors.
10. That East Lothian Council engages with all relevant stakeholders – including the Scottish Government, the current site operator EDF, local

trade unions, and the local community – to ensure any future development is transparent, inclusive, and delivers long-term benefits.

11. That the Council reaffirms its commitment to a just transition, where communities are supported with good, secure jobs as the UK moves to net zero.

Proposed by (name): Norman Hampshire

Date: 14 August 2025

Seconded by (name): Shamin Akhtar

Date: 14 August 2025

Received by (name of officer): Linda Gillie – Team Manager, Democratic & Licensing

Date: 14 August 2025