



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

**TUESDAY 24 FEBRUARY 2026
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON
AND VIA HYBRID MEETING FACILITY**

Committee Members Present:

Provost J McMillan (Convener)	Councillor L Jardine
Councillor S Akhtar	Councillor C McFarlane
Councillor R Bennett	Councillor C McGinn
Councillor C Cassini (R)	Councillor G McGuire
Councillor D Collins	Councillor S McIntosh
Councillor F Dugdale	Councillor K McLeod (R)
Councillor J Findlay	Councillor L-A Menzies
Councillor A Forrest	Councillor B Ritchie
Councillor N Gilbert (R)	Councillor T Trotter
Councillor N Hampshire	Councillor C Yorkston

Council Officials Present:

Mr L Rockey, Chief Executive
Ms L Brown, Depute Chief Executive – Children and Communities
Ms S Fortune, Depute Chief Executive – Resources and Economy
Ms F Wilson, Director of Health and Social Care
Ms H Barnett, Head of Corporate Support
Mr K Dingwall, Head of Development
Ms E Dunnet, Head of Finance
Mr D Hood, Head of Operations (Health and Social Care)
Mr E John, Head of Communities and Partnerships
Ms W McGuire, Head of Housing
Mr T Reid, Head of Infrastructure
Ms E Barclay, Democratic Services Assistant
Mr S Cooper, Service Manager – Communications
Ms A-M Glancy, Service Manager – Corporate Accounting (R)
Ms P Gray, Communications Adviser
Mr C Grilli, Service Manager – Governance (R)
Mr D Henderson, Service Manager – Service Accounting
Mr P Ritchie, Service Manager – People and Council Support (R)

Visitors Present:

None

Clerk:

Mrs L Gillingwater

Apologies:

Councillor E Allan
Councillor L Bruce

Declarations of Interest/Transparency Statements:

Transparency Statement – Councillor Menzies stated that she was a board member of EnjoyLeisure. Having applied the objective test, she believed there was no conflict of interest. The Convener noted that this transparency statement also applied to himself, Councillor McGinn and Councillor Ritchie.

Transparency Statement – at Item 3(c), Councillors McLeod and McGinn stated that they were Friends of Polson Park.

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

The clerk recorded the attendance of Members by roll call.

1. BUDGET DEVELOPMENT 2026/27 ONWARDS

A report was submitted by the Depute Chief Executive – Resources and Economy providing contextual information to support the budget setting for 2026/27 onwards, including an overview of the national funding settlement for local government, and the implications of this for East Lothian.

The Head of Finance, Ellie Dunnet, presented the report, highlighting the significant medium-term financial challenges facing the Council. She summarised the key points of the report, including the draft local government settlement and its impact on East Lothian; the anticipated funding allocation for the East Lothian Integration Joint Board (IJB), which remained subject to change; the position with reserves; and plans for future budget development.

Ms Dunnet responded to questions from Members regarding the impact of the settlement on the capital programme; the current position for funding flood protection schemes – noting that it was too soon to tell what the implications would be for the Musselburgh Flood Protection Scheme; investment in winter maintenance, as a result of growth; projected income from parking charges; funding pressures within the IJB budget; and strengthening community engagement with regard to the budget process.

Members welcomed the continued cross-party working on the budget development process.

Decision

The Council agreed:

- i. to note the local and wider economic context within which budgets have been developed, including the factors which have contributed to the funding gap;

- ii. to note the content of the 2026/27 local government finance settlement and the funding implications for East Lothian;
- iii. to note the draft 2026/27 Integration Joint Board (IJB) funding offer letter, attached at Appendix 1 to the report;
- iv. to note the statement on robustness of the budget, adequacy of reserves and key budget risks, attached at Appendix 2 of the report; and
- v. to note the indicative timetable and next steps for developing budget projections and closing the budget gap for 2027/28 onwards, set out in paragraphs 3.16 to 3.20 of the report.

2. HOUSING REVENUE ACCOUNT (HRA), INCLUDING COUNCIL HOUSE RENT PROPOSALS 2026/27 TO 2030/31

(a) Administration and Cross-party Proposals

Councillor Forrest presented the Administration and Cross-party rent proposals. He highlighted the demand for council housing and the importance of people having a secure home. He paid tribute to staff working within all areas of housing and property, noting that the Council was on track to deliver 150 new kitchens, 416 new bathrooms, 114 adapted replacement bathrooms, 66 adaptations, 13 extensions, and new windows and doors for more than 500 properties. He also drew attention to the ongoing work to build more new homes, reduce voids, and improve energy efficiency. With reference to the recent consultation with tenants, Councillor Forrest proposed a rent rise for 2026/27 of 7%, which would allow the Council to continue to invest in homes and maintain standards.

The Administration and Cross-party rent proposals were seconded by Councillor McGinn.

(b) SNP Group Proposals

Councillor Menzies presented the SNP Group's rent proposals. She indicated that an 8% rent increase would allow for the delivery of 119 new homes, 24 more than proposed by the Administration and Cross-party Members, and that this would help address the county's housing emergency. She spoke of the demand for housing in East Lothian; of the average waiting time for applicants on the housing list; and of the low turnover of stock, particularly with smaller properties. Councillor Menzies also highlighted the pressure on the Property Maintenance Service, suggesting that additional resources would be required to meet future demand. She pointed out that East Lothian had among the lowest council house rent levels but among the highest private sector rent levels in Scotland, which had led to greater demands for council housing and on the Homelessness Service. She proposed an 8% rent increase for 2026/27.

The SNP Group's rent proposals were seconded by Councillor Gilbert.

(c) Debate and Decision

There followed a debate on the HRA proposals. It was recognised that East Lothian's council house rents remained comparatively low; however, it was also pointed out that work on the comprehensive rent review was ongoing, and that the cost-of-living crisis should also be taken into account when considering rent increases. Some Members highlighted the need for greater government support to build new homes in order to address the housing emergency. There was agreement that more new homes were required and that it was important to

maintain the existing housing stock. The adaptation programme to allow people to remain in their own homes was welcomed, as was the provision of core and cluster housing.

Summing up for the SNP Group, Councillor Menzies noted that she didn't disagree with the Administration and Cross-party proposals, but she felt that they did not go far enough or fast enough. She was of the view that her group's proposed rent increase was manageable and tolerable, and that council house rents should be brought into line with those of other local authorities.

Summing up for the Administration and Cross-party Members, Councillor Forrest pointed out that East Lothian was one of the fastest-growing but one of the lowest-funded local authorities in Scotland, and he stressed that more funding from the Scottish Government for housing was required to meet demand. He argued that a 7% increase reflected the views of tenants put forward during the recent rent consultation exercise.

The Provost moved to the roll-call vote on the Housing Revenue Account budget proposals:

For Admin. and Cross-party proposals (15): Councillors Akhtar, Bennett, Collins, Dugdale, Findlay, Forrest, Hampshire, McFarlane, McGinn, McGuire, McIntosh, McLeod, McMillan, Ritchie, Yorkston
For SNP Group's proposals (5): Councillors Cassini, Gilbert, Jardine, Menzies, Trotter

Against (0)
Abstentions (0)

The Administration and Cross-party proposals were therefore carried.

Decision

The Council agreed to approve the Administration & Cross-party Housing Revenue Account budget proposals, noting that this would give rise to a 7% increase in rents, bringing the average weekly rent to £93.58, equivalent to an average weekly increase of £6.12.

3. GENERAL SERVICES REVENUE AND CAPITAL BUDGET, INCLUDING COUNCIL TAX PROPOSALS 2026/27 TO 2030/31

(a) Administration and Cross-party Proposals

Councillor Hampshire presented the Administration and Cross-party General Services proposals, which included a council tax increase of 7.5% for 2026/27. He outlined the financial challenges currently facing the Council, noting that approving a lower council tax rise would result in cuts to services, use of reserves, increased borrowing or greater financial problems in the future. He set out a number of key commitments, including investment in holiday clubs for children with disabilities, youth work, an additional winter maintenance vehicle, and social care services. He stated that the proposals would protect core statutory services as well as providing investment in a number of key areas and delivering long-term sustainability.

The Administration and Cross-party General Services proposals were seconded by Councillor Akhtar.

(b) SNP Group Proposals

Councillor Jardine presented the SNP Group's General Services proposals, which included a council tax increase of 5.8% for 2026/27. She highlighted the SNP Group's proposal to pilot a gender-based approach to budgeting, which she believed would help tackle inequality and improve governance. She drew attention to key aspects of the proposals, including: additional premiums on second and long-term empty homes; and pausing non-essential, non-additional support needs-related capital projects relating to school estate to allow for a comprehensive review to be undertaken. In moving the proposals, Councillor Jardine argued that the proposals were fair, balanced, and would ensure long-term financial sustainability.

The SNP Group's General Services proposals were seconded by Councillor Trotter, who made reference to the difficult choices facing the Council in order to continue delivering services.

(c) Debate and Decision

The Provost moved to the debate. It was acknowledged that the budget development process had been challenging, especially at a time of continued growth across East Lothian. The impact of council tax increases on residents was also acknowledged. The wider issues of local government funding and spending autonomy was referenced by several Members, and suggestions were put forward to seek to address the financial challenges. The growing demand on key areas such as social work services was also highlighted. A number of Members drew attention to and welcomed a variety of proposals, such as investment in areas such as tackling anti-social behaviour; active travel routes; holiday clubs for children with disabilities; facilities for children with additional support needs (ASN); the school estate; youth work; town centres; and community and leisure facilities.

Summing up for the SNP Group, Councillor Jardine confirmed that her group's proposals for the capital budget would protect ASN provision. She welcomed the proposals in relation to the Polson Park project. She also highlighted the impact of austerity and the need to protect households from council tax increases, adding that reserves could be used to moderate pressures on residents during the cost-of-living crisis. In closing, she noted that her group's proposals were measured, would protect households, and would maintain financial discipline.

Summing up for the Administration and Cross-party Members, Councillor Hampshire commented that cross-party working was the best way to protect services. He highlighted a number of measures in the proposals, including investment in youth work, ASN provision, social care, and improvements to Tranent town centre. He also spoke of the funding pressures on local government and suggested that councils needed their own fiscal framework and greater autonomy over their spending.

The Provost moved to the roll-call vote on the General Services budget proposals:

For Admin. and Cross-party proposals (12):	Councillors Akhtar, Bennett, Dugdale, Forrest, Hampshire, McFarlane, McGinn, McIntosh, McLeod, McMillan, Ritchie, Yorkston
For SNP Group's proposals (5):	Councillors Cassini, Gilbert, Jardine, Menzies, Trotter
Against (0)	
Abstentions (3)	Councillors Collins, Findlay, McGuire

The Administration and Cross-party proposals were therefore carried.

Decision

The Council agreed to approve the Administration & Cross-party General Services budget proposals, noting that this would give rise to a 7.5% increase in council tax levels for 2026/27, with a Band D level of £1,697.62.

4. TREASURY MANAGEMENT STRATEGY 2026/27 TO 2030/31

A report was submitted by the Depute Chief Executive – Resources and Economy seeking approval of the Treasury Management and Investment Strategies for 2026/27 to 2030/31.

The Service Manager for Corporate Accounting, Ann-Marie Glancy, presented the report, setting out the Council's responsibilities in relation to treasury management and investment. She drew attention to the key aspects of the report (as set out in Sections 3.6-3.23 of the report), noting that the full Strategy Statement had been lodged in the Members' Library (February 2026 Bulletin, Ref: 19/26). She also advised on the reporting arrangements for treasury management updates.

In response to questions from Members, Ms Glancy undertook to organise a Members' briefing from the Council's investment advisers before the end of the current term. She confirmed that the figures set out in her report had been based on the Administration and Cross-party budget proposals and there would therefore be no need to alter them as those proposals had now been approved.

A number of Members thanked Ms Glancy and her team for their work in this area and for the advice provided to Members.

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

Decision

The Council agreed:

- i. to approve the Treasury Management Strategy, referenced within Sections 3.6 to 3.20 of the report;
- ii. to approve the Investment Strategy, referenced within Sections 3.21 to 3.23 of the report;
- iii. to approve the repayment of loans fund advances using the methodology detailed in Section 3.7 of the report;
- iv. to approve the operational boundaries for external debt, as detailed in Section 3.16 of the report;
- v. to approve the authorised limits for external debt, as detailed in Section 3.17 of the report;
- vi. to approve the delegation of authority to the Chief Financial Officer in conjunction with the Head of Finance to effect movement between external borrowing and other long-term liabilities, as detailed in Section 3.18 of the report; and

- vii. to note the detailed Treasury Management Strategy Statement, available in the Members' Library (Ref: 19/26, February 2025 Bulletin).

5. PROPOSED PUBLIC HOLIDAY, MONDAY 15 JUNE 2026

A report was submitted by the Depute Chief Executive – Resources and Economy informing the Council of the Scottish Government's decision to declare a National Bank Holiday on Monday 15 June 2026, to mark Scotland's participation in the Men's World Cup Finals for the first time since 1998, and to consider whether this should be declared a public holiday or an additional day of annual leave to be granted to employees.

The Head of Corporate Support, Hayley Barnett, presented the report. She made reference to proposals for public holidays in recent years, and drew attention to the potential costs of providing an additional public holiday or annual leave day.

An amendment was submitted by Councillors Jardine and Gilbert:

Proposed amended recommendations:

[Members are recommended to:]

- 2.1 Agree not to designate Monday 15 June 2026 as an additional public holiday nor to allocate an additional day of annual leave, noting the significant financial implications outlined in the report;
- 2.2 Instruct the Depute Chief Executive – Resources and Economy to ensure appropriate service contingency planning is undertaken in advance of 15 June 2026, including workforce absence mitigation and business continuity arrangements across critical services; and
- 2.3 Request a short report to the Members' Library following 15 June 2026 outlining the operational impact, including any unplanned financial costs arising from workforce absence or service disruption, to inform future decision-making on similar national occasions.

Councillor Jardine presented the amendment, suggesting that it would strengthen the governance around the decision not to award an additional public holiday or day's annual leave. She anticipated that 15 June 2026 would not be an ordinary Monday and that there may be strain on services; therefore, contingency planning was required.

Councillor Gilbert seconded the amendment, arguing that it would provide a responsible balance between acknowledging the significance of the occasion and protecting the Council's financial position. It would also ensure that planning for any impact on services would be undertaken.

The debate followed, with Members speaking in support of not approving an additional public holiday or day's leave, given that the football match would take place overnight on the Saturday/Sunday, and that the Council would incur significant costs to provide the holiday. It was also noted that the Trades Unions were also supportive of this position. Some Members were in favour of monitoring absences on 15 June.

The Provost moved to the roll call vote on the recommendation versus the amendment:

For – Recommendation (10): Councillors Akhtar, Bennett, Dugdale, Forrest, Hampshire, McFarlane, McGinn, McMillan, Ritchie, Yorkston

