



## ***Council Executive***

West Lothian Civic Centre  
Howden South Road  
LIVINGSTON  
EH54 6FF

29 November 2018

A meeting of the **Council Executive** of West Lothian Council will be held within the **Council Chambers, West Lothian Civic Centre** on **Tuesday 4 December 2018** at **10:00am**.

For Chief Executive

### **BUSINESS**

#### **Public Session**

1. Apologies for Absence
2. Declarations of Interest - Members should declare any financial and non-financial interests they have in the items of business for consideration at the meeting, identifying the relevant agenda item and the nature of their interest
3. Order of Business, including notice of urgent business and declarations of interest in any urgent business
4. Confirm Draft Minutes of Meeting of Council Executive held on Tuesday 13 November 2018 (herewith).

#### **Public Items for Decision**

5. Whitdale Day Centre - Petition from EARS Advocacy - Report by Head of Social Policy (herewith).
6. Rent Strategy Consultation - Report by Head of Housing, Construction and Building Services (herewith).
7. Consultation on the Statutory and other Assessments on the Scottish Government's Preferred Policy Position on the Development of Unconventional Oil and Gas in Scotland (Fracking) - Report by Head of Planning, Economic Development & Regeneration (herewith).

8. Forth Bridges Area Tourism Strategy - Report by Head of Planning, Economic Development & Regeneration (herewith).
9. Donegal Trade Mission 17-19 October 2018 - Report by Head of Planning, Economic Development and Regeneration (herewith).
10. Procurement Arrangements - Supply of the Provision of Specialist Business Advice, Support & Training - Report by Head of Corporate Services (herewith).
11. Procurement Arrangements - Direct Award to CM2000 - Report by Head of Corporate Services (herewith).
12. Procurement Arrangements - Ongoing Purchase of Annual Maintenance and Licenses from Ethitec - Report by Head of Corporate Services (herewith).
13. Procurement Arrangements - Maintenance and Cleaning of Interceptors; Gullies; Safety Kerb and Waste Disposal - Report by Head of Corporate Services (herewith).
14. Consultation on the Review of the Structure of the Scottish Local Government Pension Fund - Lothian Pension Fund Response - Report by Head of Finance and Property Services (herewith).
15. Sale of 14 Limefield Road, Polbeth - Report by Head of Finance and Property Services (herewith).
16. Proposed Redetermination, Clifton Road, East Calder - Report by Head of Operational Services (herewith).
17. Recycling & Waste Services - Service Review - Report by Head of Operational Services (herewith).
18. Sustainable Waste & Recycling Collection Service - Brown Bin Options - Report by Head of Operational Services (herewith).
19. Review of Local Governance - Report by Chief Executive (herewith).
20. PRIVATE SESSION - The Clerk considers that the following business is likely to be taken in private (exempt under the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act

**Private Items for Decision**

21. West Lothian Leisure Financial Plan update - Report by Head of Finance and Property Services and Head of Education (Learning, Policy and Resources)

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DATA LABEL: Public

NOTE      **For further information please contact Eileen Rollo on 01506 281621  
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MINUTE of MEETING of the COUNCIL EXECUTIVE held within COUNCIL CHAMBERS, WEST LOTHIAN CIVIC CENTRE, on 13 NOVEMBER 2018.

Present – Councillors Lawrence Fitzpatrick (Chair), Kirsteen Sullivan, Harry Cartmill, Diane Calder (substituting for Peter Johnston), Pauline Clark (substituting for Frank Anderson), Tom Conn, David Dodds, Peter Heggie, Chris Horne, Charles Kennedy, Dom McGuire (substituting for Cathy Muldoon), George Paul and Damian Timson

Apologies – Councillors Frank Anderson, Peter Johnston and Cathy Muldoon

## 1. DECLARATIONS OF INTEREST

Agenda Item 18 (Licensing of Mobile Home Sites) – Councillor Peter Heggie declared an interest in that he was a council appointed member of the West Lothian Licensing Board;

Agenda Item 17 (Pentlands Regional Park Management Plan) – Councillor Damian Timson declared an interest in that he was a council appointed member of the Pentland Hills Regional Park;

Agenda Item 18 (Licensing of Mobile Home Sites) - Councillor Chris Horne declared an interest in that he was a council appointed member of the West Lothian Licensing Board;

Agenda Item 18 (Licensing of Mobile Home Sites) - Councillor Dom McGuire declared an interest in that he was a council appointed member of the West Lothian Licensing Board;

Agenda Item 17 (Pentlands Regional Park Regional Plan) & Agenda Item 26 (Riverlife Programme) – Councillor Pauline Clark declared an interest in that she was a council appointed member of West Lothian Development Trust and would not participate in either item of business; and

Agenda Item 17 (Pentlands Regional Park Regional Plan) & Agenda Item 26 (Riverlife Programme) – Councillor David Dodds declared an interest in that she was a council appointed member of West Lothian Development Trust and would not participate in either item of business

## 2. ORDER OF BUSINESS

The Chair ruled in terms of Standing Order 7 that the additional item of business concerning “Riverlife: Novation of Funding and Procurement Exemption” would be considered alongside agenda item 26 as it was a companion report.

The Council Executive agreed that Agenda Item 21 (Supplementary Guidance on Air Quality) be continued to allow for further information to be included in the report.

3. MINUTES

The Council Executive approved the Minute of its meeting held on 23 October 2018 and the Minute of its adjourned meeting held on 29 October 2018. The Minutes were thereafter signed by the Chair.

4. COMMUNITY COUNCIL SPECIAL PROJECT GRANTS

The Council Executive considered a report (copies of which had been circulated) by the Head of Corporate Services inviting consideration of an application for a special project grant received from Dechmont Community Council as detailed in the appendix to the report.

A special project grant scheme operated for community councils in West Lothian to allow them to carry out projects in their areas. Community Councils could apply for a maximum of £750 special project funding in each financial year. There was no minimum grant. The total budget for the current financial year 2018-19 was £3,000 with applications being dealt with on a first come first served basis.

Three valid applications had been approved so far in financial year 2018-19, which meant that there was a remaining balance of £1,100. The amount requested in the valid application was £750 and if granted would leave a balance of £350.

Council Executive was asked to determine the valid application received from Dechmont Community Council as detailed in the appendix attached to the report.

Decision

To approve the valid application for a special project grant from Dechmont Community Council.

5. AFFORDABLE HOUSING SUPPLEMENTARY GUIDANCE (2018)

The Chair ruled in terms of Standing Order 28 (Changing a Decision) that as there had been a material change to a decision taken on the "Affordable Housing Supplementary Guidance" by the Council Executive at its meeting on 9 October 2018 therefore the following item would be considered.

The Council Executive considered a report (copies of which had been circulated) by the Head of Housing, Customer and Building Services seeking approval for a minor change to the new supplementary guidance on Affordable Housing which had been approved by the Council Executive on 9 October 2018.

The Head of Housing, Customer and Building Services explained on 9 October 2018 Council Executive approved Supplementary Guidance on Affordable Housing 2018 however prior to it being submitted to Scottish

Government there was a need for a minor amendment to be considered by Council Executive.

The change required to the guidance concerned paragraph 4.5 and this was outlined in the report. A copy of the revised guidance was attached to the report at Appendix 1.

It was recommended that Council Executive :-

1. Agree the minor change to Paragraph 4.5 to ensure that all flatted developments would fall within the Supplementary Guidance; and
2. Agrees that the Affordable Housing Supplementary Guidance (2018) as amended should be submitted to Scottish Ministers for approval as part of the statutory development plan.

#### Decision

To approve the terms of the report

#### 6. APSE PERFORMANCE NETWORKS SEMINAR 2018

The Council Executive considered a report (copies of which had been circulated) by the Head of Housing, Customer and Building Services seeking approval for attendance of appropriate elected members at the APSE Performance Networks Seminar 2018, incorporating the APSE Network Awards, which this year were taking place in Blackpool on 6 and 7 December 2018.

The Head of Housing, Customer and Building Services explained that the APSE Performance Networks Seminar was an essential part of the performance networks timetable and was an excellent shared learning opportunity. The seminar would include the 2017-18 data collection results as well as issues affecting service performance.

Also at the same event would be the Performance Network Awards which was a prestigious high-profile occasion where the best performing authorities and the most improved were awarded for their achievements.

A copy of the programme was attached to the report at Appendix 1

It was recommended that Council Executive approves attendance of the Executive Councillor for Services for the Community and the Executive Councillor for the Environment at the APSE Performance Networks Seminar, with appropriate officer's support from Operational and Housing, Customer and Building Services.

#### Decision

To agree attendance by Councillor Frank Anderson, George Paul and Tom Conn

7. 2018/19 HOUSING REVENUE ACCOUNT - MONTH 6 MONITORING REPORT

The Council Executive considered a report (copies of which had been circulated) by the Depute Chief Executive providing financial performance in relation to the Housing Revenue Account (HRA) following the month 6 monitoring exercise.

The report provided a summary of the position for the main expenditure headings and provided a projected out-turn.

It was noted that employee costs were forecast to underspend by £324,000 mainly as a result of secondments, vacant posts and staff turnover. Other costs were also summarised in the report and included premises costs, supplies & services, third party payments, capital borrowing and income.

The report concluded that a breakeven position was forecast on the basis of the information available.

It was recommended that the Council Executive note the outcome of the month 6 monitoring exercise and the projected outturn.

Decision

To note the terms of the report

8. 2018/19 HOUSING CAPITAL REPORT - MONTH 6 MONITORING REPORT

The Council Executive considered a report (copies of which had been circulated) by the Depute Chief Executive providing the financial position in relation to the Housing Capital Programme following the completion of the month 6 monitoring exercise.

A table contained within the report demonstrated that there had been investment of £17.166 million in housing stock as at 30 September 2018. The forecast expenditure for the year was £41.512 million. The report then provided a summary of the new build council house programme and planned maintenance and refurbishment programmes.

The report advised that significant resources continued to be invested in the creation and acquisition of new homes with budget resources of £22.207 million in 2018/19. New housing supply included the existing council housing stock through new builds, open market acquisitions and mortgage to rent properties.

It was recommended that the Council Executive note the outcome of the month 6 monitoring exercise and projected out-turn for 2018/19.

Decision

To approve the terms of the report

9. 2018/19 GENERAL FUND REVENUE BUDGET - MONTH 6 MONITORING REPORT

The Council Executive considered a report (copies of which had been circulated) by the Head of Finance and Property Services providing the financial position in relation to the General Fund Revenue Budget, following completion of the 6 month monitoring exercise.

The report set out the overall financial performance of the General Fund Revenue Budget for the period to 30 September 2018 and provided a year-end financial forecast which took account of relevant issues identified in individual service budgetary control returns.

The report also provided a table summarising the position in relation to service expenditure and provided a forecast outturn noting that as a result of the month 6 monitoring exercise there was a forecast overspend of £1.352 million, which was partly offset by £1.052 million early delivery of budget reductions within Social Policy to give a net 2018/19 variance of £300,000.

It was recommended that Council Executive :-

1. Notes that the outcome of the month 6 monitoring exercise was a forecast overspend of £1.352 million for 2018/19, which was partly offset by £1.052 million early delivery of budget reductions within Social Policy to give a net 2018/19 variance of £300,000, a decrease of £32,000 from the position reported to Council Executive at month 4;
2. Notes the movements in forecasts at service level, in particular, an increase in the projected overspend for Operational Services of £1.098 million, £598,000 of which was as a result of an increase in projected expenditure for ASN transport, offset by an increased underspend within Social Policy of £956,000 related to care provision from providers;
3. Notes the increased level of recurring pressures of £3.894 million and the update from Heads of Service on progress against agreed actions to mitigate these pressures;
4. Notes the potential additional pressure estimated from pay award negotiations was included within the forecast for the current year and the requirement to meet these costs for future years through recurring staffing savings in each service;
5. Notes that officers were progressing a detailed review of the budget model in advance of the annual budget setting process for 2019/2020 to take account of changes in circumstances and updated forecasts;

6. Notes the progress in delivering approved savings for 2018/19 to 2020/2021; and
7. Agrees that Heads of Service take all necessary action to control spend, ensure that wherever possible expenditure was managed within 2018/19 budgeted resources, take all possible opportunities to deliver agreed savings as early as possible, and agree and deliver mitigating actions so that recurring cost pressures were addressed in advance of 2019/2020.

#### Decision

To approve the terms of the report

#### 10. 2018/19 GENERAL SERVICES CAPITAL BUDGET - MONTH 6 MONITORING REPORT

The Council Executive considered a report (copies of which had been circulated) by the Head of Finance and Property Services providing information on the financial position in relation to the General Services Capital Programme following completion of the month 6 monitoring exercise.

The report provided an update on the 2018/19 General Services Capital Programme based on the results of a comprehensive monitoring exercise. The approved 2018/19 capital budget was £29.733 million which assumed £4 million of over programming.

Good progress was being made on the capital programme with the committed expenditure as a percentage of projected outturn at 51%. In overall terms the monitoring exercise indicated that the projected outturn was on budget at £29.733 million based on further over-programming of £2.203 million being assumed. However if the programme progressed with no further slippage, the balance in resources would be funded by accelerated use of the capital fund, which could be accommodated within Treasury Management forecasts.

The report provided a summary of the forecast for each asset type and details of material movements and pressures that had been identified under the headings of Property, Roads and Other Related Assets, Open Space, and ICT.

Risks, resources, developer contributions and other strategic issues were also covered in the report.

It was recommended that Council Executive :-

1. Notes the outcome of the month 6 monitoring exercise and the projected outturn;
2. Agrees that Asset Lead Officers and the Head of Finance and Property Services keep under review factors that impacted on

delivery of the approved capital programme; and

3. Notes the progress on the key capital projects

Decision

To approve the terms of the report

11. AUTUMN BUDGET 2018

The Council Executive considered a report (copies of which had been circulated) by the Head of Finance and Property Services providing an update in relation to the announcements contained in the Chancellor of the Exchequer's Autumn Budget 2018.

The Head of Finance and Property Services explained that the Chancellor of the Exchequer delivered his Autumn Budget 2018 to the House of Commons on 29 October 2018. The Autumn Budget 2018 was the last before the UK would be leaving the European Union in March 2019, however the Chancellor did state that the 2019 Spring Statement could be upgraded to a full budget if required.

The Chancellor's Autumn Budget 2018 also included the Office for Budget Responsibility (OBR) update projections for the economy, growth and government borrowing.

In summary the key economic announcements were as follows :-

- Current and future UK tax revenues were expected to be higher than previously forecast;
- In line with the Spring Statement, the UK economy was expected to continue to grow for every year of the forecast, however GDP growth continued to be low;
- Public borrowing in 2018 was lower than forecast in the 2018 Spring Statement;
- Inflation was forecast to be above target in 2018 but to then quickly return to the 2% target; and
- The OBR also anticipated that the labour market would slowly grow over the period increasing the forecast employment rates

The report continued to provide information on public services and public spending along with details of other key announcements

With regards to implications for Scotland following the Autumn Budget Scotland would receive an additional £950 million in Barnett Consequentials over the three year period 2018 to 2021 as a result of the spending decisions included within the Budget.

The Scottish budget would be announced on 12 December 2018 with a

report being presented to Council Executive on 15 January 2019 detailing the Scottish Government's allocation to the total Scottish block.

It was recommended that Council Executive :-

1. Notes the latest economic position outlined in the Autumn Budget 2018;
2. Notes the revised UK public spending figures for revenue and capital;
3. Notes the other key announcements, including those related to Universal Credit;
4. Notes that, as a result of spending announcements in the Autumn Budget, the Scottish Government would receive an additional £950 million by 2020/21;
5. Agrees that the Head of Finance and Property Services should report to the Council Executive on 15 January 2019 on the outcome of the Scottish Budget and local government financial settlement which were due to be announced in mid-December 2018; and
6. Agrees that the Head of Finance and Property Services should ensure that the information within the Autumn Budget, Scottish Budget and local government finance settlement was taken account of when updating the council's financial plans for 2019/20 to 2022/23.

#### Motion

To move the recommendations of the report.

- Moved by the Chair and seconded by Councillor Kirsteen Sullivan

#### Amendment

To move the recommendations of the report but to add a further recommendation in the following terms :-

"Notes that due to the Conservative UK Government an additional £950m (£400m for Local Government) will be available to Scotland over the next three years through Barnett Consequentials. And that the Chief Executive West Lothian Council writes to the Scottish Government requesting that all Local Government additional funding that is made available is distributed to Local Government".

- Moved by Councillor Timson

#### Decision

To agree a composite motion in the following terms :-

"To agree the recommendations of the report and to agree a further



recommendation in that Council Executive instructs the Chief Executive to write to the First Minister to ask that all additional funding to the Scottish Government through the Barnett Consequentials be allocated to Scottish councils”.

12. CONFIRMATION OF STOPPING-UP ORDER: EXISTING RIGHT OF WAY, J4M8 DISTRIBUTION PARK, BATHGATE

The Council Executive considered a report (copies of which had been circulated) by the Head of Planning, Economic Development and Regeneration seeking approval to conclude the statutory procedures to stop-up a designated but disused right of way within the J4M8 Distribution Park in Bathgate.

The report recalled that at its meeting of 17 April 2018 Council Executive approved the initiation of the statutory procedures to stop-up the right of way at the J4M8 Distribution Park in Bathgate.

The Head of Planning, Economic Development and Regeneration explained that as an alternative path had been built as part of planning permission (0881/P/07) to an acceptable standard, the existing designated right of way was on land largely overgrown and unused.

Therefore following Council Executive approval on 31 August 2018 an order was made under Section 208 of the Town and Country Planning (Scotland) Act 1997 authorising the stopping-up of the right of way. Site notices were posted at either end of the right of way on 6 September 2018 along with notices in the West Lothian Courier and the Edinburgh Gazette.

No representations or objections were received therefore the council could confirm the order under the Act.

It was recommended that Council Executive approves the conclusion of the statutory procedures in order to confirm the order (The West Lothian Council (J4M8 Footpath, Bathgate) Stopping-up Order 2018).

Decision

To approve the terms of the report

13. SCOTLAND'S CLIMATE CHANGE DECLARATION - ANNUAL REPORT 2021/18

The Council Executive considered a report (copies of which had been circulated) by the Head of Planning, Economic Development and Regeneration providing details of West Lothian's annual Scottish Climate Change Declarations for 2017/18.

The report advised that the council had a number of obligations under the Public Bodies Duties of the Climate Change (Scotland) Act 2009, and had been reporting on Climate Change since becoming a signatory to

### Scotland's Climate Change Declaration in 2007.

The report provided a summary of the Declaration for West Lothian and noted that it was split into two sections. There was a "Required" section which must be completed and a "Recommended" section which was optional.

The first part of the required section provided key information about the organisation and the reporting year covered. Part two included information on how the council provided effective governance, leadership and management of climate change

Table one within the report showed comparative figures from 2017/18 with those from 2014/15 which was the first year of reporting on the new standardised template. It showed significant reductions across a range on contributing areas and highlighted the progress being made to deliver services in a more sustainable, low-carbon way.

In conclusion the report advised that the council's Climate Change Declaration report demonstrated significant progress in the council's efforts to reduce the impact on the environment and to adapt to future climatic changes.

It was recommended that Council Executive :-

1. Agrees the content of the Declaration as attached to the report at Appendix 1; and
2. Approves its submission to Sustainable Scotland Network and the Scottish Government for publication.

### Decision

To approve the terms of the report

#### 14. CONSULTATION ON REDUCING HEALTH HARMS OF FOODS HIGH IN FAT, SUGAR OR SALT

The Council Executive considered a report (copies of which had been circulated) by the Head of Planning, Economic Development and Regeneration providing a proposed response to the Scottish Government consultation on reducing health harms of foods high in fat, sugar or salt. Appendix 1 to the report contained the proposed response.

The report advised that on 2 October 2018 the Scottish Government issued a consultation paper on reducing health harms of foods high in fat, sugar or salt. The proposals were being considered as part of a national strategy in Scotland for tackling the public health consequences of poor diet and obesity.

The restrictions were intended to apply to any out of home food purchases and the establishments where such foods were sold. There were some exemptions for business to business sales, and for charity

events. The nature of sale and promotion of these foods was intended to be controlled to help manage persuasive promotion by retailers and impulse purchasing by consumers.

The consultation suggested that such controls would require to be properly regulated through legislation rather than voluntary arrangements, and that local authorities were best placed to enforce any legal requirements.

In conclusion the report advised that significant resources were required to address the consequences of poor diet on personal health, national resources and finances. The need for change was supported, however if regulation was part of the approach then it needed to be properly considered. The proposals in the consultation were well intentioned but would not be implemented without adequate resource, clarity and practicality.

It was recommended that Council Executive :-

1. Notes the content of the report and proposed response contained in Appendix 1; and
2. Approves the proposed response contained in Appendix 1 attached to the report.

### Decision

To approve the terms of the report

## 15. SCOTTISH AWARDS FOR QUALITY IN PLANNING

The Council Executive considered a report (copies of which had been circulated) by the Head of Planning, Economic Development and Regeneration seeking approval for appropriate elected member attendance at the Scottish Awards for Quality in Planning in Edinburgh on the evening of 21 November 2018.

The report advised that the council's Enforcement Service had been shortlisted for a Scottish Quality in Planning Award with the awards ceremony scheduled to take place on the evening of 21 November 2018 in Edinburgh.

The council's approach to enforcement had been nominated under the "process" category of the awards with the submission describing recent changes carried out to make the council's enforcement activities more efficient and effective.

The organisers of the awards had extended an invitation to an elected member from each of the shortlisted authorities. The subject of the nominated project would fall within the remit of the Executive Councillor for Development and Transport.

It was recommended that Council Executive agree the appropriate elected

member attendance at the Scottish Quality in Planning Awards in Edinburgh on the evening of 21 November 2018.

### Decision

To agree attendance by Councillor David Dodds

16. PENTLAND HILLS REGIONAL PARK STRATEGIC MANAGEMENT PLAN 2017-2027

The Council Executive considered a report (copies of which had been circulated) by the Head of Planning, Economic Development and Regeneration providing an update on the proposed revision to the Strategic Management Plan for the Pentland Hills Regional Park (PHRP) and the council's proposed response to this.

The report advised that West Lothian Council co-operated with the City of Edinburgh Council and Midlothian Council in the management of the Pentland Hills Regional Park. The area of the park that was in West Lothian was around 10% of the designated park area.

The report recalled that the regional park was established in 1986 and was initially managed by the former Lothian Regional Council with structural funding from the former Countryside Commission for Scotland. Since then the park was adapted to local government re-organisation in 1996 and significant changes in external funding including the withdrawal of Scottish Natural Heritage (SNH) funding in 2006/7.

The Head of Planning, Economic Development and Regeneration explained that the current Strategic Management Plan which covered the operation of the Pentland Hills Regional Park was now due for updating and renewal. Initially City of Edinburgh Council approached the constituent authorities for funding to employ consultants to undertake the review. However, due to other budget commitments West Lothian Council and Midlothian Council were unable to provide funding.

However, Scottish Natural Heritage had funded consultants to undertake a series of workshops related to the ecosystems services produced by the Regional Park in 216/17, and it was felt the findings of this work would be a good basis for the new Strategic Management Plan.

The report went on to advise that two large woodland creation schemes had been submitted to the Forestry Commission Scotland for grant aid. Both straddled the A70 at West Cairns Plantation and on the boundary of the park at Whitelea.

A new timber footbridge had been constructed across the Water of Leith on the boundary between West Lothian and the City of Edinburgh council areas at Leithhead. The bridge was on the right of way and was originally replaced around 25 years ago but was showing signs of deterioration and publicity was to be organised around investment in this feature.

In conclusion the council continued to support the Pentland Hills Regional

Park which offered rural access opportunities to West Lothian residents and beyond.

It was recommended that Council Executive :-

1. Notes the report and the content of Appendix 1 which outlined some key questions for the revision of the Pentland Hills Regional Park Strategic Management Plan;
2. Notes and agrees the proposed West Lothian Council response to the proposed revision to the Pentland Hills Regional Park Strategic Management Plan; and
3. Agrees to forward the council's response to the Pentland Hills Regional Park managing authority, the City of Edinburgh Council.

### Decision

To approve the terms of the report

## 17. LICENSING OF MOBILE HOME SITES WITH PERMANENT RESIDENTS

The Council Executive considered a report (copies of which had been circulated) by the Head of Planning, Economic Development and Regeneration advising of the changes in licensing requirements for mobile home sites with permanent residents and the need for the council to approve the arrangements for licensing sites and enforcement of new legislative powers.

The report advised that following statutory amendments to the Caravan Site and Control of Development Act 1960, a new system for licensing and controlling permanent residential sites had been introduced. The key elements of the new system were as follows:

- Local authorities would have a range of powers, and appropriate discretion in deciding how to use them, in relation to the granting, management and revocation of licences.
- Licences would now require to be renewed every 5 years.
- The site licence holder (and anyone directly managing a site) must be a fit and proper person.
- An effective process for site owners and applicants to appeal any decisions by a local authority.

Any site that currently held a licence in terms of the act had until 1 May 2019 to apply for and obtain a new site licence otherwise the site would no longer be licensed.

The report went on to advise that a key change in the legislation was that sites would have to apply for renewal of the site every 5 years. The

process for considering new applications for site licence and renewal of existing licences would follow the principles set out in the Act, and accompanying guidance issued by the Scottish Government. Appendix 1 to the report provided more detail of this process.

The report noted that the consideration and determination of licence applications and renewals would have an impact on local authority resources. It was significantly more involved than considerations were previously. However it did provide a greater level of scrutiny and consideration of those who would hold a licence and manage the sites.

Under the changes to the Act local authorities were able to charge a fee for handling new licence applications and renewals. The fees would be reflective of what the local authority considered were reasonable costs. A schedule of fees was contained in Appendix 2.

The Head of Planning, Economic Development and Regeneration explained that a new range of enforcement powers had been introduced which would be incorporated into the Environment Health and Trading Standards Enforcement Policy. Appendix 3 contained more detail on enforcement.

In conclusion the report advised that changes to regulate and licence mobile home sites were welcomed in terms of providing greater options for protecting the safety and welfare of residents on these sites. It was however, essential that this additional financial and resource demand on the local authority was paid for, and therefore the proposals in the report and accompanying appendices were felt to be appropriate.

It was recommended that Council Executive :-

1. Notes the content of the report;
2. Approves the licensing procedures detailed in Appendix 1 attached to the report; and
3. Approves the scheme of charges for licence fees detailed in Appendix 2 attached to the report.

#### Decision

To approve the terms of the report

#### 18. CONSULTATION ON HISTORIC ENVIRONMENT SCOTLAND'S "DRAFT HISTORIC ENVIRONMENT POLICY"

The Council Executive considered a report (copies of which had been circulated) by the Head of Planning, Economic Development and Regeneration advising of a consultation on Historic Scotland's (HES) "*Draft Historic Environment Policy*" and the council's proposed response.

HES's draft Historic Environment Policy, a copy of which was attached to the report at Appendix 1, was designed to support and enable good

decision-making and set out six proposed policies. The policy also took into account principles in international charters and conventions cultural heritage.

The draft policy had been developed using current research as well as established views about how the historic environment should be cared for. It also drew upon previous policy documents and related policy areas that were affected by the historic environment.

The Council Executive was further advised that whilst the consultation did not pose specific questions on the content of the draft policy statement the council had taken the opportunity to comment and update the Interim Historic Scotland Environment Scotland Policy Statement (2016). As suggested by the policy statement the council had an up-to-date Local Development Plan in place that protected the historic environment and had also embarked on a review of its 9 conservation areas as well as a survey of all the second tier country houses and their surrounding woodlands. The report contained further information on the council's proposed response to the draft policy.

It was recommended that the Council Executive :-

1. Notes the content of the draft Historic Environment Policy; and
2. Agrees to forward the report to Historic Environment Scotland as the council's response to the consultation.

#### Decision

To approve the terms of the report

#### 19. CONSULTATION ON LICENSING OF DOG, CAT AND RABBIT BREEDING ACTIVITIES IN SCOTLAND

The Council Executive considered a report (copies of which had been circulated) by the Head of Planning, Economic Development and Regeneration advising of the proposed response to the Scottish Government consultation on licensing of dog, cat and rabbit breeding activities in Scotland.

The report advised that under the Breeding of Dogs Acts 1973 & 1991 and the Breeding and Sale of Dogs (Welfare) Act 1999, local authorities currently licence premises where the breeding of dogs for sale was undertaken. A person would be presumed to be undertaking the business of breeding dogs for sale if, during any twelve month period, five or more litters of puppies were born.

The dealing of young dogs and cats was regulated by the Licensing of Animal Dealers (Young Cats and Young Dogs) (Scotland) Regulations 2009. Under the regulations an individual who sold or acquired a cat or dog at less than 84 days old with a view to sell, required an animal dealing licence.

Dog breeding licences were currently granted following compliance with a set of standards, specific to the type of activity in question. The legislation also allowed an appeals process to the Sheriff Court in case of refusal or imposition of onerous conditions.

The Head of Planning, Economic Development and Regeneration advised that there were currently three licensed dog breeders in West Lothian. There were separate standards for those operating within a domestic establishment, and those working within kennels or similar establishment.

The report noted that the breeding of cats and the breeding and dealing with young rabbits was currently unregulated.

Exact figures for the annual market for dogs, cats and rabbits was difficult to obtain, however it was estimated that around 100 licensed dog breeders currently operated within Scotland with the market for puppies ranging between 70,000 and 190,00 per year. It was also suggested that there may be a large number of unlicensed dog breeders who fell under the threshold of five or more litters in a 12 month period.

The report went on to advise that the Scottish Government had launched its consultation on the proposals on 7 September 2018, with a closing date of 30 November 2018. The main features of the new licensing system proposed were as follows:

- A lower threshold number of breeding animals determining whether licensing was to be applied;
- Licensing the breeding of cats and rabbits as pets;
- Introducing additional licence conditions and guidance;
- Licenses should be flexible and may be awarded on a risk-based assessment, for a period of up to three years;
- An exemption from inspection requirements for businesses assured by a UKAS accredited body;
- Licenses to be issued at any point in the year for a fixed term but could be suspended or revoked any time; and
- Discourage the breeding of dogs, cats and rabbits with a predisposition for genetic conditions which lead to health problems in later life.

The proposed response to the consultation was detailed in Appendix 1 to the report.

In conclusion the report advised that to ensure animal welfare standards, the Scottish Government wished to bring in a more modern system to licence the breeding of the most popular pet species.

The principle for bringing such operations under appropriate proportionate



regulation was generally accepted; however there was insufficient information with regard to the potential number of licensable breeders. The exemption of affiliated breeders and the involvement of third party accreditation was also a concern which was reflected in the proposed response.

It was recommended that Council Executive :-

1. Notes the content of the report and the proposed consultation response attached to the report at Appendix 1; and
2. Approves the proposed consultation response contained in Appendix 1 attached to the report

### Decision

To approve the terms of the report

## 20. SCOTTISH GOVERNMENT DRAFT STATUTORY GUIDANCE ON FUNERAL COST CONSULTATION

The Council Executive considered a report (copies of which had been circulated) by the Head of Operational Services providing details on the Scottish Government's Draft Statutory Guidance on Funeral Costs and the proposed response to the consultation. The draft guidance was detailed in Appendix 1 and the response was contained in Appendix 2.

The report advised that the Scottish Government was currently drafting new statutory guidance on funeral costs for all stakeholders which was contained in Appendix 1 to the report.

The consultation asked stakeholders to provide a response to a series of questions to capture the views and opinions of the stakeholders on the draft statutory guidance on funeral costs.

The Head of Operational Services explained that whilst the setting of individual funeral charges was for local authorities and private businesses to determine, the Scottish Government's aim was to introduce statutory guidance to improve the availability and transparency of funeral charges information to assist consumers understand, compare and choose the services that were right for them.

The guidance recognised that people buying a funeral were often distressed and the guidance was to complement other actions the Scottish Government had already taken to encourage people to talk about and plan their funeral.

The consultation asked 22 questions covering a range of operational and strategic issues. The cemeteries services had provided general comment across the guidance for crematoriums and funeral directors as well as providing responses to questions that related to the council as a burial authority and the additional guidance for local authorities.

It was recommended that Council Executive approves the council's response to the Scottish Government consultation on the Draft Guidance for Funeral Costs

### Decision

To approve the terms of the report

## 21. ROADS AND TRANSPORTATION SERVICES TRANSFORMING YOUR COUNCIL PROPOSALS 2018/19 - 2022/23 UPDATE

The Council Executive considered a report (copies of which had been circulated) by the Head of Operational Services advising on the progress with the delivery of the activities and service changes which were identified as part of the Transforming Your Council agenda.

The report recalled that at its meeting on 13 February 2018 West Lothian Council approved a report on the 2018/19 to 2022/23 Revenue Budget. As part of the approval, officers were remitted to report back to Environment Policy Development and Scrutiny Panel and Council Executive on amended service standards.

Appendix 1 to the report outlined the key activities that the service would provide moving forward and detailed key changes to service standards and the proposed service standards for future service delivery. The impact of budget reductions could lead to reduced performance, increased complaints, long term deterioration of assets which would have to be closely monitored.

The Head of Operational Services explained that over the five year period 2018/19 to 2022/23 of Transforming Your Council, Roads and Transportation was required to make a £2.571m revenue saving which was a reduction of 25% based on 2017/18 revenue budget of £10.3m.

The report noted that Roads and Transportation historically allocated costs on a usage basis to both revenue and capital which made the process of identifying revenue savings more complex.

Significant reductions in both revenue and capital budgets would have a consequential impact on both service delivery and the condition of roads related assets. As less funding was available for planned maintenance, the fabric of the road network would deteriorate at an increased rate, which would lead to increased defects requiring unplanned reactive maintenance.

In order to minimise the impact on the roads asset, the reductions in funding and staffing resources would require a change in the way the service undertook planned maintenance with a shift from resurfacing to much more cost effective surface dressing treatments.

During 2017/18, the FTE within the service was 180.67, which was required to be reduced. To achieve this in 2018/19 the opportunity was

taken to remove a total of 20FTE vacancies which equated to £504,000. In order to achieve savings for 2019/20 it was proposed that a further 21 FTE would be removed from the structure generating savings of £587,000.

The removal of 21 FTE in 2019/20 combined with the reduction of 20 FTE posts in 2018/19 had clearly reduced the capacity of the service and as a consequence service delivery and the services organisational structure had to be revised.

The report went on to provide a summary of the changes for a number of service areas including provision of Christmas lighting, out of hours service and statutory minimum service requirements.

In conclusion the report advised that Road and Transportation Services had to deliver a challenging budget reduction of £2.571m which was a 25% reduction on the 2017/18 revenue budget and that significant service adjustments were required to achieve the necessary savings.

### Motion

“Council Executive approves all recommendations excepting that officers are instructed to continue provision of festive lighting including erection, removal and maintenance of festive lighting equipment and to revert to Council Executive with compensatory savings, not necessarily from Operational Services”

- Moved by the Chair and seconded by Councillor Kirsteen Sullivan

### First Amendment

“To approve all recommendations contained in the officers report, to continue the provision of festive lighting with compensatory savings to be identified elsewhere and to maintain existing winter maintenance standby costs and treatment between the hours of 05:00 and 08:00 with compensatory savings to also be identified elsewhere”

- Moved by Councillor Damian Timson and seconded by Councillor Chris Horne

### Second Amendment

“To not approve the recommendations of the report until such time that discussions with the Trade Unions had concluded”.

- Moved by Councillor Diane Calder and seconded by Councillor Pauline Clark

A roll call vote was taken on the motion against the first amendment :-

<u>Motion</u>	<u>Amendment</u>	<u>Abstain</u>
Harry Cartmill	Peter Heggie	Diane Calder

Tom Conn	Chris Horne	Pauline Clark
David Dodds	Charles Kennedy	
Lawrence Fitzpatrick	Damian Timson	
Dom McGuire		
George Paul		
Kirsteen Sullivan		

A roll call vote was then taken on the motion against the second amendment :-

<u>Motion</u>	<u>Amendment</u>	<u>Abstain</u>
Harry Cartmill	Diane Calder	Peter Heggie
Tom Conn	Pauline Clark	Chris Horne
David Dodds		Charles Kennedy
Lawrence Fitzpatrick		Damian Timson
Dom McGuire		
George Paul		
Kirsteen Sullivan		

#### Decision

Following a vote the motion was successful by 7 votes to 2, with 4 abstentions, and it was agreed accordingly.

## 22. ROADS SAFETY INSPECTION MANUAL - 2018 REVIEW

The Council Executive considered a report (copies of which had been circulated) by the Head of Operational Services providing an update on the review of the roads safety inspection manual which was contained in Appendix 1 to the report.

The report advised that the council as Roads Authority had powers and duties to maintain public roads within its boundary. The establishment of a cost-effective regime of inspections provided the information for addressing the core objectives of road maintenance, provided data for the development of maintenance programmes and the roads asset management plan to assist the council to demonstrate compliance with its statutory duties.

The report recalled on 8 December 2015, Council Executive approved the current Roads Safety Inspection Manual which set out the council's

approach to safety inspections on public roads. The manual came into operation on 1 January 2016. The intention was to review the manual every two years.

The report went on to advise that a new code of practice (CoP), "Well Managed Highway Infrastructure" was published in October 2016. The new CoP moved away from prescriptive guidance to requiring authorities to adopt a risk-based approach to asset management. This meant that the CoP no longer contained specific advice with regards to inspection frequency or defect response times. Roads Authorities had until October 2018 to make their policies and procedure comply with the new CoP.

The Society of Chief Officers of Transportation in Scotland (SCOTS) through its Road Asset Management Project, produced additional guidance for local authorities to adapt their inspection manual and this has formed the basis for a revised inspection manual for West Lothian Council.

The report then went on to provide details of the key changes to the revised inspection manual.

In conclusion the report advised that a review of the Roads Safety Inspection Manual had been undertaken and a revised manual was produced based on the SCOTS model document. Key deviations from existing practice had been risk assessed in accordance with the principles of the Code of Practice.

It was recommended that the Council Executive approve the revised Roads Safety Inspection Manual for implementation on 1 January 2019.

#### Decision

To approve the terms of the report

### 23. ROAD ASSET MANAGEMENT POLICY AND PLAN 2018-2023

The Council Executive considered a report (copies of which had been circulated) by the Head of Operational Services seeking approval for the update Asset Management Policy and the revised Road Asset Management Plan for 2018-2023, a copy of which was attached to the report at Appendix 1.

The report recalled that in 2013 the council's Asset Management Policy and the Road Asset Management Plan (RAMP) were approved by the council. Since then Roads and Transportation had continued to develop its asset management practices in conjunction with the Society of Chief Officers of Transportation in Scotland (SCOTS) Asset Management Project.

The Road Asset Management Policy and Plan had been reviewed and update to reflect the revenue and capital budgets set following the council's Transforming Your Council Consultation in 2017.

The report concluded that Roads and Transportation was committed to maintaining a safe and reliable road network for West Lothian road users.

It was recommended that Council Executive :-

1. Approves the proposed Asset Management Policy attached to the report at Appendix 1; and
2. Approves the proposed Road Asset Management Plan 2018-2023 attached to the report at Appendix 2.

#### Decision

To approve the terms of the report

#### 24. RIVERLIFE: ALMOND AND AVON PROGRAMME

The Council Executive considered a report (copies of which had been circulated) by the Head of Operational services providing an update on the progress to deliver projects under the Riverlife: Almond and Avon Programme.

The report advised that the Riverlife: Almond and Avon Programme was an ambitious programme of work within the catchments of the Rivers Almond and Avon. The programme aimed to deliver a range of improvements, help restore the natural heritage of the rivers and engage with communities helping reconnect people with their local river.

The programme was instigated by Forth Rivers Trust. Funders persuaded officers to lead these projects on the basis that the council had a legal responsibility to undertake this work and the Scottish Government was providing significant funding for its completion. Although the individual projects were complex and high-risk, measures were in place to resource, manage risk and minimise conflict. To comply with the requirements of funders, memoranda of understanding, collaboration agreements and extensions would continue to be required.

The report went on to provide details on a number of projects.

In conclusion the report advised that the Riverlife: Almond and Avon Programme was an ambitious programme of work which was helping to restore the natural heritage of local rivers in liaison with local communities. Partnerships had been formed and significant funding made available by the Scottish Government and Heritage Lottery Fund.

The Council Executive was recommended to :-

1. Note the progress being made with those projects forming part of the Riverlife: Almond and Avon Programme; and
2. Approve a proposal for officers to negotiate and enter into a collaboration agreement with the Forth Rivers Trust and further

memoranda of understanding with the Trust and other partners.

Decision

To approve the terms of the report

25. RIVERLIFE : NOVATION OF FUNDING & PROCUREMENT EXEMPTION

The Council Executive considered a joint report (copies of which had been circulated) by the Head of Corporate Services and Head of Operational Services seeking approval for the novation of Heritage Lottery Funding for the Riverlife: Almond & Avon Project (Riverlife Project) to the council and to also approve to make a direct award to Forth Rivers Trust to provide services under the Riverlife Project as previously approved by the Heritage Lottery Fund.

The Council Executive was advised that the Heritage Lottery Fund (HLF) awarded Forth Rivers Trust £1.658m in 2016 for a four year programme of projects to help restore the rivers Almond and Avon. Since the award was made to the Trust by HLF significant changes had been made by the Scottish Government and SEPA which had seen funding for the physical improvement of the freshwater environment being directed to local authorities, in the context of Memoranda of Understanding.

The result of the change in funding meant that council officers were now effectively leading the projects instead of the Trust, albeit with its resources continuing to support delivery. This had negatively affected the cash flow from HLF to the Trust, which received its funding as a “grant percentage”. Therefore it was proposed that the remaining sum of £1.26m held by HLF be novated to the council, in order that it could pay the Trust to deliver activities whilst continuing to draw HLF funding in accordance with agreements.

The report provided a summary of the work of the Forth Rivers Trust who were a not-for-profit charitable organisation and who were best placed to continue to deliver the various services and projects associated with the Riverlife Project. Therefore it was proposed that a direct award be made to Forth Rivers Trust to supply the council with these services as previously approved by the Heritage Lottery Fund.

It was recommended that the Council Executive :-

1. Approves the novation of Heritage Lottery Funding of £1.26m from the Heritage Lottery Fund to the council; and
2. Approves the proposed direct award to Forth Rivers Trust to provide services under the Riverlife Almond & Avon Project as previously discussed with the Heritage Lottery Fund.

Decision

To approve the terms of the report

26. CONVERSION OF PART-TIME 20MPH SPEED LIMITS TO FULL-TIME 20MPH SPEED LIMITS IN WEST LOTHIAN

The Council Executive considered a report (copies of which had been circulated) by the Head of Operational Services seeking approval to initiate the statutory procedures to remove all the part-time 20mph speed limits outside schools in West Lothian and replace them with full-time 20mph speed limits.

The report recalled that in 2002 the council made a traffic regulation order which approved the installation of part-time 20mph speed limits to be installed at primary and secondary schools in West Lothian.

The electronic infrastructure for these part-time signs required extensive and costly maintenance. Also the majority of the signs and electronics were now reaching the end of their serviceable life and would require complete replacement within the next few years.

In order to reduce future maintenance cost implications whilst maintaining a safe environment around schools it was proposed to remove all part-time 20mph speed limits and replace them with full-time 20mph speed limits.

At its meeting on 13 February 2018 the Council Executive approved a ten-year capital investment strategy. This included a total of £66,000 over the ten years to replace existing part-time 20mph speed limit signs with full-time speed limits.

Attached to the report at Appendix 1 were details of those schools that presently had part-time 20mph speed limits installed along with other additional traffic calming measures. Those schools identified as not having traffic calming measure installed would have measures installed so they could comply with Scottish Government guidance.

Appendix 2 detailed the one primary school in West Lothian that currently did not have 20mph speed limits but at which it was proposed to install a new full-time 20mph speed limit sign.

Appendix 3 detailed those schools that currently had 30mph full time speed limits which were considered to be appropriate to the location and therefore would not be changed to the lower speed limits.

As part of these statutory procedures the existing redundant part-time 20mph traffic orders would be revoked and replaced with new full-time 20mph speed limit traffic regulation orders to cover all the new full-time 20mph speed limits.

It was recommended that the Council Executive approves the initiation of the statutory procedures to :-

1. Remove all the part-time 20mph speed limits outside schools in West Lothian and replace them with full-time speed limits as detailed in Appendix attached to the report; and



2. Provide a full-time 20mph speed limit at Simpson Primary School as detailed in Appendix 2.

### Decision

To approve the terms of the report

## 27. NETS, LAND AND COUNTRYSIDE SERVICES TRANSFORMING YOUR COUNCIL PROPOSALS 2018/19 - 2023/24 UPDATE

The Council Executive considered a report (copies of which had been circulated) by the Head of Operational Services advising of the progress with the delivery of the activities and service changes which were identified as part of the Transforming Your Council agenda.

The report recalled that at its meeting on 13 February 2018 West Lothian Council approved a report on the 2018/19 to 2022/23 Revenue Budget. As part of the approval officers were remitted to report back to Environment Policy Development and Scrutiny Panel and Council Executive on amended service standards.

Appendix 1 to the report outlined the key activities that the service would provide moving forward and detailed key changes to service standards and the proposed service standards for future service delivery. The impact of budget reductions could lead to reduced performance, increased complaints, long term deterioration of assets which would have to be closely monitored.

The Head of Operational Services explained that over the five year period 2018/19 to 2020/21 of Transforming Your Council, Nets, Land and Countryside required to make a £2.779m revenue saving which was a reduction of 27% based on 2017/18 revenue budget of £10.020m.

During 2017/18, the FTE establishment within the service was 283.85. With reducing budgets the service required to reduce staffing numbers. The opportunity was taken for 2018/19 to remove a total of 20.91 FTE through the removal of vacant posts from the service structure which equated to a staff saving of £544,579.

A table within the report detailed gross employee costs but did not include the value of shift allowance currently paid to employees. This value would not be removed until 2020/21 when the council progressed changes to contractual terms and conditions.

The proposed removal of 39 FTE combined with the reduction of 20.91 FTE posts in 2018/19 had clearly reduced the capacity of the service and as a consequence service delivery and the services organisational structure had to be revised.

The report went on to provide a summary of the changes for a number of service areas. The report also provided a summary of proposed savings.

In conclusion the report advised that the service had to deliver a challenging budget reduction of £2.779m which was a 27% reduction in revenue funding based on the 2017/18 revenue budget. Significant service adjustments were also required to be made to service staffing and service standards to achieve the necessary budget savings.

It was recommended that Council Executive approves the changes to service delivery within the NETs, Land and Countryside Services as outlined in the report noting that the changes would be phased to meet the overall budget requirements 2018/19 – 2021/22.

#### Motion

To approve the terms of the report

- Moved by the Chair and seconded by Councillor Kirsteen Sullivan

#### Amendment

To delay approval of the report until such time discussions with the Trade Unions had concluded.

A roll call vote was taken which resulted as follows :-

#### Motion

Harry Cartmill

Tom Conn

David Dodds

Lawrence Fitzpatrick

Peter Heggie

Chris Horne

Charles Kennedy

Dom McGuire

George Paul

Kirsteen Sullivan

Damian Timson

Decision

#### Decision

Following a roll call vote the motion was successful by 11 votes to 2 and it was agreed accordingly.

28. EARLY RETIRAL AND VOLUNTARY SEVERANCE - 1 APRIL TO 30 SEPTEMBER 2018

The Council Executive considered a report (copies of which had been circulated) by the Head of Corporate Services advising of the number of employees who were granted early retiral/voluntary severance or flexible retiral from the council during the 6 month period 1 April to 30 September 2018

The Head of Corporate Services recalled that the council's policy on Early Retiral and Voluntary Severance required that reports on the application of the policy were submitted regularly to Council Executive. In accordance with that policy, all cases approved during the period of 1 April to 30 September 2018 were dependent on the establishment of a business case which ensured that the costs of releasing the employee were recovered within the stipulated timescales.

Details of all the cases were provided in Appendix 1 attached to the report and it was reported that all 44 approved cases in the reporting period fell within the 3 year payback period with 36 cases paid back within a year; 6 cases being paid back within 2 years and 2 cases being paid back within 3 years.

The Council Executive was asked to note the content of the report which had been prepared in accordance with the reporting requirements of the council's policy on Early Retiral/Voluntary Severance.

Decision

To note the terms of the report





## **COUNCIL EXECUTIVE**

### **WHITDALE DAY CENTRE – PETITION FROM EARS ADVOCACY**

#### **REPORT BY HEAD OF SOCIAL POLICY**

##### **A. PURPOSE OF REPORT**

The purpose of this report is to advise the Council Executive of the proposed response to the petition received with a covering letter from Ears Advocacy in relation to a request asking the council to re-consider the closure of Whitdale Day Centre.

##### **B. RECOMMENDATION**

It is recommended that the Council Executive:

1. Notes that the Council as part of its budget setting on 13 February 2018 made a decision to deliver older people's day care through existing external provision.
2. Notes that it was never the council's intention to close Whitdale Day Centre without regard for current and anticipated future demand for older people's day care needs.

##### **C. SUMMARY OF IMPLICATIONS**

<b>I Council Values</b>	Focusing on our customers' needs Being honest, open and accountable Making best use of our resources Working in partnership
<b>II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	None
<b>III Implications for Scheme of Delegations to Officers</b>	None
<b>IV Impact on performance and performance Indicators</b>	None
<b>V Relevance to Single Outcome Agreement</b>	Effective prioritisation of resources is essential to achieving the targets contained in the Local Outcomes Improvement Plan.
<b>VI Resources - (Financial, Staffing and Property)</b>	The revenue budget for 2018/19 to 2022/23, agreed by Council on 13 February 2018 included an efficiency saving of £300,000 related to day care being delivered by existing external provision.

## **VII Consideration at PDSP**

The proposed response to the petition was considered at the Social Policy PDSP on 2nd November.

Feedback from the proposal as part of the Transforming Your Council (TYC) consultation was discussed at the Health and Care PDSP on 18 December 2017 and the Social Policy PDSP on 21 December 2017.

## **VIII Other consultations**

The proposal formed part of the TYC consultation in 2017.

## **D. TERMS OF REPORT**

As part of the Council's budget setting on 13 February 2018 a decision was taken to deliver older people's day care through existing external provision (budget ref SJ5a).

At its meeting of 11 September 2018 the Council Executive considered a petition received with a covering letter from Ears Advocacy in relation to a request asking the council to re-consider the closure of Whitdale Day Centre. The Executive agreed to refer the petition to the Social Policy PDSP for consideration and to report back to Council Executive.

### **Background**

The provision of social care services is based on assessed eligible needs and services are commissioned, whether internal or external, based on those needs. One objective of commissioning plans is to have a consistent model of care for council arranged services which ensures equity in service delivery and creates a more efficient and consistent model in relation to registered care services. This is particularly important for people who select Self-directed Support (SDS) Option 3 where the council is required to arrange the support necessary for the individual.

Day care provision for older people in West Lothian is already met predominately through external contracts with Optima providers. These providers are:

- Acredale House, Bathgate
- Braid House, Livingston
- Rosebery Centre, Polbeth
- ANSWER House, Whitburn and
- Linlithgow Day Centre

These organisations provide daycare services throughout West Lothian and have a capacity of 110 places per day. There is adequate capacity within the Optima day centres to meet the demand related to current provision at Whitdale. The current contracts have been extended until 31<sup>st</sup> March 2020 to enable this transition.

Whitdale Day Centre, which is based Whitdale Care Home, is the only older people's day care centre that is run directly by the council and has an average of 15 attendees on a daily basis. Service users who access this service come from communities across West Lothian, as detailed in the table below:

<b>Area</b>	<b>% of Service Users</b>
Armadale	25%
Bathgate	6%
Whitburn	15%
Blackburn	13%
Fauldhouse	12%

Boghall	1%
Stoneyburn	6%
Blackridge	1%
West Calder	9%
Mid Calder	1%
East Calder	6%
Polbeth	1%
Addiewell	1%
Livingstone	3%

The petition summary states that the closing of Whitdale Day Centre “*will leave us with no suitable alternative support.....fearing it will create more loneliness and isolation*”. It was never the intention of the Council to withdraw from direct provision of older people’s day care without regard for an alternative. The budget proposal included a specific reference to this provision being delivered by existing external provision.

It should be noted that capital funding has been allocated to reconfigure the space currently used for day care in Whitdale Care Home to provide additional residential beds, hence ensuring that the current space remains dedicated to providing care for older people.

The creation of these additional residential beds within the care home provision will have a positive impact on delayed discharge rates from St. John’s Hospital, waiting lists and also on respite demand. The provision of these additional beds will improve the supply of care home provision and provide capacity to assist with the longer term care planning for frail elderly.

## **E. CONCLUSION**

The petition received with a covering letter from Ears Advocacy is clearly predicated on a fear that there will be no suitable alternative support to replace that provided by Whitdale Day Centre. This was never the council’s intention and service users and their families can be assured that there is adequate capacity within the commissioned provision of day care for older people to meet current and anticipated future demand.

## **F. BACKGROUND REFERENCES**

- West Lothian Council meeting 13 February 2018
- West Lothian Council Executive meeting 11 September 2018

**Appendices/Attachments:** None.

**Contact Person:** Tim Ward,  
Senior Manager  
Young People and Public Protection  
[Tim.ward@westlothian.gov.uk](mailto:Tim.ward@westlothian.gov.uk)  
01506 281235

**Jo MacPherson**  
**Head of Social Policy (Interim)**

**4<sup>th</sup> December 2018**







**COUNCIL EXECUTIVE**

**RENT STRATEGY CONSULTATION**

**REPORT BY HEAD OF HOUSING, CONSTRUCTION AND BUILDING SERVICES**

**A. PURPOSE OF REPORT**

The purpose of this report is to inform the Council Executive of the proposed engagement and consultation process on the Rent Strategy by Housing, Customer and Building Services for year 2018/19.

**B. RECOMMENDATION**

That the Council Executive agrees that officers commence engagement with tenants on the implementation of the approved rent strategy.

**C. SUMMARY OF IMPLICATIONS**

<b>Council Values</b>		
I		<ul style="list-style-type: none"><li>• Focusing on our customers' needs</li><li>• Being honest, open and accountable</li><li>• Working in partnership</li></ul>
II	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	Tenant Participation Strategy.
III	<b>Implications for Scheme of Delegations to Officers</b>	None
IV	<b>Impact on performance and performance Indicators</b>	None
V	<b>Relevance to Single Outcome Agreement</b>	We make the most efficient and effective use of resources by minimising our impact on the built and natural environment.
VI	<b>Resources - (Financial, Staffing and Property)</b>	None
VII	<b>Consideration at PDSP</b>	None
VIII	<b>Other consultations</b>	Legal Services

#### **D. TERMS OF REPORT**

The council's Tenant Participation Strategy and best practice places an obligation on the council as a local authority landlord to consult with our tenants on rent setting. The Tenant Participation Strategy also provides that the minimum period of consultation is two months.

At the Council meeting on 13<sup>th</sup> February 2018, the Council agreed a 5 year rent strategy based on an annual rent increase of 3% for the remainder of the agreed strategy period to 2022/23.

Taking into account these requirements, consultation with tenants will take place over 2 months months, and will include presentations to Housing Networks, The Financial Scrutiny meeting of the Tenants Panel, and via social media channels. These activities are scheduled to be undertaken between December 2018 and February 2019.

#### **E. CONCLUSION**

The programme of activity will allow the council to discharge its obligations in terms of the rent setting consultation for year 2018/19 as part of the agreed 5 year rent strategy.

Appendices/Attachments: None

Contact Person: Sarah Kelly [sarah.kelly@westlothian.gov.uk](mailto:sarah.kelly@westlothian.gov.uk), 01506 281877

**Interim Head of Housing, Construction and Building Services**

**Date: 4<sup>h</sup> December 2018**



## **COUNCIL EXECUTIVE**

### **CONSULTATION ON THE STATUTORY AND OTHER ASSESSMENTS ON THE SCOTTISH GOVERNMENT'S PREFERRED POLICY POSITION ON THE DEVELOPMENT OF UNCONVENTIONAL OIL AND GAS IN SCOTLAND (FRACKING)**

#### **REPORT BY HEAD OF PLANNING, ECONOMIC DEVELOPMENT & REGENERATION**

## **A. PURPOSE OF REPORT**

The purpose of this report is to seek Council Executive's approval of a proposed response to the Scottish Government's consultation on a Strategic Environmental Assessment (SEA) on its preferred position on unconventional oil and gas in Scotland, a partial fracking business and regulatory impact assessment, and a policy position statement on fracking.

## **B. RECOMMENDATION**

It is recommended that the Council Executive:

1. agrees the report and Appendix One as the council's response to the consultation.

## **C. SUMMARY OF IMPLICATIONS**

- |   |   |
|---|---|
| <b>I Council Values</b>   | Focusing on our customers' needs; being honest, open and accountable; working in partnership.   |
| <b>II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b> | <p>A decision of the future role of unconventional oil and gas will have implications for national planning policy, which in turn will require to be reflected in council policy and in the Development Management process.</p> <p>Paragraph 270 and policy MRW5 of the adopted West Lothian Local Development Plan (LDP) sets out the council's position on fracking. The LDP was adopted on 4 September 2018.</p> <p>Scottish Government has undertaken SEA and a partial Business and Regulatory Impact Assessment. Health and risk assessment cannot be quantified at this stage. There are no equality issues arising.</p> |

<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None.
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	None.
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	<p><b>Outcome 3</b> - Our economy is diverse and dynamic, and West Lothian is an attractive place for doing business.</p> <p><b>Outcome 8</b> - We make the most efficient and effective use of resources by minimising our impact on the built and natural environment.</p>
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	None.
<b>VII</b>	<b>Consideration at PDSP</b>	<p>The report was considered by the Development &amp; Transport PDSP on 14 November 2018. At the PDSP Councillor Kerr expressed a preference that option 3, as outlined in the report, should be supported.</p> <p>A previous report on fracking was considered by the Development &amp; Transport PDSP on 13 April 2017.</p>
<b>VIII</b>	<b>Other consultations</b>	Internal consultations have taken place with Environmental Health, Economic Development, Community Planning, the Energy Manager, West Lothian Health and Social Care Partnership and the West Lothian Improvement & Health Inequalities Alliance.

## **D. TERMS OF REPORT**

### **D1 Background**

Following the publication of an Expert Panel's report in January 2015 the Scottish Government implemented a moratorium through the Scottish Planning system on onshore unconventional oil and gas development in Scotland (except for the drilling of boreholes solely for the purpose of core sampling).

A series of independent research studies were commissioned covering issues such as climate, seismic activity, transport, health impacts and economic impacts, and a public consultation entitled "Talking "Fracking" - A Consultation on Unconventional Oil and Gas" was undertaken between January and May 2017 and received over 60,000 responses.

The council participated in this consultation and at a meeting of the Council Executive on 25 April 2017 agreed a response which recognised significant levels of public concern over proposals for shale gas exploration by the method of "fracking". To

protect the wellbeing of West Lothian residents it was agreed to call for a full moratorium on “fracking” and to express the Council’s absolute opposition to fracking in Scotland.

On 24 October 2017, following a Parliamentary debate, the Scottish Parliament voted in favour of the Scottish Government’s preferred policy position of not supporting onshore unconventional oil and gas development in Scotland.

Most of Scotland’s unconventional oil and gas deposits occur in and around former coalfields and oil shale fields in Scotland’s Central Belt, which contains some of the most densely populated areas of the country, as well as in the area around Canonbie, Dumfriesshire.

As required by Scottish Planning Policy the West Lothian Local Development Plan identifies areas covered by a Petroleum Exploration and Development Licence (PEDL). North west West Lothian also contains a small area for which the UK Government has issued PEDL (Petroleum Exploration and Development Licences) and there may in the future be proposals for exploration in this area. A map identifying where licenses have been granted in the Central Scotland is provided as Appendix Two. The licences relate to areas that potentially contain reserves of on-shore gas including Coal Bed Methane (CBM). There is potential to release methane from un-mined coal seams or capture methane accumulated in coal mine workings, subject to appropriate environmental mitigations. While there are a variety of extraction processes, hydraulic fracturing or ‘fracking’ is perhaps the most widely known process of extracting natural gas from shale rock layers deep within the earth.

Hydraulic fracturing (or ‘fracking’) is a drilling technique that is used to fracture rock to release the oil and gas contained in those rocks. It is most commonly used to extract oil and gas from shale. The rock is fractured by injecting pressurised fluids into the rock to prise open small spaces the rocks, which release the oil or gas. Onshore oil and gas licensing powers were transferred from the UK Government to Scottish Government in February 2018.

## **D2 Scottish Government Consultation**

On 3 October 2017, the Scottish Government set out its preferred policy position of not supporting onshore unconventional oil and gas development in Scotland. This announcement followed a period of evidence-gathering and public engagement on *“Talking “Fracking” A Consultation on Unconventional Oil and Gas”*.

Subsequent to this the Scottish Government confirmed that it would undertake a Strategic Environmental Assessment (SEA) on the preferred policy position, in line with statutory requirements. This process has now been undertaken with Scottish Government now seeking comment on a SEA Environmental Report, a partial Business and Regulatory Impact Assessment (BRIA) and a preferred policy position on the development of onshore unconventional oil and gas in Scotland. The consultation commenced on 23 October and expires on 18 December 2018.

At the end of the consultation period responses received will be analysed and published by Scottish Government. It is anticipated that Scottish Ministers will inform

Parliament of the finalised policy on the development of unconventional oil and gas in Scotland in the first quarter of 2019.

Scottish Government has advised that there is no need to re-state views which have already been covered in the 2017 Talking “Fracking” consultation as these have been, and will continue to be, taken into account as the Scottish Government finalises a policy position on the development of unconventional oil and gas in Scotland.

### **D3 Policy Update**

The Scottish Government considers the development of onshore unconventional oil and gas industry in Scotland would make achieving its ambitious energy and climate change commitments even more challenging. Whilst acknowledging the important role of gas in the transition to a low carbon energy future, Scottish Government has concluded that the addition of an onshore unconventional oil and gas industry would not promote ability for Scotland to meet its greenhouse gas emissions targets or objectives in relation to protecting and enhancing the environment. An updated position statement has been issued by the Scottish Government. Scottish Government has concluded that it does not support the development of unconventional oil and gas in Scotland.

The National Planning Framework (NPF) sets the context for development planning in Scotland and provides a framework for the spatial development of Scotland as a whole, setting out the Government’s development priorities over the next 20-30 years and identifies national developments which support the development strategy. Work on the next iteration of NPF is to begin following the passage of the Planning Bill through parliament. It is at this time that the Scottish Government intend to embed its position on unconventional oil and gas within the next iteration of NPF, thereby giving an assurance the policy would carry significant weight in development planning and decision making, and that any future changes to the policy would be given Parliamentary consideration.

In the event the preferred policy position is adopted, in addition to the policy being a material consideration within planning policy, Scottish Ministers would discharge the newly devolved licensing powers in line with that adopted policy position i.e. of not supporting the development of unconventional oil and gas in Scotland.

The Executive is asked to note that the Scottish Government’s preferred policy position is consistent with the council’s approach to unconventional gas extraction including hydraulic fracturing (fracking) as set out in the West Lothian LDP and the council’s consultation response to the 2017 consultation. Appendix One sets out the proposed response to the Scottish Government’s preferred policy position and confirms support of this position.

### **D4 Partial Business and Regulatory Impact Assessment (BRIA)**

The partial BRIA which is a companion document to the Scottish Government’s preferred policy position statement and Strategic Environmental Assessment (SEA) Environmental Report. Once the consultation on the preferred policy, the SEA and the partial BRIA has been completed, responses to the partial BRIA will help inform the final BRIA. The final BRIA will be considered by Scottish Ministers when finalising their policy on unconventional oil and gas.

Three options are set out for consideration in the BRIA, reflecting those in the SEA with the likely economic impacts of each set out. These are considered below.

Option 1 is the preferred policy position of the Scottish Government and it is specifically not to support the development of unconventional oil and gas in Scotland.

While it is recognised that the economic benefits of allowing development could be attractive, with Scottish Government commissioned research suggesting that development could add £1.2 billion to Scotland's economy, support in the region of 1,400 jobs and bring in additional tax receipts of £1.4 billion, this is not regarded as outweighing the negative environmental and social costs allied to such development.

Option 2, described as 'business as usual', allows an unconventional oil and gas industry to continue to develop in Scotland, subject to regulation through the planning process and petroleum exploration licensing regime. The economic benefits are comparable to those quantified above with the additional potential for domestically produced unconventional oil and gas to have a positive impact for companies involved in the manufacture of chemicals and chemical products and liquids produced from shale reserves.

Option 3 is to consent to a pilot project on one of three sites in the Central Lowlands of southern Scotland and within a PEDL area where resource has been identified. The purpose of the Pilot project would be to increase the understanding of the extent of the potential resource, and impacts associated with its extraction. Benefits would be as set out in Option 1 and in addition would increase understanding of the extent of the potential resource and impacts associated with unconventional oil and gas extraction over the whole lifespan of development (exploration, appraisal, production, and decommissioning) - approximately 10 years.

At present, companies interested in developing and producing unconventional oil and gas in Scotland are unable to pursue development plans until the Scottish Government policymaking process is completed.

The recently adopted West Lothian Local Development Plan (LDP) recognises the current moratorium on hydraulic fracturing and undertakes to maintain this position for as long as required. It is understood that the moratorium is based on the precautionary principle that when an activity raises threats of harm to human health or the environment, precautionary measures should be taken even if some cause and effect relationships may not be fully established. With so many conflicting issues in play, including human health, air and water pollution, consequent seismic activity and physical and transport impacts, this is considered a prudent response in the circumstances and the Executive is advised that Option 1 should therefore be supported.

## **D5 Strategic Environmental Assessment (SEA)**

A Strategic Environmental Assessment (SEA) on the Scottish Government's preferred policy position has been undertaken. SEA is a way of considering the environment when preparing public plans, programmes and strategies. It identifies potential significant environmental effects and, where necessary, describes how these effects can be avoided or reduced. Through consultation, SEA also provides an opportunity for the public to express their views on proposed policies and their potential environmental impacts. Key environmental challenges relating to unconventional oil and gas development in Scotland have been explored and impacts identified.

The effect of the preferred policy position would be that the environmental impacts associated with the development of unconventional oil and gas in Scotland would be avoided. The avoidance of these impacts means that the preferred policy position would result in significant positive environmental effects across all of the SEA topic areas. The preferred policy position would also avoid significant cumulative environmental impacts that could result from an unconventional oil and gas industry in Scotland.

The assessment concludes that the preferred policy position would not result in significant negative impacts on the environment, so additional measures to avoid, reduce or manage its environmental effects are not required.

The Executive should note that there would be incidental activities associated with exploration and extraction, for example, the construction access roads which would have potential to cause noise and dust nuisance aside from the well head itself.

Given the above the Executive is advised that the preferred policy position not to support the development of unconventional oil and gas in Scotland should prevail. The proposed response to the consultation on the Environmental Report is set out in Appendix One.

## **E. CONCLUSION**

The development of unconventional oil and gas in Scotland (fracking) provides a potential source of energy. However, exploiting such resource is not without consequence. Whilst acknowledging the important role of gas in the transition to a low carbon energy future, Scottish Government has concluded that the addition of an onshore unconventional oil and gas industry would not promote ability for Scotland to meet its greenhouse gas emissions targets or objectives in relation to protecting and enhancing the environment.

## **F. BACKGROUND REFERENCES**

Scottish Government consultation documents:

Strategic Environmental Assessment (SEA) report on the Scottish Government's preferred position on unconventional oil and gas in Scotland  
<https://www.gov.scot/Publications/2018/10/7036>

A partial Fracking Business and Regulatory Impact Assessment  
<https://www.gov.scot/Publications/2018/10/6183>

Scottish Government Policy Position Statement on Fracking  
<https://www.gov.scot/Topics/Business-Industry/Energy/onshoreoilandgas/PreferredPolicyPosition>

### **Appendices/Attachments: Two:**

Appendix One - Proposed response to the Consultation

Appendix Two - Map showing PEDL Licences affecting West Lothian

Contact Person: Fiona McBrierty, Development Planning & Environment Manager, 01506 282418

Email: [fiona.mcbrierty@westlothian.gov.uk](mailto:fiona.mcbrierty@westlothian.gov.uk)

**Craig McCorriston**  
**Head of Planning, Economic Development & Regeneration**

4 December 2018



## **APPENDIX ONE**

### **RESPONSE TO SCOTTISH GOVERNMENT CONSULTATION ON CONSULTATION ON THE STATUTORY AND OTHER ASSESSMENTS ON THE SCOTTISH GOVERNMENT'S PREFERRED POLICY POSITION ON THE DEVELOPMENT OF UNCONVENTIONAL OIL AND GAS IN SCOTLAND (FRACKING)**

#### **What are your views on the accuracy and scope of the information used to describe the SEA environmental baseline set out in the Environmental Report?**

The council has no adverse comments to make on these matters; the council's previous concerns that health matters had not been addressed in the consideration of potential impacts arising from fracking have been considered in the Environmental Report.

#### **What are your views on the predicted environmental effects as set out in the Environmental Report?**

The environmental effects arising from the preferred approach are reflective of the council's previous concerns regarding the development of unconventional oil and gas. The environmental effects arising from the 'reasonable alternative' of a pilot project indicate that although localised, environmental effects would remain. Although the council has received no approaches from the industry to undertake development of unconventional oil and gas within its administrative area, given the geographical location of West Lothian and former mining activity there is the potential that such interest may arise in the future with the possibility of West Lothian being identified for a pilot project. Given the environmental effects arising the council would not support a pilot project approach.

Whilst there are economic benefits arising from the development of unconventional oil and gas extraction these are seen to be outweighed by the environmental impact. Alternative energy sources are available with the capacity for these to be more widely developed with lesser environmental impact.

#### **What are your views on the 'reasonable alternatives' outlined in the Environmental Report? Please provide any other 'reasonable alternatives' which you think should be considered.**

See comment above.

#### **What are your views on the findings of the SEA and the proposals for mitigation and monitoring of the environmental effects set out in the Environmental Report?**

The mitigation measures identified may require changes to regulatory processes and procedures; there are no guarantees that these can be progressed and successfully implemented; the mitigation measures do not in all cases resolve or remove adverse environmental impacts e.g. vented emissions. Some of the mitigation measures highlighted advise that they are not yet mature or advanced enough to be implemented in connection with the unconventional oil and gas industry, given this the council has concerns that environmental effects cannot be satisfactorily addressed and that too many dependencies have been identified.

**Do you have any views on the proposals contained within the Scottish Government's preferred policy position statement? There is no need to restate views already expressed in relation to the Talking "Fracking" public consultation as these have been, and will continue to be, taken into account as we move towards finalising the Scottish Government's policy position.**

North west West Lothian contains a small area for which the UK Government has issued PEDL (Petroleum Exploration and Development Licences) and there may in the future be proposals for exploration in this area. The licences relate to areas that potentially contain reserves of on-shore gas including Coal Bed Methane (CBM). There is potential to release methane from unmined coal seams or capture methane accumulated in coal mine workings, subject to appropriate environmental mitigations through the process of hydraulic fracturing (fracking). The council's policy position on fracking is set out in the West Lothian Local Development Plan (LDP) adopted by the council in September 2018. The LDP recognises the current moratorium on hydraulic fracturing and undertakes to maintain this position for as long as required. It is understood that the moratorium is based on the precautionary principle that when an activity raises threats of harm to human health or the environment, *precautionary* measures should be taken even if some cause and effect relationships may not be fully established. With so many conflicting issues in play, including human health, air and water pollution, consequent seismic activity and physical and transport impacts, this is considered a prudent response in the circumstances. The council is not persuaded to alter this position and remains opposed to fracking in Scotland. As such the council is supportive of the Scottish Government's preferred policy position statement.

**What are your views on the opportunities and challenges that each of the 3 options set out in the partial BRIA could have for business?**

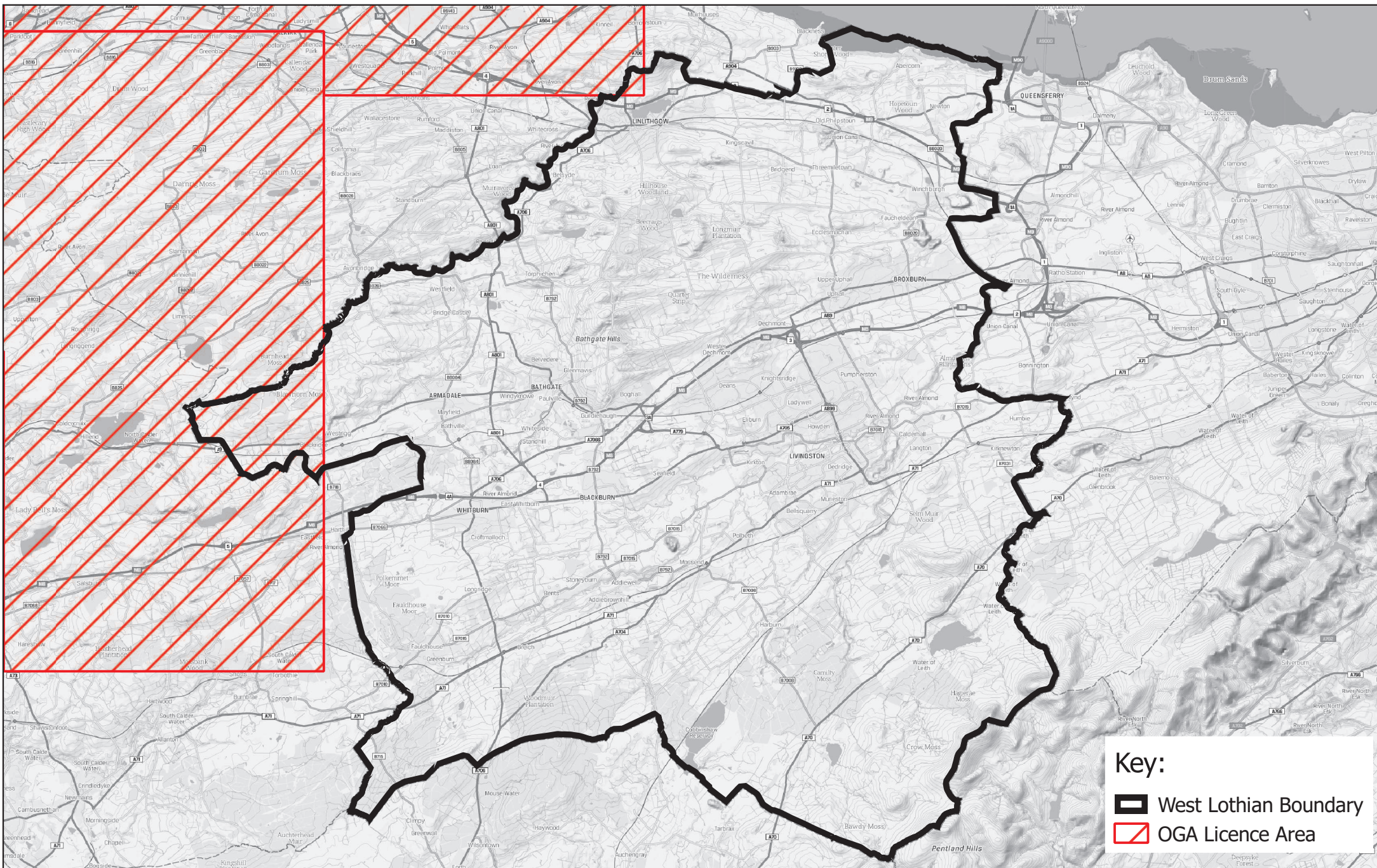
Whilst there are economic benefits arising from the development of unconventional oil and gas extraction these are seen to be outweighed by the environmental impact. Alternative energy sources are available with the capacity for these to be more widely developed with lesser environmental impact.

Given the Ineos operation at Grangemouth, there is capacity for the commercial sector to develop as policy allows or evolves.

However, West Lothian should not seek to support the commercial development of unconventional oil and gas extraction. Grant funding for job creation is better prioritised at firms in higher-value activities. Furthermore, these sectors bring none of the potential environmental or media risks.

Commercial firms will choose the extent to which they become involved in this sector. However, West Lothian should focus on activities such as engineering, bio-tech, life sciences, software development and the immense digital data opportunity. All of which offer substantially more economic potential for West Lothian – while also being inclusive and sustainable.





**Key:**

- West Lothian Boundary
- OGA Licence Area

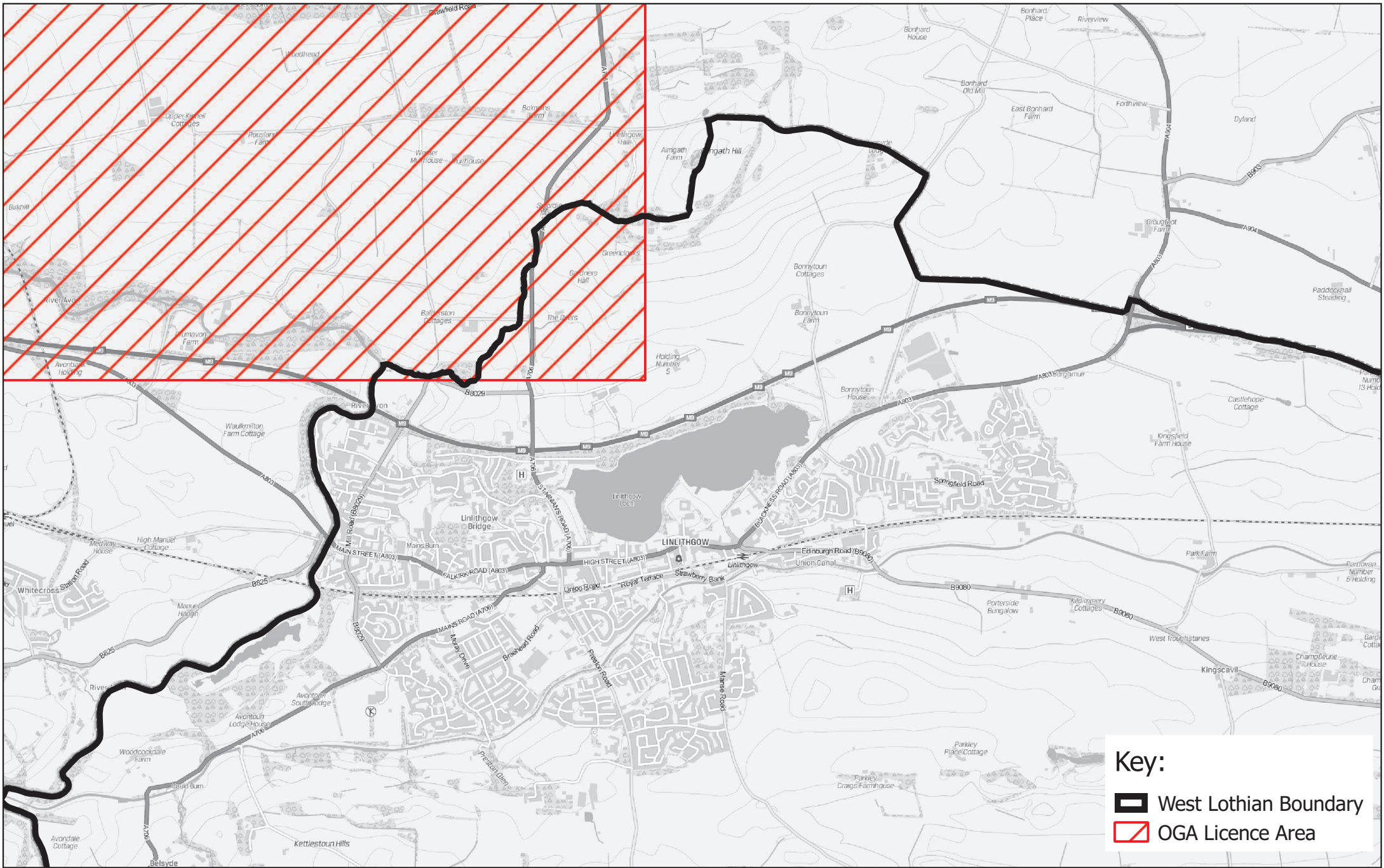


## Appendix Two: OGA Licence Area - West Lothian

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Scale: 1:150,000

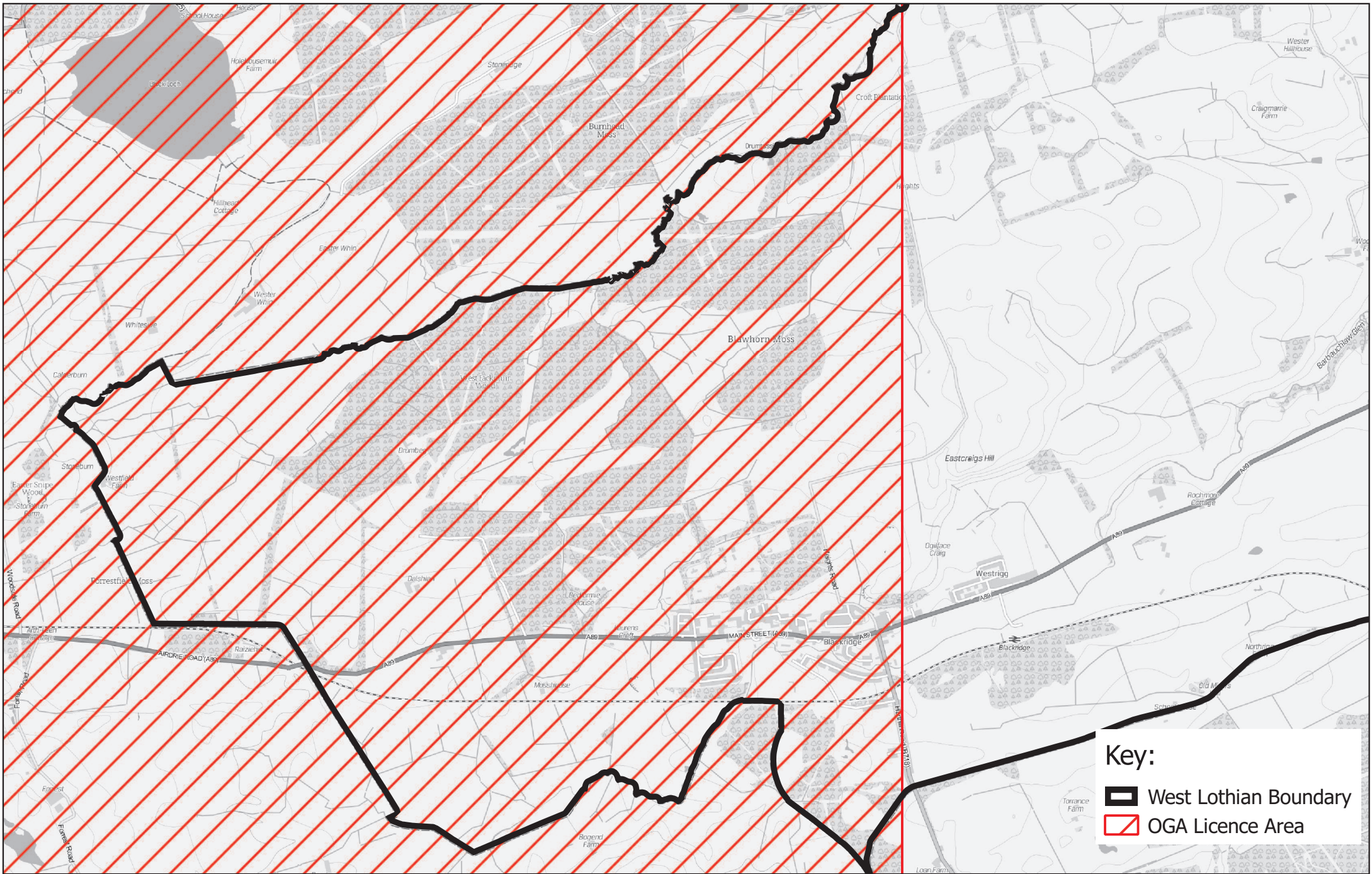




**Key:**

- West Lothian Boundary
- OGA Licence Area











**COUNCIL EXECUTIVE**

**FORTH BRIDGES AREA TOURISM STRATEGY**

**REPORT BY HEAD OF PLANNING, ECONOMIC DEVELOPMENT & REGENERATION**

**A. PURPOSE OF REPORT**

The purpose of this report is to make the Council Executive aware of the tourism strategy developed by the Forth Bridges Forum (FBF); and for Council Executive to approve the council's continued participation in FBF.

**B. RECOMMENDATION**

It is recommended that Council Executive:

1. Agrees the content of the Forth Bridges Area Tourism Strategy; and
2. Approves the council's continued participation in FBF.

**C. SUMMARY OF IMPLICATIONS**

<b>I</b>	<b>Council Values</b>	Focusing on our customers' needs; being honest, open and accountable; making best use of our resources; working in partnership
<b>II</b>	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	<p>A Strategic Environmental Assessment has been undertaken by Transport Scotland.</p> <p>The strategy does not raise any equality, health or risk issues for the council</p>
<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None.
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	None.
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	Outcome 1 – We make West Lothian an attractive place to do business.
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	The strategy and continued participation in the FBF does not have any financial or staffing implications for the council.

<b>VII</b>	<b>Consideration at PDSP</b>	The strategy was reported to the Development & Transport PDSP on 14 November. Panel members were supportive of the strategy and participation by the council given the potential for increased tourism activity in West Lothian
<b>VIII</b>	<b>Other consultations</b>	Partnership working with the Scottish Government, neighbouring Local Authorities and tourism/transport partners

## **D. TERMS OF REPORT**

### **D1 Introduction**

The council has been a member of the Forth Bridges Forum since 2011. Some of the Forum's other membership includes City of Edinburgh Council, Fife Council, Forth Bridges Unit Operating Company, Network Rail, Transport Scotland and Visit Scotland.

The Forum's aims include:

- Maintaining effective engagement with local communities
- Promoting the Bridges as a unique tourist destination
- Developing cross-Forth sustainable public transport

The Forum was involved in the successful nomination of the Forth Bridge for inscription as a World Heritage Site by UNESCO in July 2015.

### **D2 Economic context**

West Lothian's tourism sector makes an important contribution to the local economy. Latest available statistics show:

- Visitor number were approximately 1.14 million in 2017.
- There were 2.17 million visitor days in 2017, a 3% increase since 2015.
- Tourism directly supports almost 3,000 FTE local jobs.

Visit West Lothian, our independent tourism forum, has identified a number of key insights to visitor profiles:

- 70% were from elsewhere in Scotland.
- 7% from rest of United Kingdom.
- 23% from overseas .

This information demonstrates the potential benefits to communities and business from developing place marketing of the Forth Bridges. The council can anticipate an increase in nearby tourist visits. In particular, improved transport connections will materially benefit West Lothian. For example, it is quicker to travel from the Forth Bridges to either Linlithgow or Livingston than in to Edinburgh city centre and there is an opportunity through the strategy to capitalise on this.



### **D3 Key strategic outcomes**

The Forth Bridges Area Tourism Strategy has three key outcomes:

- **Creating a visitor destination**  
In particular encouraging visitors to plan a longer stay and visit the surrounding areas. Given the longer-term timescale of the strategy to 2028, we could anticipate a 20% rise in visitor numbers from 1.14 Million per annum to 1.35 Million per annum.
- **Offering a warm welcome to all**  
The strategy calls for a “first class visitor experience” with the associated benefits of positive referrals and repeat visits.
- **Marketing the destination**  
The development of a Forth Bridges brand will build understanding and loyalty. There also exists the potential for cross-promotion with other World Heritage Sites.

West Lothian can benefit from continued involvement in the Forth Bridges Forum. The strategy outlines a series of long-term actions to deliver the key outcomes.

### **E. CONCLUSION**

The action plan within the strategy is comprehensive and inclusive. This will help with the successful delivery of the Forth Bridges Area Tourism Strategy. Council should be optimistic about the potential economic and cultural benefits for communities and business across West Lothian.

### **F. BACKGROUND REFERENCES**

None

Appendices/Attachments:

Transport Scotland letter 21 June 2018

Forth Bridges Area Tourism Strategy 2018 - 2028

Contact Person: Alice Mitchell, Economic Development & Regeneration Manager. Tel 01506 283079 [alice.mitchell@westlothian.gov.uk](mailto:alice.mitchell@westlothian.gov.uk)

**Craig McCorriston**  
**Head of Planning, Economic Development & Regeneration**

4 December 2018



(via email)

Your ref:

Our ref:  
FBF/TS/220618

Date:  
21 June 2018

Dear Sirs,

RE: Forth Bridges Tourism Final Draft Strategy

The Forth Bridges Forum is a Scottish Government led management forum, established to make sure that those with a direct interest in the bridges (including local communities, businesses and the travelling public) stay at the heart of their operation and maintenance of the three iconic bridges over the Firth of Forth.

The Forum has worked effectively since 2011 and has the benefit of allowing the Queensferry Crossing, Forth Road Bridge and Forth Bridge to be promoted under a single banner. The Forum comprises of various organisations including the City of Edinburgh Council, Fife Council, West Lothian Council, Forth Bridges Unit Operating Company, Historic Environment Scotland, Network Rail, Transport Scotland and Visit Scotland.

Its aims are:

1. To establish and oversee a strategic approach to the operation and maintenance of the Forth bridges;
2. To maintain effective engagement with local communities on issues that may affect, impact or be of interest to them;
3. To promote the location of the bridges spanning the Firth of Forth as a unique tourist destination;
4. Support the management of the World Heritage Site, following the successful nomination of the Forth Bridge in July 2015;
5. To develop and support schemes and measures to encourage an increase in cross-Forth active travel and sustainable public transport.

One of the key achievements so far was the partnership working that led to the Forth Bridge being inscribed as a World Heritage Site by the United Nations body UNESCO in July 2015. Since then the Forum has built on that success by progressing a number of work-streams in an effort to further deliver the Forum's aims. The most significant of these has been the development of the Forth Bridges Area Tourism Strategy.

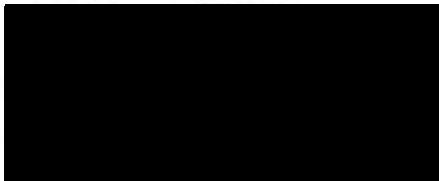
As you know tourism is one of Scotland's most important industries, helping to create wealth, jobs and build on our nation's strong international reputation. This strategy provides a

framework to build on the existing tourism offering in Queensferry and further develop the location as a unique destination.

The strategy is an ambitious piece of work. Its development was a collaborative Forum effort, which involved input from each Forum partner and engagement with stakeholders and local interests. As Chair of the Forth Bridges Forum I believe the strategy is a ground breaking piece of work, which has the potential to release great benefits to local communities, business and the wider economy. However, before publishing the strategy I require each Forum partner to formally endorse the strategy and confirm their ongoing commitment to help deliver the actions therein.

I therefore attach a copy of the final draft strategy for your consideration and would appreciate if you could provide feedback by 06/07/2018. If you require further information please contact your colleague who has attended Forum meetings and has been copied in on this email, or if you wish to discuss wider issues please do not hesitate to contact me.

Sincerely,



Hugh Gillies  
Chair of The Forth Bridges Forum  
[Hugh.Gillies@transport.gov.scot](mailto:Hugh.Gillies@transport.gov.scot)  
0141 272 7321



# FINAL DRAFT



## **The Forth Bridges** Making a Journey a Destination

FORTH BRIDGES AREA TOURISM STRATEGY 2018-2028

# FINAL DRAFT



## About this document

This document has been developed by the Forth Bridges Forum and informed by private and public consultation and original work by GL Hearn and Elspeth Wills.

**Front cover image:** Craig Allardyce/Transport Scotland. **Back cover image:** Centre for Digital Documentation and Visualisation (CDDV), a partnership between The Glasgow School of Art's School of Simulation and Visualisation and Historic Environment Scotland.



## Contents

5	Foreword
7	Introduction
8	The Forth Bridges
10	Vision and strategy
11	<b>Strategic Outcome 1:</b> Creating a visitor destination
13	<b>Strategic Outcome 2:</b> Offering a warm welcome to all
15	<b>Strategic Outcome 3:</b> Marketing the destination
16	Looking after the Forth Bridges
17	Delivering the strategy
18	Environmental investigations to date
19	Suggested Actions
21	Summary maps
23	The Forth Bridges Forum



**Top:** View of the three Forth Bridges at sunrise (Transport Scotland) **Above:** Cruise ship beside the iconic Forth Bridge (Peter Devlin/Alamy Stock Photo)



FINAL DRAFT



The three Forth Bridges (L-R) Queensferry Crossing, Forth Road Bridge, Forth Bridge (Alamy Stock Photo)



## Foreword



The three bridges that span the Firth of Forth link the past, present and future of Scotland's heritage and culture. They are a lasting tribute not only to engineering innovation over the past three centuries but also to the thousands of workers who made their mark as skilled bridge builders.

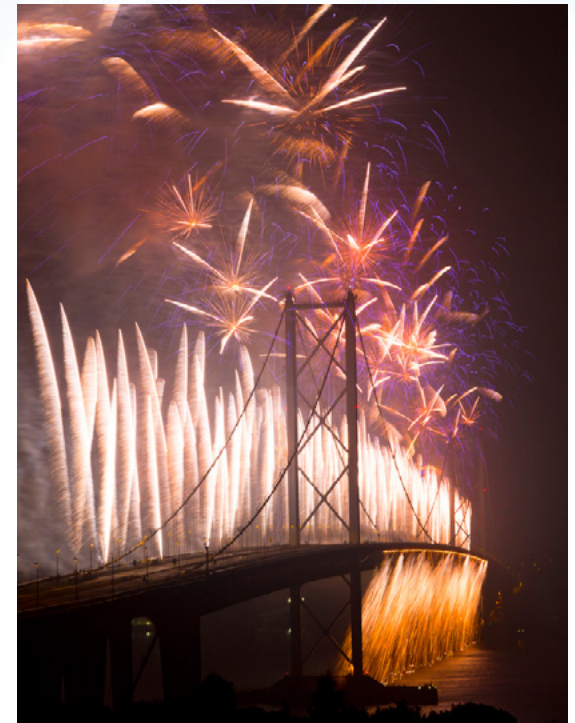
They are much more than a means of travel. The Forth Bridge has taken its place alongside the Pyramids of Giza and Spain's Alhambra as one of the world's most iconic monuments and has been inscribed on to UNESCO's World Heritage list. Its two magnificent neighbours are themselves great, engineering achievements.

On behalf of the Scottish Government, I am delighted to endorse the plans by the Forth Bridges Forum, set out in this document, to tell the story of the three bridges for the first time and to let visitors experience the bridges for themselves as well as marvel at their majesty. Not only will they set out how we may capitalise on the three bridges, with communities, businesses and the public sector working together, but also how we can use the bridges as a catalyst for developing the tourism offerings of the surrounding towns and villages.

Creating a new visitor destination fits with regional and national tourism strategies to provide year-round, high quality attractions. Giving travellers and visitors a reason to stop and explore will benefit the visitor economy and local communities alike.



**Fiona Hyslop MSP, The Cabinet Secretary for Culture, Tourism and External Affairs**



Forth Road Bridge 50th Anniversary Celebrations (*Lloyd Smith Photography/Amey*)



# FINAL DRAFT



Fireworks at Forth Bridge (*Grant Ritchie*)

# Introduction

The Forth bridges are a unique national asset. Nowhere else in the world can boast three major bridges that span three centuries of engineering innovation on such a scale and in such close proximity. Each has been a world record holder in its own right. All three reflect the future as well as the past, carrying millions of travellers and goods across the Firth of Forth every year by train, bus, lorry, cycle, car or on foot. The historic communities of North and South Queensferry, the crossing point since Queen Margaret paid for a ferry to carry pilgrims in the 11th century, lie in the shadow of these bridges.

A starting point for realising the tourism benefits of this asset was UNESCO's inscription of the Forth Bridge on to the World Heritage list on 5th July, 2015. The Forth Bridge became Scotland's sixth World Heritage Site with the same status as the Taj Mahal and the Great Wall of China. This prestigious cultural accolade was a fitting way to celebrate the 125th anniversary of a Scottish industrial icon. A year earlier, the 50th anniversary of the completion of the Forth Road Bridge in 1964 had further established an engineering continuum, a primary factor linking the two bridges being the legendary contracting engineers, Sir William Arrol of Glasgow.

The Queensferry Crossing, when it opened in 2017, reinforced the importance of the bridges as well as opening up new views of the estuary. The people of Scotland embraced it from the start. Proof of their passion was demonstrated as early as 2013 when over 40,000 people participated in naming the new bridge. The Queensferry Crossing was the resounding winner. The public followed every step of its construction and celebrated its opening with pride.

The stories behind the bridges are about much more than engineering statistics. They tell of workers battling with wind and tides to fit together the pieces of some of the world's largest jigsaws. The Forth Bridge has experienced the drama of two World Wars and inspired the creativity of writers, artists and film makers. They have featured on banknotes, coins, a multitude of souvenirs and even in computer games played worldwide. The bridges are already the backdrop for local sports and charity events as well as the inspiration for writing and photographic competitions.

## A world-class attraction demands a world-class experience.

There is an aspiration that visitors will be able to step on to a dramatic, 21st century viewing platform at the south end of the Forth Road Bridge to engage their senses with unparalleled views. They will learn the headlines of the bridges' story in the landscape as they move towards the Forth Bridges Welcome Hub where the chapters unfold through creative exhibitions. Here visitors may also plan their journey of exploration in a relaxed and informal setting. The adventurous may soon be able to walk in the sky, travelling up the Forth Bridge to a viewing platform 100 metres above the river, in a 90 minute, experience of a lifetime.





**“Awesome – you have to see it to believe it.”**

is just one of the thousands of recent reactions to the bridges from all over the world.

## The Forth Bridges

Visitors have been drawn to the Forth Bridge since construction began in 1884. Over the decades their numbers have swelled to today’s annual footfall of 117,000 visitors at the current viewpoint and many more attracted to the vantage points of North and South Queensferry. This has been achieved without any visitor signage, facilities or marketing, suggesting that the potential to grow the market is significant. People come for reasons as varied as the visitors themselves, from civil engineering professionals to families looking for a different day out and tourists wanting to tick off another sight on their bucket list and share on social media.

The location of the bridges is one of their strengths. It sits within the growing visitor market of Edinburgh and Lothians which attracts around 4.25 million staying visitor trips a year, 38% of which are taken by overseas visitors. To the north Fife generates over 650,000 such trips with over 20% of visitors coming from overseas.

The bridges benefit from their sheer visibility creating drama, excitement and anticipation as well as subtly signposting what is to come. Each bridge offers a distinctive experience. The Queensferry Crossing is a contemporary expression of a long

engineering heritage. It is constantly changing with the weather and the light. The Forth Road Bridge, the most accessible of the bridges, provides real time experiences for walkers and cyclists.

**The Forth Bridge’s status as an icon is more than assured as a ‘must see’.**

Collectively the bridges and the new Welcome Hub provide the anchor for a wider visitor offering which encourages exploration. By extending visitor stay through delivering choice, from the country houses around South Queensferry to Deep Sea World in North Queensferry and the varied attractions within the historic town of Dunfermline, the surrounding area benefits too. The opening of major new experiences such as the V&A in Dundee adds another dimension to the growing visitor market.

**Left:** North Queensferry at the Forth Bridge  
(VisitScotland)



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**“It will last for ever if  
you look after it.”**

Sir William Arrol of his  
masterpiece, the Forth Bridge

The Forth Bridge, UNESCO World Heritage Site  
(*Historic Environment Scotland*)



# FINAL DRAFT

## VISION AND STRATEGY

**The Forth Bridges Forum's vision for the bridges is that:**

By 2030 The Forth Bridges area will be recognised as a sustainable, high quality visitor destination, offering great customer service underpinned by an emotionally valued global brand.

This ambitious but deliverable vision underpins the specific strategic goals and activities identified to achieve it. The following three strategic outcomes – **Creating a Visitor Destination**; **Offering a Warm Welcome to All**; and **Marketing the Destination** are designed to achieve the vision along with the supporting theme of **Looking After the Forth Bridges** which encompasses the UNESCO requirements for the Forth Bridge World Heritage Site.

Suggested actions have been identified (page 19) and these will form the basis of a five-year delivery plan to be developed to take the strategy forward.

Forth Road Bridge and Queensferry Crossing  
at night (Ian RW McCracken/Fife Council)

STRATEGIC  
OUTCOME

## 01

# Creating a visitor destination

Effective visitor management is crucial in creating a sense of place. The visitor journey starts with planning their trip and continues through clear wayfinding; dealing with comfort factors like parking and catering; building a sense of arrival and anticipation that is outperformed by the experience; and ends by guiding the visitor to explore further. By encouraging visitors to stay longer, return and recommend the area to others will lead to further opportunities for businesses to capitalise on visitor growth across the wider area.

Based on research and consultation we have gained an understanding of the issues that we need to address to deliver an outstanding visitor experience while respecting the needs of people who live and work in the area. To do this we will need to address issues as varied as traffic management and arrival points and telling the Forth Bridges story through visitor engagement and marketing.

## Priority activities

- Encouraging the creation of new attractions and viewpoints of the bridges to capture visitors especially from the tourist hub of the capital Edinburgh, which also hosts a World Heritage Site
- Exploiting niche markets such as heritage, railway and bridge enthusiasts
- Using the theatrical backdrop of the bridges for events which appeal both to participants and spectators
- Ensuring that communities are kept informed of and are consulted on significant developments
- Developing ways of benefiting local communities and visitors through orientation signage, interpretation and walking trails as well as improvements to the public realm
- Encouraging local tourism businesses to grow and create employment opportunities through their proximity to the bridges
- Supporting tourism related activity on the Forth around the bridges, building on 2020's Year of Coast and Waters.



# FINAL DRAFT



Sunset on the River Forth from  
Port Edgar (Alamy Stock Photo)



STRATEGIC  
OUTCOME

## 02

## offering a warm welcome to all

A first class visitor experience is essential for all aspects of a visit to the area. A strong customer focus should be at the forefront of all activities with every business that engages visitors taking responsibility for providing a warm welcome to all. One bad experience could negatively influence others from visiting the area such is the power of social media.



Priority activities
<ul style="list-style-type: none"> <li>• Making visitors welcome by engaging fully with everyone involved with delivering the experiences, from staff at the Visitor Hub and local residents to accommodation providers and volunteer tour guides</li> </ul>
<ul style="list-style-type: none"> <li>• Encouraging communities themselves to take a sense of ownership and be effective and proud ambassadors for the attractions in their areas</li> </ul>
<ul style="list-style-type: none"> <li>• Creating memorable experiences so that visitors to the area will want to tell others and return time and time again</li> </ul>
<ul style="list-style-type: none"> <li>• Delivering appropriate programmes in leadership and the role of the ambassador</li> </ul>
<ul style="list-style-type: none"> <li>• Encouraging businesses to sign up to World Host Customer Care Programme</li> </ul>
<ul style="list-style-type: none"> <li>• Providing skills training to enhance the job prospects of individuals and to grow businesses sustainably through increased productivity.</li> </ul>

**Left:** Ferry Fair, South Queensferry  
(Roger Gaisford/Alamy Stock Photo)



FINAL DRAFT



Forth Bridges Festival, South  
Queensferry (Jane Barlow/Amey)

STRATEGIC  
OUTCOME

## 03

## Marketing the destination

The new Queensferry Crossing and the creation of new visitor experiences presents the opportunity to tell the world about the bridges. They have the right ingredients – compelling stories, a global audience, the opportunity to build on the established icon of the Forth Bridge, the opportunity for cross-promotion with other World Heritage Sites and links to communities with stories of their own.

The key challenge for marketing is in building understanding and loyalty to ensure longer and repeat visits and referrals by using the spectrum of communications.

## Priority activities

- Ensuring that visitors are aware of the ease of reaching and exploring the area by car, public transport, cycle, on foot or by boat, while avoiding traffic pressures on North and South Queensferry
- Implementing the Orientation and Signage Strategy in North and South Queensferry
- Promoting the Forth Bridges brand as the symbol of a quality visitor destination
- Encouraging the use of the brand by businesses, communities, transport operators and attractions, in promotional material and merchandising
- Protecting the use of the brand to ensure its integrity
- Making effective use of digital media to provide instant access to the latest information and widen the marketing reach
- Applying technology innovatively to enhance the visitor experience through webcam links, access to laser-scan 3D digital models of the Forth Bridge and augmented and virtual reality
- Providing free Wi-Fi throughout the area
- Working with other attractions to promote the wider offering with the bridges at its core
- Creating and promoting a strong events calendar across the area.



## SUPPORTING THEME

# Looking after the Forth Bridges

Recognising that Sir William Arrol's claim *"It will last for ever if you look after it"* holds true a century later, the Scottish Government set up the Forth Bridges Forum in November, 2011. It brings together organisations with an interest in the bridges as partners to fulfil the aims of:

- Adopting a strategic approach to the operation and maintenance of the Forth bridges
- Engaging with local communities
- Promoting the bridges as a unique tourist destination
- Supporting the World Heritage Site
- Encouraging ways of increasing cross-Forth active travel and sustainable public transport.

**Managing and conserving the Forth Bridge brings responsibility for the protection and promotion of its World Heritage status.**

The delivery of high-quality visitor interpretation and access, both physical and virtual, is fundamental if the presentation of the Forth Bridge to the world is to be successful. The creation of sensitive, new visitor attractions, therefore, fits well with UNESCO's World Heritage Site guidance, ensuring a sustainable and positive impact on host communities.



**(L-R):** Cyclists crossing Forth Road Bridge (Porridge Picture Library/Alamy Stock Photo), Queensferry Crossing and Forth Road Bridge (Richard Newton, Transport Scotland), Steam engine on Forth Bridge (Peter Devlin/Alamy Stock Photo), Forth Road Bridge public event (Tony Marsh, Amey)







## Delivering the strategy

The people of Scotland have inherited a remarkable asset in the three bridges. Already visitors have voted them to be the country's top landmark. This provides the perfect opportunity to realise their value to communities and businesses by delivering top quality experiences that surpass visitor expectations and to spread the word across the globe.

**“The Queensferry Crossing is a symbol of a confident, forward-looking Scotland. It is a truly iconic structure and a feat of modern engineering.”**

Ensuring that the bridges provide a world class visitor experience demands leadership, partnership, planning and investment.

Suggested actions to take forward the strategy are listed below and will form the basis of a five-year delivery plan which is to be developed. Some activities are already underway and being delivered:

- Development of Network Rail's Forth Bridge Experience
- A strategy for orientation and interpretation signage in North and South Queensferry
- A dedicated Forth Bridges Website which has already achieved first place in web search rankings, and a fast-growing following for its associated social media channels
- A turn-key merchandise proposal
- Brand registration in the UK, Europe and the USA
- Scotland-wide learning programmes for schools, colleges and Universities
- A group of Forth Bridge Ambassadors, which has already been established.





## DELIVERING THE STRATEGY

# Environmental investigations to date

We have undertaken consultations with the Scottish Environment Protection Agency (SEPA), Scottish Natural Heritage (SNH), Historic Environment Scotland (HES) and the Strategic Environmental Assessment (SEA) team at the Scottish Government, seeking their comments and feedback to the Draft Tourism Strategy.

All consultees have provided us with positive comments, offering their support to the plans and ambitions outlined in the strategy. In particular, feedback for the need for an SEA and Habitats Regulations Appraisal (HRA) were sought.

The feedback received has recommended that although an SEA/HRA may not be required at this stage, it has been advised that we undertake both an SEA and HRA pre-screening to determine if they should be screened out at this stage to allow Transport Scotland to make a formal record of our decision making process.

However, guidance has been requested advising how and when the need for both will be revisited. This has been explained under the 'Next Stage' section in the column to the right.



**Top:** St Margaret's Marsh Site of Special Scientific Interest (SSSI) (*Transport Scotland*) **Above:** The Forth Bridge from North Queensferry (*Historic Environment Scotland*)

## The next stage

Following the launch of the Forth Bridges Area Tourism Strategy, the next stage will be to form a delivery team to take forward the actions within this strategy.

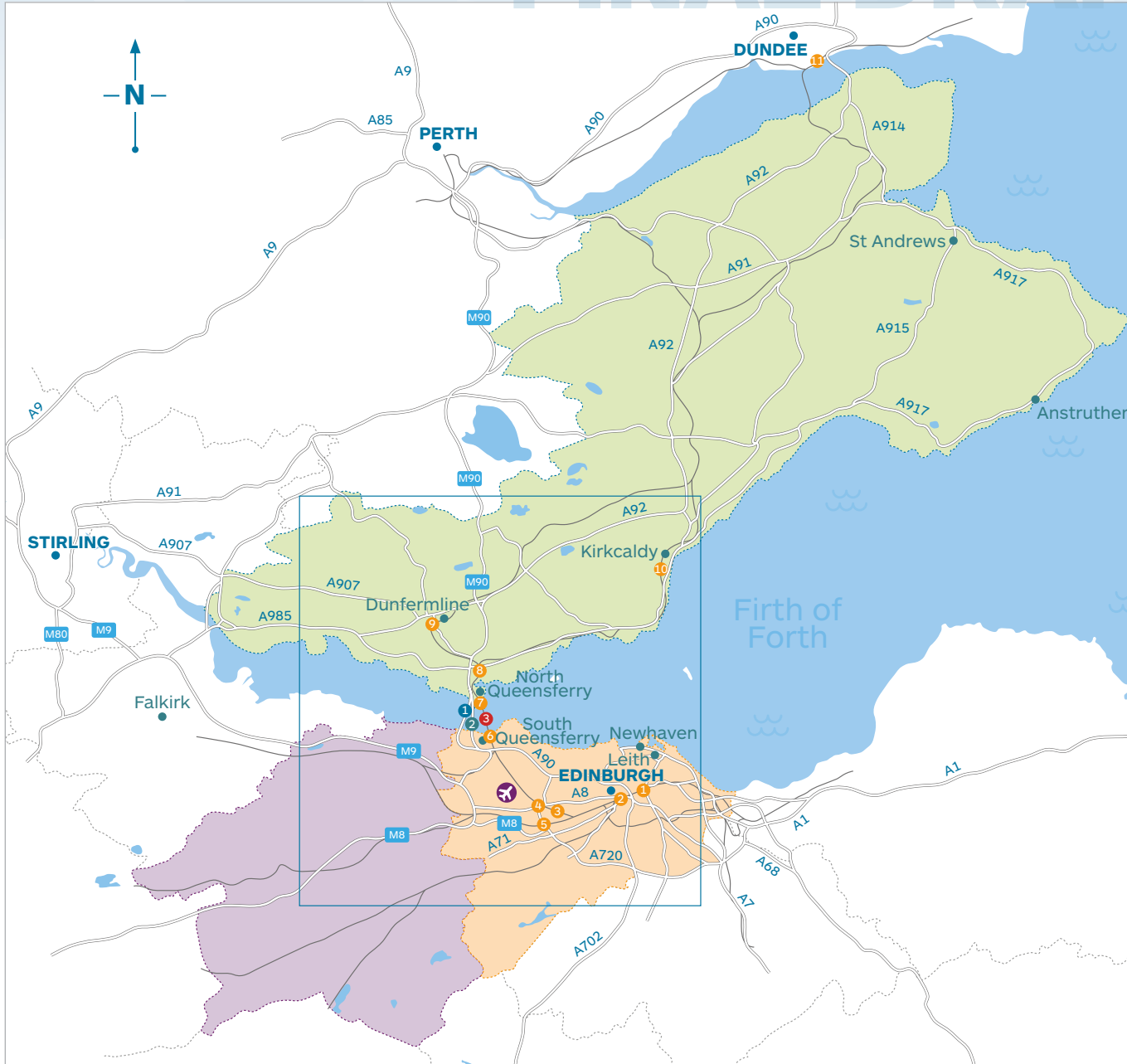
The group will create a comprehensive delivery plan which identifies key parties responsible for the delivery of each action(s) and associated time frames, as well as identify where cross-party collaboration is required to deliver specific actions, which in turn will inform the group of the need to consider cumulative environmental impacts when more than one action is being considered at any given time.

**SUGGESTED ACTIONS:** The following suggested activities have been identified through extensive consultation with stakeholders, communities, businesses and potential visitors. A new delivery organisation will be established and will identify the most appropriate leads and timescales to deliver the suggested activities as part of the development of a delivery plan to implement the strategy.

STRATEGIC THEME/ AREA OF ACTIVITY	ACTION
<b>Organisational management</b>	Form new organisation to implement the strategy
	Recruit and manage project manager to take forward the action plan
	Project manager to focus on delivery of actions deemed achievable within first 12 months post launch as a priority
	Establish baseline for tourism activity monitoring
	Conduct annual visitor volume and value research
	Conduct annual visitor experience survey including impact on North and South Queensferry
<b>Creating a visitor destination</b>	Support the development of the Network Rail Forth Bridge Experience
	Improve cycling infrastructure
	Extend Edinburgh Days Out Travel Pass to the area
	Persuade local tour bus operators to add Forth Bridges to their destinations
	Provide visitor information at Park & Rides
	Rename Dalmeny Station Forth Bridge Station. Improved signage on trains and at stations
	Work with local marinas and harbours to encourage boat traffic in the area
	Connect local path networks to major walking routes with involvement of Scottish Natural Heritage
	Upgrading the cruise liner experience
	Implement orientation and interpretation of North and South Queensferry and the routes to the bridges
	Encourage the development of activity based tourism products, including extreme sports in the form of abseiling, zip lines and virtual reality experience of a similar nature
	Consider the development of a Visitor Welcome Hub and viewpoint
	Introduce improvements to berthing efficiency at South Queensferry that enhance the experience for cruise passengers, visitors and other pier users
	Ensuring visitor facilities such as public toilets and digital visitor information are available particularly in North Queensferry
	Discussion with Forth Ports to realise the potential for more cruise ships to the north side of the Forth Bridges area

STRATEGIC THEME/ AREA OF ACTIVITY	ACTION
<b>Offering a warm welcome to all</b>	Trial a closure of Forth Road Bridge for a family cycling event
	Develop marketing plan including community communication
	Develop a range of merchandising
	Work with Business Gateway to support businesses to grow and prosper, and with training providers to help them find recruits with the appropriate skills
	Create programme aligned to the Scottish Government's Themed Years
	Establish self-guided and accompanied walking and cycling tours, including tours of the Forth Road Bridge
	Develop joint marketing strategies with other Scottish and global World Heritage Sites
	Promote the area at major tourist travel destinations e.g. Edinburgh Airport and Waverley and Haymarket railway stations
	Use empty shops to promote the area
	Place articles in in-flight and other travel magazines
<b>Marketing the destination</b>	Develop digital suite of content and imagery for use by tourism agencies
	Distribute promotional material at key railway stations
	Promote the area to cyclists in association with relevant organisations
	Partner tourism agencies and businesses to include the Forth Bridge in existing offerings
	Ensure appropriate use of Forth Bridges branding
	Promote the destination to cruise line passengers
	Develop pop-up food and drink outlets
	Launch Destination Leadership Programme
	Achieve World Host destination status for the Forth Bridges area
	Attract high profile, international events e.g. cycling, athletics, triathlons, yachting, using the bridges as a backdrop
	Sustainable, public and low-emission transport options to be promoted to encourage visitors to the area
	Regular surveys to undertake sustainable travel baseline monitoring and frequent surveys of how visitors travel to the area





### Key to map








- Fife
- City of Edinburgh
- West Lothian
- Other boundaries
- Roads
- Railway
- 1 The Queensferry Crossing
- 2 The Forth Road Bridge
- 3 The Forth Bridge

### Railway stations

1. Waverley
2. Haymarket
3. South Gyle
4. Edinburgh Gateway
5. Edinburgh Park
6. Dalmeny
7. North Queensferry
8. Inverkeithing
9. Dunfermline
10. Kirkcaldy
11. Dundee

## The Forth Bridges – Making a Journey a Destination

### Key to map

-  Boundaries
-  Roads
-  Railway
-  1 The Queensferry Crossing
-  2 The Forth Road Bridge
-  3 The Forth Bridge
-  Park & Ride

### Railway stations

1. Waverley
2. Haymarket
3. South Gyle
4. Edinburgh Gateway
5. Edinburgh Park
6. Dalmeny
7. North Queensferry
8. Inverkeithing
9. Dunfermline
10. Kirkcaldy



Cyclists in South Queensferry (*VisitScotland*)



## The Forth Bridges Forum

The Forth Bridges Forum is managed by Transport Scotland on behalf of Scottish Ministers. Core members are:

- City of Edinburgh Council
- Fife Council
- Forth Bridges Operating Company
- Historic Environment Scotland
- Network Rail
- Transport Scotland
- VisitScotland
- West Lothian Council

For further information visit [www.theforthbridges.org](http://www.theforthbridges.org) or contact:

**Forth Road Bridge  
Administration Office  
South Queensferry  
West Lothian  
EH30 9SF**

**Tel:** 0800 042 0188

**Email:** [info@theforthbridges.org](mailto:info@theforthbridges.org)

Queensferry Crossing (Richard Newton,  
Transport Scotland)





# FINAL DRAFT



FORTH BRIDGES AREA TOURISM STRATEGY 2018-2028



**COUNCIL EXECUTIVE**

**DONEGAL TRADE MISSION 17-19 OCTOBER 2018**

**REPORT BY HEAD OF PLANNING, ECONOMIC DEVELOPMENT AND REGENERATION**

**A. PURPOSE OF REPORT**

The purpose of this report is to update Council Executive of the outcomes of the Trade Mission to Donegal on 17-19 October 2018.

**B. RECOMMENDATION**

It is recommended that Council Executive:

1. Notes the contents of the report
2. Agrees to the ongoing links with Donegal through Economic Development.

**C. SUMMARY OF IMPLICATIONS**

<b>I</b>	<b>Council Values</b>	Providing equality of opportunities; making best use of our resources; working in partnership.
<b>II</b>	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	The report does not raise any Strategic Environmental Assessment, equality, health or risk issues.
<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	None
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	We are better educated and have access to increased and better quality learning and employment opportunities.  - We live in resilient, cohesive and safe communities.

		<ul style="list-style-type: none"> <li>- We live longer, healthier lives and have reduced health inequalities.</li> <li>- We make the most efficient and effective use of resources by minimising our impact on the built and natural environment.</li> </ul>
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	The report does not raise any revenue or capital resourcing issues. Support for the initiatives set out in the report will be met from existing budgets.
<b>VII</b>	<b>Consideration at PDSP</b>	The outcome of the Trade Mission has not been reported to PDSP but Development & Transport PDSP will be updated on outcomes from the on-going links.
<b>VIII</b>	<b>Other consultations</b>	West Lothian Chamber of Commerce

#### **D. TERMS OF REPORT**

Following Council Executive approval on 21 August 2018 to join the Trade Mission to Donegal from 17-19 October organised by West Lothian Chamber of Commerce.

The Trade Mission included representatives from Scottish Government, Scottish Chambers, West Lothian Chamber, West Lothian Council and Businesses.

The Trade Mission In Donegal was organised through Udaras na Gaeltachta, the Local Enterprise Agency and included Irish Government, Allied Irish Bank and local agencies and businesses.

An extensive programme was put together for the two days which covered the following:-

1. Business meetings including Radox TEO a research & development company; Syncherchi manufacturer of Kombucha, Rapid Packaging largest food packaging company in UK. & Ireland.
2. Presentations from Gteic business incubator and enterprise and innovation hub. Cope a cooperative based on the Scottish Cooperative Society. Allied Irish Bank and various testimonials from local start-up companies.
3. Round table talks with Irish & Scottish Ministers to promote mutual business arrangements between Donegal and West Lothian.
4. Networking event with over 100 local businesses, this was a very diverse range of businesses all of whom had received support from Udaras. This was a good opportunity to share experiences and views on the local economy.

Brexit centred on a lot of the discussion with companies fearful of what this will actually mean for trade and business. The businesses we met with explained that over 80% of what they produce is for the UK market. Discussion also focused on opportunities which could be created between Donegal and West Lothian.

During the visit to the businesses it was interesting to see how they had kept reinventing themselves to ensure local employment and also how to attract graduates back to the area. In many ways like West Lothian but on smaller scale.

Their business incubator operates very much like many of our private sector business centres and it was announced through the Ministerial round table that Udaras would set aside space for any Scottish Company looking to set up a trading office from Ireland depending on the outcomes of Brexit. Likewise agreed for Scotland and would be easy to facilitate in West Lothian.

Work is continuing with the Chamber of Commerce on what the format of this arrangement will look like and how we promote the links and benefits to West Lothian business.

In addition representatives from Udaras and the Donegal business community are looking to visit in the near future. We will work jointly with West Lothian Chamber of Commerce in supporting this visit.

It was also a great opportunity to look at how rural areas work with the local agencies including their universities to promote enterprise and growth. Udaras also have a LEADER programme to support the development of rural organisations and business.

Udaras have recently refreshed their marketing materials promoting the benefits of basing your business out with the City but still having the same global competitiveness. Syncherchi the drinks manufacturer was a recent example of how they moved out of Dublin.

There are a lot of good opportunities and best practice which we can share, particularly around business support initiatives, enterprise and skills. Discussions with Udaras and their partners including the Allied Irish bank focused around start-ups and they were interested in our business start-ups how we promote the service and continue the support as they go through the growth stages.

## **E. CONCLUSION**

This was a good start to building relationships in Donegal through the enterprise agency Udaras na Gaeltachta, one which we can build on and share best practice to support the growth of our local economies.

The Ministerial support from the Irish & Scottish Governments strengthens the relationship and through the commitment of shared office space will allow for on-going collaborative work.

We will continue to work with the West Lothian Chamber of Commerce to support the collaboration and ensure benefits for West Lothian businesses.

**F. BACKGROUND REFERENCES**

None

Appendices/Attachments: None

Contact Person: Alice Mitchell, Economic Development and Regeneration Manager, 01506 283079,  
alice.mitchell@westlothian.gov.uk

**Craig McCorriston**  
**Head of Planning, Economic Development and Regeneration**

Date of meeting: 4 December 2018





**COUNCIL EXECUTIVE**

**PROCUREMENT ARRANGEMENTS – SUPPLY OF THE PROVISION OF SPECIALIST BUSINESS ADVICE, SUPPORT & TRAINING**

**REPORT BY HEAD OF CORPORATE SERVICES**

**A. PURPOSE OF REPORT**

To seek Council Executive approval to commence tendering procedures for a framework for specialist business advice and training as part of the Business Competitiveness European Funded project.

**B. RECOMMENDATION**

It is recommended that the Council Executive approves the commencement of the tendering procedure for a framework for specialist business advice and training as part of the Business Competitiveness European Funded project, using the evaluation and methodology detailed in Section D of the report.

**C. SUMMARY OF IMPLICATIONS**

<b>I</b>	<b>Council Values</b>	Focusing on our customers' needs; being honest, open and accountable; making best use of our resources;
<b>II</b>	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	Tenders will be issued, received and analysed in accordance with Standing Orders of West Lothian Council and the Public Contracts (Scotland) Regulations 2015.
<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	Without the specialist advice and training the Council would not be able to provide as intensive support to local companies and this would be reflected in our performance indicators.
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	Our economy is diverse and dynamic, and West Lothian is an attractive place for doing business.

<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	£220,000 total for the duration of the programme.
<b>VII</b>	<b>Consideration at PDSP</b>	None
<b>VIII</b>	<b>Other consultations</b>	Economic Development were consulted with regards to the evaluation criteria and will be involved in the tender evaluation. The Corporate Procurement Unit was consulted and the Corporate Finance Manager was consulted on budget implications.

## **D. TERMS OF REPORT**

### **Background**

West Lothian Council have been awarded funding through the European Structural Funds 2014 – 2020 programme. Business Gateway West Lothian are the lead partner in the Business Competitiveness project for Edinburgh & Lothian which provides additional support to growing businesses.

This project will enable the delivery of enhanced Business Gateway services through a flexible set of interventions, tailoring these to local circumstances and opportunities.

Between January 2016 and October 2018 Economic Development incurred expenditure of £121,106 on specialist support and training. In excess of 60 local firms were provided with one to one consultancy support and 47 in-depth workshops were delivered with 312 local businesses supported.

One of the key objectives for Business Gateway West Lothian is to provide consultancy support to assist businesses in developing their employees and improving the performance of the business. This support will address the current gap in provision to Small to Medium Enterprises and Micro businesses.

### **In House Capability**

The Council does not have the specialist knowledge or experience to deliver this service in-house.

Specialist industry consultants are engaged to provide expert advice to high growth companies. Business Gateway advisers are general advisers who are unable to meet the requirement for specialist advice on e.g. Taxation, Procurement, E-Commerce.

## **Procurement Approach**

The requirement will be advertised in accordance with the European Union Directives. It is proposed that the Open Procedure is used whereby all suppliers expressing an interest in the contract will be invited to tender.

The following award criteria will be applied at the tender stage:

Price - 30%  
Technical & Professional Capability - 70%

## **Budget Implications**

The budget approved for the duration of the project is £220,000.00. The fund is available to draw down retrospectively based on usage of services. The council will fund £132,000.00 with European Regional Development Funding of £88,000.00.

## **E. CONCLUSION**

It is recommended that the Council Executive approves the application of the evaluation of methodology detailed in Section D for the tendering of the contract.

## **F. BACKGROUND REFERENCES**

A copy of the specification for this contract is available on request from Corporate Procurement.

Appendices/Attachments: None

**Contact Person:** Tom Henderson, Category Manager  
Tel: 01506 281805  
Email: [Tom.Henderson@westlothian.gov.uk](mailto:Tom.Henderson@westlothian.gov.uk)

**Julie Whitelaw**  
**Head of Corporate Services**

**Date of meeting:** 4<sup>th</sup> December 2018





## **COUNCIL EXECUTIVE**

### **PROCUREMENT ARRANGEMENTS – DIRECT AWARD TO CM2000**

#### **HEAD OF CORPORATE SERVICES**

##### **A. PURPOSE OF REPORT**

To seek Council Executive approval to make a direct award to CM2000 for the Call Confirm Live system.

##### **B. RECOMMENDATION**

It is recommended that the Council Executive approves a direct award to CM2000 for the the Call Confirm Live – Support, Maintenance and Licenses for a period of 4 years.

##### **C. SUMMARY OF IMPLICATIONS**

<b>I Council Values</b>	Focusing on our customers' needs; being honest, open and accountable; developing employees; making best use of our resources;.
<b>II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	Direct awards will be made in accordance with Standing orders of West Lothian Council and the Public Contracts (Scotland) Regulations 2015.
<b>III Implications for Scheme of Delegations to Officers</b>	None
<b>IV Impact on performance and performance Indicators</b>	None
<b>V Relevance to Single Outcome Agreement</b>	None
<b>VI Resources - (Financial, Staffing and Property)</b>	A budget of £30,000 to meet expected costs.
<b>VII Consideration at PDSP</b>	None
<b>VIII Other consultations</b>	Head of Finance and Property Services was consulted on budget implications. The Corporate Procurement Unit and IT Services were also consulted

## **D. TERMS OF REPORT**

- D1** The council first introduced the Call Confirm Live system to the Social Policy Support at Home Service following a tender in April 2013. The contract was awarded for three years with the option of extending for a further 2 years to 31<sup>st</sup> March 2019. There are no further extensions available within the terms of the current contract.

The scheduling system is used to manage records associated with people who receive Social Policy home care service and to manage the schedules of internal care workers who deliver care services within people's homes.

Over the past 5 years, the service has worked extensively with CM2000 to refine and develop the scheduling system to meet operational requirements and maximise efficiencies. The service considers that the system offers a good resource for managing operational business and for performance reporting.

The annual cost of the current system is £30,000 which includes the cost of both administrator and mobile licenses.

### **D2 Budget Implications**

The budget approved for the provision of the service is £30,000.

### **D3 Tender Process**

Following a competitive tendering exercise in 2013, the council introduced an electronic scheduling service for internal home care services. Since the Call Confirm Live system was introduced, the council has worked extensively with the provider to refine and develop it to maximise use and meet business requirements.

Whilst there are other providers of electronic scheduling systems in the market, additional capital investment would be required to support set up costs and a move to an alternative system. Additionally, further costs would be incurred in relation to project management, implementation, staff training and time to develop a system to reflect the services needs, meaning that it is highly unlikely that any form of efficiency could be realised via a tender for a replacement service.

## **E. CONCLUSION**

It is recommended that the Council Executive approves a direct award to CM2000 for the Call Confirm Live system – support, maintenance and licenses for a four year period from 1 April 2019.

## **F. BACKGROUND REFERENCES**

None

Appendices/Attachments: None

**Contact Person:** Tom Henderson, Category Manager  
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Email: [Tom.Henderson@westlothian.gov.uk](mailto:Tom.Henderson@westlothian.gov.uk)

**Julie Whitelaw**  
**Head of Corporate Services**

**Date of meeting:** 4<sup>th</sup> December 2018









**COUNCIL EXECUTIVE**

**PROCUREMENT ARRANGEMENTS - ONGOING PURCHASE OF ANNUAL MAINTENANCE AND LICENSES FROM ETHITEC**

**REPORT BY HEAD OF CORPORATE**

**A. PURPOSE OF REPORT**

To seek Council Executive approval a direct award to Ethitec for maintenance and licenses for the Community Equipment Store Software, Elms 2.

**B. RECOMMENDATION**

It is recommended that the Council Executive approves a direct award Ethitec for annual maintenance and licences to support the Elms 2 software for the next 5 years as required by the Community Equipment Stores.

**C. SUMMARY OF IMPLICATIONS**

<b>I</b>	<b>Council Values</b>	Focusing on our customers' needs; being honest, open and accountable making best use of our resources;
<b>II</b>	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	Standing Orders of West Lothian Council and the Public Contracts (Scotland) Regulations 2015.
<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	None
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	We live longer, healthier lives and have reduced health inequalities.
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	The annual budget is £5,000

<b>VII</b>	<b>Consideration at PDSP</b>	None
<b>VIII</b>	<b>Other consultations</b>	The community Equipment store works in partnership with NHS Lothian who will be contributing to the service costs. The Corporate Procurement Unit was consulted and the Corporate Finance Manager was consulted on budget implications.

## **D. TERMS OF REPORT**

### **D.1 Background**

The Community Equipment Store supply and fit equipment and deliver continence supplies, ordered by both health and community care staff to ensure that people with disabilities can live independently at home. This equipment includes community nursing beds, commodes and specialist mattresses. A wide range of health care professionals and assessing workers have on-line access to the Equipment Loans Management System (ELMS) which allow them to place orders directly with Community Equipment Store. The Community Equipment Store also manage and monitor the planned maintenance and breakdown repairs of any equipment the service provide on loan to service users. Elms 2 is used as a Health and Safety Executive approved asset register (including The Lifting Operations Lifting Equipment Regulations 1998 reporting) to track council and NHS equipment supplied to clients within West Lothian and is also used for all stock control and order processing.

### **In House Capability & Business Case Exemption**

#### **D.2**

Elms 2 Software is a bespoke software package designed for Community Equipment Stores and Ethitec is the sole supplier. Licenses to access software are only available from Ethitec.

Active user groups ensure that the system remains relevant, easy to use, and fully compliant with legislation. The preferences and priorities expressed by the User Group significantly influence Ethitec's development of the system, although, importantly, we also aim to serve the individual requirements of each customer. The Council's IT Service provide support during office hours to resolve any problems or help required.

The council's IT Services do not have the necessary skills and resources to manage and support the software.

With previous expenditure having now exceeded the Head of Corporate Services approval limit for a Business Case Exemption, Council Executive is required to consider the terms within this Report.



### **D.3 PARTNERSHIPS**

The Community Equipment Store is a joint partnership between West Lothian Council and NHS Lothian. The Community Equipment Store and NHS equipment is supplied, collected, recycled and maintained. The Community Equipment Store also delivers continence pads and process urology orders to the pharmacy for residents of West Lothian and West Lothian care homes. The Community Equipment Store also maintains the asset register for stair lifts supplied; collected, repaired and serviced on behalf of Social Policy Occupation Therapy department as their software AIS can't support this. Recent HSE inspection of Care Homes found the council did not have a central asset register for The Lifting Operations Lifting Equipment Regulations 1988 reports and Servicing of equipment. Elms meets the requirements of the HSE and is now the asset register for all mobile equipment in council Social Policy Care Homes and Day Services.

### **D.4 BUDGET**

There is an annual software budget of £5,000 available 50% of the costs are recharged annually to NHS.

Over the past 11 years £92027.68 has been spent with Ethitec and this includes the original purchase price, updates to system and annual maintenance and license charges. NHS partners have contributed 50%

The council and NHS will continue to share the costs of the Elms software as agreed in the Service Level Agreement.

### **CONCLUSION**

- E.** It is recommended that the Council Executive approves the direct award to Ethitec for annual maintenance and licences to support the Elms 2 software for the next 5 years as required by the Community Equipment Stores.

**Appendices/Attachments:** None

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**Julie Whitelaw**  
**Head of Corporate Services**

**Date of meeting:** 4<sup>th</sup> December 2018





**COUNCIL EXECUTIVE**

**PROCUREMENT ARRANGEMENTS – MAINTENANCE AND CLEANING OF  
INTERCEPTORS, GULLIES, SAFETY KERB AND WASTE DISPOSAL**

**REPORT BY HEAD OF CORPORATE SERVICES**

**A. PURPOSE OF REPORT**

To seek Council Executive approval to extend the current contract with EEG Utilities Ltd by 3 months and to commence tendering procedures for the procurement of a five year contract for Maintenance and cleaning of Interceptors; gullies; safety kerb and waste disposal at various Non-Housing properties within West Lothian

**B. RECOMMENDATION**

It is recommended that the Council Executive approves the extension of the current contract with EEG Utilities Ltd by 3 months and the commencement of tendering procedures for the procurement of a five year contract for Maintenance and cleaning of Interceptors; gullies; safety kerb and waste disposal at various Non-Housing properties within West Lothian, using the evaluation methodology detailed in Section D of the report

**C. SUMMARY OF IMPLICATIONS**

<b>I</b>	<b>Council Values</b>	Focusing on our customers' needs; being honest, open and accountable; providing equality of opportunities; developing employees; making best use of our resources; working in partnership
<b>II</b>	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	Tenders will be issued, received and analysed in accordance with Standing Orders of West Lothian Council and the Public Contracts (Scotland) Regulations 2015.
<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	None
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	None

<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	In financial year 2017/18 the council incurred costs of approximately £80,000 in cyclical costs for the cleaning of interceptors and approximately £40,000.00 through reactive. There is a further provision of £30,000.00 per annum in the General Capital fund to clean gullies and drainage within the remainder of the estate
<b>VII</b>	<b>Consideration at PDSP</b>	None
<b>VIII</b>	<b>Other consultations</b>	The specification has been provided by construction services and H & S, who will also participate in the evaluation. The Corporate Finance Manager was consulted on budget implications.

## **D. TERMS OF REPORT**

### **D.1 Background**

**D.2** Maintenance and cleaning of interceptors; gullies; safety kerb and waste disposal is required to ensure continued use of these items. The scope of the contract includes the licenced waste disposal of interceptor, grease traps, gullies, drains and rainwater harvesters for all Non-Housing properties. The equipment needed includes CCTV, heavy duty jet-vac units, drain jettors and civils for minor works. Although some of the work can be planned approximately 50% is reactive and is often time sensitive.

### **D.3 In House Capability**

The Council does not have the specialist skills and resources required to deliver this service in house. Due to the specialist nature of the equipment and the frequency of use there would be a significant amount of non-productive time to support in-house and as such it would be more economical to outsource this activity.

### **Procurement Approach**

The current contract was awarded to EEG Utilities Ltd on 1 January 2018 expires on 31 December 2018. To allow sufficient time to tender the new requirement and to bring the contract into line with the council financial year, a 3 month extension to 31 March 2019 is requested. The tender will combine the cleaning of interceptors contract with the drain clearing contract which is also currently with EEG Utilities Ltd and expires in June 2019.

The requirement will be advertised in accordance with the European Directives. It is proposed that the Open Procedure is used whereby all suppliers expressing an interest in the contract will be invited to tender.

The following award criteria will be applied at the tender stage:

<b>D.4</b>	<b>Price</b>	<b>- 70%</b>
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Technical & Professional Capability - 30%  
The evaluation criteria are proposed following consultation with Construction Services.

The anticipated start date for the contract is 1 April 2019.

**D.5**

**Sustainability Considerations**

The frequency of cleaning varies from site to site and is dependent upon waste accumulation and environmental conditions. We are required by legislation to safely dispose of the waste material.

**Budget Implications**

In financial year 2017/18 the council incurred costs of approximately £120,000 with the existing contracted supplier, for the cleaning of interceptors gullies; safety kerb and waste disposal within Operational Services property portfolio.

In financial year 2017/18 the council incurred costs of approximately £80,000 in cyclical costs for the cleaning of interceptors and approximately £40,000.00 through reactive. There is a further provision of £30,000.00 per annum in the General Capital fund to clean gullies and drainage within the remainder of the estate, making a total budget available of £ ...

**E. CONCLUSION**

It is recommended that the Council Executive approves the extension to the current contract and the application of the evaluation methodology detailed in Section D for the tendering of the contract.

**F. BACKGROUND REFERENCES**

A copy of the specification for this contract is available on request from Corporate Procurement.

Appendices/Attachments: None

Contact Person: Catriona Peden, Procurement Specialist

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**Julie Whitelaw**

**Head of Corporate Services**

Date of meeting: 4 December 2018







**COUNCIL EXECUTIVE**

**CONSULTATION ON THE REVIEW OF THE STRUCTURE OF THE SCOTTISH LOCAL GOVERNMENT PENSION FUND – LOTHIAN PENSION FUND RESPONSE**

**REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES**

**A. PURPOSE OF REPORT**

To provide Council Executive with a copy of Lothian Pension Fund's interim response to the consultation on the review of the structure of the Scottish Local Government Pension Fund.

**B. RECOMMENDATION**

It is recommended that Council Executive:

- 1) Notes the content of the report and Lothian Pension Fund's interim response to the Consultation which is attached as an appendix.
- 2) Agrees that officers should provide further updates when there are any future developments.

**C. SUMMARY OF IMPLICATIONS**

<b>I</b>	<b>Council Values</b>	Being honest, open and accountable; making best use of our resources; working in partnership
<b>II</b>	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	Any legislative changes as a result of the consultation would impact on the fund.
<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	None
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	None
<b>VI</b>	<b>Resources - (Financial,</b>	There are no direct financial impacts resulting

**VII Consideration at PDSP** None

**VIII Other consultations** None

**D. TERMS OF REPORT**

**D.1 Background**

The Local Government Pension Scheme in Scotland (SLGPS) is Scotland's largest pension scheme with around £42 billion of assets and 400,000 members (employees, pensioners and deferred pensioners).

The Scheme covers local authorities, colleges of education, and a variety of other public bodies and charitable organisations. The Scheme is administered by 11 separate authorities whose Funds range in size from approximately £20 billion (Strathclyde) to £300 million (Orkney). Lothian Pension Fund is the second largest in Scotland.

The Heads of Agreement signed in 2013 between CoSLA and the Trade Unions contained a commitment that once the new career average pension scheme had been set up in 2015, there would be a review of the structure of the Scheme.

**D.2 The Consultation**

In June 2018, the Scottish Local Government Pension Scheme Advisory Board's Consultation on Structure was launched with four options for the future of the Scottish Local Government Pension Scheme. The purpose of the review is to determine whether the long-term interests of scheme members and employers can be served better by changing the current structure.

The consultation document identifies four options for consideration:

- Option 1 - Retain the current structure of 11 Scottish LGPS Funds
- Option 2 - Promote greater co-operation in administration and investing between the 11 Funds
- Option 3 - Pool investments between the 11 Funds
- Option 4 - Merge the 11 Funds into one or more new Funds.

Responses to the consultation are required by 7 December 2018. All responses will be evaluated by the Scheme Advisory Board and presented to Scottish Government Ministers in 2019. Ministers will then consider those responses and form their own view over what, if any, changes they wish to introduce.

### **D.3 Lothian Pension Fund – Interim Response to the Consultation**

At its meeting on 26 September, The Pensions Committee of Lothian Pension Fund (LPF), which is responsible for administering, investing and managing the council's pension fund, agreed its interim response that option 4, merger of funds into one or more new fund, was the preferred option.

LPF have cited long term sustainable benefits from merger to include:

- Clear governance to reinforce SLGPS duties to members and employers and minimise conflicts of interest
- Economies of scale on investments and otherwise, with reduced duplication and fewer advisers
- Consistency of service (e.g. funding, data, administration) particularly for the benefit of employers in multiple funds Less governance resource across the SLGPS as a whole
- Opportunity to resource adequately and better control operational risks.
- Potential to involve professional skills to enhance governance and decision making.

In supporting this option, LPF have acknowledged that merger is not a panacea and will involve significant change, particularly in relation to governance, which may not be palatable to some stakeholders and merger to a single fund could be difficult. Therefore, LPF have confirmed in their response that they would prefer to work with like-minded partners on a voluntary basis to develop a mutually beneficial merger solution. They have also stated in their response that supporting the option of merger is based on an assumption that the funding position of individual employers are protected.

A copy of the Consultation document is attached as Appendix 1. Lothian Pension Fund's interim response is attached as Appendix 2.

### **D.4 West Lothian Council Position**

LPF's response highlights a range of long term benefits from merger and cites that the position to support merger would be on a voluntary basis with likeminded partners, it is also based on an assumption that the funding position of employers are protected. It is recommended that Council Executive notes the proposed consultation response by LPF and agrees that officers provide further updates on future developments.

## **E. CONCLUSION**

The Heads of Agreement signed in 2013 between CoSLA and the Trade Unions contained a commitment to review the structure of the Scottish Local Government Pension Scheme. The consultation on structural review was launched in June 2018. LPF will be submitting a response to the consultation in support of option 4 – merger. The LPF response states that support for this option is based on an assumption that the funding position of individual employers are protected.

## **F. BACKGROUND REFERENCES**

Consultation on the Review of the Structure of the Scottish Local Government Pension Fund.

Appendices/Attachments: 2

Appendix 1: Consultation on the Review of the Structure of the Scottish Local Government Pension Fund.

Appendix 2: Lothian Pension Fund's Interim Response to Scottish Local Government Pension Scheme Advisory Board's Consultation on Structure.

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**Donald Forrest**

**Head of Finance and Property Services**

Date of meeting: 4 December 2018





## **Consultation on the**

*Review of the Structure of the Scottish Local Government Pension Fund*

## **Carried out by the Pensions Institute**

*on behalf of the Scottish Local Government Pension Scheme Advisory Board*

June 2018

## Contents

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Cabinet Secretary's foreword.....	3
Executive summary .....	4
Introduction.....	5
Background to the consultation.....	7
Summary arguments for and against the four options .....	8
— Retain the current structure with 11 funds.....	8
— Promote cooperation in investing and administration between the 11 funds .....	11
— Pool investments between the 11 funds.....	13
— Merge the 11 funds into one or more funds.....	15
— Preferred and additional options.....	17
Appendix 1: Reports of previous pension scheme reviews.....	18
Appendix 2: Overview of advantages and disadvantages for the four options .....	20

### About the Pensions Institute

Hosted by Cass Business School at the University of London, the Pensions Institute ([www.pensions-institute.org](http://www.pensions-institute.org)) is the first and only UK academic research centre focused entirely on pensions research. Our purpose is to serve as an essential forum for pensions data and research, with particular emphasis on the UK system.

### About the Scheme Advisory Board

Established under the Public Service Pensions Act 2013, the Scheme Advisory Board's role is to provide advice to the Scottish Government on the desirability of changes to the design of the Scottish Local Government Pension Scheme and the implication of other policy issues.

## **Cabinet Secretary's foreword**

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I am delighted to support the launch of the Scottish Local Government Pension Scheme Advisory Board's consultation on a structural review of the Local Government Pension Scheme (LGPS) pension funds in Scotland.

LGPS fund authorities invest in a wide variety of projects including local housing and infrastructure, however investment in Scotland's infrastructure is only a small part of the investment strategy of the Scottish fund authorities. The Scottish Government is ambitious for greater investment by local government funds in Scotland's infrastructure.

There are currently excellent examples of fund authorities collaborating on infrastructure projects in Scotland. We look to LGPS fund authorities to improve their already positive impact on the economy thereby contributing further to sustainable economic growth, creating more jobs and supporting the delivery of key capital infrastructure needs in Scotland, such as transport projects and housing.

A key part of the Scheme Advisory Board's role is to provide advice about the effective and efficient administration and management of the Scheme. So I asked the board to investigate the collaboration between fund authorities to invest in Scottish infrastructure, whilst maintaining overall investment performance to ensure that the interests of LGPS members' are protected.

The Scheme Advisory Board commissioned reports from pension consultants Mercers and Iain Clacher of the University of Leeds on possible future structures for the funds. The reports highlight that the new governance arrangements require a greater focus on cost transparency and performance. The academic evidence on costs and fees also seems to support the premise that there are cost savings available with economies of scale for both the administration and investment of pension funds.

I welcome the Scheme Advisory Board's consultation, which provides four clear options for the future structure of pension funds in Scotland. I encourage you to participate fully in this important debate which could have a wide-ranging impact on the people of Scotland.

Derek Mackay MSP

**Cabinet Secretary for Finance and the Constitution**

## Executive summary

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This consultation seeks to establish the views of employers and employee representative groups on whether outcomes for the members and sponsors of the Scottish Local Government Pension Scheme (SLGPS) can be improved by altering the structure of the scheme.

The consultation asks these stakeholders to compare the advantages and disadvantages of the current scheme structure against three options that, by differing degrees, consolidate the functions of the scheme's 11 constituent funds by collaboration, pooling and merger.

The main question is whether the sustainability of the scheme, and thus members interests, can be improved by reducing the investment management costs of the system with the trade-off of potentially diminishing local governance and oversight.

Investment management costs are the single biggest line item of expenditure in the system and small reductions in fees can lead to significantly improved net investment performance for funds over the long run. But how do these quantitative gains compare to the qualitative losses of local control?

This central question also gives rise to subsidiary questions. Consolidation has the potential to improve the ability of funds to invest. Larger scale in funds could improve governance, the range of investments available to funds and the management of operating risks – each with the potential to enhance performance.

But at the same time, the roles of people working locally in funds could be diminished, with their responsibilities concentrated in a smaller set of larger funds. Changes to the current structure would generate set up costs and require careful implementation to ensure accountability was maintained.

The purpose of the consultation is to get feedback on four possible options, ranging from maintaining the *status quo* to full consolidation into one or more larger funds. Responses gathered in this consultation will be evaluated and presented to Scottish Government Ministers in 2019 for a decision on a future course of action.

Although this consultation asks questions about a potential future structure for the SLGPS, these questions were also relevant when designing the current system. This consultation asks whether the trade-off – between scaling up to reduce investment costs or retaining governance locally – inherent in the current system of 11 funds is the best interest of members and sponsors or should be revisited.

## Introduction

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This consultation invites employers and employee representative groups to give their views on how the Scottish Local Government Pension Scheme (SLGPS) should best be structured to serve its members and sponsors.

SLGPS is Scotland's largest pension scheme with currently more than 406,000 members who are employees, former employees and pensioners. It has members in local government, education, the police, the voluntary sector, environment agencies and private contractors. The scheme is composed of 11 individual funds with assets totalling around £42bn and liabilities to members of £55bn.<sup>1</sup> Each fund serves a different group of employer organisations, the largest fund is Strathclyde with £19.7bn in assets and 210,000 members; Orkney Islands is the smallest, with assets of £335m and 3,663 members.<sup>2</sup>

Research by the Scheme Advisory Board, a statutory organisation set up to advise SLGPS and the Scottish Government, shows that the scheme faces a number of significant challenges and, as a result, the current structure of the scheme with its 11 funds should be reviewed.

A selection of these challenges include: the deficit; investment management costs and their transparency; investment performance; volatile investment markets; low interest rates; a maturing scheme membership; and the consequences of implementing investment preferences in respect of certain assets, such as fossil fuels and infrastructure.

Based on this research, the Scheme Advisory Board has identified four options that compare the advantages and disadvantages of retaining the current structure of the scheme without change or, by degrees, consolidating the scheme's 11 constituent funds:

1. Retain the current structure with 11 funds.
2. Promote cooperation in investing and administration between the 11 funds.
3. Pool investments between the 11 funds.
4. Merge the 11 funds into one or more new funds.

The purpose of this consultation – requested by the Scottish Government Cabinet Secretary for Finance and Constitution, Derek Mackay MSP – is to ask employers and employee representative groups for their views on each of these options.

Responses gathered in this consultation will be evaluated by the Scheme Advisory Board and presented to Scottish Government Ministers in 2019 to inform any future course of action. As well as this consultation, Ministers will also take into consideration a

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<sup>1</sup> The SLGPS also includes five additional funds including transport funds and the Scottish Homes Pension Fund which are managed by the 11 administering authorities.

<sup>2</sup> All figures dated 31 March 2017.



governance review of public sector pensions being undertaken by the Scottish Public Service Pensions Agency.

This consultation report contains detailed background on how the options were developed including web links to the original research reports; presents arguments for each option; and provides questions that LGPS employers and employee representative bodies should answer to present their views.

The consultation is being managed by Pensions Institute, an academic research organisation hosted by the University of London, on behalf of the Scheme Advisory Board.

## **How to participate**

This consultation is open to LGPS employers and employee representative groups only. To have their views heard, these organisations should respond to the questions in the form accompanying this report and return it via email to the Pensions Institute at [consultation@pensions-institute.org](mailto:consultation@pensions-institute.org) no later than Friday, 7 December 2018.

As it is not practical to engage with scheme members directly, respondents who are employee representative bodies are encouraged to canvass the views of their members in order to present their views to this consultation.

Employers who are also administering authorities are additionally invited to give their views from their perspective as authorities. The consultation will attempt to contact all employer members of the SLGPS but the 11 administering authorities should also encourage their admitted bodies to take part in the consultation.

This consultation is being conducted in electronic form only, so responses must be emailed; hard copy posted or delivered responses cannot be received. Any queries about the consultation should be addressed to Matthew Roy, Fellow, Pensions Institute at [matthew.roy@pensions-institute.org](mailto:matthew.roy@pensions-institute.org).

## Background to the consultation

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1. A review of the structure of the SLGPS was agreed with stakeholders and the Scottish Government Ministers when the changes to the scheme and the new Scheme Advisory Board were introduced in 2015. The Scheme Advisory Board (SAB) proposed carrying out this review beginning in 2016.
2. SAB's proposal was approved by the Scottish Government Cabinet Secretary for Finance and Constitution.
3. Several studies were used to inform this review and make up the background to this consultation. These are summarised in Appendix 1.
4. In February 2017, SAB produced its own review report. This report is informed by the findings of research in Appendix 1 as well as a working party set up by the board comprising employers, trades unions and fund advisers. It also includes two new pieces of research commissioned by SAB from Mercer in 2016 and Iain Clacher at Leeds University Business School in 2017 and these are included as annexes to SAB's review report.

*The report can be found at SAB's website [lgpsab.scot/consultation2018](http://lgpsab.scot/consultation2018).*

5. In summary, the report sets out four options for the future structure of the local government pension scheme in Scotland:
  - 1) Retain the current structure with 11 funds
  - 2) Promote cooperation in investing and administration between the 11 funds
  - 3) Pool investments between the 11 funds
  - 4) Merge the 11 funds into one or more new funds
6. The four options were presented to Scottish Government Ministers in May 2017. In January 2018, SAB received a letter from Derek Mackay MSP, Cabinet Secretary for Finance and the Constitution seeking a consultation with SLGPS employers and employee membership bodies on the four options.
7. The next section presents a summary of the arguments detailed in SAB's review report.

## **Summary arguments for and against the four options**

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8. The Scheme Advisory Board's 2017 report sets out four main options for the local government pension scheme and this consultation focuses on four criteria in relation to each option:
  - Cost of investing: This is the biggest outlay by each fund in SLGPS and research suggest even small reductions in investing costs and, in particular, investment manager fees could have a significant impact on fund performance.
  - Governance: Numerous studies show that improving governance produces significantly better outcomes over the long-term and that most pension funds in both the private and public sectors have room to improve in this area.
  - Operating risks: Are believed to vary significantly among public and private sector pension funds depending on the effectiveness of the governance processes of each fund and the quality of the executive resources available to individual funds.
  - Infrastructure investment: There is an increasing political desire that SLGPS funds be able to invest pension assets in infrastructure should they decide it to be in the interest of members and employers.
9. Below are summarised the advantages and disadvantages of each option in relation to these criteria and the questions asked in the consultation. The full arguments across a wider range of criteria can be found in SAB's review report. Detailed summaries of the arguments for each option are also presented in Appendix 2 of this report.

### **Option 1: Retain the current structure with 11 funds**

10. The first option for the SLGPS is to do nothing and to maintain the status quo by retaining the current structure with 11 funds.

#### **Cost of investing**

11. Evaluating the costs of investing in the 11 funds is currently hindered by the funds' different approaches to reporting and a lack of transparency in investment fees. But from an investment perspective, maintaining the current structure is likely to mean that inefficiencies will remain across the SLGPS as most of the funds will not achieve the benefits of scale that have been documented across a number of countries including the UK. These benefits include improved bargaining power and reduced duplication of efforts in administration, governance, spending on advisors and fund management.
12. The consequence of this is that the scheme will continue to cost more per member for some employers than others. Over the long-run, such cost inefficiencies could be considerable and hence require higher contribution rates putting further pressure on local government and employer budgets.

## **Governance**

13. The current structure of the SLGPS is complex and funds have responded by adopting a variety of different processes for managing investment mandates, investment fund performance and investment costs. As a whole, larger funds have greater resources and capacity to establish and manage these processes than smaller funds.
14. However, a potential advantage in maintaining the current structure would be to retain local oversight and strategy. This local connection may be more difficult to retain if centralised asset pools or merged funds were to be created, as are explored in the options below.

## **Operating risks**

15. There is significant variation in the resources funds have to manage governance processes under the current structure. Smaller funds tend to have less executive support than larger funds. Funds run by only a few individuals may face 'key-person' risk where the incapacity or absence of a single individual hampers the operation of the fund.

## **Infrastructure**

16. Funds have different capacities to invest in infrastructure under the current structure. Larger funds are better able to make investments in infrastructure projects, while small funds acting on their own may not have the resources or expertise to invest in these assets.

### **Question 1:**

*Please use the attached form when answering these questions and explain your responses.*

#### **a) Cost of investing:**

- How well informed do you feel about the investment costs in your fund? What information do you rely on to specify and measure these?
- How well does the current system manage investment costs?
- How would you improve the measurement and management of investment costs in the current system?

#### **b) Governance:**

- How well informed do you feel about the governance of your fund? What information do you rely on to measure this?
- How well is the current system governed?
- How would you improve governance of the current system?

- How important is it to maintain a local connection with respect to oversight and strategy?
  - How would you determine if the benefits of a local connection in governance outweigh the benefits of scale?
- c) Operating risks:
- How well informed do feel about the operating risks of your fund? What information do you rely on to specify and measure these?
  - How well are operating risks managed in the current system?
  - How would you improve the measurement and management of operating risks in the current system?
- d) Infrastructure:
- How well informed do you feel about your fund's investments in infrastructure? What information do you rely on?
  - How do you rate the current system's ability to invest in infrastructure?
  - How would you increase investment in infrastructure in the current system?
- e) Do you have any additional comments about this option?



## **Option 2: Promote cooperation in investing and administration between the 11 funds**

17. The second option for the SLGPS is to retain the current structure with 11 funds but promote cooperation in investing and administration between different funds. Cooperation encompasses co-investment, and shared services, where funds agree to share functions in order to achieve cost savings through economies of scale.

### **Cost of investing**

18. Cooperation between funds when hiring investing managers could lead to efficiency gains. One example of this is the investment collaboration between the Lothian and Falkirk funds. This agreement allowed Falkirk to leverage expertise and scale by jointly investing with the larger Lothian fund.
19. The Lothian-Falkirk example suggests that groups of funds could collaborate to lower costs by clubbing together when appointing managers to invest in particular asset classes. In this model, funds would invest in UK equities or other asset classes as one large block rather than as separate mandates across a number of funds.
20. But coordinating such joint procurement decisions in an informal environment may be challenging. Since any party is free to leave the arrangement, any cost savings may not be long lasting.

### **Governance**

21. Under the cooperation option, the current structure of governance would continue. Investment mandates would be directed by the Pension Committee of each fund and each fund would retain local oversight and strategy. As such, cooperation between the funds would be limited in scope by the rules for investing followed by each Pension Committee.
22. Each collaboration arrangement would then require a new subordinate governance process. In the example of Lothian and Falkirk, the Pension Committees of each fund must agree to coordinate when they delegate investment mandates.
23. Although cooperation would require some sharing of control, and more complex governance, it would still retain some local oversight and strategy.

### **Operating risks**

24. Promoting cooperation arrangements would not resolve issues that smaller funds may have with executive support. They would add new layers of complexity which must be managed. The need for funds to coordinate activities has the potential to reduce the effectiveness and responsiveness of the individual investment decisions of each fund, particularly if this slows down the investing process.

### **Infrastructure**

25. In the Lothian-Falkirk example, both funds have been able to jointly invest substantial in infrastructure projects. But it is unclear how well collaboration agreements would scale to include more joint fund investors. Several funds may wish to club together to invest in large scale projects as each fund individually is likely to have only a small

allocation available to infrastructure as an asset class. It is unclear if funds could bear the transaction costs and resources this 'clubbing together' process would require or if it could be concluded swiftly enough.

Question 2:

*Please use the attached form when answering these questions and explain your responses.*

a) Cost of investing:

- What impact do you think promoting agreements between funds would have on investment costs?
- What would be the positive impacts?
- What would be the negative impacts?

b) Governance:

- What impact do you think promoting agreements between funds would have on governance?
- What would be the positive impacts?
- What would be the negative impacts?

c) Operating risks:

- What impact do you think promoting agreements between funds would have on operating risks?
- What would be the positive impacts?
- What would be the negative impacts?

d) Infrastructure:

- What impact do you think promoting agreements between funds would have on funds' ability to invest in infrastructure?
- What would be the positive impacts?
- What would be the negative impacts?

e) Do you have any additional comments about this option?

### **Option 3: Pool investments between the 11 funds**

26. The third option covers asset pooling where the assets of distinct pension schemes are consolidated into one or more asset pools to be managed centrally on behalf of the different schemes. Schemes retain their governance, administration and back office functions and continue to appoint and manage many of their advisers. This process would be analogous to the pooling of LGPS assets that is ongoing in England and Wales.
27. Asset pooling would be a significant shift to the way in which the SLGPS manages its investments. From an investment perspective, if there were to be a single aggregated pool, it would have circa £42bn of assets under management more than double the size of the largest fund currently, Strathclyde at £19.7bn in assets.
28. Although funds would be pooled, assets and liabilities would still be allocated by the employer in the same way as the current arrangements. This ensures that employers would still be liable for the pension obligations that they have accrued, for any deficit that they are liable for currently, and for any new benefits that are promised.

#### **Cost of investing**

29. Asset pooling has the potential to generate significant cost savings from scale over the long-term. For instance, the larger scale of asset pools could enable the majority of the investment activities of funds participating in each pool to be brought in house, which is likely to create significant cost efficiencies over time as well as allowing for a more sophisticated and dynamic investment strategy.
30. A significant challenge in successfully pooling assets is achieving scale to cover set-up costs, ongoing operating expenses and governance costs. In the short-term, pooling would generate large initial transitional and set up costs, potentially including the requirement to seek FCA authorisation for the new asset pools.

#### **Governance**

31. From a governance perspective, under asset pooling each fund's Pensions Committee would likely retain responsibility for determining the asset allocation for their investments, making funding decisions and ensuring funds were managed in accordance with applicable laws and regulations. However, the day-to-day management of the investments would be delegated to the pool.
32. Each fund would also retain its Pension Board as stipulated in The Public Service Pensions Act 2013, with its existing employer and employee representation, as well as its role to provide advice on the administration and management of the pool.

#### **Operating risks**

33. Pooling assets would significantly boost the executive resources available to manage governance process related to day-to-day investing. But investment management risks would become concentrated in the new asset pools. It would be critical to establish clear lines of responsibility to ensure there is accountability for decisions made when managing the pool and to retain local oversight and strategy.

## Infrastructure

34. By grouping investments together under single mandates, pooling is expected to significantly boost the capability of the SLGPS to invest in infrastructure. Combined in pools, the buying power of each individual fund's allocation to infrastructure could be exercised collectively, in a coordinated way.

### Question 3

*Please use the attached form when answering these questions and explain your responses.*

a) Cost of investing:

- What impact do you think pooling investments between funds would have on the cost of investing?
- What would be the positive impacts?
- What would be the negative impacts?
- If asset pooling were possible, under what circumstances should a fund consider joining an asset pool?
- Under which circumstances should the SLGPS consider directing funds to pool?

b) Governance:

- What impact do you think pooling investments between funds would have on governance?
- What would be the positive impacts?
- What would be the negative impacts?

c) Operating risks:

- What impact do you think pooling investments between funds would have on operating risks?
- What would be the positive impacts?
- What would be the negative impacts?

d) Infrastructure:

- What impact do you think pooling investments between funds would have on funds' ability to invest in infrastructure?
- What would be the positive impacts?
- What would be the negative impacts?

e) Do you have any additional comments about this option?

## **Option 4: Merge the funds into one or more new funds**

- 35. The fourth scenario is for funds in the SLGPS to merge, with assets, liabilities and administrative functions being managed by one or more larger funds.
- 36. Merging pension funds poses a number of challenges. Although funds merge, their assets and liabilities still have to be allocated by the employer, as employers would remain liable for the pension obligations that they have accrued, for any deficit that they are liable for currently, and for any new benefits that are promised.

### **Cost of investing**

- 37. Fund mergers have the potential to generate significant cost savings from scale over the long-term in the same way that asset pooling does. For instance, the larger scale of funds could enable the majority of the investment activities of merged funds to be brought in-house, which could create significant cost efficiencies over time as well as allowing for a more sophisticated and dynamic investment strategy.
- 38. Fund mergers may provide additional improvements to the cost of investing over and above pooling. As well as day-to-day investment management, other back office functions would also be combined to lower costs. Larger scale asset pools may also make available additional investment risk management strategies, such as interest rate hedging.
- 39. In the short-term, merging would generate large initial transitional and set-up costs.

### **Governance**

- 40. The full merger of SLGPS funds would likely have the most far-reaching consequences for governance. Governance would likely no longer be a local government function and could be the responsibility of one or more central government bodies. Although there would be local government representation on the Pensions Boards of the merged funds, the treasury function of the local authority is no longer likely to have direct involvement in any pension fund matters.
- 41. The dual board-committee structure could persist or be replaced by different arrangements such as a lead authority or a joint board.

### **Risk management**

- 42. Mergers, like the asset pooling option, would significantly boost the executive resources available to manage governance process related to day-to-day investing, but additionally bring more executive support to bear in merged back office and administrative support functions.
- 43. As in asset pooling, it would be critical to establish clear lines of responsibility to ensure there is accountability for decisions made when managing merged funds.

### **Infrastructure**

- 44. By grouping investments together under single mandates, mergers, like pooling are expected to significantly boost the capability of the SLGPS to invest in infrastructure.



Combined in merged funds, the buying power of each individual fund's allocation to infrastructure could be exercised collectively, in a coordinated way.

#### **Question 4**

*Please use the attached form when answering these questions and explain your responses.*

a) Cost of investing:

- What impact do you think mergers between funds would have on the cost of investing?
- What would be the positive impacts?
- What would be the negative impacts?
- If merging were possible, under what circumstances should a fund consider a merger?
- Under what circumstances should the SLGPS consider directing funds to merge?

b) Governance:

- What impact do you think mergers between funds would have on governance?
- What would be the positive impacts?
- What would be the negative impacts?

c) Operating risks:

- What impact do you think mergers between funds would have on operating risks?
- What would be the positive impacts?
- What would be the negative impacts?

d) Infrastructure:

- What impact do you think mergers between funds would have on funds' ability to invest in infrastructure?
- What would be the positive impacts?
- What would be the negative impacts?

e) Do you have any additional comments about this option?

### **Question 5**

*Please use the attached form when answering these questions and explain your responses.*

- a) Which option does your organisation prefer? Please explain your preference.
- b) What other options should be considered for the future structure of the LGPS?
- c) What would be the advantages and disadvantages of these other option for funds' investment costs, governance, operating risks and ability to invest in infrastructure?
- d) Are there any other comments you would like to make?

## **Appendix 1: Reports of previous pension scheme reviews**

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### **Deloitte report**

*A copy of the Deloitte report can be found SAB's website [lgpsab.scot/consultation2018](http://lgpsab.scot/consultation2018).*

In 2011, Deloitte presented research on the merits of combining the investment and administration functions of the SLGPS. This research was conducted as part of a Pathfinder Project to identify potential cost savings and operational efficiencies in SLGPS by adopting shared services. Participants in the research included the Improvement Service, Scottish Government, Convention of Scottish Local Authorities (COSLA), the 11 funds and the Scottish Public Pensions Agency.

The 2011 report considered a number of models including retaining the current structure and merging into one, two or three larger host funds. While Deloitte identified a number of key risks in the current structure, they concluded that the savings in investment management fees would not be significant enough to justify, in cost terms alone, merging funds. They reached a similar conclusion in relation to an improvement in investment performance. They did recommend less active investment management and pointed to the benefits, particularly for small and medium sized schemes, of shared technical advice.

In relation to administrative costs, the report found that costs per member in Scotland compared favourably with funds in England and Wales. However, based on the experience of shared services between Cumbria and Lancashire, Deloitte recommended further consideration of a single operating model and a common administration system – rather than formal administrative mergers.

### **APG report**

*A copy of the APG review can be found at SAB's website [lgpsab.scot/consultation2018](http://lgpsab.scot/consultation2018).*

In light of increasing awareness about investment fees and performance, UNISON commissioned the Dutch pension group, APG, to undertake a similar review of LGPS pension funds across the UK, including Scotland. APG evaluated data on 101 funds over 2001–09 and modelled the impact of fund mergers.

APG concluded that investment expenses and administration costs decline when the size of fund increases and that larger funds consistently achieved higher investment returns. They also drew upon international studies that show substantial positive economies of scale in asset management.

APG's simulation for one fund in Scotland indicated average annual savings in investment management costs of £7m. They also concluded that improved investment performance could have led to £772m of additional assets for Scottish funds.

## **Audit Scotland report**

*A copy of the Audit Scotland report can be found at SAB's website:*

[lgpsab.scot/consultation2018](https://lgpsab.scot/consultation2018)

*or the Audit Scotland website:*

[www.audit-scotland.gov.uk/report/the-cost-of-public-sector-pensions-in-scotland](https://www.audit-scotland.gov.uk/report/the-cost-of-public-sector-pensions-in-scotland)

In 2011, Audit Scotland reported on the cost of public sector pensions in Scotland. The focus of this review was on the costs of benefits and associated contributions. Audit Scotland summarised the advantages and disadvantages, which essentially come down to economies of scale and expertise as against transition costs and the impact on local governance.

## **Cost transparency code and FCA market study**

*Information about the cost transparency code for the local government pension scheme in England and Wales can be found on the scheme's website:*

[lgpsboard.org/index.php/structure-reform/cost-transparency](https://lgpsboard.org/index.php/structure-reform/cost-transparency)

*Information about the FCA's market study into asset management can be found at the authority's website:*

[www.fca.org.uk/publications/market-studies/asset-management-market-study%20](https://www.fca.org.uk/publications/market-studies/asset-management-market-study%20)

In 2015, the Financial Conduct Authority (FCA) launched an asset management market study to understand how asset managers compete to deliver value to both retail and institutional investors. The FCA found weak price competition with evidence of sustained, high profits over a number of years.

The local government pension scheme in England and Wales launched a Code of Transparency to improve investment fee transparency and consistency. The voluntary code sets standards for reporting on fees paid to asset managers and was adopted by SLGPS in 2016.

## Appendix 2: Overview of advantages and disadvantages for the four options

Criteria	OPTION 1 Retain the current structure with 11 funds	OPTION 2: Promote cooperation in investing & administration between the 11 funds	OPTION 3: Pool investments between the 11 funds	OPTION 4: Merge the funds into one or more new funds
GOVERNANCE	<p><b>PROS</b></p> <p>Maintains local decision making and connection with respect to oversight and strategy.</p>	<p><b>PROS</b></p> <p>→</p>	<p><b>PROS</b></p> <p>There is not, at least at a high level, an issue of localism vs centralisation that emerges from merging/pooling; it is simply a question of investing in the most cost effective way to secure member benefits.</p> <p>Professionalise decision making and governance.</p> <p>Some representation of local authorities on a Pensions Committee, which would set broad asset allocation, risk budgets, and risk-adjusted performance criteria for the investment of the assets.</p> <p>Funds may be more focused on the performance and accountability of an investment pool and it is likely that they would exert a high degree of scrutiny on the performance of the pooled assets.</p> <p>Additional gains from better risk-management functions under the ethos that good governance should drive outcomes and not just wrap round a predetermined solution or structure.</p> <p>More arms-length from administering and reduced conflicts of interest.</p>	<p><b>PROS</b></p> <p>→</p> <p>→</p> <p>Reduces number of Pension Boards.</p> <p>A fund as large as a pooled Scottish LGPS would be able to attract and recruit the best people.</p> <p>→</p> <p>→</p>

Criteria	<b>OPTION 1 Retain the current structure with 11 funds</b>	<b>OPTION 2: Promote cooperation in investing &amp; administration between the 11 funds</b>	<b>OPTION 3: Pool investments between the 11 funds</b>	<b>OPTION 4: Merge the funds into one or more new funds</b>
	<p><b>CONS</b></p> <p>Potential conflicts between Fund and Administering Authority e.g. in multi-employer fund, setting contribution rates.</p> <p>Duplication across funds in terms of administrative, governance, advisory, and fund management costs, and lack of scale in most of the Scottish LGPS funds.</p> <p>Large number of stakeholders and decision makers including committees and pension boards.</p> <p>Specialist staff recruitment (especially for investment) can be difficult due to terms and conditions of councils and/or for more rural funds.</p> <p>Lack of internal resource and staff in smaller funds have other duties to perform that can be impacted by broader council developments.</p>	<p><b>CONS</b></p> <p>→</p> <p>→</p> <p>→</p> <p>→</p>	<p><b>CONS</b></p> <p>Increase in consolidation of governance thus reducing local governance.</p> <p>A significant shift towards a more central structure such as asset pooling could remove existing functions such as trustees etc.</p> <p>Such change will take time and cost money, both of these factors have to be accepted and the costs and benefits of the envisaged structure would have to be clear and accepted by a wide range of stakeholders. Moreover, the gains to any long-term strategic shift in the operation of the Scottish LGPS are likely to emerge over a number of years rather than immediately or in the short-term.</p>	<p><b>CONS</b></p> <p>Governance would no longer be a local government function and would be the responsibility of a quango.</p> <p>Potential disconnect between the employer and the scheme leading to lower local engagement.</p> <p>→</p> <p>→</p>



Criteria	<b>OPTION 1 Retain the current structure with 11 funds</b>	<b>OPTION 2: Promote cooperation in investing &amp; administration between the 11 funds</b>	<b>OPTION 3: Pool investments between the 11 funds</b>	<b>OPTION 4: Merge the funds into one or more new funds</b>
<b>INVESTMENT</b>	<p><b>PROS</b> Bespoke investment strategy and implementation for each fund.</p> <p>Potential to collectively negotiate with existing managers to reduce fees.</p>	<p><b>PROS</b> Joint procurement of investment managers or other services could lead to some efficiency gains.</p> <p>Potential to leverage some of the internal expertise and scale within the larger funds.</p> <p>Some cost efficiencies could be gained if broad mandates e.g. UK passive equities were to be invested as one large block rather than as separate mandates across a number of funds</p>	<p><b>PROS</b> Significant cost savings resulting from scale.</p> <p>Ability to move towards greater internal management.</p> <p>Professionalisation of investment – FCA authorisation likely to be required.</p> <p>Resolves MIFID II issues.</p> <p>Enable the in-housing of the majority of the investment activities of the fund, which is likely to create significant cost efficiencies as well as allowing for a more dynamic investment strategy. -Increased employment as a result.</p> <p>Ability to invest in new asset classes/opportunities.</p> <p>A more transparent and uniform governance model with potential to improve returns.</p> <p>Collective proactive stewardship opportunities to capture the ‘engagement premium’ which could add up to 2 to 4% in the first year to returns.</p> <p>Smaller funds gain access to new investment opportunities.</p>	<p><b>PROS</b> Likely that significant cost savings could be generated if there was to be a significant scaling up of pension fund assets as this increases the bargaining power of the SLGPS.</p> <p>Increased sustainability of SLGPS</p>

Criteria	OPTION 1 Retain the current structure with 11 funds	OPTION 2: Promote cooperation in investing & administration between the 11 funds	OPTION 3: Pool investments between the 11 funds	OPTION 4: Merge the funds into one or more new funds
	<p><b>CONS</b></p> <p>Inefficiencies will persist and not allowing benefits of scale thus risking future sustainability.</p> <p>Investment mandates, performance targets, and an understanding of costs and fees are unlikely to be optimal.</p> <p>While likely that improved disclosure via better data collection (now underway) will help improve this situation in the coming years, it does not necessarily shift the dynamic between funds and fund managers, as there is only a small increase in bargaining power.</p> <p>Pension funds, in all likelihood, would remain price takers.</p> <p>Limited options for bespoke employer investment strategies.</p> <p>Smaller funds lack influence unable to take an active role as a shareholder.</p> <p>Smaller schemes face key-person risks. MIFID II, and FCA classification of local authorities, could have major impact on investment options available.</p>	<p><b>CONS</b></p> <p>Relies on Pension Committees and officers being more coordinated / or compromising. Potentially a slow process.</p> <p>Sustainability risk e.g. if one fund decides to terminate agreement.</p> <p>Potential issues relating to unauthorised investment advice due to lack of FCA authorisation.</p> <p>Opportunity of gains limited by virtue of extant governance structures.</p> <p>Does not resolve MIFID II issues.</p> <p>Potential for smaller funds gaining access to new opportunities.</p>	<p><b>CONS</b></p> <p>Complexity and costs of establishing FCA authorised pool.</p> <p>Could be time consuming to establish. →</p> <p>Lose local connection with funds. →</p> <p>E&amp;W models untested as yet so there is no track record to assess benefits. →</p>	<p><b>CONS</b></p>

Criteria	<b>OPTION 1 Retain the current structure with 11 funds</b>	<b>OPTION 2: Promote cooperation in investing &amp; administration between the 11 funds</b>	<b>OPTION 3: Pool investments between the 11 funds</b>	<b>OPTION 4: Merge the funds into one or more new funds</b>
<b>FUNDING</b>	<p><b>PROS</b></p>	<p><b>PROS</b></p> <p>Greater consistencies of funding approach, depending on service to be shared.</p> <p>Potential for consistent approach to employer covenant and offering different funding options including offering different investment strategies.</p>	<p><b>PROS</b></p> <p>Funds retain funding decisions.</p> <p>May provide wider range of options for different investment/funding strategies.</p>	<p><b>PROS</b></p> <p>Employer liabilities remain identifiable thus avoiding concerns with regard to cross-subsidy or netting of gain/losses at the time of merging funds.</p> <p>May provide wider range of options for different investment/funding strategies.</p> <p>Consistent funding approach within each new fund. (See funding challenges section in Annex 5). This could include the approach to employer covenants and the potential to offer different investment/funding options.</p> <p>Resolves the funding inconsistencies and the issue of risk of cessation faced by employers who are admitted to more than one fund.</p> <p>May be an opportunity to separate the liabilities of certain employers from others and put in place different funding arrangements, potentially reducing the exposure of the other employers in the funds. For example, certain groups of employers could be grouped for funding purposes and bespoke admission agreements/guarantees put in place e.g. third sector/charities or colleges.</p> <p>Improves long term sustainability of the SSLGPS.</p>

Criteria	<b>OPTION 1 Retain the current structure with 11 funds</b>	<b>OPTION 2: Promote cooperation in investing &amp; administration between the 11 funds</b>	<b>OPTION 3: Pool investments between the 11 funds</b>	<b>OPTION 4: Merge the funds into one or more new funds</b>
<b>FUNDING</b>	<p><b>CONS</b> Difficult to see the funding position of the Scottish LGPS as a whole.</p> <p>Employers who are admitted to more than one fund have inconsistent funding approaches and risk of triggering cessations.</p> <p>Duplication/inconsistent approach to employer covenant.</p> <p>Limited options for bespoke employer funding strategies.</p>	<p><b>CONS</b> Limited opportunity for improvement and the cons associated with the status quo option would remain.</p>	<p><b>CONS</b> Funds retain funding decisions and inconsistencies persist.</p>	<p><b>CONS</b> Potential lack of customisation of assumptions for different employers.</p>
<b>PENSION ADMINISTRATION</b>	<p><b>PROS</b> More local/ bespoke service.</p>	<p><b>PROS</b> (As per merging funds, depending on the collaboration).</p>	<p><b>PROS</b></p>	<p><b>PROS</b> Improved economies of scale. Consistent service for all members and employers. Removes duplication. IT system rationalisation and standardisation.</p>

Criteria	<b>OPTION 1</b> <b>Retain the current structure with 11 funds</b>	<b>OPTION 2:</b> <b>Promote cooperation in investing &amp; administration between the 11 funds</b>	<b>OPTION 3:</b> <b>Pool investments between the 11 funds</b>	<b>OPTION 4:</b> <b>Merge the funds into one or more new funds</b>
	<b>CONS</b> Costs in some schemes will remain higher than they need to be.  Inefficiencies in data submission for employers admitted to more than one fund.  Inconsistent service for members, particularly evident where employers are admitted to more than one fund.  Duplication of effort.  Key-person risks.	<b>CONS</b> (As per merging funds, depending on the collaboration).	<b>CONS</b> As per status quo.	<b>CONS</b> Potential loss of local service / local jobs.
<b>INFRASTRUCTURE</b>  (note that Investment comments above generally apply)	<b>PROS</b> Local funds retain decision making on the type of infrastructure investment.	<b>PROS</b> Potential to leverage expertise within existing funds.	<b>PROS</b> Scale facilitates direct and co-investments in large infrastructure projects and at lower cost.	<b>PROS</b>
	<b>CONS</b> Smaller funds don't have expertise to implement.  Safeguards need to be put in place to prevent governmental or local issues driving investment to projects where there is no financial return to the pension fund.	<b>CONS</b> Safeguards need to be put in place to prevent governmental or local issues driving investment to projects where there is no financial return to the pension fund.	<b>CONS</b>	

## **Overview of Lothian Pension Fund's (LPF's) Interim Response to the Scottish LGPS Scheme Advisory Board's Consultation on Structure**

### **Introduction**

The Scottish Local Government Pension Scheme (SLGPS) is a single national scheme providing retirement benefits that are enshrined in statute. As a result, the structure should not affect member benefits directly. Changes to the structure could, however, affect employers directly – their contributions are impacted by investment returns and funding, which depend on costs and efficiency. Whilst the current overall funding positions of the SLGPS funds are certainly healthy, there should be no room for complacency and opportunity to address inherent structural inefficiency should be grasped. The long-term sustainability of the Scheme should be the primary driver for any change.

LPF believes that governance is critical to any potential structure and should be the primary consideration.

- Governance needs to revolve around fiduciary duty of the SLGPS to its members and employers. This applies to investments, including those in infrastructure, which need to be made in the best interests of employers and members. LPF has a significant allocation of 12% in infrastructure.
- Accountability is critical in the structure, including to representatives of local taxpayers (who ultimately guarantee the SLGPS benefits) and members of the Fund, to ensure the Scheme is managed in their interests
- The governance needs to ensure that it has personnel able to dedicate sufficient resources, and with the requisite levels of expertise/experience, to effectively administer the fund
- There are many vested interests including those involved in its governance, officers, advisers, investment managers and other providers, many of whom could be adversely affected if the SLGPS structure changed.

LPF is cognisant that its governance arrangements are quite different to (most) other SLGPS funds. Therefore, in its response to the consultation LPF has considered what is in LPF's interests as well as the SLGPS as a whole.

### **Option 1 – Status Quo**

LPF has developed its governance to reflect best practice within the constraints of the current regulatory structure, including:

- Representation of employers and members on the Pensions Committee
- Employment of an Independent Professional Observer to provide support to Committee and Board
- Delegation of investment strategy implementation to the Head of Finance taking advice from a professional Investment Strategy Panel of internal and external independent advisers
- Delegated "Section 95" finance officer responsibility to reinforce the statutory ringfencing of LPF from the Council
- Internal investment team, with appropriate risk controls and oversight, which brings greater alignment of interest and reduced costs. This has enabled significant investment in infrastructure.
- Separate employment of LPF resource to bring enhanced controls and, critically, the ability to recruit and retain resource.



However,

- Information on the performance of the overall SLGPS is lacking. Comparable data from individual funds is also deficient, particularly in relation to investment costs. This lack of clarity has hindered previous reviews of the SLGPS structure and remains a very relevant factor today. LPF has been a proponent of investment cost transparency for a number of years. Whilst each fund is subject to scrutiny through its own governance and audit, the lack of consistency of information makes it difficult for stakeholders to judge the effectiveness of the Scheme as a whole.
- LPF believes that the current structure is inefficient. It is widely acknowledged that investment is a scale business and, in general terms, larger funds can achieve lower fees. Increased size also brings greater investment opportunities. The combined SLGPS is smaller than some of the largest UK pension funds, including Universities Superannuation Scheme and BT Pension Scheme. With the potential exception of Strathclyde Pension Fund (£21 billion), all other SLGPS funds, including LPF, would benefit from greater scale.
- Governance of the SLGPS is also inefficient. In the region of 150-180 people are involved in the Pensions Committee and Pension Boards, many with limited knowledge and experience of pension matters
- Employer contributions required to meet the costs of the Scheme have risen significantly in recent years
- Councils acting as Administering Authority bring governance issues including limited involvement of stakeholders and conflicts of interest for both officer and elected members
- There are significant key person risks and funds generally lack internal resource. As a result, funds are heavily and unduly reliant on external suppliers
- There is significant duplication of effort across the Scheme. Employers who participate in more than one fund experience inconsistencies in funding, data, administration etc., leading to inefficiencies.

## **Option 2 - Greater Collaboration**

In recent years, LPF has made significant inroads in its collaboration via its FCA authorised company through which it advises other funds and hence allow funds to work together, address key person risks and develop trust within the current structure. These developments in collaboration, with like-minded investors, are welcome. Partner funds are benefiting from LPF's internal resource and LPF is sharing its costs. However, there has not yet been any significant impact on any of LPF's investments. The arrangements are expected to evolve and for LPF to benefit from greater overlap in investments. The success of the arrangements will need to be assessed in due course.

The governance of LPF's collaborative arrangements is not straightforward. While other funds rely on advice from LPF, they need to continue to be resourced appropriately to make decisions for their respective funds. Further, there are practical constraints to the expansion of this type of collaboration.

LGPS (UK) National Frameworks (lead by the Norfolk Pension Fund) are in place and have proved beneficial to date. However, there is evidence that the pooling of investments in England and Wales will impact on the services available through this route.

LPF would have concerns over the governance of greater collaboration. Those involved would need to be suitably aligned, resourced and avoid conflicts.

Overall, LPF has concerns that relying solely on greater collaboration could be sub-optimal, could potentially adversely impact on LPF and avoid more integrated change which is necessary to achieve optimal efficiencies.

### **Option 3 - Pooling**

Whilst pooling might be expected to reduce investment costs, governance is not straightforward e.g. clarity of decision making between funds and pool. Further, an extra layer of governance (and hence cost) is likely to be introduced into the Scheme. Therefore, pooling is not LPF's preferred option.

### **Option 4 - Merger**

On the assumptions that merger of funds would be accompanied by:

- An effective, resourced governance structure with engaged employers and members, with wider involvement of stakeholders (including representatives from councils and other employers which are not currently administering authorities). This would be distinct from the current administering authority model.
- Best practices for all funds, including scale facilitation of in-house investment and full fee transparency;
- Delegation of implementation of investment strategy in a manner similar to that used by LPF to capture the 'governance premium'
- The funding positions of individual employers are protected (i.e. there are no cross subsidies)
- Service delivery to members and employers retains a 'local' connection,

...merger is LPF's preferred option.

Long-term sustainable benefits, more than outweighing limited initial outlays, should include:

- Clear governance to reinforce SLGPS duties to members and employers and minimise conflicts of interest
- Economies of scale on investments and otherwise, with reduced duplication and fewer advisers
- Consistency of service (e.g. funding, data, administration) particularly for the benefit of employers in multiple funds
- Less governance resource across the SLGPS as a whole
- Opportunity to resource adequately and better control operational risks.
- Potential to involve professional skills to enhance governance and decision making.

LPF acknowledges that merger is not a panacea and it will involve significant change, particularly in relation to governance, which may not be palatable to some stakeholders and merger to a single fund could be difficult. Therefore, LPF's preferred option would be to work with like-minded partners on a voluntary basis to develop a mutually beneficial merger solution.

### **Other issues**

The SLGPS Scheme Advisory Board's remit includes to *'provide advice to the Scheme managers or the Scheme's pension boards in relation to the effective and efficient administration and management of the scheme'*. LPF believes the Scheme Advisory Board should have the appropriate expertise and resource to scrutinise the performance across the SLGPS, including service and costs, including full transparency of investment costs.

**September 2018**





**COUNCIL EXECUTIVE**

**SALE OF 14 LIMEFIELD ROAD, POLBETH**

**REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES**

**A. PURPOSE OF REPORT**

To seek Council Executive approval for the sale of 14 Limefield Road, Polbeth to Mr Mohammed Hanif.

**B. RECOMMENDATION**

It is recommended that Council Executive:

1. Approves the sale of 14 Limefield Road, Polbeth to Mohammed Hanif for the sum of £40,000.
2. Authorised the Head of Finance and Property Services to carry out further negotiations with the purchaser in respect to the property, on the basis that any revised terms and conditions still represent best value for the council.

**C. SUMMARY OF IMPLICATIONS**

<b>I</b>	<b>Council Values</b>	Being honest, open and accountable; making best use of our resources; working in partnership
<b>II</b>	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	Disposal of property governed by S74 (2) of the Local Government (Scotland) Act 1973.
<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None.
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	None.
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	We make the most efficient and effective use of resources by minimising our effect on the built and natural environment.
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	A financial receipt would be received in 2018/2019 of £40,000 which will be reinvested in the commercial portfolio, in accordance with the approved policy.

<b>VII</b>	<b>Consideration at PDSP</b>	Not Applicable
<b>VIII</b>	<b>Other consultations</b>	A copy of this report has been provided to the local elected members for information.

#### **D. TERMS OF REPORT**

The property concerned is situated at 14 Limefield Road, Polbeth in the middle of a small neighbourhood terrace retail parade, where the other properties (12, 13 and 15) are in private ownership of Mr Mohammed Hanif. The location of the property is shown hatched black on the attached plan.

The property forms part of the council's Tenanted Non-Residential/Commercial Portfolio and is under lease to Mr Munir Khan until May 2024 at a rent passing of £4,000 per annum. Mr Khan also leases numbers 13 and 15 from Mr Hanif.

The council does not normally consider sales of tenanted properties. However, the situation with 14 Limefield Road is unique. Retrospective permission was given under the lease for internal works to formalise the integration of the shop with numbers 13 and 15 Limefield Road to form a larger single premise. This has left the council with potentially large dilapidations at lease end in order to separate the shops.

Mr Hanif has approached the council regarding the possibility of purchasing number 14 to consolidate his ownership. Due to the unique lease circumstances, officers are of the opinion this property should be sold to Mr Hanif. Mr Hanif will continue to let the properties to Mr Khan who is content lease provisions will allow for him to continue in occupancy.

Following negotiations with Mr Hanif's agent a basis of agreement which reflects the marriage value (the enhanced value consequent to merging the two separate legal interests) and lease position of the properties has been established and therefore approval is sought to progress with the transaction on the following terms:

1. Purchaser: Mr Mohammed Hanif
2. Purchase Price: £40,000 (exclusive of VAT if applicable)
3. Date of transfer / entry: Upon conclusion of legal agreement.
4. Each party is to meet their own legal costs.
5. Mr Hanif accepts full responsibility and liability for the property in its present condition.
6. The transaction is not subject to any suspensive clauses such as obtaining planning permission or funding.

The proposed disposal will eliminate any future costs falling to the council to separate the properties and enable future investment in the properties by Mr Hanif. In terms of business development the proposed disposal will enable the continued occupation of the properties thereby providing local convenience retail to the community of Polbeth.

The receipt from the sale of this property would be reinvested into the commercial property portfolio in accordance with the policy set out in "A Strategy for the Councils Non-Operational Property Portfolio" agreed by Council Executive on 22 March 2011.

**E. CONCLUSION**

It is considered in the council's best interest to sell 14 Limefield Road, Polbeth to Mohammed Hanif on the basis outlined in this report.

**F. BACKGROUND REFERENCES**

Council Executive – A Strategy for Councils Non-Operational Property Portfolio approved 22 March 2011

Council Executive – Strategy for the Councils Commercial Portfolio approved 28 November 2017

Appendices/Attachments: Location Plan

Contact Person:

Hannah Sturgess, Commercial Property Surveyor, Property Management and Development

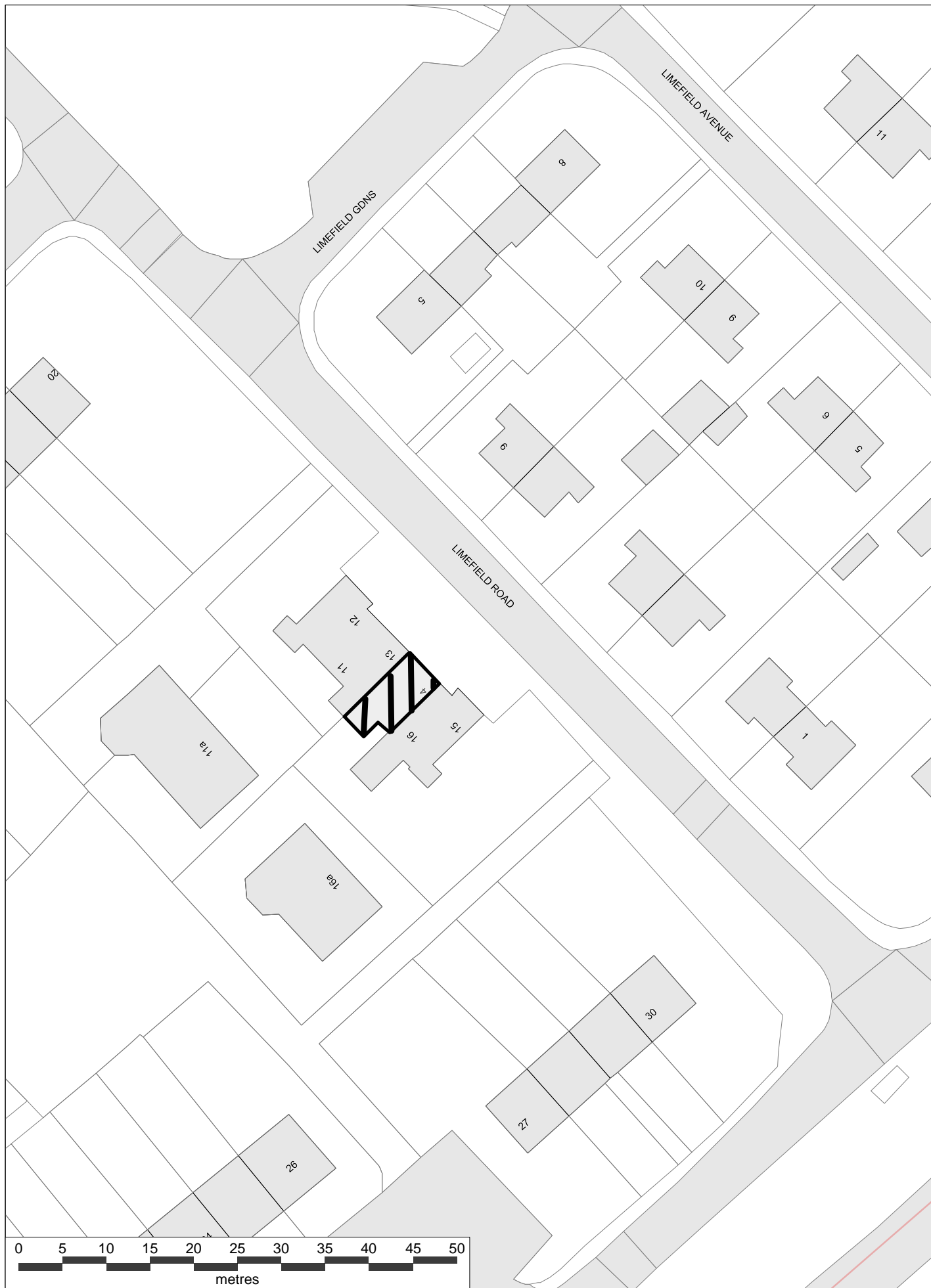
Email: [Hannah.Sturgess@westlothian.gov.uk](mailto:Hannah.Sturgess@westlothian.gov.uk) Tel: 01506 283405

**Donald Forrest, Head of Finance and Property Services**

Date of meeting: 4 December 2018











## **COUNCIL EXECUTIVE**

### **PROPOSED REDETERMINATION, CLIFTON ROAD, EAST CALDER**

#### **REPORT BY HEAD OF OPERATIONAL SERVICES**

##### **A. PURPOSE OF REPORT**

The purpose of this report is to initiate the statutory procedures to re-determine two sections of the carriageway at Clifton Road, East Calder from carriageway to footpath. The procedure to be followed will allow development to take place in accordance with approved planning permission.

##### **B. RECOMMENDATION**

It is recommended that Council Executive approve the initiation of the statutory traffic order procedures to remove vehicular access on two sections of Clifton Road, East Calder.

##### **C. SUMMARY OF IMPLICATIONS**

<b>I</b>	<b>Council Values</b>	Focusing on our customers' needs: and Being honest, open and accountable
<b>II</b>	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	Policy – none  Legal – Promotion of the redetermination order under the Roads (Scotland) Act 1984.
<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None.
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	None.
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	The introduction of the redetermination order and stopping-up order will support Outcome no. 4 – We live in resilient, cohesive and safe communities.
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	Promotion of the redetermination order and stopping-up order and associated works will be developer funded.
<b>VII</b>	<b>Consideration at PDSP</b>	None.
<b>VIII</b>	<b>Other consultations</b>	Police Scotland and the local ward members have been consulted.

There is a statutory consultation required as part of the procedures to re-determine or stop-up the carriageway.

#### **D. TERMS OF REPORT**

Following the approval of the Calderwood core development area housebuilding continues apace. As part of the development there is a strategic need to re-determine Clifton Road, by removing vehicles from part of the adopted road.

The proposals, included within the Calderwood Planning Permission in Principle, were approved in May 2013. Further consideration has been given to the implementation of the changes needed to the existing road network. This includes options to phase the redetermination of sections of the existing public road to align with development of the Calderwood Masterplan.

The redetermination to only allowing walking and cycling will improve the environment for both existing and new home owners in the surrounding area of Clifton Road.

Police Scotland is being consulted.

The local ward members have been consulted.

#### **E. CONCLUSION**

The procedure is to permit development to take place in accordance with the approved planning permission. In order for this to happen it is necessary to re-determine parts of Clifton Road, East Calder as shown on plan attached to this report.

#### **F. BACKGROUND REFERENCES**

Planning Approval (Ref: 0683/MS/17)

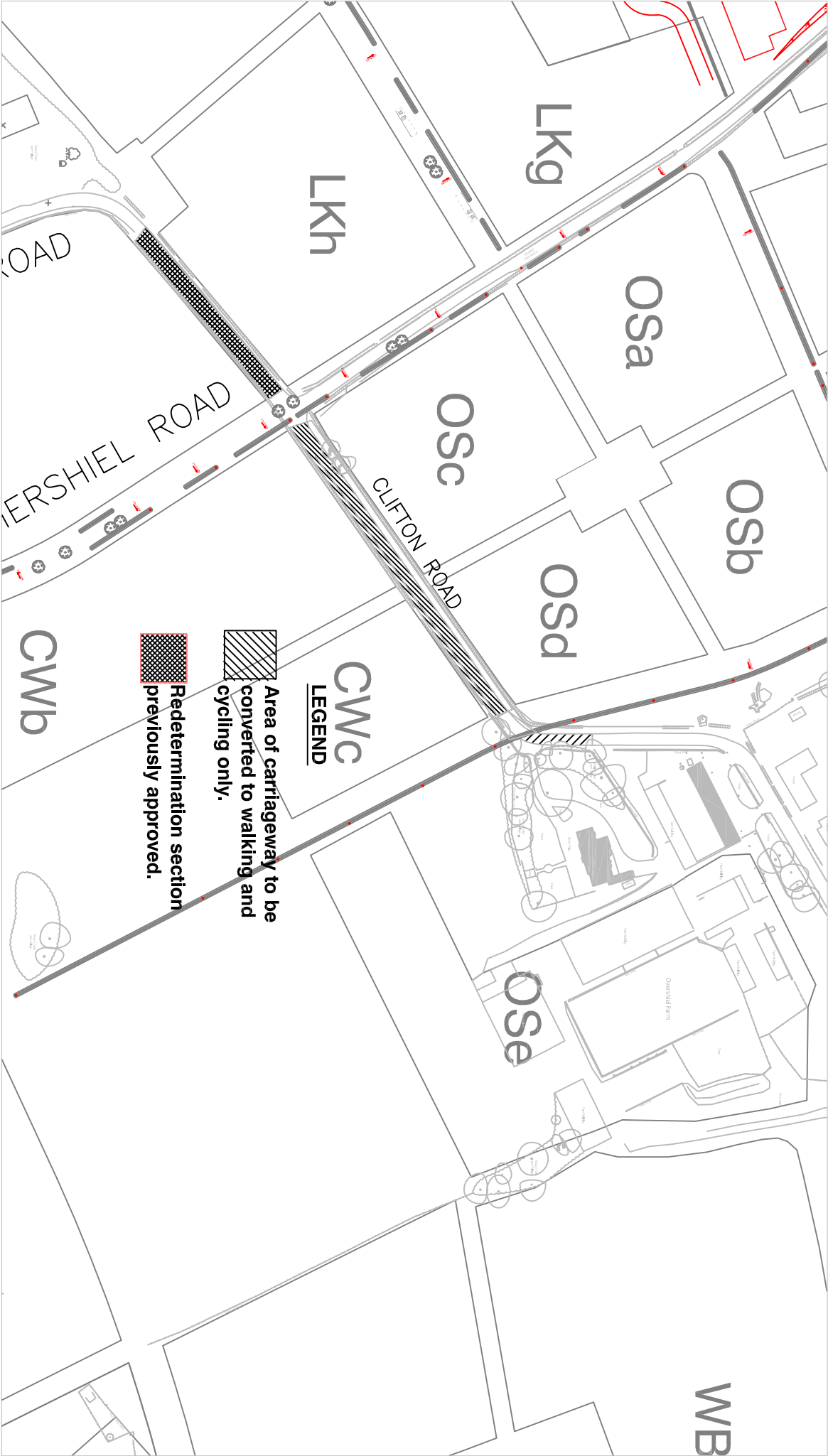
Appendices/Attachments:

Appendix One – General Arrangement Ref TP/East Calder/03

Contact Person: Chris Nicol, Engineer, Development Management & Transport Planning, WHSC, 4 Inchmuir Road, Whitehill Industrial Estate, Bathgate, West Lothian, Tel: 01506 282326, e-mail: [chris.nicol@westlothian.gov.uk](mailto:chris.nicol@westlothian.gov.uk)

Jim Jack,

Date of meeting: 4 December 2018



DRAWING NAME:- TP/EAST CALDER/03

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WEST LOTHIAN COUNCIL

OPERATIONAL SERVICES

ROADS & TRANSPORTATION MANAGER  
WHITEHILL SERVICE CENTRE  
WHITEHILL INDUSTRIAL ESTATE  
BATHGATE EH48 2EP  
TEL 01506 282351

TRANSPORTATION  
Development Management  
TRAFFIC REGULATION ORDER

Redetermination and Stopping Up Order

Clifton Road  
East Calder

DATE:- 13/11/18  
SCALE:- 1:500  
DRAWN BY:- Chris Nicol  
CHECKED BY:- Jim Stewart

Drg. No.:- TP/EAST CALDER /03







## **COUNCIL EXECUTIVE**

### **RECYCLING & WASTE SERVICES – SERVICE REVIEW**

#### **REPORT BY HEAD OF OPERATIONAL SERVICES**

##### **A. PURPOSE OF REPORT**

To seek approval to deliver the savings approved within Recycling & Waste Services. To gain approval for the proposed new Customer Service Standards, which are to replace the existing, outdated, Service Standards and provide the platform from which to deliver the savings measures outlined within the report.

Additionally to approve adoption and signing of the Charter for Household Recycling in Scotland to provide support, market intelligence and funding to deliver on key Transforming Your Council proposals relating to revising Dry Mixed Recyclate collections, and by way of synergies, new ways of working within the collection service.

##### **B. RECOMMENDATION**

It is recommended that the Council Executive:

1. Approves the proposed new Customer Service Standards, the principles behind the areas of change and the justification for alignment, where reasonable, with the Scottish Code of Practice.
2. Notes the key aspects of the Customer Service Standards that allow the delivery of savings measures relating to overtime spending, road end collections and the charging for replacement containers.
3. Notes the proposal to seek that the council adopt and become signatories of the Charter for Household Recycling in Scotland.
4. Notes the slippage from the original timescales in order to seek market intelligence and support from Zero Waste Scotland for the review of the Dry Mixed Recycling options.
5. Notes the impacts on the original savings proposals caused by market uncertainty.
6. Notes the risk to the medium term level of savings derived due to the Scottish Governments proposed Deposit Return Scheme.

##### **C. SUMMARY OF IMPLICATIONS**

###### **I Council Values**

- Focusing on customer needs
- Being honest, open and accountable
- Making best use of our resources
- Working in partnership

###### **II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)**

All activities within the Delivering a Sustainable Waste & Recycling Collection Service ensure the council is complying with statutory requirements at Scottish, UK and EU level with respect to the collection, handling and processing of household waste.

The proposals follow the change in policy agreed with the move to a standard 140 litre landfill collection service, and ensure that the Service Standards are replaced with new Customer Service Standards that is fit for purpose, aligns with the National Code of Practice and promotes high quality recycling.

The adoption of the Charter of Household Recycling in Scotland and the Code of Practice ensure that the council aligns its operational and customer practices to ensure best practice in the management of equality of service and minimise the risks to health and the environment.

<b>III</b>	<b>Implications for Scheme of Delegation to Officers</b>	None
<b>IV</b>	<b>Impact on performance and performance indicators</b>	Improved performance in terms of predicted impacts on recycle quality and cost of disposal per household. Reduced levels of service delivery complaints through clarity of service standards and improved communication.
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	SOA 8 – We make the most efficient and effective use of resources by minimising our impact on the built and natural environment.
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	Scottish Government revenue grant funding is not sufficient to meet increasing costs and demand for services. Based on budget assumptions, the council faced a significant revenue budget gap of £65.3 million over the five year period.

The proposed Customer Service Standards provides the council with a standardised approach to managing all customer facing aspects of this collection service aligned with the new national Code of Practice. A failure to adopt a suitable set of Customer Service Standards could lead to a reduction in the quality of materials collected and a reduction in diversion from disposal which would in turn impact on the environmental benefits and financial savings derived from the overall project.

The signing of the Charter for Household Recycling in Scotland allows access to the resources of Zero Waste Scotland which will be used to undertake feasibility studies into the options to achieve alignment with the Charter. Following this work it will be possible to bid for support funding (time limited and capital) to allow the implementation of the preferred service alterations.

Financially these proposals put in motion the process to deliver the £1,491,000 of savings required from the service.

There are is an impact on staffing of a reduction in 2.0 FTE from the implementation of the proposed Customer Charter due to the changes in policy around road end collections and a removal 4.0 FTE in overtime and absence cover.

**VII Consideration at PDSP** PDSP has considered and recommended approval on 30 October 2018

**VIII Other Consultations** The Customer Charter is aligned with the Code of Practice for Household Recycling in Scotland. This document was developed by The Scottish Government, CoSLA, SOLACE and Zero Waste Scotland and derived from input directly from Local Authorities, the Waste Industry and other stakeholders. At present it has been adopted by 24 out of 32 Scottish Local Authorities.

## **D. TERMS OF REPORT**

### **D.1 INTRODUCTION**

This paper is to advise on how Recycling & Waste Services intend to deliver the savings agreed as a part of the budget agreed at Council on 13 February 2018, which are, as proposed, dependent on seeking support from Zero Waste Scotland which is accessed through becoming a signatory of the Charter for Household Recycling.

In the proposals agreed through the council's budget setting process on 13 February 2018 the proposed Recycling & Waste – Service Review incorporated a total proposed saving of £1,461,000 which was scheduled for delivery as shown below across 2019/2020 and 2020/2021. This saving was broken down into the following individual work streams:

- Revised Blue Bin Options: - £973,000 (2019/2020)
- Road End Collections: - £76,000 (2020/2021)
- Reduction in Overtime & Absence Cover: - £92,000 (2020/2021)
- New Ways of Working within the Collection Service: - £320,000 (2020/2021)

Additionally a separate saving for the recovery of costs for the supply of replacement/additional containers was targeted for 2018/2019 for a total of £30,000.

The adoption of the proposed new Customer Service Standards, which would replace the existing service standards and aligns with the national Code of Practice, enables the service to deliver the savings related to Road End Collections (£76,000), reductions in overtime and absence cover (£92,000) and the saving of £30,000 related to the charging for replacement containers.

The signing of the Charter and the associated support unlocks the ability to seek funding to enable the transition to an alternative solution for the current blue bin materials to help deliver the saving of £973,000 and its implementation would also be timed to allow the development and implementation of new optimised collection routes to improve the utilisation and efficiency of the collection vehicles following agreement with representative groups across the section to meet the related £320,000 saving.

It should be noted that based on the indicative timeline detailed in Section D.3, a phasing issue and potential in year pressure may exist. The timeline detailed is based upon the

procedural requirements to obtain support, market intelligence and funding from Zero Waste Scotland.

## **D1.1 The recycling journey so far**

As a precursor to the implementation of the changes noted above it was acknowledged that, following the implementation of the 140 litre residual waste service, a review of the current Service Standards, which have been in existence for more than 10 year, would be required.

The changes to the way that the council and our residents have dealt material for disposal have also significantly altered. From the original paper and card collections through to the introduction of the alternate weekly service via the blue bin, in 2004. The introduction of brown bin recycling in 2005 and in 2013 the start of the Food Waste Collection Service introduced further streams from which the separation of recyclable materials could be achieved. This culminated in 2014 with the full roll out of the Food Waste Collection Service and the acceptance of additional materials within the blue recycling bin. The impact on these service introductions is highlighted in the table below.

<b>Year</b>	<b>Change introduced</b>	<b>Recycling Rate</b>
<b>2000/2001</b>	Baseline	4.0%
<b>2004/2005</b>	Original Blue Bin	17.9%
<b>2005/2006</b>	Brown Bin	27.0%
<b>2008/2009</b>	Full coverage of Blue & Brown Bins	41.8%
<b>2013</b>	Food Waste (design phase)	44.3%
<b>2014</b>	Food Waste (partial roll out)	45.4%
<b>2016</b>	140l Bin Roll (partial roll out)	48.5%
<b>2017</b>	Full roll out of 140l bins and new residual treatment contract	61.3%

The roll out of the new services over the past 10 years and the creation of the Code of Practice for Household Recycling in Scotland provide the opportunity to review the existing Service Standards and produce a new set of Customer Service Standards which ensures that the service delivery standards meet with the new (and proposed) collection systems, frequencies and quality demands of the market for recyclable materials.

It should be noted that the figure for 2017 is embargoed until confirmation and announcement at a national level. Additionally the level represents a high point in recycling performance, from a tonnage perspective, due to the service roll outs and exceptionally high levels of performance during the commissioning period for the Levensat Energy from Waste Facility. Once operational this level may reduce, with commensurate impacts on the overall recycling rate.

## **D.2 CHARTER FOR HOUSEHOLD RECYCLING IN SCOTLAND & NATIONAL CODE OF PRACTICE**

The Charter for Household Recycling and the National Code of Practice (CoP) were created following extensive work involving Zero Waste Scotland, The Scottish Government, SOLACE, CoSLA and the Waste Management Officer Network.

The Charter for Household Recycling in Scotland has four key stated commitments. Those are:

*To improve our household waste and recycling services to maximise the capture of, and improve the quality of, resources from the waste stream, recognising the variations in household types and geography to endeavour that our services meet the needs of all our citizens.*

*To encourage our citizens to participate in our recycling and reuse services to ensure that they are fully utilised.*

*To operate our services so that our staff are safe, competent and treated fairly with the skills required to deliver effective and efficient resource management on behalf of our communities.*

*To develop, agree, implement and review a Code of Practice that enshrines the current best practice to deliver cost effective and high-performing recycling services and tell all of our citizens and community partners about both this charter and the code of practice.*

It is hoped that all Local Authorities can accept and agree to these commitments to create a level national platform from which the mass behaviour change required to meet our environmental obligations can be met and derive economic benefits for Scotland.

In order to facilitate this move towards a common environmental goal and to have a standardised approach to service delivery to reduce the complexities and confusion caused through the multiple models of collection and service standards in place across Scottish Local Authorities, a National Code of Practice has been created.

The Code of Practice is the current snapshot of what is determined to be the best practice model for the delivery of cost effective and high performing waste and recycling services.

The Code of Practice covers collection type, material composition, capacity, frequency and policy related matters.

Following the significant changes the councils Recycling & Waste Services have gone through over the last 10 plus years the adoption both the Charter and Code of Practice will help to provide the procedural and policy stability required for the proposed changes required to meet both council savings targets and our environmental and best value obligations. The timing of the proposed adoptions is particularly pertinent given the completion of the roll out of the 140 litre residual waste service, the move to the Whitehill Service Centre and planning for the legislative changes up to and including the banning of biodegradable material to landfill from 1 January 2021 and the potential implementation of a national Deposit Return Scheme. The adoption of the Charter and Code of Practice also opens up the opportunity for the council to seek support from Zero Waste Scotland in terms of both professional support and financial support to aid the transition to a Charter compliant service. The timelines and levels of support that will be sought are detailed in section D.3.



### **D.2.1 Interpretation**

Within the Code of Practice each topic area and each area of policy is split into Essential requirements and Desirable requirements. They are defined as follows:

#### **ESSENTIAL**

These requirements are vital in the effort to achieve consistency across waste and recycling services in Scotland. The adoption of these requirements are considered to be the minimum expectation placed on Councils signing up to the Household Recycling Charter

#### **DESIRABLE**

These requirements are important in the effort to achieve consistency across waste and recycling services in Scotland. The adoption of these requirements is something that Councils shall consider after they have met the essential requirements.

The essential requirements are deemed to be fundamental to achieving best practice standards and as such the Recycling & Waste Services have mapped our existing Service Standards with the relevant policy area from the CoP to enable a comparison and judgement to be made as to how the council could reasonably transition to the national best practice standards.

Appendix 1 of this report contains the new proposed Customer Service Standards. Appendix 2 of this report contains the existing Service Standards laid out in a similar format.

### **D.3 NEXT STEPS**

If the council agree to becoming signatories to the Charter for Household Recycling in Scotland then the timelines for undertaking the appraisal process and seeking capital and support funding are determined by the resource availability at Zero Waste Scotland. It should be noted that funding is conditional on having completed the options appraisal process with Zero Waste Scotland. The amount of funding required would be in the region of £1,600,000 to fund the containers, their roll out and engagement activities.

Having discussed the potential timelines with the sector manager within Zero Waste Scotland the indicative timeline would be as follows:

- December 2018 - Agreement to become signatories of the Charter for Household Recycling in Scotland and adoption of the Code of Practice and the start of the implementation of the Customer Service Standards (Appendix 1)
- December 2018 – Formal signing of the Charter for Household Recycling in Scotland
- February 2019 – Resource available from Zero Waste Scotland
- February to July 2019 – Options appraisal undertaken
- July/August 2019 – Options presented to council for agreement and approval
- August to January 2019 – New routing based on optimised working patterns developed and full public engagement and awareness raising programme implemented
- August/September 2019 – Funding Panel meetings with Zero Waste Scotland

- September 2019 – Order for containers and support issued
- January 2019 – Containers delivered to West Lothian and issued to residents
- February/March 2020 – New Service Starts

The above timeline is indicative and could vary depending on the outcome of the options appraisal. Whilst the timeline is extended beyond the original implementation date of April 2019 the potential funding package and support from Zero Waste Scotland is vital in ensuring the longer term sustainability of the proposed changes.

An alternative solution would be to undertake the review and modelling internally without the support of Zero Waste Scotland, which would require additional internal resource to complete. This would then be used to present the options in a similar manner to the approach noted above. Funding for the overall one off costs noted above would require the council to seek prudential borrowing for the sum of £1,600,000 which would result in a revenue cost in the region of £133,000 per annum. This would add further pressure to achieving the overall savings when taken into account with the market pressures already being felt by the council, noted in the following section, and within the Brown Bin options paper. In terms of expediting the delivery of the savings measures the timeline would be as follows:

- December 2018 – Agreement to become signatories of the Charter for Household Recycling in Scotland and adoption of the Code of Practice and the implementation of the Customer Service Standards (Appendix 1)
- December 2018 – Formal signing of the Charter for Household Recycling in Scotland
- December 2018 – One off project resource recruited
- December 2018 to April 2019 - Options appraisal undertaken
- May 2019 – Options presented to council for agreement and approval
- May 2019 – Order for containers issued
- May 2019 to October 2019 – New routing based on optimised working patterns developed and full public engagement and awareness raising programme implemented
- October 2019 – Containers delivered to West Lothian and issued to residents
- December 2019 – New Service Starts (avoiding the October holiday period and prior to Christmas)

### **D.3.1 Key Service Standard Changes**

The new Customer Service Standards start with a collection commitment to our customers. This is to ensure that the customer knows how we will provide our services, what they are required to do, and what we will do in the event of the service not happening as scheduled.

The number of containers permitted per household is then laid out. This will be adapted as and when collection types change but for the current collection set up the only difference is a limit on two recycling containers per household. This is essential to allow efficient routing

and the maintaining of regular collections as beat sizes can be accurately calculated and assessed. The current free for all with regards to brown bins impacts considerably on the services ability to complete routes during the growing season.

With regards to contamination processes the new standards set out clearly the steps taken by the council to address the issue with customers which can, ultimately, lead to a withdrawal of service, once all other avenues are exhausted. Contamination is a serious issue that can affect the quality of an entire load of material which can prevent it from being recycled. Additionally when a container is contaminated and then cleaned up by the householder, the service will not guarantee returning for the container before the next scheduled collection. The service does not have the capacity or resource to return on a shorter timeframe for containers that have been previously contaminated.

With regards to assisted take outs and the medical need service for extra capacity, there are no changes to the process for application and consideration currently undertaken. There will be a review of the provision to ensure it is still required of no more than 2 years.

The delivery of replacement containers will be within 10 working days of notification or the next scheduled collection, whichever is greater. Replacement standard containers, will be charged for at the current purchase price, to the council, unless it has been damaged or taken in the collection process, stolen (with a valid crime incident number) or through fair wear and tear.

Additional capacity for residual waste will only be provided where there are 6 or more permanent residents or 2 children in nappies. In all cases a waste diary will be completed to demonstrate that additional residual waste capacity is required and that all of the available recycling services are being utilised. Council officers will provide assistance throughout this process.

The council will provide kerbside refuse/recycling collections to properties located on a private road, only if all of the following conditions are met:

1. the private road serves a settlement, or settlements, rather than sporadic individual properties (as a guide, a settlement is a grouping of six or more properties);
2. there is sufficient turning space for a refuse collection vehicle at the road end (i.e. a turning circle, t-junction or hammerhead), or if the vehicle can enter/exit the road by other safe means;
3. the condition of the road surface is acceptable for a refuse collection vehicle to access;
4. sufficient and safe access for the refuse collection vehicle is maintained (i.e. absence of overhanging branches / over grown bushes acceptable surface condition etc).
5. the owner of the private road agrees to indemnify the council (through a signed waiver) against any damage caused from reasonable use of the road by a refuse collection vehicle;
6. any bridges or other structures along the private road are certified by a competent person to be safe and meet West Lothian Council health & safety requirements. It is the responsibility of the owner(s) of the road to demonstrate the safety of these structures;

### **D.3.2 Dry recycle collection options**

The modelling of Charter compliant collection types that will either be undertaken in partnership with Zero Waste Scotland or by the council independently. It will have to model the following types of collection service to determine which delivers best value for West Lothian and achieves Charter compliance; the collection service options are shown in Appendix 3 of the report.

### **D.3.3 Additional pressures and national policy factors**

At present there are significant market pressures being faced, with respect to recycle processing which, as reported, have placed a pressure on the council in the region of £780,000 per annum from the original budget position in terms of Dry Mixed Recyclate (Blue Bin) processing.

In terms of the Dry Mixed Recyclate the pressure is down to changes in market conditions following alterations to Chinese national policy and is not a cost that the council can avoid. The move to potentially splitting out the Blue Bin material in to different streams at the kerbside, in line with the Charter will help to reduce the potential cost of processing but is unlikely to, under any of the circumstances to be modelled, generate the original saving proposed on top of the market related cost pressures noted above.

As well as the current market pressures facing the Blue Bin material the Scottish Government are currently consulting on the implementation of a Deposit Return Scheme for Scotland, which could be in place within 3 year. This scheme would see 70% to 80% of the containers (glass, plastic and metals) removed from the council collection streams into the national takeback scheme. Should this occur the value of the materials collected within a mixed blue bin, twin stream or kerbside sort system will drop considerably as the lower value materials will be left along with the paper and card. This has the potential to add additional cost pressures to Local Authorities along with significantly altering the business case for any changes to recycling systems. By working with Zero Waste Scotland, on the timescales provided the council can make sure that the latest national modelling of impacts from these changes is incorporated into the proposals put forward to enable the best value decision to be taken for West Lothian. Without this input there is a potential risk of implementing systems that fail to reach the levels of saving desired due to external factors that are known but not fully quantified.

## **E. CONCLUSION**

With the council having rolled out our 140l landfill service, moved to the Whitehill Service Centre and continuing to face challenging financial circumstances from government funding and within the global recycle markets it is clearly time to review and update our service standard and accept the assistance of Zero Waste Scotland to align our strategic direction with the national Charter. The proposed new Customer Service Standards align council processes and procedures with the sector's best practice in order to achieve a high performing and cost effective service and deliver on key savings measures. The signing of the Charter for Household Waste Recycling in Scotland will enable the council to unlock the support of Zero Waste Scotland to scope and propose options to deliver the maximum value from our dry mixed recycle stream and other collection services. This process may also allow access to central government funding for the cost of transition which will be required to meet further Transforming Your Council savings proposals within the Recycling & Waste Service.

## **F. BACKGROUND REFERENCES**

Environment PDSP Report 4 March 2015: Waste Analysis Update and Engagement Plan

Environment PDSP Report 29 October 2015: Sustainable Collection Service Charter for

Household Recycling in Scotland & Code of

Practice: <http://www.zerowastescotland.org.uk/content/charter-household-recycling>

Environment PDSP Report 30<sup>th</sup> October 2018

Appendices/Attachments:

Appendix 1: Customer Service Standards (proposed)

Appendix 2: Current Service Standards

Appendix 3: Waste Charter Collection Service Options

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**JIM JACK**

**HEAD OF OPERATIONAL SERVICES**

**4 DECEMBER 2018**

## Appendix 1: Customer Service Standards (proposed)

<b>West Lothian Council Recycling &amp; Waste Services Customer Service Standards</b>					
<b>Collection Commitment</b>					
<p>The council commits to the following:</p> <p>Providing a regular scheduled collection, that provides sufficient capacity for each material stream. The time-window and collection point for the collections will be clearly communicated (for example “Containers will be collected from the kerbside by 7am on the day of collection”).</p> <p>Once waste or recycling is collected, operatives will return the collection container to within 1 vehicle length of the collection point, taking care to be neat and avoiding blocking access (i.e. they will avoid leaving containers in a position which blocks driveways or pedestrian access along the kerbside). In instances of bad weather (e.g. strong winds or flooding) operatives will return smaller containers (e.g. food waste caddies) to within the property boundary where possible or will lay containers flat on the ground depending on the conditions experienced.</p> <p>Where there are complaints related to irregular collections or return of containers, liaison will take place with specific crews and monitoring undertaken to ensure the issue is addressed.</p> <p>The council will ensure that call centre staff have access to up to date service schedule information and service policies to improve customer communication.</p> <p>Where possible, and where it is at no detriment operationally, the council will endeavour to provide same day collections so that each material stream is collected from a given household on the same day of the week (albeit with materials collected at different frequencies).</p>					
<b>Collection Container Types and volumes</b>					
<p>The council collect recyclable materials and landfill (residual) waste from householders at the kerbside using purpose built collection vehicle.</p> <p>Our collections are:</p>					
Collection Type	Materials collected	Container Size	Container Colour	Maximum number of container permitted	Collection frequency
Dry Mixed Recycling	Paper, Cardboard, Plastics and Metals	240 litre	Blue	2	Every 2 weeks
Food Waste	Cooked and uncooked food waste	23 litre	Green	2	Weekly
Garden Waste	Plant materials only	240 litre	Brown	2	Every 4 weeks
Landfill (Residual) Waste	Non-recyclable waste	140 litre	Grey	1*	Every 2 weeks
<p>*The council operate a collection service with a standard capacities for landfill/residual waste for all household other than those noted in the following section under ‘<b>Additional Capacity (landfill waste)</b>’.</p>					
<b>Recycling Contamination</b>					
<p>In order to address the problems of contamination in the recycling bin:</p>					



The council will ensure that all collection crews are trained on what materials are to be accepted for recycling, the safe system of work for monitoring contamination, and any action resulting from the detection of contamination.

When collecting dry recycling the collection crew will:

Check for contamination of the container with unacceptable materials.

Provide communication to residents if unacceptable materials are presented so that they understand the range of materials that can be collected for recycling and the impact that contamination can have.

The recycling will not be collected if contamination is severe as it will have a detrimental impact on the quality of the whole load collected.

Definitions of the 'severity of contamination' and the steps that will be taken are outlined below:

Sticker/Hanger Colour	Procedure
<b>Severe contamination</b> i.e. black bags and/or food waste and/or many items that are unacceptable are visible to the operative	Recycling not collected as it will contaminate the whole load collected. The container will have something appended to it (i.e. sticker, hanger, tag) advising the resident to sort their material correctly and then present the recycling for collection on the next scheduled collection day. Future collections should be monitored. The sticker, hanger, tag will contain information so that the resident can understand the range of materials that can be recycled. Future collections should be monitored.
<b>Low levels of contamination</b> i.e. Very few items that are unacceptable are visible to the operative	Where safe to do so the collection crew should collect the container taking note of the incident. The container will have something appended to it (i.e. sticker, hanger, tag) so that the resident can understand the range of materials that can be recycled. Future collections should be monitored.

Instances of contamination will be recorded and monitored for future reoccurrence.

In cases of on-going severe contamination the council will adopt the following protocol:

In the first instance of severe contamination of the container the resident will be advised to sort their material correctly and then present the recycling for collection on the next scheduled collection day.

If the resident presents a severely contaminated recycling container again, or fails to sort the contaminated recycling presented previously, the container will again be stickered/tagged and be followed up with a written communication delivered to the property (i.e. a letter or leaflet). The aim of the communication is to try to understand and address the reasons for the misuse of service and where necessary to advise of any supporting policies (i.e. additional containers) where residents are unable to cope with the volumes of waste containers they have been supplied with.

If the resident presents a severely contaminated recycling container for a third time, or fails to sort the contaminated recycling presented previously, the container will again be stickered/tagged and

an officer from the council will make direct contact with the resident. The purpose of this contact will be to discuss the materials that can be recycled with the resident and, if necessary, carry out an inspection of the recycling container and non-recyclable container to demonstrate practical steps that the resident can take.

Where the resident continues to present recycling that is severely contaminated, upon exhausting all of the steps above, the recycling service will be withdrawn for a period of time and a follow up visit will be arranged at a later date to discuss the options for re-introduction of the service.

#### **Food Waste: Household with access to kerbside**

Where contamination of the food waste container occurs, the crews will not remove the contamination.

Where contamination is minimal (i.e. one plastic bag and/or film lid and/or small items of packaging) then the container will be collected. The container will have a sticker, hanger or tag appended to it so that the resident can understand the range of materials that can be recycled.

Where contamination is more serious (i.e. liquids/oils/a few or more items of packaging or other non-food items) the container will not be uplifted and the procedures set out for other recycling containers will be followed.

#### **Excess or Side Waste Policy**

Excess or Side Waste is:

- Excess or side waste is any material that is not within the confines of the provided wheeled bin. This can be loose or contained in bags but the defining point is that it has not been able to be presented in the provided container.
- Any 2 wheeled bin that cannot be moved by a single crew member to the point of collection will be deemed overweight.
- Where the waste has been placed in the wheeled bin but the lid cannot be easily closed by hand, this will be deemed to be an overfilled bin.

The consequences of placing excess/side waste or overfilled bins for collection will be:

- The excess/side waste or overfilled bins waste will not be collected on that occasion.
- Advice will be provided to the resident on what to do next.
- Advice will be given to the resident on alternative places to dispose of extra waste (i.e. recycling points or Community Recycling Centres).

A note of any incidents relating to excess/side waste or overfilled/overweight bins will be taken by the collection crew and passed to the supervisor.

A log of any incidents relating to excess/side waste or overfilled/overweight bins will be kept and maintained. This will be used to track any repeating patterns of behaviour to ascertain if further assistance is required.

#### **Missed Collections**

In order to avoid missed collections:

The council will clearly communicate when residents should present their containers for collection (e.g. before 7am on collection day). We will explain that the council cannot commit to specific collection times and that routing schedules may change. We will ask residents to leave any unemptied and unstickered/tagged containers at the collection point for 48 hours after the scheduled collection should have taken place.

The council will adopt a consistent definition which explains what determines a 'missed collection' and when it should be acted upon and reported.

A missed collection is defined as a container that has not been uplifted by 8pm on its scheduled collection day, where the container was out for collection by 7am.

Collection operatives will capture and report information on service issues specific to a property or group of properties which may have prevented collection from taking place as planned which is fed back through the Debrief Process and communicated to the Customer Service Centre.

For example:

- Severe contamination of recyclables
- Container not presented by the resident in time for the collection
- Local access issues (e.g. not being able to undertake an assisted collection due to a locked gate)
- Excess waste presented/local fly tipping
- Damaged containers

Issues affecting wider areas (e.g. heavy snow) will be reported by a supervisor/manager to the customer contact centre.

When a resident calls to report a missed collection prior to completion of the working day, initial notes will be taken and contact will be made with the crew carrying out that collection. However, the call will not be logged as a 'missed collection' until the day's work has been completed (i.e. after 8pm). Reports of missed containers will only be accepted and reported after the end of the collection day.

The procedure adopted at the Customer Service Centre (or on-line) will ensure that the crew reported information is checked and issues relayed to the customer to differentiate from genuine missed collections and contamination/other issues. The council will utilise its available IT technology to determine whether a bin is genuinely missed or not. For example if the vehicle can be seen in the street, using vehicle telematics, proceeding at a collection pace it will be assumed that any reported missed containers were not presented appropriately.

If deemed necessary in agreement with the resident, collection crews will endeavour to return to collect genuinely missed containers. The Council will arrange a suitable time for collection of the missed container and will endeavour to collect the container within 48 hours as per the Missed Collection Commitment.

#### Future plans

The council will look to improve the speed of customer feedback if the appropriate technology becomes available and is deemed efficient and effective at improving the customer experience.

Using such a system collection operatives will have the ability to capture and report real-time information to the customer contact centre on service issues that prevent collection e.g. vehicle breakdowns, blocked access to collection points (e.g. parked cars).

Integrated systems will be used to monitor operations, capture service data and address service issues.

For example, fitting containers with RFID (Radio-Frequency Identification) tags that are coded to an individual property can enable the council to monitor operations (e.g. delays to collections) as back office staff can check the progress of the collection vehicle and/or if individual bins have been emptied.

### **Handling Special Requests (Assisted Take Outs)**

Where situations necessitate assistance in presenting recycling and waste containers for collection:

Assisted collections are for households where the residents are infirm, have a medical condition or a disability which prevents anyone in the household from presenting their waste and recycling containers to the designated collection point.

Applications are considered where there is no one in the property who can present the containers to the kerbside or designated collection point.

Residents will be required to complete an application for an assisted collection.

Designated collection points will be within the boundary of the resident's property and be agreed between residents and the council but must be fully accessible to both parties and follow the safest route to the collection vehicle. The location will be risk assessed to ensure that the most appropriate location is selected. In locations where the route to the collection vehicle is not safe, for example steps where the tread depth is less than the bin footprint or deep gravel, then alternative locations for the container or alternative collection methods will be required.

Once approved, the council will maintain an accurate and up-to-date list of properties where the resident requires assisted collections.

Collection crews will collect, and where necessary, return, the container from the agreed point of collection within the property boundary, determined following the risk assessment for the collection.

The council will inform the resident of their responsibility for maintaining safe access to the collection point for the collection crew.

The council will review properties receiving a collection at least every 2-years (from the date of application) to monitor whether assisted collections are still required.

### **Additional Capacity (landfill waste)**

#### **Medical Need**

Where medical conditions necessitate additional capacity an additional 140 litre container will be provided free of charge following approval by St John's Hospital.

#### **Non-medical Need**

Where the reason for requesting additional capacity is not related to a medical condition, the council will carry out an assessment of the requirement for greater landfill waste capacity:

1. In the first instance if the property is not lived in permanently by 6 or more people or there are fewer than 2 children in nappies the council will inform them that no additional capacity for non-recyclable waste will be provided. Additional capacity for recycling will be offered where required.
2. If there are 6 or more permanent residents or 2 or more children in nappies within the property, the council will request that the resident complete a waste diary for an agreed period of time (1

collection cycle for non-recyclable waste, i.e. a 2 week period). The resident will be asked to record the wastes that they place in both recycling and non-recyclable waste containers. A 'Waste Diary' pack will be sent to the resident with instructions for completion and, where appropriate, a visit from a council officer will be provided to assist with the completion of the diary.

3. Upon completion and submission of a waste diary, a council officer will review this. Where appropriate to do so, the officer will visit the resident to provide further advice on what can be recycled and ways of reducing waste.

#### The additional capacity

If the assessment undertaken by St Johns or the council deems that the resident requires additional capacity for non-recyclable waste the council will deliver an additional 140 litre container.

This container will be identified in all circumstances with a red coloured lid so that it is clear that it is an additional container that is approved by the council to aid collection crews with collecting the proper containers.

Any additional capacity provided for medical or non-medical reasons will be time-limited and a review will be carried out periodically.

### Replacing Containers

In instances where a replacement container is required:

Standard containers will be dealt with separately from specialist containers. Replacement containers will be delivered before the next collection or within 10 working days of notification, whichever is the greater (i.e. if the next collection is in 15 working days' time, the container will be delivered by then).

Standard containers are ones that are provided to individual properties. For example wheeled bins, caddies etc.

Specialist containers are ones that are used for communal properties or properties that are not on the typical kerbside collection service, such as assisted collections or medical collections.

The replacement of standard containers will be charged for at the current purchase price, to the council, unless due to one of the circumstances noted below.

#### Stolen Containers

If a resident suspects their container has been genuinely stolen or set on fire, they must report it to the local police station and a crime incident number must be obtained. The crime incident number must be quoted at the time the replacement container is requested, in order to be eligible for a free of charge replacement.

Containers damaged or missing during the collection process or through fair wear and tear

Collection crews will be required to report any bins falling into the collection vehicles and/or damaged during collection, and any containers that are unsafe due to fair wear and tear. These will be recorded in the debrief sheets and orders placed for delivery at the end of the shift and replaced at no cost.

### Disruptions to Services

The council will communicate service disruptions:

Via social media channels and the council website.

Where possible this will include local media.

This timescales for when communication will take place will be designed to maximise awareness and minimise confusion.

The council will include with the communication the following information where possible:

- A definition of the disruption where possible and what changes can be expected;
- Information on when services are expected to return to normal; and
- Advise where the most up-to-date information can be found
- Encourage residents to speak to neighbours and friends to spread the message.

### **Planned Communication**

The council will:

Complete a communications plan each year to plan its communications with residents.

Carry out communication activities annually in line with the communication plan.

As a minimum the following list, although not exhaustive, indicates the information that will be provided:

- Information on collection days/patterns will be provided online in an annual collection calendar.
- Information on what containers are to be used for recyclable and non-recyclable items.
- Information on what items can be recycled at kerbside or recycling points (yes/no lists for each container).
- Information on how to dispose of items that are not collected at the kerbside via HWRCs or reuse organisations.
- Information on what happens to materials that are collected for recycling.
- Where possible, information on any specific, local benefits of recycling.

The council will make routine service information available on its website.

The council will provide information for residents to inform them of planned variations (such as those resulting from seasonal holidays, bank holidays) or other changes or permanent changes to the normal service.

The council will have a programme of social media messaging within the Communication Plan.

Social media is an effective means of sharing positive messages and to normalise positive behaviours. Links should be made with any national campaigns to maximise the impact of the campaigns locally.

The council will promote the waste and recycling services regularly through Bulletin delivered directly to properties and/or made available online.



<b>Communicating with Residents</b>
The council will ensure that information regarding collection routes, service information, and clear instructions on what can and cannot be recycled are available online and updated at regular intervals.
<b>Communicating Policies to Residents</b>
All waste and recycling policies will be made available to residents online and any permanent changes to normal collections will be communicated in writing. The council will advertise, through local media and online, any changes due to the public holidays at Christmas and New Year.
<b>Branding and Tone</b>
The council will use local branding (Love West Lothian) on waste and recycling services and national branding only where it is deemed appropriate for each communication.
<b>Preventing Litter and Fly tipping</b>
<p>In order to discourage litter and fly tipping:</p> <p>The council will ensure there is a synergy between all the operational functions responsible for waste, cleansing and fly tipping. To promote more effective and efficient services by ensuring procedures within the different functions complement each other and work in parallel to avoid cross over or double handling of issues.</p> <p>For example:</p> <p>Cleaning any spillages during collection to avoid NETs cleansing crews being required to visit the same area;</p> <p>Ensuring NETs cleansing crews have a copy of the bulky uplift schedule so fly tipping is easier to identify.</p> <p>The waste collection services will be designed in a way so as to avoid accidental spillage or 'wind-blown' waste from collection containers or vehicles.</p> <p>This includes containers that are fit for purpose and the mechanisms in place for replacing damaged containers.</p> <p>Up-to-date collection calendars, on-line or paper based on request will be provided and advice on changes to collection schedules will be communicated to avoid containers being presented ahead of collection window.</p> <p>Advice will be provided to the public on presenting containers in adverse weather conditions.</p> <p>Collection vehicles are fit for purpose and are not open to materials escaping during collection rounds.</p> <p>Any spillages during collection rounds are cleared by the crew and equipment made available on the collection vehicle to aid this. If this is not possible, due to the nature or size of the spillage, this will be reported to NETs staff for clearance.</p>
<b>Private Road Collection Policy</b>
The council will provide kerbside refuse/recycling collections to properties located on a private road, only

if all of the following conditions are met:

1. the private road serves a settlement, or settlements, rather than sporadic individual properties (as a guide, a settlement is a grouping of six or more properties);
2. there is sufficient turning space for a refuse collection vehicle at the road end (i.e. a turning circle, t-junction or hammerhead), or if the vehicle can enter/exit the road by other safe means;
3. the condition of the road surface is acceptable for a refuse collection vehicle to access;
4. sufficient and safe access for the refuse collection vehicle is maintained (i.e. absence of overhanging branches / over grown bushes acceptable surface condition etc).
5. the owner of the private road agrees to indemnify the council (through a signed waiver) against any damage caused from reasonable use of the road by a refuse collection vehicle;
6. any bridges or other structures along the private road are certified by a competent person to be safe and meet West Lothian Council health & safety requirements. It is the responsibility of the owner(s) of the road to demonstrate the safety of these structures;

[Any locations suitability will be determined by the Recycling & Waste Services Manager, in discussion with the Roads & Transportation Services Manager ]

As an exception to Condition 1, the council may choose to service properties on a private road, if the use of the private road provides operational advantages to the Council (i.e. a private road that connects two public roads or the use of a private road avoids vehicles stopping on hazardous stretches of public roads). Conditions 2-5 must still be met.

### **Bulky or Special Waste Collection Policy**

To support the provision of the bulky and special waste collections:

Information about our bulky waste collection policy will be made available to residents online and it will include information on the types of waste that are accepted (e.g. no asbestos, sharps etc.) for bulky waste collections and instructions will be given on what to do with those wastes that are not accepted.

We will promote the use of the National Reuse Phone line wherever practicable and where there are organisations within the WL area which are willing/able to participate. For example, we will inform the WLC call centre of the National Reuse Phone line and ensure they understand the protocols for directing appropriate calls to it.

We will maximise reuse and recycling wherever this is feasible to do so within the local context. This requires collections of suitable wastes in non-compaction vehicles.

WEEE (including white goods, Large Domestic Appliances and fridge/freezers) will be collected in such a way that effective sorting of these materials can occur at a site. This will be carried out in a non-compaction vehicle.

Following collection, efforts will be taken to recycle and reuse bulky waste. This typically is carried out using mechanical and hand sorting processes.

Customers will be allocated a collection day when the uplift will take place to avoid occasions when items are presented ahead of collection leading to additional items subsequently being fly tipped alongside the authorised special uplift and to prevent damage to reusable items from bad weather.

## Appendix 2: - Current Service Standards

<b>West Lothian Council Waste Services (Service Standards)</b>
<b>Excess or Side Waste</b>
<p>For health and safety reasons we will only collect containers with the lids fully closed.</p> <p>We will not collect waste outwith containers other than following extreme weather conditions which prevented us from emptying containers on the designated day. Any side or excess waste will be placed back in the bin.</p>
<b>Bulky Uplifts and Special Waste</b>
<p>We will tell customers when the collection date will take place. Collection will normally be within 5 working days of request. All requests must be pre-paid before collection;</p> <p>We will remove articles to be uplifted from the nearest point within the garden to the roadside;</p> <p>We will ensure that all articles are disposed of in accordance with current waste management legislation;</p> <p>Customers must specify all items to be uplifted and only these items will be uplifted (this is for risk and insurance purposes). All specified items must be group together.</p> <p>Instructions for how goods should be presented are provided as is a list of items incurring a separate charge.</p> <p>Special waste e.g. asbestos will be collected on request, but the householders will be expected to meet the cost of collection.</p>
<b>Recycling Contamination</b>
<p>If your bin contains materials other than those listed, we will advise you by placing a sticker on the bin. This bin shall not be uplifted along with the other recycling bins as it will contaminate the whole load. Contamination must be removed and placed in the grey bin.</p> <p>We will arrange to uplift the bin within 5 working days, once we have been notified that contamination has been removed.</p> <p>Households that continue to contaminate will be visited by the Council's Waste Management Officers who will offer advice on recycling.</p>
<b>Additional Capacity</b>
<p>Where there are 5 or more permanent residents within a household or more than 2 in nappies an additional 120 litres of capacity will be provided free of charge.*</p> <p>Where medical conditions necessitate additional capacity an additional bin or larger bin will be provided free of charge following approval by St John's Hospital.</p> <p>*there is a current exemption for Child-minding businesses where the 'permanent' resident's status is waived.</p>

### **Communicating Policies to the public**

Any changes to your normal collection will be communicated in writing to the affected households at least 10 working days before they are due to occur

We will advertise, through local media, any changes due to the public holidays at Christmas and New Year.

This will be at least 10 working days in advance.

On the rare occasions when extreme weather conditions occur, please continue to leave your bin out on the kerbside. This waste shall be collected as soon as possible and at the latest on the following Saturday including any bagged waste, which has built up during this period.

### **Collection Commitment**

We will provide a weekly collection service on a predetermined day.

Bins should be presented for collection by 07:00 on required day.

### **Missed Collections**

If your bin contains materials other than those listed, we will advise you by placing a sticker on the bin. This bin shall not be uplifted along with the other recycling bins as it will contaminate the whole load. Contamination must be removed and placed in the grey bin.

We will arrange to uplift the bin within 5 working days, once we have been notified that contamination has been removed.

Households that continue to contaminate will be visited by the Council's Waste Management Officers who will offer advice on recycling.

### **Handling Special Requests**

When requested we will assess the householder for an assisted collection, whether it is a permanent or temporary situation. This assessment will take place within 5 working days of the request being submitted.

Once a request has been received, we will provide the method of clinical waste collection, as advised by St John's Hospital.

We will collect clinical bins on a fortnightly basis; they should be presented alongside the grey bin.

Orange bags, for infectious waste, will be collected weekly. These bags are provided free of charge.

Provision of a clinical waste service will be actioned within 5 working days of authorisation from St John's Hospital.

### **Replacing Containers**

Missing bins- if your bin has gone missing please contact us to ascertain whether or not the collection vehicle has uplifted it. If the bin has been uplifted by accident, we will action a replacement.

If your bin is suspected stolen, it must be reported to the local police station where a crime incident number must be obtained. Thereafter we should be contacted to request a replacement bin. You will be asked at this stage to quote the crime incident number.

Damaged bins – this should be reported to us, so that we are able to arrange a replacement.

All replacement bins may not be new as we repair and reuse wherever possible. Any bin beyond repair is recycled.

We will provide your replacement bin within 5 working days.

#### **Preventing Litter and Fly tipping**

We will clean up any spillage, from bin or vehicle, caused by council employees as a result of carrying out this service. If possible this will be carried out immediately; otherwise it will be carried out within 24 hours.

#### **Communicating with the public**

Any changes to normal collection will be communicated in writing to the affected households at least 10 working days before changes are due to occur.


































#### **Planned Communication**

We will provide householders with a calendar stating the schedule for collection

#### **Disruptions to Services**

On the rare occasions when extreme weather conditions occur, please continue to leave your bin out on the kerbside. This waste shall be collected as soon as possible and at the latest on the following Saturday including any bagged waste, which has built up during this period.

### Appendix 3: - Waste Charter Collection Service Options

Option	Residual	Paper	Card	Plastics	Metal	Glass	Food Waste	Garden Waste	Vehicle
1 Co-mingled (houses)	 Fortnightly		 Fortnightly			 Fortnightly	 Weekly	 Fortnightly	Dedicated vehicles for refuse, recycling, glass and garden waste. Food waste collected on separate 7.5T vehicles.
	 Fortnightly		 Fortnightly			 Weekly	 Weekly	N/A	
2 Kerbside sort (houses)	 Fortnightly			 Weekly			 Weekly	 Fortnightly	Dedicated vehicles for refuse and garden waste. Recycling and Food waste collected on modern stillage vehicles.
	 Fortnightly		 Fortnightly			 Weekly	 Weekly	N/A	
3a Enhanced Kerbside sort	 Fortnightly			 Weekly			 Weekly	 Fortnightly	Dedicated vehicles for refuse and garden waste. Recycling and Food waste collected on modern stillage vehicles.
	 3 weekly			 Weekly			 Weekly	 Fortnightly	
4a Enhanced Kerbside sort - No Garden Waste Change	 Fortnightly			 Weekly			 Weekly	 As current service provision	Dedicated vehicles for refuse and garden waste. Recycling and Food waste collected on modern stillage vehicles.
	 3 weekly			 Weekly			 Weekly	 As current service provision	

<b>5a</b> enhanced kerbside sort, fortnightly co-mingled food & garden waste	 140 Ltr. Fortnightly	 Weekly	 240 Ltr. Fortnightly	Dedicated vehicles for refuse. Recycling collected on modern stillage vehicles. Food and Garden waste collected co-mingled in RCVs.		
<b>5b</b> enhanced kerbside sort, fortnightly co-mingled food & garden waste	 240 Ltr. 3 weekly	 Weekly	 240 Ltr. Fortnightly			
<b>6a</b> Enhanced kerbside sort, 4-weekly paper & card	 140 Ltr. Fortnightly	 240 Ltr. 4 weekly	 Weekly	 Food Waste Weekly	 240 Ltr. 4 weekly	Dedicated vehicles for refuse, garden waste and paper/card. Recycling and Food waste collected on modern stillage vehicles.
<b>6b</b> Enhanced kerbside sort, 4-weekly paper & card	 240 Ltr. 3 weekly	 240 Ltr. 4 weekly	 Weekly	 Food Waste Weekly	 240 Ltr. 4 weekly	





**COUNCIL EXECUTIVE**

**SUSTAINABLE WASTE & RECYCLING COLLECTION SERVICE – BROWN BIN OPTIONS**

**REPORT BY HEAD OF OPERATIONAL SERVICES**

**A. PURPOSE OF REPORT**

To seek approval to deliver the approved savings with regards to the collection and processing for Garden Waste (Brown Bin) and Food Waste. The report provides the current position with respect to tonnages, market rates for processing, options employed by other authorities and the timescales involved in implementing the proposal. The market risks and tonnage variation are also explained within this report to provide context on the ability to guarantee savings levels.

**B. RECOMMENDATION**

It is recommended that the Council Executive:

1. Approve the proposal presented and the various impacts: financial, environmental, equality and staffing.
2. Notes the market and tonnage risks associated with this savings proposal.
3. Notes the 'do nothing' pressure that exists for 2018/2019

**C. SUMMARY OF IMPLICATIONS**

<b>I Council Values</b>	<ul style="list-style-type: none"><li>• Focusing on customer needs</li><li>• Being honest, open and accountable</li><li>• Making best use of our resources</li><li>• Working in partnership</li></ul>
<b>II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	<p>All activities within the Delivering a Sustainable Waste &amp; Recycling Collection Service ensure the council is complying with statutory requirements at Scottish, UK and EU level with respect to the collection, handling and processing of household waste.</p> <p>The proposals are all legally compliant with current interpretations of garden and food waste collections as deployed by a variety of Scottish Local Authorities.</p> <p>The combining of Food &amp; Garden waste would result in an equality of service issue as only those households that can accommodate a 240 litre Brown Bin will be able to continue to present food waste.</p>

<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	<p>Reduction in recycling rates of varying degrees due to the potential drop off in participation and tonnage collected.</p> <p>Decrease in the net cost of collection due to reduced collection vehicles and staff or income, depending on option selected.</p> <p>Increase in the net cost of disposal due to combined Food &amp; Garden processing.</p> <p>Potential for increased complaints due to perceived reductions in the level of service offered.</p>
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	SOA 8 – We make the most efficient and effective use of resources by minimising our impact on the built and natural environment.
<b>VI</b>	<b>Resource - (Financial, Staffing and Property)</b>	<p>Scottish Government revenue grant funding is not sufficient to meet increasing costs and demand for services. Based on budget assumptions, the council faced a significant revenue budget gap of £65.3 million over the five year period.</p> <p>A budget reduction of £327,000 to be delivered from 1 April 2019 was approved by Council on 13 February 2018. The report notes that there was no FTE impact; however this was incorrect as the comingling of materials should have been noted as having a 23 FTE reduction in staffing, at the time.</p> <p>If no solution is provided to deliver savings from the current Brown Bin and separate Food Collection services there is a pressure in 2018/2019 of £166,000.</p>
<b>VII</b>	<b>Consideration at PDSP</b>	PDSP has considered and recommended approval on 30 October 2018
<b>VIII</b>	<b>Other Consultations</b>	Financial Management Unit

## **D. TERMS OF REPORT**

### **D.1 INTRODUCTION**

Council Executive on 6 February 2018 agreed that a proposal for charging for brown bin collections of £433,000 should be replaced by an alternative reduction measure which was subsequently agreed by Council on 13 February 2018. The alternative measure which was agreed was a reduction of £327,000 to be delivered from 1 April 2019 by co-mingling garden and food waste. As noted in the summary the Council report of 13 February 2018 notes a zero FTE impact, this was the case for introducing charging for collection; the comingling of garden and food waste, at the time, had a FTE reduction of 23.

In the period after the budget setting, further pressures have been noted within the Brown Bin and Food Collection activity area as well as variations in tonnage from growing season to growing season. There have been continuing increases in the market prices for processing of materials as the price of residual waste processing continues to drive the market along with a relative lack of capacity across Scotland. This in combination with the cessation of operations at West Lothian Recycling places a potential pressure on the original modelled saving proposal. However it is felt that in the current climate that the targeted sum could be saved by utilising a mini-competition off the Scotland Excel Framework to gain a more favourable processing price.

West Lothian Council currently offer the following organic waste collections to householders:

<b>Collection</b>	<b>Material</b>	<b>Households</b>	<b>Frequency</b>	<b>Tonnage per year (2017)</b>
<b>Brown Bin</b>	Garden waste	72,607	4 weekly	8,507
<b>Food Caddy</b>	Cooked and raw food	70,451	Weekly	4,987
<b>Recycling Centres</b>	Garden Waste	79,525	As needed	1,850
<b>NETs &amp; Other Council Services</b>	Garden Waste	-	As needed	1,660

Of these services only the collection of Food Waste and the general provision of a Recycling Centre for householders are statutory. Household Garden Waste Collections are not and as such are not delivered by some Scottish Local Authorities such as Scottish Borders or charged for by Angus, Perth & Kinross, Highland, Midlothian and Edinburgh.

Appendix 1 shows which options are employed, or about to be employed across the 32 Scottish Local Authorities in early 2018.

## **D.2 PROPOSAL**

Due to Brown Bin collections not being a statutory provision there is a potential to charge for its collection, however following a motion put to the Council Executive on 6 February 2018, officers were asked to not consider this and workup proposals for the co-mingling of garden waste and food waste in a single container where the collection are free of charge.

The summary below show the financial, collection and staffing implications of the proposed collection service based upon the current market prices paid and the actual 2017 tonnage, which was the lowest of the past 3 years and participation rates are based on available data from other Scottish Local Authorities adapted for the likely uptake within West Lothian. The 'Do Nothing' option is also shown for context.

### **Do Nothing**

Due to West Lothian Recycling ceasing operations the Recycling & Waste Services are required to find alternative capacity for processing garden waste generated by householders and other council services. The current market prices would suggest that a gate fee of £30.00 per tonne could be achieved. With this increase in gate fee of £9.92 per tonne and the loss of the annual dividend from West Lothian Recycling a revenue pressure of £166,000 would occur.

## **Co-Mingled Food and Garden Waste (no charge)**

This service is in place across 13 Scottish Local Authorities at present and enables a simplification in the fleet of collection vehicles as the material can be collected in adapted 26 tonne refuse collection vehicles, which offer a much greater payload than the smaller bespoke food waste vehicles.

The system simply involves collecting the Garden Waste and Food Waste within the same, 240 litre brown bin. The container would be collected fortnightly, in line with other Local Authorities co-mingling this material, to ensure material does not stay within the container for extended periods of time during warm weather.

The modelling of this type of collection is more difficult due to the significant variation in the density and volume of material throughout the year. Presentation rates can also vary significantly depending on how users engage with the process. There would be a reduction in the number of households able to participate due to only wheeled bins being suitable for this service, reducing the number of households where the service can be offered by around 800. The level of participation also tends to be less due to some residents not liking the idea of leaving food waste in a bin for a period of 2 weeks or the fact that liners that are not biodegradable would no longer be permitted due to the processing method changing.

The modelling of the option is based upon an uptake of the service of 100% of the garden waste currently captures still being collected but only 80% of the Food Waste, with the remainder finding its way into the residual waste (grey bin). The costs associated with processing are higher and for all of the tonnage as processors have to assume that all of the kerbside collected material contains food waste and has to be treated accordingly through In-Vessel Composting (IVC) or Anaerobic Digestion (AD)

There is an overall FTE reduction of 21.0 due to the removal of nine of the dedicated food waste crews offset by the addition of two Garden Waste Crews due to the change to collections being made every two weeks. Two food waste crews are retained to enable the collection of material from Schools and other council properties to continue.

Overall this option delivers a modelled saving of £327,000.

Due to some material being diverted into the residual waste stream there would be a potential drop of 0.7% in the household recycling rate.

It should be noted that this option and the prices modelled are based upon the 2017 actual tonnages and market prices. There is also an assumption that there is capacity within the market for the processing of around 13,000 Tonnes of material. At this time it is not guaranteed that capacity is available and this will be sought through soft market testing.

## **General Risks and Sensitivities**

In the case of all of the options proposed there is a risk in terms of the actual uptake levels and where the material ends up within the collection system. The service has endeavoured to use the most up to date information available from Authorities who have implemented this system but there are differences in terms of geographical and demographic context across the country which will only be full known once implemented.

The co-mingling of material presents risks in terms of the availability of capacity within the market, at reasonable delivery distances, which can fluctuate due to requirements from the private sector as well as Local Authorities who are also looking to change their collection methods. Whilst capacity can be created the current market situation where there is a limited

stated capacity enables processor to charge a higher market rate which is borne by the councils collecting the material. The council will always seek to achieve best value through its procurement processes but the ultimate market price is something that cannot be directly influenced or controlled by an individual authority.

In terms of the market price differences at present the table below shows the current situation across the providers within Scotland who bid for the Scotland Excel framework contract.

#### **Gate Fees from Scotland Excel (April 2018)**

	<b>Low</b>	<b>Average</b>	<b>High</b>	<b>Contamination (average)</b>
<b>Food Waste</b>	£29.80	£51.20	£70.00	£103.74
<b>Garden Waste</b>	£20.00	£34.48	£55.00	£98.32
<b>Co-Mingled</b>	£45.00	£53.84	£75.00	£104.68

\*all prices are per tonne at gate

Additionally there are variances in the household garden waste tonnages collected each year can be as high as 10,500 Tonnes and as low as 8,200 Tonnes, due to climatic conditions.

When you combine this variance in potential contract prices with the annual difference in tonnages there is scope for a budget variation from an underspend (saving) of £354,000 within a year to an overspend (pressure) of £354,000 within a year, based on the modelled co-mingling of Garden & Food Waste.

This variation is not something that can be directly affected by the council and its officers as the main contributing factors are weather conditions during the growing season and the processing market, which is run by private companies.

Additionally further uncertainty is ahead from 1 January 2019 when the quality standard for compost, PAS 100, is refined to lower the contamination level, with further lowering implemented over the following years. In discussions with processing companies and across the other 32 Authorities within the Waste Management Officer Network, it has been noted that this standard change could see processing cost increase between 50-100% due to the additional equipment required to meet the lower limit of plastic contamination. This could have an impact of increasing the processing cost between £300,000 and £600,000 per annum.

#### **Engagement Activities**

To inform residents of the impending changes the service intend to follow the format of the engagement plan used successfully in previous roll out projects, for separate Food Waste collections and the 140 litre landfill bin.

The service changes would be communicated over a period of weeks initially in the local press, on the council website and in Bulletin (if timing allows). This would be followed by a direct communication to each household, in partnership with information on social media.

The fortnight before the change in service, Recycling & Waste Services would hold information sessions for householders in each relevant area. The dates of these will be listed in the householder communication. The sessions allow householders the opportunity to talk to Recycling & Waste Services staff and address any concerns or ask any questions.

Running in parallel to the engagement with householders would be awareness raising with relevant staff and Councillors. Recycling & Waste Services would provide an information pack

for councillors and contact centre staff and carry out briefings for both Recycling & Waste Services as well as Contact Centre staff.

### **D.3 NEXT STEPS**

Once approved the service will commence to develop and design routes for the collection vehicles based upon a fortnightly co-mingled Garden & Food collection. This work takes a period of up to 6 months and will take place at the same time as engagement activities are undertaken within local communities, and online, in preparation for the roll out of the new service.

The indicative timeline takes account of the slippage from the original timescale in order to ensure that the system is implemented to avoid the peak periods of service demand, public holidays and the school holiday period would be as follows:

- December 2018 – Soft Market Testing for capacity
- December 2018 to May 2019 – Route design work and initial engagement
- September 2019 – New system operational avoiding the Easter and May Public/Bank Holiday period and peak summer holiday periods for residents.

### **E. CONCLUSION**

The modelled proposal for co-mingling Garden & Food waste enables the service to work towards the savings targets set. The tonnages received and market price are external risks to the delivery of the savings. The service does not have any alternative solutions which would increase this saving without resorting to the previously discounted proposal and as such it is important that members are made aware of this, the market risks and the slippage in timescale to allow a smooth transition to the new service.

### **F. BACKGROUND REFERENCES**

Environment PDSP – 30 October 2018

Appendices/Attachments:

Appendix 1: Organic Collection Services (Scottish Local Authorities)

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**JIM JACK**  
**Head of Operational Services**  
**4 December 2018**

## Appendix 1: - Organic Collections offered by Scottish Local Authorities

<b>Council</b>	<b>Mixed Garden &amp; Food</b>	<b>Garden Waste Charge implemented (or to be implemented)</b>
Aberdeen City	Yes	No
Aberdeenshire	No	No
Angus	No	Yes
Argyll & Bute	No	No
Clackmannanshire	No	No
Dumfries & Galloway	No	No
Dundee City	No	No
East Ayrshire	No	No
East Dunbartonshire	No	No
East Lothian	No	No
East Renfrewshire	Yes	No
Edinburgh City	No	Yes
Eilean Siar	Yes	No
Falkirk	No	No
Fife	Yes	No
Glasgow City	Yes	No
Highland	No	Yes
Inverclyde	No	No
Midlothian	No	Yes
Moray	Yes	No
North Ayrshire	Yes	No
North Lanarkshire	Yes	No
Orkney Islands	No	No
Perth & Kinross	Yes	Yes
Renfrewshire	Yes	No
Scottish Borders	NO SERVICE OFFERED	N/A
Shetland Islands	No	No
South Ayrshire	No	No
South Lanarkshire	Yes	No
Stirling	Yes	No
West Dunbartonshire	Yes	No
West Lothian	No	No
	<b>Total Mixed: 13</b>	<b>Total Charging: 5</b>







## **COUNCIL EXECUTIVE**

### **REVIEW OF LOCAL GOVERNANCE**

#### **REPORT BY CHIEF EXECUTIVE**

##### **A. PURPOSE OF REPORT**

To inform the Council Executive of the Review of Local Governance, being undertaken jointly by the Scottish Government and COSLA, and to make proposals in relation to West Lothian Council's participation in the Review.

##### **B. RECOMMENDATION**

1. To note the ongoing Review of Local Governance being led jointly by the Scottish Government and COSLA
2. To consider the contents of this report and agree their submission to COSLA and the Scottish Government
3. To note that officers will continue to work with COSLA in the development of a national Local Authority position

##### **C. SUMMARY OF IMPLICATIONS**

<b>I Council Values</b>	Focusing on our customers' needs; being honest, open and accountable; providing equality of opportunities; developing employees; making best use of our resources; working in partnership
<b>II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	<p>The review has significant implications for legislation governing the delivery of public services in Scotland. The Scottish Government has stated that it intends new legislation (the 'Local Democracy Bill') within the lifetime of the current parliament.</p> <p>Environmental, equality, health and risk assessments may be necessary in relation to any specific proposals for change which are developed.</p>
<b>III Implications for Scheme of Delegations to Officers</b>	None at present. Any agreed change to public service governance in Scotland may have implications for the Scheme of Delegation.
<b>IV Impact on performance and performance Indicators</b>	None at present. Any agreed change to public service governance in Scotland may have impact on performance and

performance indicators.

<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	None at present. Any agreed change to public service governance in Scotland may have implications for the Single Outcome Agreement.
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	<p>None at present. Any agreed change to public service governance in Scotland may have implications for local authority budgets.</p> <p>The potential for divergence in local governance arrangements, and the establishment of asymmetrical governance structures, would require national consideration of how fair funding formulas could be devised to support such arrangements.</p>
<b>VII</b>	<b>Consideration at PDSP</b>	13 November 2018. In discussion comments were made relating to the potential for asymmetrical governance arrangements in different parts of the country in response to different local conditions, and differences in current structures, and the requirement of a new funding framework to support potential asymmetrical governance arrangements. These comments have been reflected in the report. The PDSP also considered examples of how the suggested increased range of functions for an Integrated Public Authority would work in practice, and the benefits that would result from this approach.
<b>VIII</b>	<b>Other consultations</b>	Corporate Management Team

## **D. TERMS OF REPORT**

### **D1 Introduction**

The Scottish Government's Programme for Government contains a commitment to deliver a Review of Local Governance. The Scottish Government and COSLA launched a Local Governance Review in a joint announcement on 7 December 2017. The stated purpose of the Review is to ensure that local communities have more say about how public services in their area are run.

The Review is intended to "strengthen local decision making and democratic governance in ways that improve outcomes in local communities, grow Scotland's economy for everyone's benefit, support communities to focus on their priorities, and help new ideas to flourish." It will reflect the principle that 'one size fits all' will not meet the needs of Scotland's diverse communities. The Review will cover services provided currently at both local and national level, and how powers, responsibilities and resources are shared between national and local spheres of government and with communities. It will involve extensive community engagement, and consultation with the third and private sectors.

The Review will involve two separate strands. The first strand will focus on how decisions are taken in communities. The second strand will focus on how decisions are taken at the level of community planning partnerships and councils or more regionally. This second strand will involve the Scottish Government inviting city regions, regional groupings, individual local authorities, Community Planning Partnerships and other public sector organisations to propose place specific alternative approaches to governance, powers, accountabilities and ways of working which have the potential to improve local outcomes and drive inclusive economic growth.

Proposals could include 'differently devolved' powers and functions, and new public service arrangements (eg single public services or regional collaborations) where there is a democratic mandate for doing so. The Scottish Government and COSLA have indicated that they will not be bound by a 'one size fits all' approach. This could lead to an asymmetry of governance arrangements, with different solutions agreed in different parts of the country in response to agreement of differing local need. For example it may be more appropriate to pursue decentralisation of decision making in some local authority areas; in others it may be appropriate to pursue greater joint working.

All changes proposed will be tested against democratic renewal principles:-

- Subsidiarity and Local Decision Making
- Simple Open Democracy
- Personal and Empowering
- Fairness and Equality of Outcome
- Financially Sustainable and Preventative

An enabling group has been set up jointly by COSLA and the Scottish Government to undertake and report on both stages of the Review. A joint oversight group, comprising ministers and the COSLA presidential team, will ensure joint political oversight. The Scottish Government has stated that it intends new legislation (the 'Local Democracy Bill') within the lifetime of the current parliament.

On 28 May 2018 Scottish Ministers, COSLA and the Scottish Community Alliance launched jointly the 'Democracy Matters' conversation, the stated aim of which was to identify new legal rights for communities which would place them at the heart of decision-making. This conversation is part of the first strand of the Review. The conversation will run for approximately six months, ending around November 2018. As part of the conversation process, people are being invited to consider a short set of questions on shaping local democracy, and supporting materials have been produced. These are available at <https://beta.gov.scot/policies/improving-public-services/local-governance-review/>

These questions invite respondents to consider what 'local' means to them, existing local level decision making, control of decision making by local communities or communities of interest, their own experience of getting involved in decision making, and also provide an opportunity to submit ideas.

Scottish Ministers and COSLA have asked public sector organisations to submit initial comments as the first stage of the second strand of the Review.

## **D2 Draft Proposals**

An officer group has been established by the Chief Executive to produce draft proposals for the consideration of members.

Initial consideration by officers has centered on four key themes:-

1. The Integrated Public Authority model and its benefits in terms of the democratic renewal principles, at the level of existing unitary authorities.
2. Decentralisation and devolution of decision making utilising the existing powers conferred by the Community Empowerment (Scotland) Act 2015, communities of interest and existing approaches and communities of place (including Community Councils and Community Development Trusts) in preference to the establishment of a new tier of local governance, or new local bodies
3. The further development of joint working and shared services as an alternative to 'regionalisation'
4. An examination of existing legislation which hinders effective public service delivery and governance

In relation to the Integrated Public Authority model, initial thinking has been concentrated on the themes of:-

1. community safety (involving police, fire and rescue, housing, education)
2. economic development (involving Scottish Enterprise, Skills Development Scotland, the college sector, education, Visit Scotland and potentially Scottish Water)
3. health and wellbeing (involving social policy and health)
4. an anti-poverty service (involving council revenues, benefits, grants etc., and aspects of the local delivery of national benefits)

Local residents influence decisions through the democratic process which ensures that locally elected representatives are accountable for their actions and decisions. Bringing a greater range of public functions under the democratic oversight of local government could increase local control over decisions, increase the accountability of public services to the local communities they serve, and foster a greater sense of connection between the service and local community.

The continuation of national bodies to set strategic direction is supported, with local authorities maximising the co-ordination, responsiveness and accountability of a wider range of public services to local conditions and priorities. At a local authority level, the need to ensure continuation of strategic local oversight when introducing further devolution of decision making is also recognised.

In relation to joint working, an enhanced role for COSLA in promoting and facilitating joint working, along the lines of that played by local government bodies in England and Wales, may help ensure that local authorities can secure some of the perceived benefits of regionalisation without losing accountability, and that this aspect of reform remains within the democratic control of local authorities.

## **D3 The Integrated Public Authority**

West Lothian Council, in its response to the Scottish Parliament's Justice Committee call for written views on its post-legislative scrutiny of the Police and Fire Reform (Scotland) Act 2012, as approved by the Council Executive at its meeting of 15 May 2018, proposed that police and fire and rescue services should become part of a 'single public authority' for West Lothian.

A 'single public authority' is a single tier unitary authority responsible for a full range of government functions within its area. This could include current local government functions, some functions currently undertaken by the Scottish Government through other public bodies, and may even include some functions not currently devolved by the UK government.

The Scottish Government itself is not a Single Public Authority for the nation, as some powers are reserved to Westminster. The Single Public Authority may not suit the delivery of all public services. This may be the case where it is perceived as unlikely that agreement can be reached to give local authorities complete control of a service, or where there would be a significant risk of locating responsibility for a service at local authority level. Other forms of enhanced local governance may allow West Lothian council to improve outcomes as an Integrated Public Authority through a mixture of increased responsibility for some additional functions and increased influence over others, with fewer requirements for structural, legal or legislative change.

It is proposed that existing local authorities should be strengthened as Integrated Public Authorities for their area, recognising that local authorities are unlikely to take on all public service delivery functions, and thus are not likely to become full Single Public Authorities. The concept of an Integrated Public Authority may best be seen in this context as a move towards a strong, democratically elected, responsive and representative body responsible for co-ordinated and joined up planning and service delivery across a wider range of functions than currently fall within the remit of local authorities.

It would be distinct from partnership working, as exemplified by the Community Planning Partnership, where each partner retains their distinct organisational identity, although some aspects of decision making are co-ordinated. The Regional Improvement Collaborative (Education) and Integration Joint Board (Social Policy and Health) are also examples of a co-ordinated or joint decision making approach, rather than organisational integration at an operational level.

In contrast, the Integrated Public Authority model would see stronger integration, including full incorporation of some additional public functions within the Integrated Public Authority, and greater influence over other functions through enhanced responsibility with legislative backing. This may be achieved, for example, by local authorities producing a local plan for services they do not provide directly, and an enhanced scrutiny and representative role for local authorities and local elected members for services they do not provide directly. The Integrated Public Authority approach recognises, therefore, the community leadership of democratically elected local government and its members.

The concept of an integrated public authority can be tested against democratic renewal principles. It fits well with the desire for subsidiarity and local decision making. It is compatible with the need to take account of both strategic and local priorities at a national and local authority level. For many functions a body responsible for strategic national policy is necessary and desirable, but local delivery could best be tailored to the needs and expressed desires of a local population by local delivery of services through local authorities.

It fits well with the desire for a simple open democracy. Local provision, management and policy development in relation to services currently delivered through a variety of arrangements presents an opportunity to declutter the complex public sector landscape. Moving towards an Integrated Public Authority based on current local authorities could bring more direct democratic oversight to a wider range of bodies. The result will be less confusion and greater local accountability for local service users.

The concept of an integrated Public Authority fits well with the desire for personal and empowering services. The opportunity to build an even more co-ordinated and joined up planning and delivery framework, building on the successes of Community Planning, could provide services more responsive to local need and therefore more empowering of the local population. The defining feature of local authorities is their democratic accountability. Local elected members are accessible, and will ensure services provided are relevant to local residents. Elected members play an important role in consulting and representing their constituents, helping to ensure that service provision is personal and empowering. Extending the range of services which can be brought under this democratic and representative influence could, in these ways, benefit communities.

An Integrated Public Authority could use its ability to coordinate the actions of an increased range of public services in order to improve outcomes, in particular in relation to mitigating the negative impacts of socio economic deprivation. West Lothian Council has put tackling the negative consequences of socio-economic deprivation at the centre of its service provision through its Anti-Poverty Strategy, and extending the range of services which can be brought under this strategic influence would benefit communities.

A financially sustainable future for local service provision, based on a preventative approach, could be aided by the Integrated Public Authority approach. The Community Planning approach has strengthened the alignment of planning functions and the prioritisation of resource commitment amongst public bodies in each local authority area in Scotland. However, opportunities exist for this approach to be extended and strengthened, building on good progress made by the Community Planning Partnership (for example, in relation to the Anti-Poverty Strategy).

The Integrated Public Authority can be seen, therefore, to score strongly against the democratic renewal principles.

The Integrated Public Authority Approach would simplify governance across public services in ways which could both achieve greater clarity for citizens, and lead to efficiency savings and improved effectiveness. For example, it would facilitate:-

- A single local performance framework for an increased range of public sector services, aligned to the national Scotland Performs framework.
- A single complaints system for an increased range of public sector services, with greater capacity to address cross-cutting issues, with a single ombudsman, further decluttering the public sector landscape.



- Single points of contact for an increased range of public sector services, including local contact centres, and local information portals providing details of an increased range of services within a local area
- Reduction in duplication of resources through unified management and enabling services, and eradication of gaps in resources through unified planning

An Integrated Public Authority approach can therefore bring a range of benefits including:-

- Citizen/customer benefits, including quality of service and improved outcomes
- Efficiency/managerial benefits, including quality of financial and performance management
- Benefits of democratic legitimacy and accountability, and the representative and consultative role of elected members

Three existing and proposed pieces of legislation provide examples of how a move towards establishing an Integrated Public Authority could occur.

Certain Community Planning Partners (Local Authority, Health, Police, Fire and Rescue and Scottish Enterprise) may jointly request the establishment of a Corporate Body to deliver functions relating to Community Planning (Section 17 of the Community Empowerment (Scotland) Act 2016). This could provide an existing legislative path towards the delivery of joined up local services by an Integrated Public Authority within a local authority area. This could facilitate enhanced planning (a local 'Wellbeing Plan') of a sort envisaged by Community Planning powers, and Community Safety joint working, but not yet fully realised due to the difficulty of aligning the corporate strategies, priorities and resource allocation of multiple organisations. An example could be combining more effectively crosscutting elements of Police, Fire, Health, Housing and Education amongst others to reduce the negative impact of drugs and alcohol across a range of outcomes.

The Islands (Scotland) Act 2018 includes a provision for islands councils to make additional powers requests, which would allow these local authorities to request that additional functions, duties and responsibilities are transferred to the authority. Local authorities would be required to demonstrate reasonable cause for making a request, and Scottish Ministers would be required not to unreasonably refuse to grant the request. If enacted, this legislation could then form a template for a move towards the Integrated Public Authority model in other local authority areas if its provisions were extended to cover the whole of Scotland.

The Transport (Scotland) Bill, as introduced, also includes provisions relevant to the Integrated Public Authority model. The Bill would enable councils to put in place a 'bus service improvement partnership plan', setting out policies relating to local services and objectives to be met with regard to quality and effectiveness. It would enable councils to put in place a 'partnership scheme' imposing one or more service standards in relation to the quality and effectiveness of local services. Operators of services would be required to comply with these standards. Councils could join together to make joint partnership plans and schemes. This model, where local authorities receive enhanced powers to plan and set standards for services they do not deliver directly, could be extended to other areas of service delivery.

#### **D4      Devolution of Decision Making**

A wide range of structures and processes to devolve decision making already exist and are being utilised by West Lothian Council. These could be built on and developed to support greater levels of community decision-making across public services and to strengthen local democracy. The development of these structures and processes could provide an alternative mechanism for devolution of decision making to the establishment of a new tier of local government. Some of the arguments in support of this proposition are set out below.

A single level of local government, as represented by the current elected unitary authorities, may be the best way of ensuring effective democratically led local governance below the level of the Scottish Government. The delegation of decision making powers below the level of the current unitary authorities may have disadvantages, including the loss of a strategic approach and the fragmentation of policy application and professional oversight. This could have the consequence that local authorities would find it harder to ensure that services remain aligned with its local priorities, determined following extensive community engagement and as a result of robust democratic process. It could also make it harder to ensure that services contribute to wider public policy goals set by the community planning partnership and at a national level.

The introduction of an additional tier of local governance could give rise to conflicts of democratic mandate. It would be likely to increase confusion regarding responsibility and accountability for services rather than decrease it, and so may be seen to be contrary to the requirements of simple, open democracy.

The Community Empowerment (Scotland) Act 2015 introduced a range of new powers to improve community engagement, which have yet to be fully developed. These include Participation Requests which allow community groups to request that local public organisations work with them to improve a service; Asset Transfer Requests which allow community groups to buy, rent or take over any land or buildings owned or rented by public bodies; and Participation in Public Decision Making and Participatory Budgeting which will require public authorities to publicise and support the involvement of the community in the decisions and activities of the authority, and allow local people to have a direct say in how, and where, public funds can be used to address local need. It is proposed that these powers should continue to be fully developed and applied.

Utilising a partnership approach, West Lothian Council has worked closely with community groups and third sector organisations to gather views about how specific areas, including Fauldhouse and Whitburn, should change and to form proposals. This approach has supported direct and intensive community engagement, with a specific purpose in mind, without the need for the creation of a permanent local structure. Community Councils and Community Development Trusts are existing community based organisations which also facilitate community engagement. It is proposed that existing partnership working with existing local structures be strengthened, for example by increased involvement of the emerging Joint Forum of Community Councils in Community Planning Partnership decision making.

When considering the concept of devolution, geographic devolution is often the first or only option considered, but there are alternative methods by which effective and meaningful community empowerment could be pursued. These include communities of interest. The 'Democracy Matters' conversation is itself an excellent example of public bodies, in partnership, seeking the involvement of a 'community of interest' which has some knowledge of or interest in local governance.

Community empowerment in relation to development of any particular public service, for example bus services, cycling, recycling, childcare or anti-social behaviour where responses are sought from geographic communities risks setting these communities against each other with the main focus becoming where investment should be made. Consultation with communities of interest across geographic areas may better allow development of proposals for service delivery which will bring the greatest benefit to all service users and potential service users across all communities.

It would be possible to combine the promotion of 'communities of interest' with geographic consultation. This could take the form of thematic consultation aimed at improving service provision across West Lothian, but also taking account of the aspirations of its constituent communities. Local forums, open to all residents, could be held in each ward to discuss and make proposals, in advance of the major decisions the council takes. Local forums could also be used to discuss issues of specific interest to a particular area. It is proposed that the council's practice in relation to consultation should be broadened to include the involvement of communities of interest through ward-based local forums.

## **D5 Joint Working/Shared Services**

The promotion of joint working and shared services between local authorities may be seen as an effective way of realising some of the benefits which may accrue from larger local government units, without losing the local connections established by current local authorities, and whilst avoiding complex, time consuming and expensive re-organisations. An enhanced role for COSLA and the Improvement Service in promoting and facilitating joint working, along the lines of that played by local government bodies in England and Wales, may help ensure that local authorities can secure some of the perceived benefits of regionalisation without losing accountability, and that this aspect of reform remains within the democratic control of local authorities.

The Joint Agreement on Education Governance reached between COSLA and the Scottish Government may form a model of enhanced joint working between local authorities, which retain their autonomy and accountability for service delivery and improvement.

The joint working/shared services approach may give rise to concerns about lack of accountability. The tensions between on the one hand promoting an Integrated Public Authority approach based on the democratic renewal principles, and promoting greater joint working and shared services will require sensitive management to ensure that work to “strengthen local decision making and democratic governance in ways that improve outcomes in local communities, grow Scotland’s economy for everyone’s benefit, support communities to focus on their priorities, and help new ideas to flourish” through an Integrated Public Authority approach is not then undone by complex joint arrangements which could be seen to weaken accountability. Transparent Joint Committees may address this tension.

## **D6 Suggested legislative changes to facilitate the review of local government**

The Review of Local Governance provides an opportunity to examine legislation which is hindering effective public service delivery, and governance. Examples include:-

- 1. Education.** Integrated Public Authorities should retain the lead role for determining school funding and planning for improvement, including taking a strategic overview for expenditure resulting from Pupil Equity Funding and the Scottish Attainment Challenge to reduce instability and inconsistency of outcome. The multi-agency working to facilitate GIRFEC should be at local authority level. Although the proposed Education Bill is not being progressed at present, Ministers have reserved their position on future primary legislation. Early Learning and Childcare should be delivered and provisioned at Integrated Public Authority level to ensure curricular continuity and best value, and to facilitate multi-agency working as part of integrated GIRFEC approach. Consideration should be given to a change in emphasis from statutory entitlement to a duty for statutory provision by Integrated Public Authorities.
- 2. Housing.** Change should be made to housing legislation to ensure that Registered Social Landlords share the statutory responsibility to address homelessness which currently falls uniquely on local authorities.
- 3. Transport.** Maximum use should be made by Integrated Public Authorities of legislation on integrated passenger transport, sustainable transport and active travel, and forthcoming legislation regarding provision and regulation of bus services through partnership, franchising and municipal provision, decriminalised parking and low emissions zones, including commercialisation where appropriate.
- 4. Waste.** The “polluter pays” principal should be extended to levies on companies which produce waste, reducing the financial burden on Integrated Public Authorities. Controlled Waste Regulations, similar to those in force in England and Wales should be adopted which compel householders to comply with the requirement to recycle, and allow fixed penalty notices to be issued for non-compliance. The Waste Scotland Regulations should be amended to allow more cost effective and simpler methods of collection of different categories of waste.

5. **Planning and Development.** Planning legislation should ensure that the planning system is genuinely plan led. Recommendations from the Local Development Plan Examination should be 'recommendations' rather than 'directions'. The right of appeal against refusal of planning consent should be removed where the council's decision is in accordance with the Local Development Plan. A single application process should cover a range of statutory functions including planning permission, advertisement consent, road construction consent etc. The budgets of infrastructure providers should be regulated to ensure that they are focused on promoting sustainable economic growth and delivering the right infrastructure in the right place at the right time.
6. **Commercial Approach.** Change should be made to legislation to allow Integrated Public Authorities to take on a greater commercial approach to providing services, including road construction and maintenance and waste collection, in line with that increasingly being adopted elsewhere. There are risks to this approach, however, including financial loss if it is not profitable.
7. **Finance.** Integrated Public Authorities should be given more powers for to set and raise funding locally, such as local control of non-domestic rates, potentially other property taxes such as land value tax, visitor taxes. Local authorities should be given more power to spend locally without restrictions relating to funding. Ring-fenced funding should be reduced, and Integrated Public Authority performance should be evaluated on outcomes.
8. **Compulsory Purchase Orders.** Legislative change should make the Compulsory Purchase Order (CPO) process simpler and quicker where the Integrated Public Authority can demonstrate that the CPO is necessary to deliver a significant part of the overall development plan strategy, or in the public interest. Consideration should be given to allowing an Integrated Public Authority to retain an element of the uplift in the value of the site, or in any surrounding master-planned area, resulting from the CPO.
9. **Benefits.** Legislative change by the UK government should facilitate information sharing with HM Revenues and Customs which could assist collection of local taxes including council tax, and also assist determination of eligibility for benefits, grants and allowances.

## **D7      The Legal Framework**

Local authorities are subject to legal rules about their functions which will inevitably be an obstacle to significant change and innovation in local governance arrangements. Every function carried out by local authorities comes with its own set of rules and conditions and restrictions. Those often prove to be constraints on innovation and partnership working and go beyond the control framework any statutory body requires in its activities. Ways to relax those restrictions on a case-by-case basis should be explored. More generally, local authorities interact with central government, with communities, with other public bodies, with the private sector and amongst themselves. They will require versatile and adaptable rules about how they work with that range of partners and stakeholders.

Traditionally, internal decision-making is through committee and council meetings of elected members, and through council officers given appropriate powers. There are restrictions on how many non-councillors can be members of committees and the type of business that they can take part in. Bringing representatives from partners and stakeholders to the table and giving them a meaningful say in decisions would require those rules to be changed.

Externally, councils may delegate their functions to another council, or can enter into joint committee arrangements. There are legal rules about joint committee membership and the type of business non-council representatives can take part in. Joint committee arrangements can only be made amongst councils. Those restrictions require to be relaxed to allow councils to progress and build relationships with their stakeholders.

Councils have a more general power to utilise, the power to advance well-being. It is however bound up in conditions and restrictions and guidance that are significant chilling factors in the imaginative use of the power. Those restrictions should be eased to let the power be used as originally envisaged. It could be extended in a more significant way to a power of general competence – to do anything lawful for the benefit of the community where it can be shown to secure best value and advance its well-being.

Community planning legislation allows the establishment of a distinct legal body amongst community planning partners for the better delivery of community planning functions. It is though limited to those partners and those functions and it is tied up in a statutory process requiring agreement amongst designated partners and consent from Ministers. It does represent an advance on traditional arrangements but still comes with conditions and restrictions and procedures which act as barriers to its use.

Local government has been subject to different working arrangements imposed by legislation. Examples are the Regional Improvement Collaboratives in education and the integration of health and social care. Although the council is participating fully in these new arrangements, statutory impositions are not the hallmark of true partnership working between central and local government.

The Islands (Scotland) Act 2018 contains examples of where changes might be made using models which have already been debated and legislated for, including the process of “islands-proofing” and the right to make application to the Ministers for additional powers to be devolved.

Changing these rules should not be the driver of change in local governance arrangements. Those rules should be driven by the aspirations and outcomes which emerge from the consultation process. However, their significance should not be overlooked.

## **E. CONCLUSION**

In conclusion, West Lothian Council's draft proposals are made up of four key themes:-

1. The Integrated Public Authority model and its benefits in terms of the democratic renewal principles, at the level of existing unitary authorities
2. Decentralisation and devolution of decision making utilizing the existing powers conferred by the Community Empowerment (Scotland) Act 2015, communities of interest and existing approaches and communities of place (including Community Councils and Community Development Trusts) in preference to the establishment of a new tier of local governance, or new

local bodies

3. The further development of joint working and shared services as an alternative to 'regionalisation'
4. An examination of existing legislation which hinders effective public service delivery and governance

In relation to the Integrated Public Authority model, West Lothian's thinking has been concentrated on the broad functions of:-

1. community safety (involving police, fire and rescue, housing, education)
2. economic development (involving Scottish Enterprise, Skills Development Scotland, the college sector, education, Visit Scotland and Scottish Water)
3. health and wellbeing (involving social policy and health)
4. an anti-poverty service (involving council revenues, benefits, grants etc., and aspects of the local delivery of national benefits.)

The proposals contained within this paper are in accordance with the democratic renewal principles of:-

- Subsidiarity and Local Decision Making
- Simple Open Democracy
- Simple Open Democracy
- Personal and Empowering
- Fairness and Equality of Outcome
- Financially Sustainable and Preventative

The proposals can also be judged against the principles underpinning The Commission on the Future Delivery of Public Services (the 'Christie Commission'). The Commission identified a set of principles to inform reform of public service delivery:-

- Reforms must aim to empower individuals and communities receiving public services by involving them in the design and delivery of the services they use
- Public service providers must be required to work much more closely in partnership to integrate service provision and thus improve the outcomes they achieve
- Expenditure on public services which prevent negative outcomes must be prioritised



- The whole system of public services – public, third and private sectors – must become more efficient by reducing duplication and sharing services wherever possible

The aspects of public service delivery prioritized for inclusion in an Integrated Public Authority in West Lothian Council's draft proposals address the Christie principals directly:-

- The Integrated Public Authority, at the level of existing unitary authorities, will increase the integration of public services currently provided by separate bodies and thus improve the outcomes they achieve
- Decentralisation and devolution of decision making utilizing the existing powers conferred by the Community Empowerment (Scotland) Act 2015, communities of interest and existing communities of place (including Community Councils and Community Development Trusts) will empower individuals and communities receiving public services by involving them in the design and delivery of the services they use
- The further development of joint working and shared services as an alternative to 'regionalisation' will result in more efficient public services by reducing duplication and sharing services wherever possible
- The themes of community safety, economic development, health and wellbeing and the establishment of an anti-poverty service have, at their core, the philosophy that expenditure in these areas can prevent negative outcomes, for example in crime, unemployment, poor health and poverty

The proposals in this paper are designed to strengthen local decision making and democratic governance in ways that improve outcomes in local communities, grow Scotland's economy for everyone's benefit, support communities to focus on their priorities, and help new ideas to flourish, in line with the approach adopted jointly by the Scottish Government and COSLA.

The Council Executive is invited to note and consider the draft proposals contained in this report for submission to the Scottish Government and COSLA, representing the Council's position at this stage of the Review process. COSLA will develop a national local government position based on the council responses submitted. There will be further stages in the Review process prior to any firm legislative proposals being made.

## **F. BACKGROUND REFERENCES**

Review of Local Governance - <https://beta.gov.scot/policies/improving-public-services/local-governance-review/>

Appendices/Attachments: None

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