

Commercial Operations Performance Report Quarter One 2019/20



Progress in delivery of strategic outcomes

Commercial Operations continues to consider how it can transform in order to improve outcomes for our communities by contributing to the Council's short to long term priorities whilst taking into account the significant financial challenges ahead.

To enable us to deal with future service demands of an increasing population the council needs to cut costs and redesign services. Progress in delivering outcomes across the key service areas that follow has been and will continue to be informed by applying the 'Delivering Excellence' continuous improvement approach (within the context of bottom up service reviews) of looking at how we do things with a focus on priorities and considering what could be changed or done differently.

In support of the Council's strategic approaches Commercial Operations are progressing the following transformational activities aimed at maximising the use of assets and creating flexibility across the workforce:

1. Development of the Street Scene/neighbourhood model for service delivery to involve local communities and/or the criminal justice teams.
2. Maximising the utilisation of the Council's fleet and passenger transportation arrangements (including third sector providers) by reducing costs and contributing to the environmental agenda in reducing the travel carbon footprint.
3. Changing the way that Council Staff travel on behalf of the Council.
4. Seeking commercialisation opportunities and trading with a wide range of organisations including the Private Sector and public sector partners.
5. Reducing the volume of waste managed and maximise recycling from all sectors with a clear focus on Municipal Premises as detailed within a developed waste strategy.
6. Developing community participation opportunities with local organisations and groups, particularly in our parks and open spaces.

All services continue to contribute to environmental responsibilities, providing opportunities for young people through positive destinations work placements, supporting the economic growth of Midlothian and working in partnership with Communities and Voluntary Organisations.

The structure of Commercial Operations is being geared towards co-location on one depot site in 2020. This will see a leaner management team (five senior managers reducing to three) and a workforce where job profiles will be more generic in nature allowing greater flexibility and cross skilling at all levels. Initially the post of waste services manager and Risk, Health & Safety and Civil contingencies will be merged from August, 2019. However, it is recognised that there are significant challenges in terms of recruiting into other skilled and professional positions particularly within the road services, vehicle maintenance and land service areas.

The development of the Waste Management Strategy will influence future direction of Waste Services and has been considered in the programme of cross cutting services review meetings. Once approved, the Strategy will ensure that Waste Services has sufficient plans in place to meet legislative and policy requirements to achieve landfill reduction targets. Long term disposal outlets for residual, food and dry recycle waste streams are secured although the dry recycle market in particular continues to be volatile.

We will continue to explore options for future service delivery through partnerships (e.g. waste facilities with City of Edinburgh and work through the Edinburgh, Lothian, Borders, and Fife (ELBF) for Road Services, shared services (e.g. Health and Safety with East Lothian) and co-production with community partners (e.g. grounds maintenance, and winter service).

Landscape and Countryside

Much of the focus continues within this service around securing funding and generating income to deliver on a range of measures to contribute to the Council's financial position.

In contributing positively to the council's improved health outcomes, with several play areas installed at Gorebridge Primary school and Nursery. A play area was also installed at Woodburn Terrace. In addition, the play area development work at Mayfield Nursery extension is going to be used as an exemplar by the care inspector and included in the best practice guide.

The Auld Gala Park area improvements have provided improved facilities for young people in this area of Scottish Index of Multiple Deprivation (SIMD).

Rosewell Park wheeled sport facility ground investigations have been completed prior to the tender process. Documentation for the contract is currently being developed.

Two sites were awarded Green Flags this quarter for Kings Park and Straiton Pond. This success was in the first submission for Straiton pond.

The service are working with Education to develop the Woodland Nursery school at Vogrie and other locations utilising our current facilities and staff resources.

The Ranger Service has generated a total of 2594 hours of volunteer time to maintain areas across the county.

Waste Services

In keeping with objectives of the waste strategy to continually increase recycling rates, food waste recycling was introduced internally to staff offices at Fairfield House and Midlothian House after a successful month's trial. Food waste collected will go to the food waste plant at Millerhill to create energy and agricultural fertiliser.

The pilot for a reuse cabin located at Stobhill recycling centre is now complete. The 'Making a difference' idea submitted by a member of the waste team offers local charities the chance to reuse furniture and other bulky items left in our recycling centre. So far around 2 tonnes of items have been put into the cabin for reuse.

The uptake of garden waste subscriptions is currently 17,067 households with 17,930 bins (ytd). Generating £627,550 of income to the Council.

SEPA has initially verified 2018 recycling rate at 58.2% (confirmation due September). This significantly improved from last year.

Travel and Fleet Services

An Intern from Business Partnership is working on the monitoring of fleet usage including usage of the pool transport. To provide more resource three co-Wheel Car Club vehicles have been bought in for pool usage. Driver CPC has picked up and is on track to meet the necessary requirement for statutory training for service drivers as well as providing an income stream for the training team.

Road Services

The Roads team have made a good start on the 2019/20 capital programme of carriageway and footway improvement schemes. 36 individual schemes have been identified in the programme and 6 have been completed in Q1 representing 1.85km and 0.71km of carriageway and footway resurfacing.

Funding was received from Cycling Scotland for the purchase of approximately ten bikes to be used by staff members for commuting to work. This initiative aims to encourage staff to leave their car at home and improve their health through cycling. Staff will be able to hire a bike for free for a period of one or two months. It is hoped that the initiative will encourage staff to get their own bike and change their travel behaviour after the hire period.

The team were successful in bidding to Transport Scotland Smarter Choices Smarter Places (SCSP) fund to a value of £80,000. This will take forward the active travel strategy and related sustainable travel initiatives and projects. In addition the team were also successful in bidding to Scotrail for a grant to market and publicise the electric Bike project for Dalkeith/ Eskbank Station. The Electric Bike Project is fully funded by SEStran with officer support from ourselves (SCSP funding).

In collaboration with Eskbank and Newbattle Community Council, a bid to the Town Centre Fund has moved to Stage 2 for a path from Newtongrange to Hardengreen. (Value £250,000).

The Active Travel Strategy was formally adopted by Midlothian Council.

Health, Safety and Civil Contingencies

The Health and Safety team have been preparing performance reporting information to reflect the H&S performance of the Council over the last year, finalising the Health, Safety and Wellbeing Strategy covering the next 4 year period.

The team delivered a programme of training which includes driver CPC training to meet a training need for the Council and to avoid having to purchase this training from external suppliers at cost to the Council. This insourcing activity has created cost savings for the Council.

In addition to the significant service improvements and efficiencies made by Health and Safety, the team have stabilised the income generated from commercial activities raising in excess of £11,000 in income. This income masks the true financial saving to the Council from the income work, as the training significantly reduces what would otherwise have required external spend.

The team provided the cross services lead to the no-deal exit from the European Union in the run up to the initial exit day of the 29 March 2019, since then the team have secured the £50,000 of government funding requested to support the Council's potential no deal Brexit preparations at that time.

Challenges and Risks

The services are progressing through a bottom up review process which will endeavour to ensure that the services are best placed to meet financial challenges as well as the challenge of a growing population. These reviews consider all aspects of the internal and external environment and ensure due consideration is given to the optimum vehicle for service delivery.

As part of the decisions taken to achieve a balanced budget for 2018/19 a number of posts within Commercial Operations were deleted. This is exacerbated as there are a number of posts where the staff members are approaching expected retiral. It is crucial therefore that robust plans are in place to ensure that cross skilling continues to be promoted where appropriate and that all opportunities to increase the availability of new talent is explored which will include bringing in young people and making best use of sharing of expertise with other partners, albeit adjoining authorities are reporting the same issues.

Key service challenges include:

Landscape and Countryside Services

Managing the restriction on the use of Glyphosate as well as customer expectations. Weed growth will be wide spread and very evident by August.

Managing the change required to meet savings and communicating changes to Councillors, Staff and the Public. In addition, managing the closure of Vogrie Golf Course and seeking businesses to take over the running and marketing of the Golf Course and the redeployment of staff and increasing Vogrie Country Park income by £70,000. Further to this, the bottom up review has resulted in a number of changes within the service which will require the support of staff and communities alike. For example with the saving of £40,000 from shrub bed maintenance.

The service is continuing to work closely with local communities in an effort to mitigate some of the changes which will impact on the visual amenity of Midlothian. This includes floral displays, grass cutting, allied to the positive work carried out by various groups in the parks around Midlothian. In Quarter 1 the majority of communities have taken on some floral maintenance in their communities.

Grass maintenance standards have been continued at previous levels which will otherwise result in an overspend situation for the section and it has been estimated this will be in the region of £75,000.

Continued challenges with the general lack of suitably skilled labour is impacting the work in the hard landscape squad. The team have had challenges in recruiting suitable staff this year and have lost two staff.

Difficulties in delivering the core path plan review with a reduction in staffing and dealing with community asset transfer requests and their implications consulting with Fields and Trust.

There may be challenges ahead in dealing with the impact of Ash die back on the Midlothian Tree stock.

Continued challenge in operating to budget for Galas and events, issues with charging event organisers that remains unresolved.

Waste Services

Absorbing the increasing number of new build housing and the impact of capacity on all collection routes as indicated in the outcome of the recent service review where no additional savings were sought.

The new charge for kerbside garden waste collections is expected to divert some garden waste to the residual waste stream and this may affect the recycling rate in 2019/20.

The increase in charges for kerbside trade waste collections may have an impact on customer retention and therefore projected income.

Midlothian Council is required to have litter zoned across council's land according to the revised methodology, before this June. However it has been put on hold until clarification on the use of OS maps and licencing agreement with Scottish Government for use of Ordinance Survey data and derived data.

Sickness Absence and staff reductions are challenging along with the Medium Term Financial Position and impending Management Restructure.

Travel and Fleet Services

There is an ongoing issue regarding recruitment of staff for the garage, although this is an industry wide problem and this will impact on the costs of maintaining the fleet as more work will have to be outsourced, this is a challenge we are continually experiencing with our apprenticeships. Challenge to reduce education services transport costs is ongoing and education are seeking a further reduction of £70,000 and will continue to monitor and reduce costs where possible.

Road Services

As Midlothian continues to grow in population, pressure on the existing road network intensifies. Ongoing constraints on the road maintenance budget will prove a significant challenge to maintain the road network at current condition levels. Currently 35% of the road network in Midlothian is deemed to be in need of maintenance treatment.

Regarding coordination of roadworks within Midlothian, new legislation and government requirements will be rolled out over the next 12 months, including a new Transport Bill, a One Scotland Gazetteer from the Improvement Service and a new version of the Scottish Road Works Register. Existing internal systems will require to be updated or replaced as appropriate and training provided for relevant staff, whilst maintaining Service level provision.

The issue of flood risk associated with a privately owned culvert carrying the Loanburn in Penicuik is ongoing with little progress being made by third parties to agree liabilities or commence culvert repairs. As required by legislation, the Service will continue to monitor water levels in the Loanburn and take appropriate measures (eg. provision of pumps and personnel) to mitigate flood risk to surrounding properties during periods of heavy rainfall. Ultimately, the Council will seek to recover our costs associated with this service provision once those liabilities have been resolved.

Levels of staff proving very difficult especially in summer holiday period where key members are off sick and in addition the loss of technicians and inspectors (planned) and management makes sustaining an acceptable service very difficult.

Due to less available funds to bid for to match fund Smart Choices Smart Places (SCSP) this year, we have had to terminate IBike project and recruit an Active travel marketing officer (Schools) to try and replicate that services as far as possible. The organisation of this is proving difficult in the timescales.

The loss of the Active Travel Marketing Officer will require recruitment for a post that will last Oct – June. This post is likely to continue year to year but will be difficult to recruit to. This post is essential in taking forward sustainable transport in Midlothian.

Health, Safety and Civil Contingencies

The capacity of the team to deliver against all of our priorities have been impacted as a result of a need to increase capacity in CPC driver training beyond the original programme in order to meet a greater element of the demand than had been envisaged at the outset of setting the team up to take on this new area of training.

The team have re-established the EU exit working group with the purpose of planning Council responses in the event of a no deal on 31 October 2019 following the UK Government's extension to Article 50. The group has been meeting fortnightly, this is expected to increase in frequency from August onwards as the countdown to the 31 October continues, unless conditions change.

The level of resourcing within the team presents an ongoing challenge to provide the desired income stream, adequately monitor health and safety performance and provide the range of support services provided by the team. A revised audit programme and management arrangement review programme have been developed to help manage workload and respond to the Health, Safety and Wellbeing Strategy highlighted above.

Suggested changes to priorities in Service Plan

Q1 19/20: No changes

Commercial Operations



Successes and Challenges

Corporate Performance Indicators (latest)

8 5 0 6

Service Plan Actions (latest)

1 18 0

Service Plan PIs (latest)

5 12 2 1

Service Risks (latest)

15

Corporate PIs Off Target as at 31st July 2019

PIs 8

% of invoices paid within 30 days of invoice receipt (cumulative)

Average number of working days lost due to sickness absence (cumulative)

% of Service PIs that are on target/ have reached their target. (does not include

Average time in working days to respond to complaints at stage 2

Percentage of complaints at stage 1 complete within 5 working days

Percentage of complaints at stage 2 complete within 20 working days

Percentage of complaints escalated and complete within 20 working days

Performance against revenue budget

Service Plan Actions Off Target as at 31st July 2019

Actions 1

Develop additional workstreams to achieve income for the Council

Service Plan PIs Off Target as at 31st July 2019

PIs 5

Reduce the number of people killed or seriously injured on Midlothian's roads

Income achieved by sourcing third party opportunities through Land and Countryside working on hard and soft landscaping

Income achieved by Commercialisation

The percentage of Council fleet which is 'Green' (cumulative)

Reduce by £150,000 expenditure on Travel costs

High Risks as at 31st July 2019

Risks 0

15 Risks at Medium and 0 Risks are high

Key PIs
 Off Target
 On Target
 Data Only Indicator
 Data is not yet available

Key Actions
 Off Target
 On Target/Complete
 Data is not yet available

Key PIs
 Off Target
 On Target
 Data Only Indicator
 Data is not yet available

Key Risks
 High Risk / Medium Risk
 Data is not yet available