

# Notice of Meeting and Agenda



## Midlothian Council

**Venue:** Virtual Meeting,

**Date:** Tuesday, 23 August 2022

**Time:** 11:00

**Executive Director : Place**

**Contact:**

Clerk Name: Democratic Services

Clerk Telephone:

Clerk Email: [democratic.services@midlothian.gov.uk](mailto:democratic.services@midlothian.gov.uk)

**Further Information:**

This is a meeting which is open to members of the public.

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## **1 Welcome, Introductions and Apologies**

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## **2 Order of Business**

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Including notice of new business submitted as urgent for consideration at the end of the meeting.

## **3 Declaration of Interest**

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## **4 Deputations**

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## **5 Minutes**

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- |            |   |         |
|------------|---|---------|
| <b>5.1</b> | PUBLIC MINUTE Midlothian Council for Approval 28 June 2022  | 5 - 26  |
| <b>5.2</b> | PRIVATE MINUTE Midlothian Council for Approval 28 June 2022 |         |
| <b>5.3</b> | Action Log- Council 23 August 2022                          | 27 - 30 |

## **6 Questions to the Council Leader**

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## **7 Motions**

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|------------|---|---------|
| <b>7.1</b> | Motion - Standing up for Responsible Tax Conduct_Redacted | 31 - 34 |
|------------|---|---------|

## **8 Public Reports**

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- |            |   |          |
|------------|---|----------|
| <b>8.1</b> | Housing Revenue Account Revenue Budget and Capital Plan 2022_23 Report by Chief Officer Corporate Solutions | 35 - 42  |
| <b>8.2</b> | Annual Treasury Management Outturn 2021-22 Report by Chief Officer Corporate Solutions                      | 43 - 74  |
| <b>8.3</b> | General Services Capital Plan_2022_23 Quarter 1 Monitoring by Chief Officer Corporate Solutions             | 75 - 84  |
| <b>8.4</b> | Financial Monitoring 2022/23 – General Fund Revenue Report by Chief Officer Corporate Solutions             | 85 - 96  |
| <b>8.5</b> | Medium Term Financial Strategy - 2023/24 to 2027/28 Report by Chief Officer Corporate Solutions             | 97 - 120 |

<b>8.6</b>	Scottish Parliament Finance and Public Administration Committee_ Pre-Budget Scrutiny Call for Views Report by Chief Officer Corporate Solutions	121 - 132
<b>8.7</b>	Risk Management Strategy Report by Chief Officer Place	133 - 150
<b>8.8</b>	National Care Service (Scotland) Bill Report by Principal Solicitor	151 - 156
<b>8.9</b>	(Abortion) Buffer Zone Consultation Response Report by Executive Director Place	157 - 170
<b>8.10</b>	Appointment of Representatives to Outside Bodies - Scottish Joint Council_July 2022 Report by Executive Director Place	171 - 174
<b>8.11</b>	Appointment of Representatives to Outside Bodies - Scotland Excel Joint Committee Report by Executive Director Place	175 - 178
<b>8.12</b>	Wheelchair Accessible Housing Targets Report by Executive Director Place	179 - 206
<b>8.13</b>	Rapid Rehousing Transition Plan 2022-23_ 2024-25 Report by Chief Officer Place	207 - 286
<b>8.14</b>	Trauma Informed practice development in Midlothian report by Head of Adult Services	287 - 334
<b>8.15</b>	Additions to Family Leave - Pregnancy Loss Pledge and Fertility Treatment Leave Report by Chief Officer Corporate Solutions	335 - 340

## **9 Private Reports**

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- 9.1** Acquisition of Office and Industrial Investment at Hardengreen One and Two, Eskbank, Dalhousie Road, Dalkeith, EH22 3NX Report by Executive Director Place
- 6. Information relating to the financial or business affairs of any particular person (other than the authority).
- 9.2** Easthouses Primary School – Audit Report by Chief Executive
- 6. Information relating to the financial or business affairs of any particular person (other than the authority).
- 9.3** Learning Estate Investment Plan 3 Bids Report by Executive Director Children, People & Partnerships
- 6. Information relating to the financial or business affairs of any particular person (other than the authority).

## **10 Date of Next Meeting**

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The next meeting will be held on 4th October 2022







## Midlothian Council

Date	Time	Venue
28 June 2022	11.00 am	via MS Teams

### Present:

Provost McCall (Chair)	Depute Provost McManus
Councillor Parry – Council Leader	Councillor Cassidy – Depute Council Leader
Councillor Alexander	Councillor Bowen
Councillor Drummond	Councillor Imrie
Councillor McEwan	Councillor McKenzie
Councillor Milligan	Councillor Pottinger
Councillor Russell	Councillor Scott
Councillor Small	Councillor Virgo

### In attendance:

Dr Grace Vickers, Chief Executive	Morag Barrow, Joint Director Health and Social Care
Gary Fairley, Chief Officer Corporate Solutions	Alan Turpie, Legal and Governance Manager/Monitoring Officer
Marc Bedwell Executive Business Manager	Michelle Strong executive Chief Operating Officer Education
Derek Oliver, Chief Officer Place	Sinead Urquhart Executive Business Manager
Annette Lang Strategic Services Re-Design Manager	Nick Clater, Head of Adult & Social Care
Saty Kaur, Executive Business Manager	Fiona Clandillon Head of Development
Lynn Cochrane Communications Team Leader	David Gladwin Financial Services Manager
William Venters Principal Solicitor	
Marco Reece-Heel Business Analyst	Myra Forsyth Quality and Scrutiny Manager
Gareth Davies Senior Manager Property and Facilities	Ross Morrison Senior Project Manager
	Mrs Elizabeth Morton – Religious Representative

Ross Neill, Democratic Services Team Leader	Janet Ritchie , Democratic Services Officer
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## 1. Welcome and Apologies for Absence

The Provost welcomed everyone to the meeting reminding all that it was a public meeting being webcast live.

Apologies for absence were intimated on behalf of Councillor Winchester and Curran also Mrs Lawrie Religious Representative to the Cabinet.

## 2. Order of Business

The Provost advised the order of business change the withdrawal of item 8.18 and the addition of an Emergency Motion 7.3, all other business as per the agenda.

Councillor Parry raised the issue of publicising aspects of the report on the private agenda at 9.2 as soon as possible. In that regard Mr Alan Turpie advised that depending on today's Council decision, the confidential aspect of some information may be removed and that information could then be made publically available

## 3. Declarations of interest

None

## 4. Deputations

None received.

## 5. Minute of Previous Meeting

No.	:
<b>5.1</b>	<b>Minute Volume</b>
	<b>Executive Director Place</b>
<b>Questions to Officers</b>	
Accepted as a clear and fair record	
Public Minute Volume	
Private Minute Volume	
Private Appeal Minute June 2021	
Proposed Councillor Parry	
Seconded Councillor McKenzie	
<b>Decision</b>	
Approved	
<b>Action</b>	
All to Note	

<b>Meeting</b>	<b>Date Held</b>
Audit Committee	14 March 2022
Performance Review and Scrutiny Committee	12 March 2022
Police Fire and Rescue Board	21 February 2022
General Purposes Committee	15 March 2022
4.1.1 Private Addendum to Minute of Meeting of the General Purposes Committee	15 March 2022
Planning Committee	15 March 2022
Local Review Body	22 February 2022
Special Local Review Body	21 March 2022
Private Business Transformation Steering Group	7 March 2022

<b>No.</b>		<b>:</b>
5.2	<b>Action Log Update</b>	<b>Executive Director Place</b>
<b>Questions to Officers</b>		
All members were satisfied the action log was up to date and in order		
<b>Decision</b>		
All to Note		
<b>Action</b>		
None		

## 6. Question to the Leader of the Council

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None

## 7. Notices of Motion

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<b>Report No.</b>	<b>Report Title</b>	<b>Report by:</b>
7.1	<b>Renaming of Penicuik Park</b>	<b>Proposed by Councillor Willie McEwan</b>  <b>Seconded by Councillor Russell Imrie</b>
<b>Outline of report and summary of discussion</b>		
The Council recognises the contribution that former Councillor ADAM MONTGOMERY made to both Lothian Region and Midlothian Council over many years of public service and seeks to commemorate his long standing record to Midlothian in general and to Penicuik in particular by renaming Penicuik Park to become known as MONTGOMERY PARK, and request that officers carry out the necessary actions to have the Park renamed.		

Proposed by Cllr McEwan  
Seconded by Cllr Imrie

Various members spoke of former Councillor Montgomery, their memories, the contribution he made and his valued service to the people of Midlothian

Unanimously Approved

### Decision

To rename Penicuik Park to Montgomery Park

### Action

Executive Director Place

Report No.	Report Title	Report by:
7.2	<b>Council to recognise Pride Month annually in June with the Progress Pride flag</b>	<b>Proposed by Councillor Connor McManus</b>  <b>Seconded by Councillor Kelly Drummond</b>
<b>Outline of report and summary of discussion</b>		
<p>The Council is asked to recognise Pride Month as a period of importance for many of the residents of Midlothian, and to symbolise the Council's commitment to the LGBTQI+ community, not only during the designated month of June, but in support throughout the whole year.</p> <p>The Progress Pride flag, is a pride rainbow flag with an additional chevron design that reflects the colours of the Transgender Flag, while the brown and black stripes represent marginalized people of colour. The black stripe has a dual meaning, it also gives recognition to those lost to HIV/AIDS and those still living with the disease.</p> <p>As a Council we have a duty to uphold the equality of these marginalised groups and a simple gesture, such as flying this flag, during the month of June will help solidify this pledge to all of our constituents that are part of the LGBTQI+ community.</p> <p>The national flag mandates for national holidays will still be observed throughout June, but the default flag around these events in June would become the Progress Pride flag.</p> <p>Proposed by Cllr McManus ( Deputy Provost) Seconded by Cllr Drummond</p> <p>Members spoke of the need to support all areas of the community and to symbolically communicate this by showing support and raising the Pride Flag in June</p> <p>Unanimously Approved</p>		
<b>Decision</b>		
To raise the Pride Flag in June at Midlothian House		
<b>Action</b>		
Executive Director Place		

The Monitoring Officer advised that as the Emergency Motion did not comply with Standing Order 8.3, Members would not be able to spend Standing Orders if they

wished to discuss the Motion. A vote was called by the Provost and Members agreed unanimously to suspend Standing Orders to allow the Emergency Motion to be heard

Report No.	Report Title	Report by:
7.3	Rail Strike - Emergency Motion	<p><b>Proposed by Councillor Peter Smaill</b></p> <p><b>Seconded by Councillor David Virgo</b></p>
<b>Outline of report and summary of discussion</b>		
<p>Midlothian Council resolves to communicate to the Scotrail Trains Limited, Network Rail, and the RMT trade union our deep concern about the rail strikes which followed on the failure of negotiations to resolve a pay dispute.</p> <p>Unlike the train driver union ASLEF, RMT appear to be demanding an unrealistic 11 per cent rise, which if agreed, would play a part in further fuelling an inflationary spiral, and become a burden on taxpayers and passengers alike.</p> <p>The rail industry has received £27bn of Government support over the COVID period- costing over £1,000 per UK household. In Scotland, even pre COVID, annual subsidies totalled £832.6m.</p> <p>The strikes will deter passenger from relying on rail, and will harm the long-term outlook for rail recovery in an environment where usage may be permanently lower due to customers' flexible working patterns.</p> <p>Midlothian is specifically concerned at the future of the Borders Railway, which has received £9.6m in Council support and now faces again potential discontinuation of the half- hourly service pattern.</p> <p>We call on the nationalised entity, Scotrail Trains, Network Rail, and RMT to play their part in supporting recovery by agreeing an affordable solution, balancing the interests of employees and public alike; and instruct our officers to write on behalf of the rail users of Midlothian accordingly.</p> <p>Proposed by Cllr Smaill Seconded by Councillor Virgo</p> <p>Members of all parties expressed their views, many noting their opposition to the motion prior to the vote. Recent barrister wage settlements and Brexit cited as issues. The current cost of living crisis was also noted as something that affects all families.</p> <p>Councillor Smaill noted a number of global affects that are out with the Governments control including recovering from Covid-19 and the Ukrainian war.</p> <p>The Provost called a vote on the motion -</p> <p>For - 2 Against – 13</p> <p>(Note- Due to a connection failure Cllr Russell was unable to participate in the vote)</p>		

<b>Decision</b>
Refused
<b>Action</b>
None

## 8. Reports

Report No.	Report Title	Report by:
<b>8.1</b>	<b>Cost of Living Crisis Task Force</b>	<b>Chief Executive</b>
<b>Outline of report and summary of discussion</b>		
<p>The purpose of this report is to outline the Cost of Living Crisis facing our communities and the urgent requirement to form a Task Force.</p> <p><b>Midlothian Council is recommended to:</b></p> <ul style="list-style-type: none"> <li>i. Note the report, Appendix 1, which was submitted to the Midlothian Community Planning Partnership Board on 26 May 2022.</li> <li>ii. To establish a Cost of Living Task Force as outlined in Appendix 2</li> </ul> <p>Dr Grace Vickers spoke to the report, noting the recommendations in appendices 1 &amp; 2 for the Elected Members consideration and to nominate participants in a taskforce.</p> <p>Members spoke about the pressure on all budgets and obligation to help those struggling where possible.</p> <p>Nominations for a Cost of Living Taskforce –</p> <p>Councillor Parry Councillor Scott Councillor McEwan Councillor Pottinger Councillor Virgo</p> <p>Proposed by Councillor Parry Seconded by Councillor Milligan</p> <p>Recommendations passed unanimously</p>		
<b>Decision</b>		
Agreed		
<b>Action</b>		
To convene a Taskforce meeting after July recess		

No.	Report Title	Report by:
<b>8.2</b>	<b>Single Midlothian Plan and Performance Reporting</b>	<b>Chief Executive</b>
<b>Outline of report and summary of discussion</b>		
<p>The purpose of this report is to draw to elected members attention the Single Midlothian Plan 2022/23 and the performance report of Midlothian Community</p>		

Planning Partnership. It is a statutory duty for the partnership to publish Local Outcome Improvement Plan and associated performance reports.

### **Recommendation:**

The Community Planning Partnership Board would like Council to note the excellent partnership working which has produced the Single Midlothian Plan 2022/23, with a key focus to work with communities to secure improved outcomes and reduce poverty. In addition the community planning partnership would like you to note the Performance Report 21/22 (October 2021 to March 2022), which highlights progress on indicators and actions.

Dr Grace Vickers spoke to the report noting the recommendation for the Elected Members consideration

Councillor Parry thanked the community planning partnership and the previous elected members for their work. She asked for an easy read version to be made available. For public consumption.

### **Decision**

All to Note

### **Action**

Easy Read Version of the report to be created – Chief Executive

No.		Report by:
<b>8.3</b>	<b>Standing Order 19.2 Decision Council</b>	<b>Chief Executive</b>
<b>Outline of report and summary of discussion</b>		
<p>The purpose of this report is to advise the Council of the decision taken by the Chief Executive in terms of Standing Order 19.2.</p> <p>At its meeting on 29 March 2022, the Council approved the following motion:</p> <p>“Making a contribution of £20,000 to the Disaster Emergencies Committee (DEC) to fund its member charities’ UK-based activities in recognition of the considerable strain the crisis in Ukraine has placed on the resources of these charities. This being funded by agreeing a supplementary estimate in 2021/22 met from the general reserve. Noting that the ability to do this is provided for by section 83(3) of the Local Government (Scotland) Act 1973 which provides Council to incur expenditure on contributions to any charitable body in furtherance of its work in the United Kingdom. Noting that the Council is not authorised to provide direct relief to communities abroad”.</p> <p>The Chief Executive advised that subsequent to meeting it transpired that DEC did not fund UK based activity and therefore the payment proposed would be ultra vires. In order to give effect to the will of the meeting, the Chief Executive had</p>		

accordingly used her powers under Standing Order 19.2 to re-allocate funding to the British Red Cross and the International Red Cross.

### **Recommendation:**

Council is invited to note the terms of this report.

Dr Grace Vickers spoke to the report noting the recommendation for the Elected Members consideration

Councillor Parry moved to note the report, and proposed a briefing on the progress of this work later in the year.

Seconded by Councillor Virgo

### **Decision**

All to Note

### **Action**

Briefing Ukrainian Refugees later in 2022 – Chief Executive

<b>No.</b>		<b>Report by:</b>
<b>8.4</b>	<b>Financial Monitoring 2021/22 – General Fund Revenue report</b>	<b>Chief Officer Corporate Solutions</b>
<b>Outline of report and summary of discussion</b>		
<p>The purpose of this report is to provide Council with information on performance against service revenue budgets in 2021/22 and details of material variances against budget and the General Fund Reserve.</p> <p>This report incorporates all COVID related income and expenditure in 2021/22 with related divergence from budgets fully funded by a combination of government grant, whether ring fenced for specific purposes, or from the general funding provided, and savings elsewhere in council budgets.</p> <p>The budget performance figures shown in appendix 1 result in a net underspend of £3.091 million for the year being 1.28% of the revised budget and a £0.491m improvement from that reported at quarter 3.</p> <p>Recommendation –</p> <p>Council is recommended to the contents of this report.</p> <p>Mr Gary Fairley spoke to the report highlighting various aspects then invited Elected Members to ask any questions.</p> <p>Various Members asked a wide range of questions covering multiple aspects of the report and appendices relating to the financial monitoring throughout the year.</p> <p>Mr Gary Fairley in response to questions replied, As a result of the decision of the MAP (ESF Scottish Gov Management Group) not to agree to the change request to reduce the financial envelope and the target numbers of participants in the ESF programme, we were forced to withdraw from their ESF agreement with Scottish Government. We were not in a position to within the acceptable error rate of</p>		



evidence which is set at 2%. Which means that claims could not be progressed. Whilst we accepted there had been staffing issues within the Council ESF programme, it is the case that the error rate has been exacerbated by the rule and changes which were put in place and changed by Scottish Government departments throughout the programme and applied retrospectively. If change requests had been presented to the MAP earlier as requested the outcome and financial liability could have been reduced.

The decision to withdraw means we have directly funded ESF employability work with partners over a number of years. Small third sector partners were not in a position to wait until claims and audits had been passed by Scottish Government for payment therefore the council had to cover the costs of the work of partners.

We also understand that Scottish Government had informed Council staff that the claim which has been paid and audited successfully of £144, 318.31 would require to be repaid.

The “decision” to elect to withdraw was made by the Chief Officer however it was reported to council through financial monitoring reports.

Queries concerning maintenance services variance were also raised by Members who requested who felt better performance was required in future.

Councillor McKenzie stated a commitment to resolve this within the next 12 months.

#### Decision

All to Note

#### Action

None

Report No.	Report Title	Report by:
8.5	HRA Quarter 4 Monitoring 2021/22	Chief Officer Corporate Solutions
<b>Outline of report and summary of discussion</b>		
<p>he purpose of this report is to provide Council with:-</p> <ul style="list-style-type: none"> <li>• The final outturn position for 2021/22 for both the Housing Revenue Account (HRA) Capital Plan and the Revenue Account;</li> <li>• A revised capital plan for 2022/23 to 2026/27 reflecting the cross-year movements from 2021/22.</li> </ul> <p>The summarised financial performance for 2021/22 is:</p> <ul style="list-style-type: none"> <li>• Capital Investment in the year totalling £39.477 million;</li> <li>• A net underspend of £0.374 million on the Revenue Account;</li> <li>• An HRA reserve at 31st March 2022 of £28.084 million the majority of which is committed to finance existing investment in the new build programme.</li> </ul> <p>Mr Gary Fairley highlighted aspects of the report inviting all to note and offered to take questions.</p>		
<b>Decision</b>		
All to Note		
<b>Action</b>		

None

Report No.	Report Title	Report by:
8.6	General Services Capital Plan Outturn 2021/22	Chief Officer Corporate Solutions
<b>Outline of report and summary of discussion</b>		
<p>The purpose of this report is to provide Council with:-</p> <ol style="list-style-type: none"> <li>1. An update of the General Services Capital Plan incorporating information on further additions to the Capital Plan for approval (Section 3.1) and adjustments to existing budgets in the Capital Plan (Section 3.2);</li> <li>2. Information on the final outturn performance against budget for 2021/22 (Section 4.1-4.4);</li> <li>3. An update on the capital fund balance at 31 March 2022 (Section 5).</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Approve the additions to the General Services Capital Plan as set out in section 3.1;</li> <li>2. Approve the adjustment to the project expenditure and funding budgets for the projects outlined in section 3.2.</li> <li>3. Note the General Services Capital Plan outturn position for 2021/22 as set out in Section 4.</li> </ol> <p>Mr Gary Fairley highlighted aspects of the report, inviting Elected Members to consider the recommendations and then offered to take questions.</p> <p>Members asked a number of questions relating to underspend and timescale concerns and their wider impact. Also raised was the orbital bus service and the PassivHaus project, in particular the need for Members to be updated on the latter.</p> <p>Councillor Parry Moved the report and recommendations Councillor Milligan seconded</p>		
<b>Decision</b>		
Agreed		
<b>Action</b>		
None		

Report No.	Report Title	Report by:
8.7	Financial Governance	Chief Officer Corporate Solutions
<b>Outline of report and summary of discussion</b>		
<p>The purpose of this report is to present an updated version of the Financial Regulations for approval.</p> <p>Section 95 of the Local Government (Scotland) Act 1973, requires all Local Authorities in Scotland to have adequate systems and controls in</p>		

place to ensure the “proper administration of their financial affairs”, Including the appointment of an officer with full responsibility for their governance. The Financial Regulations are a core element of the systems and controls with the requirement that any changes to these require the approval of Council.

The Financial Regulations are supported by a series of Financial Directives which are also being updated and will be presented to Audit Committee on 29 June 2022 for their endorsement (as required by the Financial Regulations).

The Financial Regulations are by their nature high level and the changes which have been incorporated since they were last approved are principally to reflect the Scheme of Administration and the current Leadership Structure.

### **Recommendations:**

Council is recommended to approve the updated Financial Regulations set out in appendix 1.

Mr Gary Fairley spoke to the report highlighting aspects of the report, inviting Elected Members to consider the recommendation and then offered to take questions.

Councillor Parry moved to agree the report

Councillor Scott seconded

### **Decision**

Agreed

### **Action**

None

<b>Report No.</b>	<b>Report Title</b>	<b>Report by:</b>
<b>8.8</b>	<b>Audit Committee Annual End of Term Report 2021/22</b>	<b>Chair of the Audit Committee</b>
<b>Outline of report and summary of discussion</b>		
<p>The purpose of this report is to provide Members with the Audit Committee Annual / End of Term Report 2021/22, which sets out how the Audit Committee has performed against its remit and the effectiveness of the Audit Committee in meeting its purpose based on the annual self-assessments of the Committee against best practice, and provides assurances to the Council.</p> <p>It is important that the Council's Audit Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance of the Council.</p> <p>The Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition (hereinafter referred to as CIPFA Audit Committees Guidance) includes the production of an annual report on the performance of the Audit Committee for submission to the Council.</p> <p>The Audit Committee Annual / End of Term Report 2021/22 is appended to this report as Appendix 1 for consideration. Midlothian Council continues to adopt this best practice.</p>		

**Recommendations:**

- a) acknowledge the performance of the Audit Committee and its assurances to the Council, as set out in the Audit Committee Annual / End of Term Report 2021/22 (Appendix 1); and
- b) endorse the Audit Committee's shared lessons learned and identified areas of improvement, set out in Appendix 1 and paragraph 4.2 of this report, to inform the new Audit Committee post local government elections in May 2022 to enhance the Audit Committee's effectiveness as a scrutiny body.

In the Audit Chair's absence, Mr Gary Fairley spoke to the report highlighting aspects of the report, inviting Elected Members to consider the recommendations and then offered to take questions.

Provost thanked the outgoing Chair, Mike Ramsay, for his work this was echoed by various Members.

Councillor Parry moved to approve the report and its recommendations  
Councillor Smaill seconded

**Decision**

Agreed

**Action**

None

Councillor Drummond left the meeting for item 8.9 due to a conflict of interest

Report No.	Report Title	Report by:
8.9	<b>Business Travel Report</b>	<b>Chief Officer Corporate Solutions</b>
<b>Outline of report and summary of discussion</b>		
<p>Undertaking Business travel in employees own vehicles remains a legitimate strand of the Councils Business Travel and Subsistence Policy. Where employees do use their own vehicle for business travel they are reimbursed at the HMRC rate which has been and remains at 45p per mile. Reimbursement at or below this rate does not incur an income tax charge on the payments and has been widely recognised as an appropriate benchmark for reimbursement.</p> <p>The increase in vehicle fuel costs has brought added financial pressure on employees who use their own vehicle on Council business, particularly staff working in Health and Social care services. The adequacy of the HMRC rate for Local Government workers has been brought into question by the agreement of the Secretariat of the Scottish Terms and Conditions Committee covering NHS services in Scotland to temporary increase to NHS Scotland standard business travel mileage rates of 5p per mile. The temporary changes to the NHS agenda for change rates bring the reimbursement rate to 61p per mile for the first 3,500 miles and 25p per mile thereafter.</p>		
<b>Recommendations:</b>		
<p>i. Note that on 21st April 2022 the Secretariat of the Scottish Terms and Conditions Committee covering NHS services in Scotland agreed a</p>		

- temporary increase to NHS Scotland standard business travel mileage rates of 5p per mile.
- ii. Note that there was no consultation and or indication of this change given to Councils whose staff work alongside NHS colleagues under the integration of Health and Social Care arrangements.
  - iii. Agree to change the Council's reimbursement arrangements from the HMRC rate of 45p per mile to mirror the revised Scottish agenda for change as set out in section 4 and in line with the NHS agreement that this change be backdated to cover mileage incurred since 1st April 2022.
  - iv. To note that the NHS agreement is described as a temporary measure to 31st July with two month's to be given before any reversion to the national agreed rates. The two months notice has not been triggered at the time of writing and so it will remain in place until at least mid-August 2022. Accordingly agree to delegate authority to the Chief Officer Corporate Solutions to make any further changes to the reimbursement rates to maintain parity with the NHS agenda for change rates.

Mr Gary Fairley spoke to the report highlighting aspects of the report in particular the need to match the discrepancy created by NHS Scotland increasing the mileage rate for Care workers, inviting Elected Members to consider the recommendations and then offered to take questions.

Members spoke at length about the current struggles for workers some struggling to get to work to get to each client in a timely fashion.

An action was proposed by Councillor Parry to write to the HMRC and the local MP to ask them to consider raising the rates so this type of payment would not be taxed

Mr Gary Fairley noted that with this report and if approved Midlothian would be an early adopter to the raising the mileage rate.

Members requested any back money due should be issued as soon as possible.

Mr Gary Fairley assured Members work was underway to do so for July and would explore if sooner is possible.

Councillor Parry moved to approve the report and its recommendations also the action proposed

Councillor Milligan seconded and also the proposed action

### Decision

Agreed

### Action

**Write to HMRC, UK Government and Local MP to make the case for raising the tax threshold to not unduly affect workers receiving the increased mileage payments - Chief Officer Corporate Solutions**

Councillor Drummond returned to the Meeting

Report No.	Report Title	Report by:
8.10	Easthouses Primary School	Head of Development
Outline of report and summary of discussion		

In an update of the General Services Capital Plan 2021/22 Quarter 3 Monitoring Report and 2022/23 to 25/26 Budgets (report to Council 15th February 2022), it was highlighted that:

- The Strategic Outline Business Case for Easthouses Primary School had been approved by Children, Young People & Estates Capital Programme & Strategy Board on 20 January 2022, and Capital Plan & Asset Management Board on 25 January 2022.
- That the budget for the provision of a 2 stream primary school, with 18 ASN places and 120 Early Years spaces had risen from the existing fully approved capital expenditure budget of £13.205 million to £18.616 million.
- That the increase in cost was to be funded through a mix of increased application of Early Years Grant (£0.414 million), increased application of developer contributions (£4.003 million) and an increase in prudential borrowing (£0.994 million).

The report highlighted that the increase in costs reflected improved energy requirements as part of the building design in line with the Council's Net Zero to 2030 commitment, and the latest estimates of costs. The £18.616m budget was arrived at by applying the Scottish Futures Trust (SFT) funding metric (£4,244/m<sup>2</sup>) to the proposed 4,386sqm development and includes historic expenditure on fees to date. In the past, Midlothian Council has delivered school developments within that funding metric.

However, it should be noted that this metric has not been updated in recent years and has not kept pace with level of inflation that has affected the construction market in the last 12 – 18 months.

The £18.616m budget was also less than the £20.12m that quantity surveyors advising the Council (Thomas & Adamson) estimated at the time it would cost to deliver the school.

Following this report, Midlothian Council utilised HubSE to appoint a Tier 1 contractor in order to avail of their expertise in design development and value management, seeking to drive savings and bring the budget in line with the SFT Metric.

However, any savings achieved by reductions in floor area and careful review of project costs have been overtaken by the inflationary impact on the construction market which is pushing the cost of parts and labour upwards. This has been verified through market testing via our preferred contractor Morrison.

As a result, in order to deliver the approved design for Easthouses Primary School, the proposed Affordability Cap is now £21.59m. This represents a cost of £4922/m<sup>2</sup>.

The cost of delivering the school in addition to historic costs associated with the project require an adjustment to the General Services Capital Plan to reflect an overall budget of £22.044m.

Recommendations:

- i. Notes that the design development of Easthouses Primary School through HubSE has concluded and a school design for the new two stream primary school has been approved by Education.

- ii. Notes that following a competitive tender process through HubSE, a preferred contractor is in place and has been refining this design with officers in both Place and Education.
- iii. Notes that the approved budget in the General Services Capital Plan for this project is £18.616m.
- iv. Approves an Affordability Cap for this project of £21.59m to allow its procurement to proceed, supported by the rationale provided in the report below and in the Full Business Case appended to this report.
- v. Approves the procurement of the project on the basis of the Full Business Case.
- vi. Approves a General Services Capital Plan budget of £22.044m for the overall project cost.

Ms Fiona Clandillon spoke to the report at length, highlighting various aspects and noting the recommendations for Elected Members' consideration before taking questions.

Members raised the issue concerning why Midlothian was using HubSE. Members further queried why Midlothian wasn't using a more traditional process. It was also felt that Members should be given a chance to review the process, questioning what assurances that HubSE could give.

Ms Fiona Clandillon and Mr Ross Morrison responded to questions

Councillor Imrie felt there was no governance for what Midlothian officers had done and asked who had made or authorised changes to the tender process to use HubSE. He further added that he did not think officers had a mandate to take this action and asked the Chief Executive for a response.

Dr Grace Vickers responded that she was not directly involved noting this project had gone through two boards previously to being presented to Council today. She added that the paper can be withdrawn if Members wish to do so.

Mr Alan Turpie reminded Members that the report was presented today for approval of the procurement.

Members then discussed the merits of the school and if it was prudent or affordable to wait. Most did not want to delay the project but sought further assurances from Council Officers and more scrutiny by Councillors in future.

Mr Gary Fairley highlighted that Midlothian use the Learning Estate Investment Programme cost matrix to assess monitor value for money with all Learning Estate projects. Noting that The passive house project increases the cost, which themselves have increased with inflation now at 10%.

Councillor Milligan proposed the report and recommendations  
Councillor Smaill seconded

Unanimously Agreed

## Decision

Recommendations agreed

## Action



- A paper covering the capital project procurement process and how councillors can have greater scrutiny over procurement decisions, including using the development partner Hub South East Scotland's competitive tender process – Head of Development
- A seminar later in the year to explore procurement through HubSe and procurement in general terms – Head of Development

Brief break at 1.03 pm (10 minutes)

Meeting reconvened at 1.13 pm

Report No.	Report Title	Report by:
8.11	A701 Council Report	Head of Development
<b>Outline of report and summary of discussion</b>		
<p>This report presents a progress update on the A701 Relief Road and A702 Spur Road project. The report updates member on the design development of the project, the outcome of the public consultation exercise, budget implications of the design development and next steps related to the compulsory purchase process necessary to secure the preferred route and progress the delivery of the project.</p> <p>This report updates the estimated financial position in relation to the project and identifies an increased variance between the approved budget and the estimated project cost, currently a shortfall of circa £33.2m.</p> <p><b>Recommendation:</b> That Midlothian Council notes the following in relation to the A701 Relief Road, A702 Spur Road project:</p> <ul style="list-style-type: none"> <li>• The STAG 2 Report has been finalised and Work Stage B is complete</li> <li>• The Consultation process associated with the STAG 2 appraisal process is complete in relation to the above project</li> <li>• A preferred route has been selected (Route C)</li> <li>• Preparatory works for compulsory purchase are commenced to mitigate adverse implications on the project programme</li> <li>• The project is to move into Work Stage C (Specimen Design)</li> <li>• In the course of Work Stage B, total overall estimated costs for delivery of above project have risen to £55m (including cost of Sustainable Transport Corridor and Straiton Junction Signalisation)</li> <li>• This has resulted in the funding gap associated with this project currently estimated to be £33.2m.</li> <li>• While this funding gap may decrease as we progress Stage C, with greater certainty over costs emerging, a significant funding gap is likely to remain.</li> <li>• It is therefore recommended that Midlothian Council submit an application to the Levelling Up Fund (LUF) to attract alternative funding into the project to close this gap.</li> </ul> <p>Ms Fiona Clandillon spoke to the report, highlighting various aspects including its aim to ease congestion and noting the recommendations for Elected Members' consideration before taking questions.</p> <p>Councillors asked a range of questions including the apparent funding gap, if there had been consideration of an alternate route, or plan 'B'. Members also queried the type of report being presented noting there were no procurement costs.</p>		



Ms Fiona Clandillon explained the process from blank sheet to current state of the plan/ project. She noted the costs at this stage were estimates but that now more analysis was required including details of the actual ground the route would pass through/ over. Ms Clandillon also referred to previous comments earlier in the meeting concerning unprecedented inflation rises since the initial plan was first presented. It is fully expected that the costing estimate will drop. Responding to the plan 'B' suggestion, Ms Clandillon said the team would look at other opportunities if the Levelling Up fund was not approved. She went on to note this report was a quantitative planning route, Midlothian Council follow the Transport Scotland Act and that there has been no procurement. The next stage will be to produce detailed designs which will also firm up more realistic costs.

Councillor Parry welcomed the report but stressed the need for Ward members and Cabinet to be kept up to date at each key stage of the project.

Further questions were asked by members querying whether or not to wait until it was clear the project would benefit from the Levelling up fund.

Ms Fiona Clandillon responded that a lot of work had already been completed, the project would deliver great benefits for the area. If delayed it would lose momentum and reduce certainty.

Councillor Parry moved to approve  
Councillor Imrie seconded

Unanimously Approved

### Decision

Agreed

### Action

Regular updates to Cabinet and local Ward members at each key stage – Head of Development

Report No.	Report Title	Report by:
8.12	Local Transport Strategy	Executive Director Place
<b>Outline of report and summary of discussion</b>		
The purpose of this report is to provide Council with context to review the Local Transport Strategy for Midlothian and the proposed timescale and measures to do so.		
<b>Recommendations:</b>		
<ul style="list-style-type: none"> <li>i. notes the current development of key local, regional and national strategies relating to the economic, environmental, transportation and land-use sectors and the need accordingly to review Midlothian's Local Transport Strategy; and</li> <li>ii. approve the financial resources required for the development of the Local Transport Strategy for Midlothian.</li> </ul>		
In the absence of the Executive Director Place, Mr Derek Oliver spoke to the report, highlighting various aspects and noting the recommendations for Elected member's consideration before taking questions.		

Members requested that as well as electronic access to the consultation provision was put in place at libraries so no-one was excluded.

Councillor Alexander moved to approve the report  
Councillor McKenzie seconded

Unanimously Agreed

### Decision

Agreed

### Action

Access to the consultation process to widened to include Libraries – Chief Officer Place

Report No.	Report Title	Report by:
8.13	<b>Midlothian Council Speed Policy and Roads Hierarchy Review</b>	<b>Chief Officer Place</b>
<b>Outline of report and summary of discussion</b>		
<p>The purpose of this report is to implement policy to improve road safety and seek to implement appropriate speed limits across Midlothian, its towns and settlements.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> <li>i. Approves the Midlothian Council Speed Policy;</li> <li>ii. Approves the Hierarchy Review report as a reference for improving safety on Midlothian roads; and</li> <li>iii. Approves Officers to undertake public consultation on local road safety issues in line with these documents; 20mph speed restrictions within towns and settlements; speed reductions across identified sections of the network; and return to a future Council meeting with findings and proposals.</li> </ul> <p>Mr Derek Oliver spoke to the report, highlighting various aspects and noting the recommendations for Elected member's consideration before taking questions.</p> <p>Members expressed views and welcomed the pro-active approach outlined. Special mention was made of school pick/ drop offs and safe routes also near misses many of which were not officially reported.</p> <p>Mr Derek Oliver confirmed all would be included in the consultation, in particular school safe routes would be reviewed. He added that any 20 mph zones would run for a minimum of 600 metres. Also in response to questions concerning E-Scooters on public highways and the speed of cyclists that highway issues were a matter for the Police, the highway code had recently tried to address some of these concerns relating to cyclists and pedestrians.</p> <p>Councillor Alexander moved to approve the report Councillor Parry seconded</p> <p>Unanimously Approved</p>		
<b>Decision</b>		
Agreed		
<b>Action</b>		
<p>Benchmark with other local authorities to ascertain the best way to manage multiple highway use – Chief Officer Place</p>		

Report No.	Report Title	Report by:
8.14	Local Authorities Covid Emergency Recovery Funds	Chief Social Officer & Chief Officer Place
<b>Outline of report and summary of discussion</b>		
<p>The purpose of this report is to outline the LACER Funds available, the criteria for the funds and associated actions to mitigate consequences of Covid19 and the Cost of Living Crisis.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> <li>• Agree the division of LACER funds between the two Scottish Government recommended areas for support, Low Income Households 71% £961,219 and Business Support 29% £398,781.</li> <li>• To adopt the project proposals for the LACER funds which will support live well locally partnership models, support households on low income and stimulate economic activity in Midlothian.</li> <li>• To agree to continue to fund the Trusted Partner model of distributing funds to those most in need at a local level. This has a primary focus on supporting local people to access food, as well as heating their homes, as part of mitigation towards the cost of living crisis.</li> </ul> <p>In the absence of the Chief Social Officer, Ms Annette Lang spoke to the report, highlighting various aspects and noting the recommendations for Elected Members' consideration. She invited Derek Oliver to add anything more before taking questions.</p> <p>Members felt it was unclear how the budget was being split and how much was making its way to families in most need. Concerns raised included how much of the fund was used for staffing costs feeling existing front line staff could be better used. Members felt the paper should be removed and return in August with clearer more detailed approach.</p> <p>Councillor Parry moved that this report be removed and return in August with more detail included.</p> <p>Councillor Virgo seconded</p> <p>Councillor Milligan added that the delegated authority to Chief executive should be highlighted within the revised report for obvious matters that perhaps need to be acted on quickly, these areas or items of delegation should be made clear in the revised report.</p> <p>All Elected Members agreed</p> <p>Passed</p>		
<b>Decision</b>		
<ul style="list-style-type: none"> <li>• Report to be represented to August Council - Agreed</li> </ul>		
<b>Action</b>		
<ul style="list-style-type: none"> <li>• Local Authorities Covid Emergency Recovery Fund to be rewritten and represented to August Council with more focus on low income households</li> </ul>		

and to highlight any areas requiring delegated authority - Chief Social Worker & Chief Officer Place

Report No.	Report Title	Report by:
8.15	Levelling Up Fund 2 and Shared Prosperity Fund	Executive Director Place
<b>Outline of report and summary of discussion</b>		
<p>The purpose of this report is to seek Council's agreement for projects to be progressed as applications to the UK Government's Levelling Up Fund 2 and the Shared Prosperity Fund. The application deadline for the Levelling Up Fund 2 is on the 6th of July 2022. The application for the Shared Prosperity Fund is on 1st August, 2022 and a final outcome response from UKG for each of these funds is expected by Autumn 2022.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Agree applications for proposed projects as detailed within the report as the council's bids into the respective funds;</li> <li>2. Delegates the Executive Director – Place to complete and submit applications by the respective deadlines and;</li> <li>3. Delegates the Executive Director – Place to consider any external applications following the external applications process and ensure applicants are informed of the outcome.</li> </ol> <p>In the absence of the Executive Director Place, Mr Derek Oliver spoke to the report, highlighting various aspects and noting the recommendations for Elected member's consideration before taking questions.</p> <p>Despite some reservations concerning the funding formula Members moved to approve the motion.</p> <p>Councillor Parry moved to approve the recommendations within the report Councillor McEwan seconded</p>		
<b>Decision</b>		
Agreed		
<b>Action</b>		
None		

Report No.	Report Title	Report by:
8.16	Environmental Crime Enforcement - Service Delivery	Chief Officer Place
<b>Outline of report and summary of discussion</b>		
<p>This report follows from the approved Council report in February, 2022 where the original costing proposals by the recommended provider were significantly increased prior to confirmation of any service implementation.</p> <p>The purpose of this report is to therefore provide Council with revised options to implementing the Environmental Crime Enforcement Strategy, with the resource to undertake engagement, education and robust enforcement of environmental crime incidents, including fly-tipping, littering, dog fouling and other associated offences.</p>		

### Recommendation:

Council is recommended to approve the pilot service delivery for 12 months of a dedicated Environmental Crime Team by way of an external provider, to complement the implementation of the Environmental Crime Enforcement Strategy.

Mr Derek Oliver spoke to the report, highlighting various aspects and noting the recommendations for Elected member's consideration before taking questions.

There were some reservations amongst the Members concerning success rates of fine payments and their pursuit, also some publicised intimidation tactics of similar companies in England, it was agreed a pilot would be useful to prove if this would be viable going forward.

Councillor Milligan moved to approve the report  
Councillor Alexander seconded

Agreed unanimously

### Decision

Agreed

### Action

None

Councillor Russell left the meeting at approximately 1.34 pm

Report No.	Report Title	Report by:
8.17	Midlothian Integration Scheme Review	Monitoring Officer/Legal and Governance Manager
<b>Outline of report and summary of discussion</b>		
In 2016 Midlothian Council entered into the Midlothian Integration Scheme with NHS Lothian to establish the Midlothian Integration Joint Board ('MIJB').		
The Public Bodies (Joint Working) Scotland Act 2014 requires the Council and the NHS to carry out a review of the integration scheme within five years from the date the Scottish Ministers approved the scheme.		
This report outlines work undertaken jointly to comply with this duty. The report seeks Council approval of the draft revised Midlothian Integration Scheme, and subject to approval of the Scheme by NHS Lothian, authority to submit the draft revised Integration Scheme to Scottish Ministers for their approval, as required by law.		
<b>Recommendation:</b> <ul style="list-style-type: none"> <li>a) Approve the final draft revised Midlothian Integration Scheme; and</li> <li>b) Agree to submit the revised Midlothian Integration Scheme to the Scottish Ministers.</li> </ul>		
Mr Alan Turpie spoke to the report, highlighting various aspects and noting the recommendations for Elected member's consideration before taking questions.		
Councillor Parry moved to approve the report Councillor Milligan seconded		

Agreed unanimously
<b>Decision</b>
Agreed
<b>Action</b>
Revised Midlothian Integration Scheme to be submitted to Scottish Ministers

Report No.	Report Title	Report by:
8.18	Voluntary Community Asset Transfer- WITHDRAWN	Executive Director Place
Outline of report and summary of discussion		
Withdrawn		
<b>Decision</b>		
N/a		
<b>Action</b>		
N/a		

**Public Council Meeting ended at 2.34 pm**

## **9. PRIVATE Reports**

The meeting concluded at 3.27 pm

**Date of Next Meeting 23 August 2022**

# Action Log

Midlothian Council  
23 August 2022



No	Subject	Date	Action	Action Owner	Expected completion date	Comments
1	Minute action - prospective crematorium development.	16/11/2021	Scope potential suitable sites for prospective crematorium development.	Chief Officer Place	October 2022	Report scheduled for October Council.
2	Motion Amendment – Loanhead Football Club	16/11/2021	Update the Sports Needs Assessment from 2016 and report to future council meeting	Head of Adult Social Care/ Sport & Leisure Manager	TBC	Procurement completed and the contracted company are finalising the scoping element and have been working with the Scottish FA for team and club data, as well as priming key clubs for consultation. They have been organising specific site visits and/or face to face consultations.
3	Motion - Infrastructure	14/12/2021	Report to Council Strategic Investment Framework	Executive Director Place	TBC	Strategic Infrastructure Investment Framework 2 <sup>nd</sup> stage review has commenced and full report shall be presented to Council when completed and available.

No	Subject	Date	Action	Action Owner	Expected completion date	Comments
4	Minute Action – Future Hybrid Meetings	14/12/2021	Updated Hybrid Meetings Report – Spring 2022	Chief Officer Corporate Solutions	June 2022	Council meeting on 24 May 2022 referred to a Short Life Working Group, now scheduled to meet in August.
5	Minute Action - CCTV	14/12/2021	To Provide a Report outlining an expansion of sites for CCTV	Chief Officer Place	March 2022	Work progressing with Police Scotland and report scheduled for October Council.
6	Minute Action – Improving Energy efficiency by tackling Dampness, Condensation and improving ventilation	15/02/2022	Provide a Report to Council  Additional Report – Update on Current Housing Stock that will not meet Energy Efficiency Targets	Chief Officer Place	June 2022	Work progressing. Report scheduled for October Council.
7	Cost of living Taskforce	28/06/2022	To convene the taskforce after summer recess	Executive Director Place	August 2022	Group now scheduled to meet in August.
8	Ukrainian Refugee Briefing	28/06/2022	Ukrainian Refugee Briefing later in the year	Chief Executive	September/ October 2022	Briefing scheduled in September.
9	Midlothian Write to HMRC, Westminster Department and Local MP	28/06/2022	To make the case for raising the tax threshold to not unduly affect workers receiving the increased mileage payments -	Chief Officer Corporate Solutions	August 2022	Letters sent in July 2022

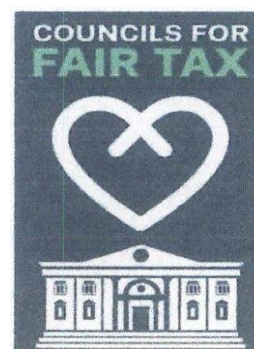


No	Subject	Date	Action	Action Owner	Expected completion date	Comments
10	A paper covering the capital projects procurement process and how councillors can have greater scrutiny over procurement decisions	28/06/2022	including using the development partner Hub South East Scotland's competitive tender process	Head of Development	September 2022	Report scheduled for October Council following Briefing session.
11	A seminar on procurement for councillors later in the year	28/06/2022	Procurement Seminar	Head of Development	September/ October 2022	Briefing scheduled in September.
12	Local Authorities Covid Emergency Recovery Fund	28/06/2022	Report to be represented to August Council with more focus on Low Income Families	Chief Social Worker & Chief Officer Place	August 2022	LACER report deferred until the Cost of Living Taskforce is convened
13	Arm's Length Company to Manage Industrial Sites in Midlothian	28/06/2022	Explore and outline process for creating an Arm's length company	Head of Development	October 2022	Report scheduled for October Council





## **Standing up for Responsible Tax Conduct**



### **Midlothian Council notes that:**

1. The public expectation on organization's to pay the right amount of Tax in the right place at the right time has never been stronger.
2. Polling from the Institute for Business Ethics finds that "corporate tax avoidance" has, since 2013, been the clear number one concern of the British public when it comes to business conduct.
3. Almost two-thirds (63%) of the Scottish public agree that the Government and local councils should consider a company's ethics and how they pay their tax as well as value for money and quality of service provided, when undertaking procurement.
4. Around 15% of public contracts in Scotland have been won by companies with links to tax havens.
5. It has been conservatively estimated that losses from multinational profit-shifting (Just one form of tax avoidance) could be costing the UK some £17bn per annum in lost corporation tax revenues.
6. The Fair Tax Mark offers a means for business to demonstrate good tax conduct, and has been secured by wide range of businesses across the UK, including FTSE-listed PLCs, co-operatives, social enterprises and large private businesses.

### **Full Council believes that:**

1. Paying tax is often presented as a burden, but it shouldn't be.
2. Tax enables us to provide services from education, health and social care, to flood defences, roads, policing and defence. It also helps to counter

financial inequalities and rebalance distorted economies.

As recipients of significant public funding, local authorities should take the lead in the promotion of exemplary tax conduct; be that by ensuring contractors are:

Paying their proper share of tax, or by refusing to go along with offshore tax dodging when buying land and property.

3. Where substantive stakes are held in private enterprises, then influence should be wielded to ensure that such businesses are exemplars of tax transparency and tax avoidance is shunned - e.g., no use of marketed schemes requiring disclosure under DOTAS regulations (Disclosure Of Tax Avoidance Schemes) or arrangements that might fall foul of the General Anti-Abuse Rule.
4. More action is needed, however, as current law significantly restricts councils' ability to either penalise poor tax conduct or reward good tax conduct, when buying goods or services.
5. Councils can and should stand up for responsible tax conduct - doing what they can within existing frameworks and pledging to do more given the opportunity, as active supporters of international tax justice.

Midlothian Council resolves to:

1. Approve the Councils for Fair Tax Declaration.
2. Lead by example and demonstrate good practice in our tax conduct, right across our activities.
3. Ensure when practical that contractors implement IR35 robustly and pay a fair share of employment taxes.
4. Not use offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty.
5. Undertake due diligence to ensure that not-for-profit structures are not being used inappropriately as an artificial device to reduce the payment of tax and business rates.
6. Seek clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position.
7. Promote Fair Tax Mark certification to any business in which we have a significant stake and where corporation tax is due.
8. Support Fair Tax Week events in the area, and celebrate the tax contribution made by responsible businesses who say what they pay with pride.
9. Support calls for urgent reform of EU, UK and Scots law to enable local authorities to better penalise poor tax conduct and reward good tax conduct through their procurement policies.

Proposer:

Seconder:



Councillor Bryan Pottinger



Councillor Russell Imrie





**Housing Revenue Account  
Revenue Budget and Capital Plan 2022/23**

**Report by Gary Fairley, Chief Officer Corporate Solutions.**

**Report for Noting**

**1 Recommendations**

Council is recommended to note the contents of this report.

**2 Purpose of Report/Executive Summary**

The purpose of this report is to provide Council with a summary of expenditure and income to 4<sup>th</sup> July 2022 for the Capital Plan and a projected outturn for both the Housing Revenue Account (HRA) and Capital Plan for 2022/23.

The summarised financial performance for 2022/23 is:

- Capital Investment in the year totalling £67.566 million;
- A net overspend of £0.294 million on the Revenue Account;
- A projected HRA general reserve at 31<sup>st</sup> March 2022 of £31.819 million.

**Date 28<sup>th</sup> July 2022**

**Report Contact:**

Name Lisa Young Tel No 0131-271-3111

[lisa.young@midlothian.gov.uk](mailto:lisa.young@midlothian.gov.uk)

### **3 Background**

#### **3.1.1 Capital Plan 2022/23**

The Capital Plan Budget has been revised to reflect the current profile of spend as shown in appendix C. Capital investment in the year is projected to be £67.566 million and there are currently no material variances to be reported.

The construction industry in Scotland and the UK is currently experiencing unprecedented adverse market conditions, which is leading to significant rises in tender prices for a wide range of materials. There is evidence that inflation of between 10% and 15% beyond BCIS predictions is affecting projects and whilst measures such as value engineering are partially mitigating cost increase there is a risk that the capital budgets provided for delivery of the New Social Housing project will need to be increased with a resultant impact on the funding strategy. The situation is currently being monitored and reviewed and an update will be provided to Council when the value of the impact has been determined.

#### **3.2 Revenue Account 2022/23**

For 2022/23 there is currently a projected overspend of £0.294 million against budget, as shown in appendix D. The most up-to-date version of the New Social Housing delivery plan gives rise to the following projected areas of variance from the approved budget:-

- Lower in-year borrowing costs of £1.129 million; and
- Reduced rental income of £0.807 million.

Other reported pressures against budget are:-

- A projected increase in the provision for and subsequent write-off of rent related debt of £0.288 million. This is due to a projected drop in collection levels as a result of the pandemic;
- An increase in the number of buybacks and works required to bring properties up to standard as well as works on more complex void properties will result in an overspend in general repairs of £0.356 million.

The HRA general reserve balance is projected to be £31.819 million at 31<sup>st</sup> March 2023, which is committed to finance existing investment commitments to 2037/38.

### **3 Report Implications**

#### **3.1 Resource**

There are no direct resource implications arising from this report.



### **3.2 Digital**

There are no direct digital implications arising from this report.

### **3.3 Risk**

The principal risks are around the issue of affordability, ensuring that the investment in new build and the existing stock can be made without having to impose unacceptable increases on weekly rents. This is mitigated by the adoption of a long term financial strategy and modelling which demonstrates that existing investment commitments are sustainable.

There is also the risk of capital spend being lower than projected due to delays on projects, particularly in the current climate , this could result in lower debt charges causing the Housing Revenue Account Reserve balance to increase more than projected.

### **3.4 Ensuring Equalities**

There are no equality issues arising directly from this report.

### **3.5 Additional Resource Implications**

See Appendix A.

## **Appendices**

Appendix A – Additional Resource Implications

Appendix B – Background Information

Appendix C - Capital Plan 2022/23

Appendix D – Revenue Account 2022/23

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Not applicable

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☒ Holistic Working
- ☐ Hub and Spoke
- ☒ Modern
- ☒ Sustainable
- ☐ Transformational
- ☒ Preventative
- ☒ Asset-based
- ☒ Continuous Improvement
- ☒ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☒ Efficient and Modern
- ☒ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

The report does not directly impact on Delivering Best Value.

### **A.5 Involving Communities and Other Stakeholders**

The report does not directly relate to involving communities.

### **A.6 Impact on Performance and Outcomes**

The report does not directly impact on Midlothian Council's performance and outcomes.

**A.7 Adopting a Preventative Approach**

The report does not directly relate to adopting a preventative approach.

**A.8 Supporting Sustainable Development**

The report does not directly relate to supporting sustainable development.

**APPENDIX B**

**Background Papers/Resource Links**

HRA Capital Plan and Revenue Budget enclosed



## HOUSING REVENUE ACCOUNT CAPITAL PLAN 2022/23

	Revised Budget 2022/23 £'000	Actuals to Date £'000	Projected Outturn £'000	Variation (Under)/Over £'000
Item 8.1				
<b>FUNDING</b>				
<b>Grants</b>				
- Incentivising New Build	1,341	0	1,341	0
- Buy Backs Funding	880	250	880	0
Council Tax on Second Homes	96	0	96	0
Borrowing Requirement	65,249	7,358	65,249	0
<b>TOTAL AVAILABLE FUNDING</b>	<b>67,566</b>	<b>7,608</b>	<b>67,566</b>	<b>0</b>

	£'000	£'000	£'001	£'000
<b>APPROVED EXPENDITURE</b>				
New Build Houses Phase 2, Phase 3 & Phase 4	53,895	5,259	53,895	0
Buy Backs	3,300	1,115	3,300	0
Aids & Adaptations	454	72	454	0
Environmental Improvements	1,000	0	1,000	0
BDHS Meters	1,300	0	1,300	0
Homelessness - Temporary Accommodation Provision	415	197	415	0
<b>Scottish Housing Quality Standard</b>				0
-Upgrade Central Heating Systems	1,673	226	1,673	0
-SHQS Repairs	5,529	739	5,529	0
<b>TOTAL EXPENDITURE</b>	<b>67,566</b>	<b>7,608</b>	<b>67,566</b>	<b>0</b>

**MIDLOTHIAN COUNCIL****Appendix D****HOUSING REVENUE ACCOUNT 2022/23**

	<b>Revised Budget</b>	<b>Projected Outturn</b>	<b>Variation (Under)/Over</b>
<b>Average No of Houses</b>	<b>7,451</b>	<b>7,370</b>	<b>(81)</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Repairs and Maintenance</b>			
General Repairs	6,356	6,712	356
Decant/Compensation	63	53	(10)
Grounds Maintenance	801	826	25
	<b>7,220</b>	<b>7,591</b>	<b>371</b>
<b>Administration and Management</b>	5,332	5,332	0
<b>Loan Charges</b>	13,790	12,661	(1,129)
<b>Other Expenses</b>	2,682	2,988	306
<b>TOTAL EXPENDITURE</b>	<b>29,024</b>	<b>28,572</b>	<b>(452)</b>
<b>Rents</b>			
Houses	31,950	31,143	807
Garages	617	617	0
Others	486	547	(61)
<b>TOTAL RENTS</b>	<b>33,053</b>	<b>32,307</b>	<b>746</b>
<b>NET EXPENDITURE/(INCOME)</b>	<b>(4,029)</b>	<b>(3,735)</b>	<b>294</b>

**Movement in HRA Reserve**

<b>Opening HRA Reserve</b>	<b>(28,084)</b>
<b>Enhancement during 2022/23 as above</b>	<b>(3,735)</b>
<b>Reserve Earmarked to fund capital investment plans</b>	<b>(31,819)</b>

**Annual Treasury Management Report 2021/22****Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Decision****1 Recommendations**

It is recommended that the Council note the Annual Treasury Management Report 2021/22.

**2 Purpose of Report/Executive Summary**

The purpose of the report is to inform members of the Council of the Treasury Management activity undertaken in 2021/22 and the year-end position.

Audit Committee on 29 June 2022 scrutinised a draft of this report in advance of its consideration today by Council. This final report to Council reflects the Audit Committee comments arising from the meeting on 29 June 2022.

**Date: 04 August 2022****Report Contact:****Gary Thomson, Senior Finance Business Partner****[gary.thomson@midlothian.gov.uk](mailto:gary.thomson@midlothian.gov.uk)**

### 3 Background

The main points arising from treasury activity in 2021/22 were:

- The pooled internal loans fund rate for General Fund and HRA was 2.98% in 2021/22, which is again expected to be one of the lowest when benchmarked against all mainland Authorities in Scotland;
- Were the pooled internal loans fund rate to have equated to the Scottish weighted average of 3.68%, this would have generated loan charges in 2021/22 of £16.3 million. The Council's actual 2021/22 loan charges for General Services and HRA were £14.1 million, representing a cash saving (compared to the Scotland average) of £2.2 million in 2021/22;
- Total new long term borrowing taken in the year amounted to £50.000 million, this being five £10 million maturity loans from PWLB drawn on 16 December 2021 with loan tenors of between 42 and 50 years at interest rates of between 1.26% and 1.36%, drawing down long term loan funding to de-risk the funding of the Council's General Services and HRA capital plan at historically low PWLB rates. The cash saving to the Council in interest costs over the life of these loans, compared to borrowing from PWLB at the time of writing this report for Audit Committee (17 June 2022), is £44.921 million;
- During 2021/22, the Council fully funded its borrowing requirement. This meant that the capital borrowing need (the Capital Financing Requirement) was fully funded with loan debt, and the Council was able to secure loans at historically low PLWB rates;
- Total long term borrowing maturing in the year amounted to £1.523 million, comprising the following:-
  - One £0.648 million Maturity Loan with PWLB matured on 3 August 2021 (original tenor 27 years at an interest rate of 8.50%);
  - £0.044 million of PWLB Annuities of various tenors and interest rates;
  - £0.649 million of Annuity and EIP, and £0.183 million of interest free loans.
- The average rate of interest paid on external debt was 3.22% in 2021/22, down from 3.31% in 2020/21 and reflecting the historically low interest rates secured on longer-term PWLB borrowing in 2021/22;
- Three deposits were placed with high credit-worthy banks, which matured on 17 June 2022 and secured an interest rate return on surplus funds during the period of deposit;
- The average rate of return on deposits was 0.79% in 2021/22, exceeding the benchmark of 0.34% for the eighteenth year in succession;



- Cash balances in instant access accounts throughout the year were significantly higher than normal, and reflective of (a) the Scottish Government providing upfront funding to local authorities to support a range of grant schemes, in particular schemes to support local businesses; (b) advanced Revenue Support Grant payments and Early Years Capital Grant payments in 2021/22, (c) developer contribution receipts, (d) PWLB borrowing taken in advance, and (d) the continued impact of Covid on the Council's cashflow due to rephasing of capital expenditure plans. The level of higher cash balances that are being held are fully committed to fund revenue and capital expenditure in the 2022/23 and forthcoming financial years.

- No debt rescheduling was undertaken during 2021/22.

A detailed report “*Annual Treasury Management Review 2021/22*” on the activity during 2021/22 is attached as Appendix 2.

The Treasury Portfolio at the start and end of the financial year is shown in Tables 1 and 2 below.

Table 1: Loan Portfolio at 1 April 2021 and 31 March 2022

<b>Loan Type</b>	<b>Principal Outstanding 1 Apr 2021 £000's</b>	<b>Principal Outstanding 31 Mar 2022 £000's</b>	<b>Movement £000's</b>
PWLB Annuity	597	553	-44
PWLB Maturity	235,424	284,776	+49,352
LOBO	20,000	20,000	0
Forward Starting Loans	18,191	17,542	-648
Temporary Market Loans	0	0	0
Salix Loans	583	400	-183
<b>Total Loans</b>	<b>274,795</b>	<b>323,271</b>	<b>+48,476</b>

Table 2: Deposits at 1 April 2021 and 31 March 2022

<b>Deposit Type</b>	<b>Principal Outstanding 1 Apr 2021 £000's</b>	<b>Principal Outstanding 31 Mar 2022 £000's</b>	<b>Movement £000's</b>
Bank Call Accounts	26,470	31,059	+4,589
Money Market Funds	29,818	30,324	+506
Bank Notice Accounts	14,985	14,985	0
Bank Fixed Term Deposit Accounts	0	35,000	+35,000
Other Local Authorities	60,000	45,000	-15,000
<b>Total Deposits</b>	<b>131,273</b>	<b>156,367</b>	<b>+25,095</b>

Throughout 2021/22, all counterparties that the Council placed deposits with met their obligations in respect of the return of the deposited funds in full and on the required dates.

#### **4. Other Issues**

The Code recommends that Treasury reports are presented to and scrutinised by Audit Committee in advance of being considered by Council.

The report is being presented to Audit Committee on 29 June 2022 and subsequently to Council, and will be updated to reflect any comments that the Audit Committee have.

In late December 2021, CIPFA published the new Prudential Code and Treasury Management Code of Practice. Both these documents are an update on the 2017 equivalent documentation, both of which the Council follows fully. In addition, CIPFA published the accompanying Guidance

Note to the Treasury Management Code of Practice, which sets out in more detail the requirements of the updated code.

An update on the main changes to the Prudential Code and Treasury Management Code of Practice was outlined in the Treasury Management & Investment Strategy & Prudential Indicators 2022-23 report to Audit Committee on 25 January 2022 and Council on 15 February 2022.

There are no fundamental or material changes to either the Prudential Code or Treasury Management Code that materially impact on the Council's Treasury Management & Annual Investment Strategy 2022/23 nor the Treasury Management Outturn Report. Therefore, the current policy framework as set out in the TMIS 2022/23 remains relevant with no changes, and there is no impact on any day to day treasury operations.

Council officers are currently working with Link, the Council's Treasury advisers, to provide a full and comprehensive update to the Council's Treasury Management Practices. The updated version of these practices will be brought to the next meeting of the Audit Committee on 27 September 2022 for scrutiny.

## **5 Report Implications (Resource, Digital and Risk)**

### **5.1 Resource**

Treasury Management activity during the year, in accordance with the approved strategy, has once again been effective in minimising the cost of borrowing and maximising the return on deposits within the parameters set by the strategy for the year.

Although benefits from Treasury Management activity continue to accrue there are no direct financial implications or other resource issues arising from this report.

The loan charges associated with Capital Expenditure and Treasury Management activity during 2021/22 are reported in the Financial Monitoring 2021/22 – General Fund Revenue report elsewhere on today's agenda.

### **5.2 Digital**

None.

### **5.3 Risk**

As the Council follows the requirements of the CIPFA Code of Practice and the Prudential Code this minimises the risks involved in Treasury Management activities place. For those risks that do exist there are robust and effective controls in place to further mitigate the level of risks. These include further written Treasury Management Practices, which define the responsibilities of all staff involved, and which are currently

being updated to reflect the provisions of the new Prudential and Treasury Management Codes and will be presented to the next meeting of Audit Committee.

#### **5.4 Ensuring Equalities (if required a separate IIA must be completed)**

This report does not recommend any change to policy or practice and therefore does not require an Equalities Impact Assessment.

#### **5.5 Additional Report Implications**

**See Appendix A**

#### **Appendices:-**

**Appendix 1: Loans Fund Rate Comparison with other Scottish Local Authorities**

**Appendix 2: Annual Treasury Management Review 2021/22**

**Appendix 3: Deposit Benchmarking Analysis 2021/22**

## APPENDIX A – Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

Not applicable

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☒ Sustainable
- ☒ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value.

### A.5 Involving Communities and Other Stakeholders

Although no external consultation has taken place, cognisance has been taken of professional advice obtained from Link Asset Services, the Council's appointed Treasury Consultants.

### A.6 Impact on Performance and Outcomes

The strategies adopted are an integral part of the corporate aim to achieve Best Value as they seek to minimise the cost of borrowing by exercising prudent debt management and placement of deposits. This in turn helps to ensure that the Council's capital expenditure is sustainable in revenue terms.

### A.7 Adopting a Preventative Approach

Not applicable.

### A.8 Supporting Sustainable Development

Not applicable.

## Appendix 1:-

### Loans Fund Pooled Rate Comparison 2020/21

Loans Fund Rate	2020/21
All Scottish Councils	Pooled Rate
West Dunbartonshire	2.29%
Aberdeenshire	2.66%
Midlothian	2.98%
North Lanarkshire	3.03%
East Lothian	3.05%
Dumfries & Galloway	3.14%
Perth & Kinross	3.15%
East Dunbartonshire	3.21%
Argyll & Bute	3.41%
Inverclyde	3.42%
East Ayrshire	3.50%
Falkirk	3.52%
Fife	3.53%
Dundee City	3.54%
Aberdeen City	3.58%
Renfrewshire	3.59%
South Ayrshire	3.64%
East Renfrewshire	3.67%
Scottish Borders	3.67%
Glasgow City	3.73%
Highland	3.73%
West Lothian	3.75%
Moray	3.87%
Stirling	3.87%
North Ayrshire	3.92%
Edinburgh City	4.26%
Angus	4.57%
Clackmannanshire	5.06%

The Pooled Loans Fund Rate combines the interest paid by the Council on money borrowed, with the interest earned by the Council on money invested, along with other charges such as internal interest allowed, premiums written off and treasury-related expenses to arrive at a weighted average “loans fund rate” figure for each authority, as noted in the final column above.

## **Appendix 2**

# **Annual Treasury Management Review 2021/22**

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Midlothian Council  
June 2022

## Contents

- 1 The Council's Capital Expenditure and Financing 2021/22
- 2 The Council's overall borrowing need
- 3 Treasury Position as at 31 March 2021
- 4 The Strategy for 2021/22
- 5 The Economy and Interest Rates
- 6 Borrowing Rates in 2021/22
- 7 Borrowing Outturn for 2021/22
- 8 Deposit Rates in 2021/22
- 9 Deposit Outturn for 2021/22
- 10 Performance Measurement
- 11 Conclusion



This Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2021/22. This report meets the requirements of both the updated CIPFA Code of Practice on Treasury Management, (the Code), and the updated CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2021/22 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 23/02/2021);
- a mid-year, (minimum), treasury update report (Council 14/12/2021);
- an annual review following the end of the year describing the activity compared to the strategy, (this report);

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they are reported to the full Council.

# 1. The Council's Capital Expenditure and Financing 2021/22

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

Table 1: Capital Expenditure + Financing			
	2020/21	2021/22	2021/22
	Actual	Budget	Actual
	£000	£000	£000
<b>General Fund</b>			
Capital Expenditure	25,570	36,346	23,386
Available Funding	15,612	22,068	17,368
<b>Borrowing Required</b>	<b>9,958</b>	<b>14,278</b>	<b>6,018</b>
<b>HRA</b>			
Capital Expenditure	15,632	107,271	39,477
Available Funding	9,241	22,714	32,979
<b>Borrowing Required</b>	<b>6,391</b>	<b>84,557</b>	<b>6,498</b>
<b>General Fund and HRA</b>			
Capital Expenditure	41,202	143,617	62,863
Available Funding	24,853	44,782	50,347
<b>Borrowing Required</b>	<b>16,349</b>	<b>98,835</b>	<b>12,516</b>

## 2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2021/22 unfinanced capital expenditure (see above table), plus prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLb] or the money markets), or utilising temporary cash resources within the Council.

**Reducing the CFR** – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Scheduled Debt Amortisation (or loans repayment), to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the minimum loan repayment each year through an additional revenue charge.

The Council's CFR for the year is shown below, and represents a key prudential indicator.

Table 2: Council's Underlying Borrowing Requirement			
	31-Mar-21	2021/22	31-Mar-22
CFR:	Actual	Budget	Actual
	£000	£000	£000
<b>Opening balance</b>	£ 283,384	£ 307,354	£ 283,384
Add Borrowing Required	£ 17,900	£ 98,835	£ 12,516
Less scheduled debt amortisation	£ (8,170)	£ (9,594)	£ (5,670)
<b>Closing balance</b>	<b>£ 283,384</b>	<b>£ 396,595</b>	<b>£ 290,230</b>

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

**Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2020/21) plus the estimates of any additional capital financing requirement for the current (2021/22) and next three financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2021/22. The table below highlights the Council's gross borrowing position against the CFR (excluding PFI schemes). The Council has complied with this prudential indicator.

<b>Table 3: Council's Gross Borrowing Position</b>			
	<b>31-Mar-21</b>	<b>2021/22</b>	<b>31-Mar-22</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Gross Borrowing</b>	£ 274,795	£ 363,996	£ 323,271
<b>CFR</b>	£ 283,384	£ 396,595	£ 290,230

**The authorised limit** – this Council has kept within its authorised external borrowing limit as shown by the table below. Once this has been set, the Council does not have the power to borrow above this level.

**The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

<b>Table 4: Gross Borrowing against Authorised Limit / Operational Boundary</b>	
	<b>2021/22</b>
Authorised limit - borrowing	£ 676,508
Operational boundary - borrowing	£ 396,596
Maximum gross borrowing position	£ 323,450
Average gross borrowing position	£ 288,364

### 3. Treasury Position as at 31 March 2021

The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the Purpose section of this report, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2021/22 the Council's treasury (excluding borrowing by PFI and finance leases) position was as follows:

Table 5: Treasury Position							
	31 March 2021 Principal	Rate/ Return	Average Life (Yrs)	31 March 2022 Principal	Rate/ Return	Average Life (Yrs)	
<b>Debt</b>							
<b>Fixed Rate Debt</b>							
PWLB	£ 236,021	3.30%	31.36	£ 285,328	2.71%	33.13	
Market	£ 23,774	2.92%	30.49	£ 22,943	2.95%	29.49	
<b>Total Fixed Rate Debt</b>	<b>£ 259,795</b>	<b>3.27%</b>	<b>31.28</b>	<b>£ 308,271</b>	<b>2.73%</b>	<b>32.86</b>	
<b>Variable Rate Debt</b>							
PWLB	£ -	n/a	n/a	£ -	n/a	n/a	
Market	£ 15,000	4.63%	29.71	£ 15,000	4.63%	28.71	
<b>Total Variable Rate Debt</b>	<b>£ 15,000</b>	<b>4.63%</b>	<b>29.71</b>	<b>£ 15,000</b>	<b>4.63%</b>	<b>28.71</b>	
<b>Total debt/gross borrowing</b>	<b>£ 274,795</b>	<b>3.34%</b>	<b>31.19</b>	<b>£ 323,271</b>	<b>2.82%</b>	<b>32.67</b>	
<b>CFR</b>	<b>£ 283,384</b>			<b>£ 290,230</b>			
<b>Over/ (under) borrowing</b>	<b>£ (8,589)</b>			<b>£ 33,041</b>			
<b>Deposits</b>							
<b>Fixed Rate Deposits</b>							
In House	£ 60,000	1.62%	1.41	£ 80,000	1.06%	0.41	
With Managers	£ -	n/a	n/a	£ -	n/a	n/a	
<b>Total Fixed Rate Deposits</b>	<b>£ 60,000</b>	<b>1.62%</b>	<b>1.41</b>	<b>£ 80,000</b>	<b>1.06%</b>	<b>0.41</b>	
<b>Variable Rate Deposits</b>							
In House	£ 71,272	0.13%	0.11	£ 76,367	0.61%	0.10	
With Managers	£ -	n/a	n/a	£ -	n/a	n/a	
<b>Total Variable Rate Deposits</b>	<b>£ 71,272</b>	<b>0.13%</b>	<b>0.11</b>	<b>£ 76,367</b>	<b>0.61%</b>	<b>0.10</b>	
<b>Total Deposits</b>	<b>£ 131,272</b>	<b>0.81%</b>	<b>0.70</b>	<b>£ 156,367</b>	<b>0.84%</b>	<b>0.26</b>	

The maturity structure of the debt portfolio was as follows:

<b>Table 6: Maturity Structure of Debt Portfolio</b>						
	<b>31-Mar-21</b>		<b>2021/22</b>	<b>31-Mar-22</b>		
	<b>Actual</b>		<b>Original Limits</b>	<b>Actual</b>		
	<b>£000</b>	<b>%</b>	<b>%</b>	<b>£000</b>	<b>%</b>	
<b>Under 12 months</b>	£ 1,471	1%	0% to 50%	£ 1,465	0%	
<b>12 months to 2 years</b>	£ 1,465	1%	0% to 50%	£ 830	0%	
<b>2 years to 5 years</b>	£ 3,624	1%	0% to 50%	£ 3,553	1%	
<b>5 years to 10 years</b>	£ 23,923	9%	0% to 50%	£ 33,857	10%	
<b>10 years to 20 years</b>	£ 53,308	19%	0% to 50%	£ 43,421	13%	
<b>20 years to 30 years</b>	£ 13,421	5%	0% to 50%	£ 12,563	4%	
<b>30 years to 40 years</b>	£ 95,534	35%	0% to 50%	£ 95,534	30%	
<b>40 years to 50 years</b>	£ 77,049	28%	0% to 50%	£ 127,048	39%	
<b>50 years and above</b>	£ 5,000	2%	0% to 50%	£ 5,000	2%	
<b>Total</b>	<b>£ 274,795</b>	<b>100%</b>		<b>£ 323,271</b>	<b>100%</b>	

The maturity structure of the Council's deposits was as follows:

<b>Table 7: Maturity Structure of Deposit Portfolio</b>		
	<b>31-Mar-21</b>	<b>31-Mar-22</b>
	<b>£000</b>	<b>£000</b>
<b>Deposit</b>		
Under 1 Year	£ 71,272	£ 154,367
Over 1 Year	£ 60,000	£ 2,000
<b>Total</b>	<b>£ 131,272</b>	<b>£ 156,367</b>

The exposure to fixed and variable interest rates on debt was as follows:-

<b>Table 8: Fixed/Variable Interest Rate Exposure of Debt Portfolio</b>						
	<b>31-Mar-21</b>		<b>2021/22</b>	<b>31-Mar-22</b>		
	<b>Actual</b>		<b>Original Limits</b>	<b>Actual</b>		
	<b>£000</b>	<b>%</b>	<b>%</b>	<b>£000</b>	<b>%</b>	
<b>Fixed Interest Rate Exposure</b>	£259,795	95%	0% to 100%	£ 308,271	95%	
<b>Variable Interest Rate Exposure</b>	£ 15,000	5%	0% to 30%	£ 15,000	5%	
<b>Total</b>	<b>£ 274,795</b>	<b>100%</b>		<b>£ 323,271</b>	<b>100%</b>	

## 4. The Strategy for 2021/22

During 2021/22, the Council fully funded its borrowing requirement. This meant that the capital borrowing need, (the Capital Financing Requirement), was fully funded with loan debt, and the Council was able to source loans at historically low PWLB rates.

Interest rate forecasts within the Treasury Management & Investment Strategy expected only gradual rises in medium and longer term fixed borrowing rates during 2021/22 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Group Interest Rate View		9.11.20													
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
5 yr PWLB	1.80	1.80	1.80	1.80	1.80	1.90	1.90	1.90	1.90	1.90	2.00	2.00	2.00	2.00	
10 yr PWLB	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	
25 yr PWLB	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70	2.70	2.70	2.80	2.80	2.80	2.80	
50 yr PWLB	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.60	2.60	2.60	2.60	

Link Group Interest Rate View		7.2.22													
		Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	
BANK RATE		0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	
3 month av. earnings		0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	
6 month av. earnings		1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	
12 month av. earnings		1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40	
5 yr PWLB		2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	
10 yr PWLB		2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	
25 yr PWLB		2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	
50 yr PWLB		2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	

Return on funds placed on deposit which had been low during 2020/21, continued to remain low during much of 2021/22 at near zero or even into negative territory, before rising in line with base rate increases from December 2021.

The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would continue throughout the year at 0.10%. This forecast was changed when the Bank of England increased base rate in December 2021, raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022 as a result of emerging inflation pressures in the economy.

## 5. The Economy and Interest Rates

### UK

Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022.

The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% and is likely to exceed 8% in April.

Gilt yields fell towards the back end of 2021, but despite the war in Ukraine gilt yields have shot higher in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1st April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.

Average inflation targeting. This was the major change in 2020/21 adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August 2020 was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That mantra now seems very dated. Inflation is the "genie" that has escaped the bottle, and a perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023.

### USA

The flurry of comments from Fed officials following the mid-March FOMC meeting – including from Chair Jerome Powell himself – hammering home the hawkish message from the mid-March meeting, has had markets pricing in a further 225bps of interest rate increases in 2022 on top of the initial move to an interest rate range of 0.25% - 0.5%.



In addition, the Fed is expected to start to run down its balance sheet. Powell noted that the rundown could come as soon as the next meeting in May.

The upward pressure on inflation from higher oil prices and potential knock-on impacts on supply chains all argue for tighter policy (CPI is estimated at 7.8% across Q1), but the hit to real disposable incomes and the additional uncertainty points in the opposite direction.

More recently, the inversion of the 10y-2y Treasury yield spread at the end of March led to predictable speculation that the Fed's interest rate hikes would quickly push the US economy into recession. Q1 GDP growth is likely to be only between 1.0% and 1.5% annualised (down from 7% in Q4 2021). But, on a positive note, the economy created more than 550,000 jobs per month in Q1, a number unchanged from the post-pandemic 2021 average. Unemployment is only 3.8%.

## **EU**

With euro-zone inflation having jumped to 7.5% in March it seems increasingly likely that the ECB will accelerate its plans to tighten monetary policy. It is likely to end net asset purchases in June – i.e., earlier than the Q3 date which the ECB targeted in March. And the market is now anticipating possibly three 25bp rate hikes later this year followed by more in 2023. Policymakers have also hinted strongly that they would re-start asset purchases if required. In a recent speech, Christine Lagarde said “we can design and deploy new instruments to secure monetary policy transmission as we move along the path of policy normalisation.”

While inflation has hit the headlines recently, the risk of recession has also been rising. Among the bigger countries, Germany is most likely to experience a “technical” recession because its GDP contracted in Q4 2021, and its performance has been subdued in Q1 2022. However, overall, Q1 2022 growth for the Eurozone is expected to be 0.3% q/q with the y/y figure posting a healthy 5.2% gain. Finishing on a bright note, unemployment fell to only 6.8% in February.

## **China**

After a concerted effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; however, 2021 has seen the economy negatively impacted by political policies that have focussed on constraining digital services, restricting individual freedoms, and re-establishing the power of the One-Party state. With the recent outbreak of Covid-19 in large cities, such as Shanghai, near-term economic performance is likely to be subdued. Official GDP numbers suggest growth of c4% y/y, but other data measures suggest this may be an overstatement.

## **Japan**

The Japanese economic performance through 2021/22 is best described as tepid. With a succession of local lockdowns throughout the course of the year, GDP is expected to have risen only 0.5% y/y with Q4 seeing a minor

contraction. The policy rate has remained at -0.1%, unemployment is currently only 2.7% and inflation is sub 1%, although cost pressures are mounting.

### **World growth**

World growth is estimated to have expanded 8.9% in 2021/22 following a contraction of 6.6% in 2020/21.

### **Deglobalisation**

Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for 18% of total world GDP (the USA accounts for 24%), and Russia's recent invasion of Ukraine, has unbalanced the world economy. In addition, after the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China (and to a much lesser extent Russia) to supply products and vice versa. This is likely to reduce world growth rates.

### **Central banks' monetary policy**

During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

## 6. Borrowing Rates in 2021/22

PWLB rates are based on gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have seen, over the last two years, many bond yields up to 10 years in the Eurozone turn negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. Recently, yields have risen since the turn of the year on the back of global inflation concerns.

**Graph of UK gilt yields v. US treasury yields**



Gilt yields fell sharply from the spring of 2021 through to September and then spiked back up before falling again through December. However, by January sentiment had well and truly changed, as markets became focussed on the embedded nature of inflation, spurred on by a broader opening of economies post the pandemic, and rising commodity and food prices resulting from the Russian invasion of Ukraine.

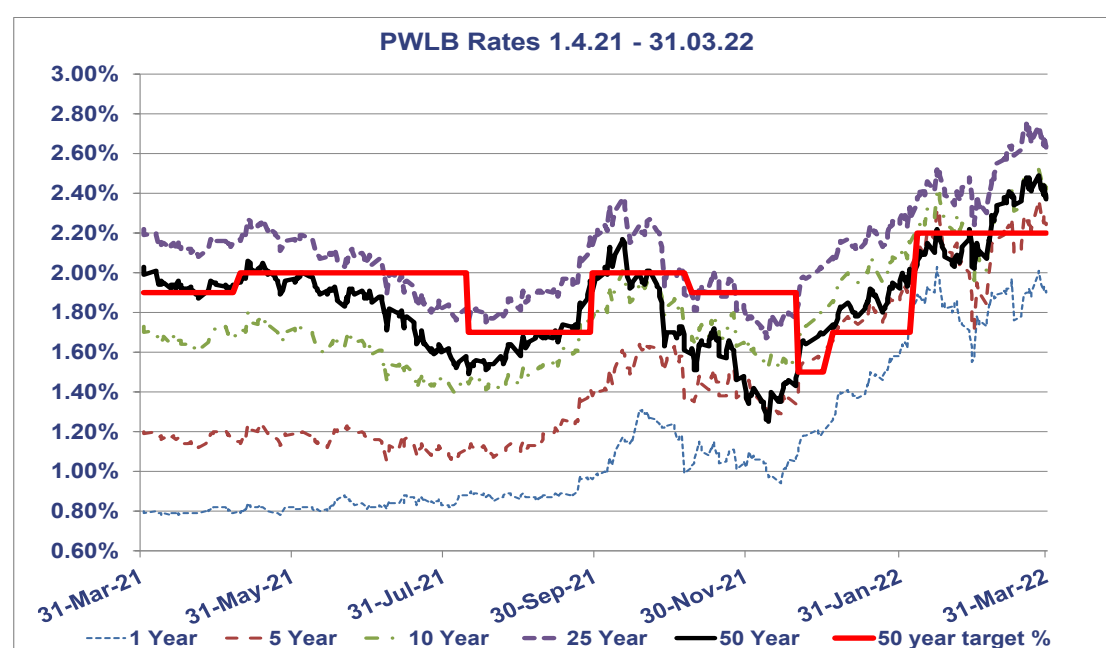
At the close of the day on 31 March 2022, all gilt yields from 1 to 5 years were between 1.11% – 1.45% while the 10-year and 25-year yields were at 1.63% and 1.84%.

Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

- PWLB Standard Rate is gilt plus 100 basis points (G+100bps)
- PWLB Certainty Rate is gilt plus 80 basis points (G+80bps)
- PWLB HRA Standard Rate is gilt plus 100 basis points (G+100bps)
- PWLB HRA Certainty Rate is gilt plus 80bps (G+80bps)
- Local Infrastructure Rate is gilt plus 60bps (G+60bps)

There is likely to be a further rise in short dated gilt yields and PWLB rates over the next three years. Medium to long dated yields are driven primarily by inflation concerns but the Bank of England is also embarking on a process of Quantitative Tightening whereby the Bank's £895bn stock of gilt and corporate bonds will be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, is an unknown at the time of writing.

#### HIGH/LOW/AVERAGE PWLB RATES FOR 2021/22



	1 Year	5 Year	10 Year	25 Year	50 Year
<b>01/04/2021</b>	0.80%	1.20%	1.73%	2.22%	2.03%
<b>31/03/2022</b>	1.91%	2.25%	2.43%	2.64%	2.39%
<b>Low</b>	0.78%	1.05%	1.39%	1.67%	1.25%
<b>Low date</b>	08/04/2021	08/07/2021	05/08/2021	08/12/2021	09/12/2021
<b>High</b>	2.03%	2.37%	2.52%	2.75%	2.49%
<b>High date</b>	15/02/2022	28/03/2022	28/03/2022	23/03/2022	28/03/2022
<b>Average</b>	1.13%	1.45%	1.78%	2.10%	1.85%
<b>Spread</b>	1.25%	1.32%	1.13%	1.08%	1.24%

## 7. Borrowing Outturn for 2021/22

### New Treasury Borrowing:-

New loans were drawn to fund the net unfinanced capital expenditure and naturally maturing debt.

The loans drawn were:-

Table 9: New Loans Taken in Financial Year 2021/22						
Lender	Date Taken	Principal £000's	Interest Rate	Fixed/ Variable	Maturity Date	Term (Yrs)
PWLB Maturity	16 Dec 2021	£ 10,000	1.26%	Fixed	16 Dec 2071	50.00
PWLB Maturity	16 Dec 2021	£ 10,000	1.27%	Fixed	16 Dec 2070	49.00
PWLB Maturity	16 Dec 2021	£ 10,000	1.30%	Fixed	16 Dec 2067	46.00
PWLB Maturity	16 Dec 2021	£ 10,000	1.34%	Fixed	16 Dec 2064	43.00
PWLB Maturity	16 Dec 2021	£ 10,000	1.36%	Fixed	16 Dec 2063	42.00
<b>Total</b>		<b>£ 50,000</b>				

### Maturing Debt:-

The following table gives details of treasury debt maturing during the year:-

Table 10: Maturing Debt in Financial Year 2021/22						
Lender	Date Repaid	Principal £000's	Interest Rate	Fixed/ Variable	Date Originally Taken	Original Term (Yrs)
PWLB	03 Aug 2021	£ 648	8.50%	Fixed	16 Aug 1994	27.00
PWLB Annuities	Various	£ 44	7.75%-9.50%	Fixed	02 Aug 1968 to 15 May 1972	56-60 years
Salix	Various	£ 183	0.00%	Fixed	Various	7-8 years
Deutsche Pfandbriefbank	Various	£ 357	2.63%	Fixed	29 Jun 2017	28.00
Deutsche Pfandbriefbank	Various	£ 291	2.73%	Fixed	15 Nov 2018	25.50
<b>Total</b>		<b>£ 1,523</b>				

### Rescheduling:-

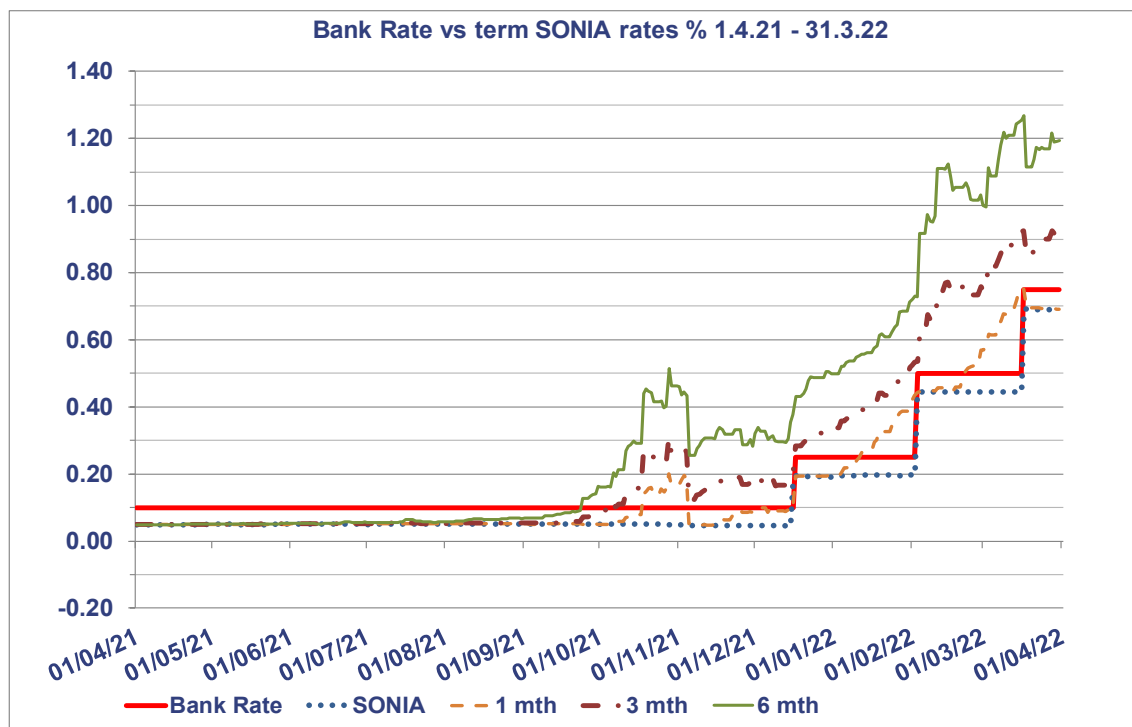
No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

### Summary of debt transactions:-

The average interest rate payable on external debt decreased from 3.34% at the start of 2021/22 to 3.22% at the end of 2021/22. The average life of debt within the loan portfolio lengthened from 31.16 years to 32.66 years.

## 8. Deposit Rates in 2021/22

Money market fund rates started the year at 0.01%, remaining at this level until the bank of England base rate increases in the latter half of the year, before trending upwards to end the year at 0.51%-0.53%.



	Bank Rate	SONIA	1 mth	3 mth	6 mth
<b>High</b>	0.75	0.69	0.75	0.93	1.27
<b>High Date</b>	17/03/2022	18/03/2022	16/03/2022	28/03/2022	17/03/2022
<b>Low</b>	0.10	0.05	0.05	0.05	0.05
<b>Low Date</b>	01/04/2021	15/12/2021	10/11/2021	14/04/2021	09/04/2021
<b>Average</b>	0.19	0.14	0.17	0.24	0.34
<b>Spread</b>	0.65	0.65	0.71	0.88	1.22

## 9. Funds on Deposit Outturn for 2021/22

### Deposit Policy:-

The Council's policy for placing deposits is governed by Scottish Government Investment Regulations, which have been implemented in the annual investment strategy approved by the Council on 23 February 2021. This policy sets out the approach for choosing counterparties, and for financial institutions is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

The activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties. The position at 31 March 2022 was as follows:-

Table 11: Breakdown of Deposits by Counterparty at 31 March 2022			
Counterparty	Deposit Start Date	Deposit End Date	Principal Outstanding 31 Mar 2022 £000's
Royal Bank of Scotland	Instant Access Call Account		1,143
Bank of Scotland	Instant Access Call Account		29,915
MMF - Aberdeen Liquidity Fund	Instant Access Money Market Fund		7,846
MMF - Federated	Instant Access Money Market Fund		7,623
MMF - Legal & General	Instant Access Money Market Fund		14,855
Santander	180 Day Notice Account		14,985
Wokingham Borough Council	25-Mar-20	24-Mar-23	15,000
London Borough of Croydon Council	03-Apr-20	03-Oct-22	13,000
Stoke on Trent City Council	06-Apr-20	06-Apr-23	2,000
London Borough of Waltham Forest Council	30-Apr-20	29-Apr-22	15,000
Goldman Sachs International Bank	17-Dec-21	17-Jun-21	15,000
Standard Chartered Bank	17-Dec-21	17-Jun-21	15,000
National Bank of Canada	17-Dec-21	17-Jun-21	5,000
<b>Total Deposits</b>			<b>156,367</b>

### Deposits placed by the Council:-

The Council maintained an average balance of £144.6 million of internally managed funds. The internally managed funds earned an average rate of return of 0.79%. The comparable performance indicator is the average 6-month SONIA un-compounded rate, which was 0.34%.

## 10. Performance Measurement

One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities.

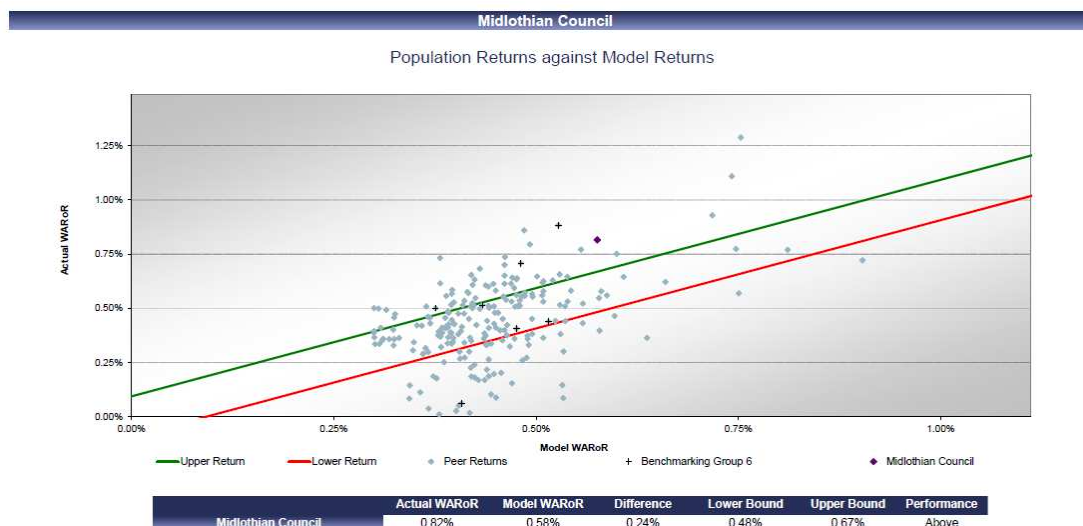
### Loans Fund Rate

Combining the interest paid (earned) on external debt (deposits) with charges for premiums written off and internal interest allowed into an average Loans Fund Rate, Midlothian's result of 2.98% for 2020/21 was the third lowest Loans Fund Rate amongst all mainland authorities in Scotland (see Appendix 1).

The comparative Loans Fund Rate for 2021/22, of 2.98%, is once again expected to be one of the lowest when benchmarked against all mainland authorities in Scotland (note that at present, these benchmark figures are not yet available).

### Deposit Benchmarking

The Council participates in the Scottish Investment Benchmarking Group set up by its Treasury Management Consultants, Link. This service provided by Link provides benchmarking data to authorities for reporting and monitoring purposes, by measuring the security, liquidity and yield within an individual authority portfolio. Based on the Council's funds on deposit as at 31 March 2022, the Weighted Average Rate of Return (WARoR) on deposits of 0.82% against other authorities is shown in the graph below:-



*\* Models for 30 June 2021, 30 September 2021 and 31 December 2021 are attached as Appendix 3.*

As can be seen from the above graph, Midlothian is performing above the Link model benchmarks (red to green lines), and is achieving one of the highest Weighted Average Rates of Return (WARoR) for the Weighted Average Credit



Risk held, not only amongst peer Councils within the Benchmarking Group but also amongst the population of authorities across the UK.

### **Debt Performance**

Whilst deposit performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide. In this respect, the relevant figures for Midlothian are incorporated in the table in Section 3.

## 11. Conclusion

The Council's overall cost of borrowing continues to benefit significantly from the approved strategy and the proactive Treasury Management activity undertaken.

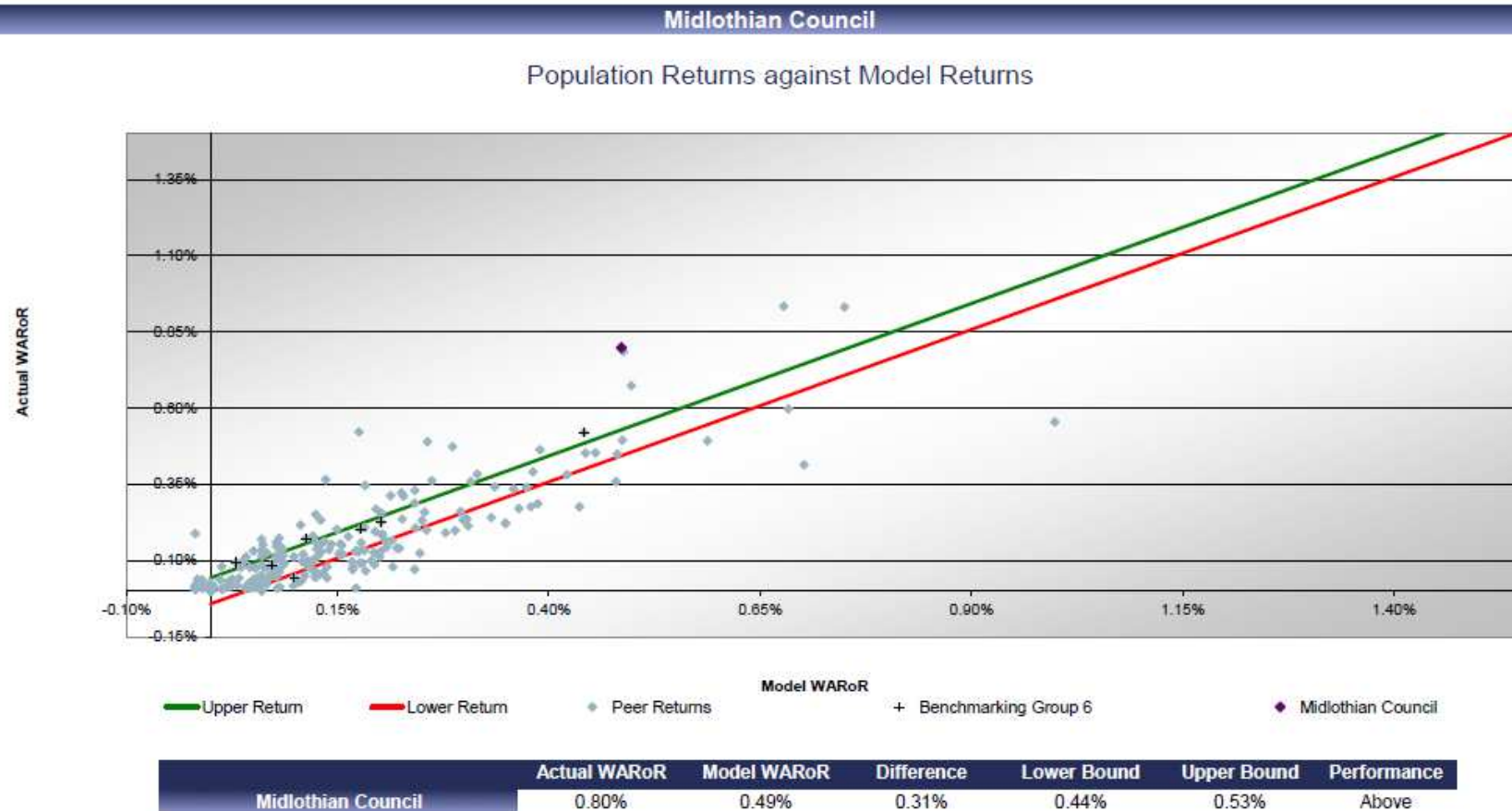
The cost of long term borrowing has been maintained by taking up opportunities to borrow from the PWLB at historically low interest rates.

A better than average return on deposits has been achieved for the eighteenth consecutive year and Midlothian continues to perform above the Link model benchmarks and is achieving one of the highest Weighted Average Rates of Return (WARoR) for the Weighted Average Credit Risk held, not only amongst peer Councils within the Benchmarking Group but also amongst the population of authorities across the UK.

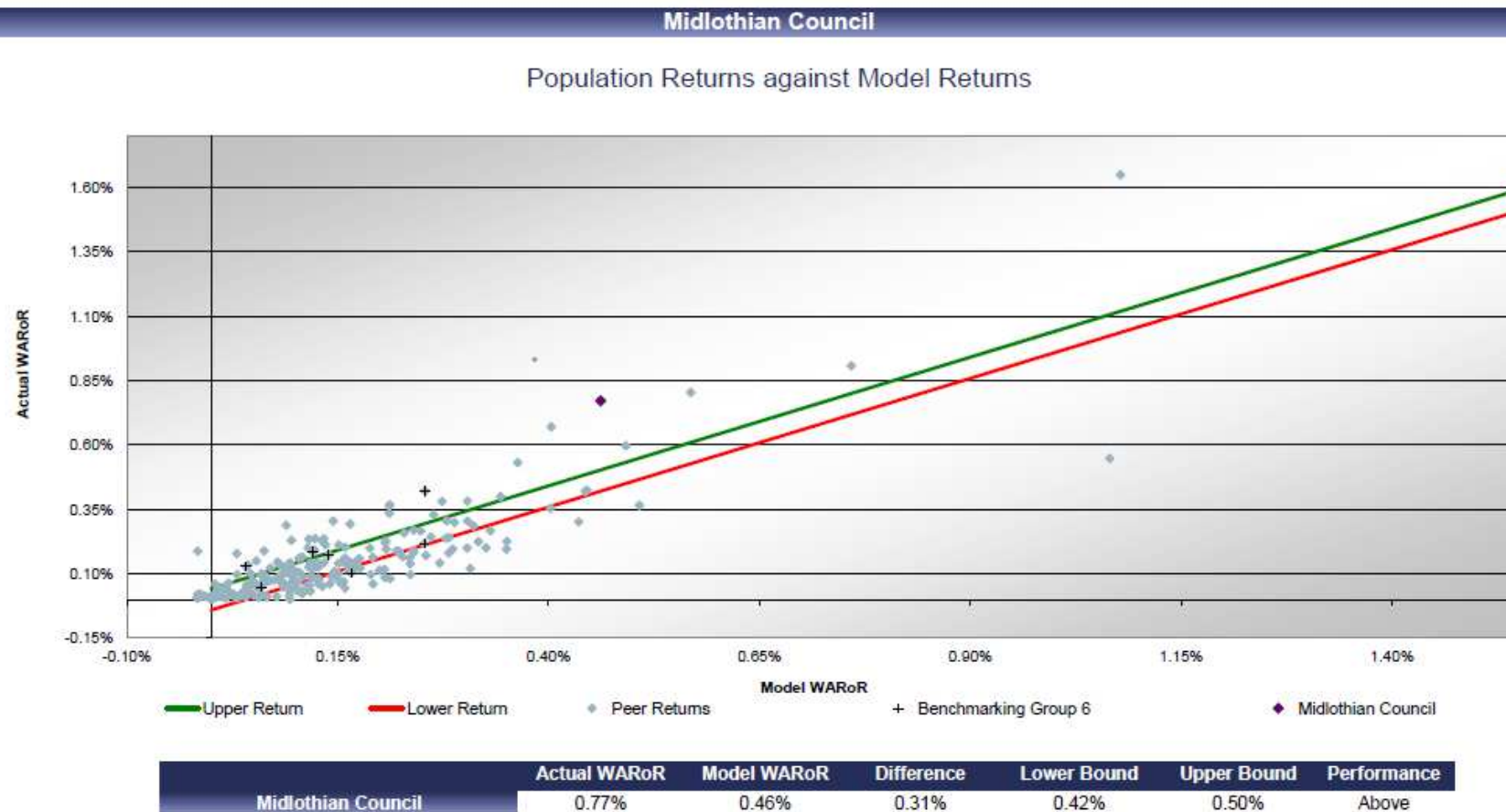
Overall Midlothian's Loans Fund Rate of 2.98% for the year is expected to be one of the lowest when benchmarked against all mainland Authorities in Scotland.

## Appendix 3

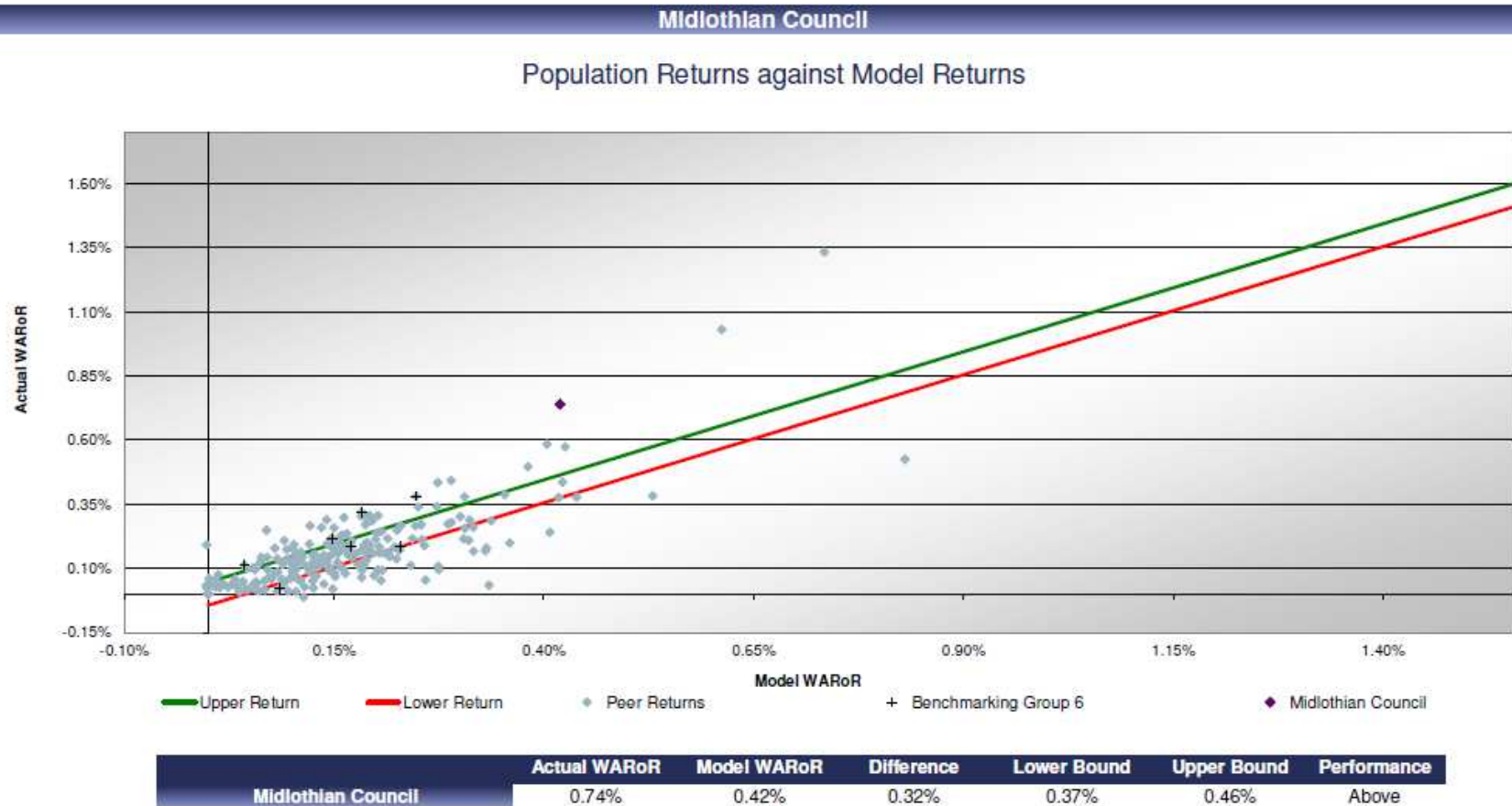
### Midlothian Council Deposit Portfolio return as at 30 June 2021



## Midlothian Council Deposit Portfolio return as at 30 September 2021



## Midlothian Council Deposit Portfolio return as at 31 December 2021





**General Services Capital Plan – 2022/23 Quarter 1 Monitoring****Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Noting****1 Recommendations**

It is recommended that the Council:-

1. Note the adjustment to the project expenditure budgets in the General Services Capital Plan as set out in Section 3.1.

**2. Purpose of Report**

The purpose of this report is to provide Council with:-

- An update of the General Services Capital Plan incorporating information on further additions to the Capital Plan for approval (Section 3);
- Information on the projected performance against budget for 2022/23 (Section 4);
- Update on the Capital Fund (Section 5).

**Date 04 August 2022****Report Contact:****Gary Thomson, Senior Accountant****[gary.thomson@midlothian.gov.uk](mailto:gary.thomson@midlothian.gov.uk)**

### **3 Update of General Services Capital Plan**

#### **3.1 Adjustments to existing project budgets**

The following adjustments to existing project expenditure and income budgets are included in the General Services Capital Plan:-

- **Easthouses Primary School:** The plan has been updated to reflect the decision of Council on 28 June 2022.

### **4 2022/23 Projection against budget**

#### **4.1 2022/23 Budget**

After accounting for the following:-

- Rephasing of budgets from 2021/22 to 2022/23, and new projects added to the plan, both as reported to Council on 28 June 2022;
- Including the new projects & adjustments to project budgets as outlined in Section 3;
- Rephasing of budgets based on the latest information available from project managers as noted in Table 1 below

the capital plan expenditure budget for 2022/23 is £54.036 million.



Table 1: Rephasing of project expenditure budgets

Project	Description of rephasing of budget	Previous 2022/23 Budget £000's	Revised 2022/23 Budget £000's	2022/23 Budget Rephasing £000's
Woodburn Primary School	Delay in land acquisition and resultant extended programme, also due to market volatility issues and value engineering options	6,755	1,500	-5,255
Highbank Re-provisioning Intermediate Care	Rephasing of budget required due to three extensions of time requested by the five tendering contractors, who are experiencing difficulty in tying down their supply chain due to market issues	6,580	1,553	-5,027
Hopefield Farm Primary 2 (HS12)	Revised planning assumption for site & school delivery	1,347	0	-1,347
King's Park Primary School	Site complexity and planning implications have impacted programme	1,918	600	-1,318
Easthouses Primary School	Programme extended to work through market volatility issues and value engineering options	3,418	2,418	-1,000
St. David's Primary School	No immediate capacity pressure and knock-on impact from delay to other projects	622	225	-397
Mauricewood Primary School	Project scope being reviewed	550	200	-350
Rosewell Primary School	Current expansion option not feasible due to site constraints. Alternative sites being investigated	550	250	-300
Others	Other variances	649	0	-649
<b>Total</b>		<b>22,389</b>	<b>6,746</b>	<b>-15,643</b>

In line with this, the expected level of funding available to finance the plan has also been rephased and totals £30.991 million.

This results in an in-year borrowing requirement of £23.044 million.

The projected performance against budget for 2022/23 is shown in table 2 below:-

**Table 2: General Services Capital Plan Projected Performance against Budget 2022/23 – as at Quarter 1**

Item	2022/23 Rephased Budget £000's	Actual To 19.06.22 £000's	2022/23 Projected Outturn £000's	2022/23 Variance £000's	2022/23 Carry Forward £000's
<b>Expenditure</b>	54,036	1,524	54,036	0	-15,643
<b>Funding</b>	30,991	1,826	30,991	0	-9,019
<b>Borrowing Required</b>	<b>23,044</b>	<b>-302</b>	<b>23,044</b>	<b>0</b>	

## 4.2 Expenditure

Expenditure to 19 June 2022 is £1.524 million with a projected expenditure outturn of £54.036 million, in line with the rephased budget.

## 4.3 Funding

The funding available to finance the Capital Plan in 2022/23 is expected to total £30.991 million. Funding of £1.826 million has been received to 19 June 2022.

## 4.4 Borrowing

The budgeted level of borrowing for 2022/23 is £23.044 million. Based on the forecast expenditure and funding levels as noted above, the revised estimate of the level of borrowing required for 2022/23 is forecast to be £23.044 million, in line with budget. The impact on the Council's borrowing costs is reflected in the Financial Monitoring 2022/23 General Fund Revenue report elsewhere on today's agenda.

## 5 Capital Fund

The Capital Fund at the start of the 2022/23 financial year was £22.178 million. £7.694 million of this is committed to fund the City Deal, with a further £12.061 million committed to support capital investment including the utilisation of £3.000 million in 2022/23.

The forecast non-committed capital fund balance at 31 March 2023 is £1.888 million, as shown in the table below.

Item	Amount £000's
<b>Balance at 01 April 2022</b>	<b>22,178</b>
Committed to fund City Deal Project	-7,694
Committed to support Capital Investment <sup>1</sup>	-12,061
Developer Contributions earmarked for specific purposes	-535
<b>Non-committed balance at 31 March 2023</b>	<b>1,888</b>

## **6. Report Implications**

### **6.1 Resource**

The borrowing required to finance the planned investment in 2022/23 is reflected in the Financial Monitoring 2022/23 – General Fund Revenue report elsewhere on today's agenda.

### **6.2 Digital**

There are no Digital Services implications arising from this report.

### **6.3 Risk**

The construction materials supply chain has already been subject to unprecedented disruption and inflation pressures through a combination of the Coronavirus (COVID-19) Pandemic, the conflict in the Ukraine and the UK leaving the European Union. The Construction Leadership Council (CLC) continues to report shortages of construction materials and forecasts this disruption to continue for the foreseeable future. Ongoing engagement with suppliers confirms that materials shortages, longer lead times and steep price increases are highly likely to continue to impact the supply chain.

Factors contributing to pricing increases include contractors no longer being able to absorb strong upward pressure from input costs, rising demand, logistics problems and materials and labour shortages. In particular, materials prices are likely to be an ongoing concern due to worldwide supply issues; and this is being reflected in recent tender returns. Tendering contractors are making specific reference to time periods for the supply of labour and materials, a recent change in diesel rules, the current conflict in Ukraine and potential shortages of materials from China and elsewhere.

Specific areas of major increases include groundworks, steel (structural and steel product), metal cladding, timber, insulation and fire protection.

This potentially exacerbates the inherent risk in the Capital Plan that projects will cost more than estimated thus resulting in additional borrowing, or will be subject to significant delay.

The construction industry in Scotland and the UK is currently experiencing unprecedented adverse market conditions, which is leading to significant rises in tender prices for a wide range of materials. There is evidence that inflation of between 10% and 15% beyond BCIS predictions is affecting projects and whilst measures such as value engineering and contract award review are partially mitigating cost increase there is a risk that the capital budgets provided for delivery of the project in the plan will need to be increased with a resultant impact on the funding strategy. The situation is currently being monitored and reviewed and an update will be provided to Council when the value of the impact has been determined.

Strengthened financial monitoring & governance procedures have been approved by CP&AMB, which will ensure that significant variations can be captured and reported to Programme Boards and CP&AMB so that remedial action can be taken to mitigate the risks.

In developing the strategy and taking cognisance of the longer term affordability gap it is clear that a number of potential projects which are currently included will only be able to be progressed if they can be delivered on a spend to save basis (i.e. where income or cost savings more than offset the cost of funding the investment) or where they can be delivered on a cost neutral basis or through alternative funding mechanisms.

The current review of Statutory Capital Accounting arrangements has brought increased uncertainty in respect of the affordability and financing of the existing capital programme. As such, officers will be seeking early assurance that there would be transitional arrangements for any changes arising from the review and that these would not only cover existing assets but also any accounting changes arising from projects already committed in the General Services Capital Plan for the current and forthcoming 4 financial years. Early assurance on what transitional arrangements may apply would allow officers to determine and advise to Council whether the current General Services Capital Plan remains affordable and prudent.

The Capital Plan includes a provision for the return of contingencies of £5.753 million over the period 2022/23 to 2025/26, equating to 2.5% of all project expenditure. The risk is that projects throughout the plan are unable to deliver this which could be in part due to factors outwith the Council's control. Capital Plan & Asset Management Board will review the level of return of contingencies against the £5.753 million provision on an ongoing basis to ensure that projects can, where possible, deliver against this provision and that the provision continues to be appropriate.

#### **6.4 Ensuring Equalities**

There are no equalities issues arising directly from this report.

#### **6.5 Additional Report Implications**

See Appendix A.

## **Appendix A: Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Not applicable.

### **A.2 Key Drivers for Change**

### **A.3 Key Delivery Streams**

Themes addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

The report does not directly impact on Delivering Best Value.

### **A.5 Involving Communities and Other Stakeholders**

No external consultation has taken place on this report.

### **A.6 Impact on Performance and Outcome**

There are no issues arising directly from this report.

### **A.7 Adopting a Preventative Approach**

Not applicable.

### **A.8 Supporting Sustainable Development**

Not applicable.

**Background Papers:**

Appendix 1 –General Services Capital Plan 2022/23 – Quarter 1 Monitoring

## Appendix 1: General Services Capital Plan 2022/23 – Quarter 1 Monitoring

	2021/22	Rephased 2021/22	2021/22	2021/22	2021/22	2021/22
GENERAL SERVICES CAPITAL PLAN	Budget	Budget	Actual	Forecast	Variance	Carry
Q1 MONITORING	Initial	Q1	to P3	Outturn Q1	Q1	Forward Q1
	£'000	£000's	£000's	£000's	£000's	£000's
<b>PLACE DIRECTORATE</b>						
<b>Corporate Solutions</b>						
Newbattle Centre of Excellence	275	275		275	-	-
Business Applications	8	8	10	8	-	-
DS Corporate Solutions	616	616		616	-	-
Front Office - Hardware, Software & Services	(179)	(179)	96	(179)	-	-
Back Office - Hardware, Software & Services	1,384	1,384	(31)	1,384	-	-
Network, Software & Services	578	578	3	578	-	-
Schools - Hardware, Software & Services	1,336	1,336	(30)	1,336	-	-
Digital: Equipped for Learning	776	776		776	-	-
Civica Automation	47	47		47	-	-
<b>Place</b>						
Street Lighting and Traffic Signal Upgrades - New	1,312	1,312	53	1,312	-	-
Footway & Footpath Asset Management Plan - New	699	699		699	-	-
Accelerated Roads Residential Streets	4,319	4,319	136	4,319	-	-
Roads Asset Management Plan - New	1,838	1,838	47	1,838	-	-
Roads Asset Management Plan - Temple Ground Stabilisation	309	309		309	-	-
B6372 Arniston Embankment Stabilisation	593	593		593	-	-
North Middleton Bridge	62	62	36	62	-	-
A7 Urbanisation	106	106		106	-	-
Cycling, Walking & Safer Streets Projects	596	596		596	-	-
Ironmills Park Steps	7	7		7	-	-
New recycling facility - Penicuik	-	-	14	-	-	-
Vehicle & Plant Replacement Programme	2,077	2,077		2,077	-	-
Food Waste Rural Routes	132	132		132	-	-
In-Cab Waste Collection Vehicles	-	-	1	-	-	-
LEZ Electric Vehicles & Charging Points	48	48		48	-	-
Bus Priority Rapid Development	-	-		-	-	-
School Transport Retrofit Fund	22	22		22	-	-
Rosewell Road Toucan Crossing	50	50		50	-	-
Outdoor Play Equipment - Rosewell	46	46		46	-	-
Outdoor Play Equipment - Gorebridge	1	1		1	-	-
Roslin Wheeled Sports Facility	60	60		60	-	-
Mauricewood Road Bus Shelter	4	4		4	-	-
Riverside Park Paths & Woodland	89	89		89	-	-
Millerhill Park Circular Path & Bicycle Pump Track	18	18		18	-	-
Welfare Park, Newtongrange	98	98		98	-	-
Pump Track, North Middleton	76	76		76	-	-
Play Park Renewal 2021/22	98	98		98	-	-
Play Park Renewal 2022/23	97	97		97	-	-
Nature Restoration Fund 2021/22	41	41		41	-	-
Nature Restoration Fund 2022/23	103	103		103	-	-
Birkenside Grass Pitch Drainage	12	12		12	-	-
Open Spaces - Midlothian Wide Play Areas	338	338		338	-	-
Stobhill Depot Upgrade	568	568		568	-	-
New Depot: EWIM Phase III	-	-	(47)	-	-	-
Property Upgrades	1,283	1,283		1,283	-	-
Midlothian & Fairfield House Shower Upgrades	5	5		5	-	-
Shawfair Town Centre Land Purchase	5,165	5,165	106	5,165	-	-
Destination Hillend	8,035	8,035	46	8,035	-	-
32-38 Buccleuch Street Ground Floor Redevelopment	346	346		346	-	-
Contaminated Land	186	186		186	-	-
Public Sector Housing Grants	198	198		198	-	-
Borders Rail - Economic Development Projects	125	125		125	-	-
Penicuik THI	132	132		132	-	-
Mayfield Town Centre Regeneration	4	4		4	-	-
CCTV Network	472	472		472	-	-
Place Based Investment Fund 2021/22	600	600		600	-	-
Place Based Investment Fund 2022/23+	534	534		534	-	-
Town Centre Regeneration Fund 2020/21	91	91	(4)	91	-	-
<b>TOTAL PLACE</b>	<b>35,839</b>	<b>35,839</b>	<b>436</b>	<b>35,839</b>	<b>-</b>	<b>-</b>

PEOPLE AND PARTNERSHIPS DIRECTORATE	2022/23 Budget £'000	2021/22 Budget Q1 £000's	2021/22 Actual to P3	2021/22 Forecast Outturn Q1 £000's	2021/22 Variance Q1 £000's	2021/22 Carry Forward Q1 £000's
<b>Education - Early Years</b>						
King's Park Primary School	55	55	14	55	-	-
Roslin Primary School	364	364		364	-	-
Capital grants to partner providers	409	-		-	-	409
Hawthorn Children & Families Centre Alteration	164	164	4	164	-	-
Mauricewood Primary School	247	247		247	-	-
Vogrie Outdoor Early Learning Centre	81	81		81	-	-
Other Outdoor Spaces	67	67		67	-	-
Mount Esk Nursery School	-	-	13	-	-	-
<b>Education - Primary</b>						
Paradykes Primary Replacement	144	144	0	144	-	-
St. Mary's RC & Early Burnbrae Primary Schools	140	140		140	-	-
New Danderhall Primary hub	277	277	92	277	-	-
Sacred Heart Primary School Extension	415	415	43	415	-	-
Easthouses Primary School	3,418	2,418		2,418	-	1,000
Tynewater Primary School	10	10		10	-	-
Burnbrae Primary School GP Space	2	2		2	-	-
Woodburn Primary 9 class & activity hall extension	6,755	1,500	64	1,500	-	5,255
<b>Education - Secondary</b>						
Lasswade High - Toilets & Changing to 1,600 pupil capacity	453	453	1	453	-	-
A701 High School	1,054	1,054	130	1,054	-	-
<b>Education - Learning Estate Strategy</b>						
Kings Park PS upgrade to existing building	1,918	600		600	-	1,318
St Davids Primary - 4 class & EY extension	622	225		225	-	397
Hopefield Farm Primary 2 (HS12)	1,347	-		-	-	1,347
Mauricewood Refurbishment	550	200		200	-	350
Rosewell Primary School - extend to 2 stream	550	250		250	-	300
Newtongrange refurb & expansion to 2 stream	645	645		645	-	-
Lasswade High - ASU	1,333	1,333		1,333	-	-
ASN Provision - Social Complex Needs	250	250		250	-	-
Strathesk Primary one class extension	214	214		214	-	-
Mayfield School Campus replace & extend	15	15		15	-	-
Learning Estate Strategy: Development Budget	1,222	1,222	37	1,222	-	-
Bonnyrigg Primary - Modular Unit	562	562		562	-	-
Hawthornden Primary - ASN Unit	492	492	23	492	-	-
Burnbrae Primary - Conversion of ASN to GP Space	80	80		80	-	-
<b>Education - General</b>						
Saltersgate Alterations Phase III - Playground Improvements	138	138	2	138	-	-
Saltersgate Phase IV - Internal Alterations	39	39		39	-	-
Modular Units - Session 2017/18	107	107		107	-	-
CO2 Monitors for Schools / Ventilation 21/22 Phase II	93	93	92	93	-	-
Free School Meal Provision	324	324		324	-	-
<b>Children's Services</b>						
Residential House for 5-12 year olds	210	210		210	-	-
<b>Communities &amp; Partnerships</b>						
Members Environmental Improvements	72	72	23	72	-	-
Participatory Budgets	180	180		180	-	-
<b>Adult Social Care</b>						
Assistive Technology	176	176		176	-	-
Homecare	55	55		55	-	-
Highbank Intermediate Care Reprovisioning	6,580	1,553	(129)	1,553	-	5,027
General Fund Share of Extra Care Housing	297	297	186	297	-	-
<b>Sport &amp; Leisure</b>						
Property - Poltonhall Astro & Training Area Resurfacing	384	384	475	384	-	-
Property - Penicuik Astro Resurfacing	76	76		76	-	-
Dalkeith Thistle - Pavilion Upgrade	6	6		6	-	-
Loanhead Memorial Park Pitch	4	4		4	-	-
Flotterstone Car Park Infrastructure & Charging	16	16		16	-	-
Property - King's Park Tennis Courts Resurfacing	82	82		82	-	-
Property - Penicuik Centre Flooring, Cardio & Equipment	178	178		178	-	-
Property - Lasswade Centre Flooring	97	97		97	-	-
Property - Gorebridge Leisure Centre	48	48		48	-	-
Property - Loanhead Centre	2	2		2	-	-
<b>TOTAL PEOPLE AND PARTNERSHIPS</b>	<b>33,017</b>	<b>17,614</b>	<b>1,072</b>	<b>17,614</b>	<b>-</b>	<b>15,403</b>
<b>COUNCIL TRANSFORMATION</b>						
Purchase to Pay	2	2		2	-	-
EWiM - Buccleuch House Ground Floor	33	33		33	-	-
A701 & A702 Relief Road City Deal Project	1,532	1,532	17	1,532	-	-
City Deal	240	-		-	-	240
<b>TOTAL COUNCIL TRANSFORMATION</b>	<b>1,807</b>	<b>1,567</b>	<b>17</b>	<b>1,567</b>	<b>-</b>	<b>240</b>
<b>GENERAL SERVICES CAPITAL PLAN TOTAL</b>	<b>70,663</b>	<b>55,020</b>	<b>1,524</b>	<b>55,020</b>	<b>-</b>	<b>15,643</b>
<b>COST OF SALES</b>						
	-	-		-	-	-
<b>TOTAL COST OF SALES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GENERAL SERVICES CAPITAL PLAN TOTAL INC COST OF SALES</b>	<b>70,663</b>	<b>55,020</b>	<b>1,524</b>	<b>55,020</b>	<b>-</b>	<b>15,643</b>
Provision for Return of Contingencies	(985)	(985)		(985)	-	-
<b>GSCP + CIS Total inc. Return of Contingencies</b>	<b>69,678</b>	<b>54,035</b>	<b>1,524</b>	<b>54,035</b>	<b>-</b>	<b>15,643</b>



**Financial Monitoring 2022/23 – General Fund Revenue****Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Decision****1 Recommendations**

Council is recommended to:

- a) Note the projected financial position for the General Fund Reserve in financial year 2022/23 and the associated risks with projections at this stage in the year;
- b) Approve a supplementary estimate of £1.395 million to cover unbudgeted inflationary pressures; and
- c) Otherwise note the contents of the report.

**2 Purpose of Report / Executive Summary**

- 2.1 The purpose of this report is to provide Council with information on projections of performance against service revenue budgets in 2022/23 and to provide commentary on areas of material variance against budget. The projected budget performance figures as shown in appendix 1 result in a net overspend of £0.225 million for the year which represents 0.08% of the revised budget.
- 2.2 With the assumption that Council will approve the supplementary estimate for inflationary pressures the projected General Fund balance at 31<sup>st</sup> March 2023 is £5.339 million, of which £1.336 million is earmarked for specific use.
- 2.3 The projection of the General Fund Balance at 31<sup>st</sup> March 2023 is predicated on the ongoing financial impact of the Covid-19 Pandemic continuing to be met from the available funding, whether ring fenced for specific purposes, or from general funding provided.

**Date: 11 August 2022**

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### 3 Background

- 3.1 This report encompasses all performance against revenue budget for General Fund services including additional costs incurred and projected lost income as a consequence of the Covid-19 pandemic.
- 3.2 The main areas of projected service budget variances projected at quarter 1 are outlined below. As ever, projections early in a financial year are difficult in many areas and come with a degree of risk. The implications of economic conditions prevalent during 2022/23 only adds to this this.

#### **Projected Overspends**

- There remains £1.334 million of Medium Term Financial Strategy (MTFS) cost reductions to be finalised mainly relating to Management Reviews across Place (£0.753 million), Sport & Leisure (£0.166 million), Corporate Solutions (£0.125 million) and also including a review of the Council's Creative Arts service (£0.290 million). Clearly the pandemic has impacted on progress with these but they are all now at implementation stage. These cost pressures are partly mitigated by vacancies of £0.439 million held pending completion of reviews;
- Council run cafes and the outside catering service have reopened after a long period of closure. Business is considerably slower than experienced pre-pandemic and may not fully recover leading to a projected overspend of £0.238 million. Management are reviewing the offering;
- Insurance costs are projected to be over budget by £0.203 million due to provisions made for new or reopened claims on the Council. Whilst no individual claim is of particularly high value the volume of individual claims is higher than is customary. Council officers and loss adjusters review each claim with oversight by the Risk and Safety Group;
- Costs of transporting young people to education settings exceeds budget by £0.139 million. A full review of school and children's services transport has been initiated;
- Costs of vehicle repairs mainly relating to external works exceeds budget by £0.134 million. A service review is underway alongside immediate cost containment measures;
- Customer income from the Trade Waste service is lower than provided for in the budget. The customer base is contracting and management are reviewing the implications of this. The projected overspend is £0.129 million.

These are partially offset by favourable movements against budget:

- Higher surplus cashflow and the current increasing interest rate environment has provided opportunity to generate a higher of return of £0.487 million on short term deposits than was anticipated when the budget was set;

- The cost of residential and day education placements for children is £0.445 million lower than budgeted. Investment in local supports rather than utilising external placements is driving this position but there remains a risk of expensive external placements at short notice and out with the Council's control;
- The cost of family placements for children is projected to underspend by £0.195 million with a continued push to recruit foster carers;
- Savings continue to accrue from the avoidance of use of Bed and Breakfast accommodation for homeless clients. An underspend of £0.213 million is projected.

- 3.3 Relevant senior officers are required to deliver recovery actions at pace for the service areas that are projecting overspends and accordingly it is expected that pressure in these areas may reduce over the remainder of the year once the impact of the recovery action is validated.

#### Covid Costs

- 3.4 Covid related funding provided to the Council by the Scottish Government alongside other funding streams aligned to Covid recovery were carried forward from 2021/22 to 2022/23. Funding continues to be applied in year to match costs and lost income with the planning assumption that the remainder will be applied in 2022/23 or in future years to mitigate the continued impact of the pandemic and support increased service costs across Midlothian.

#### Inflationary Pressures

- 3.5 Since the 2022/23 budget was approved there has been a rapid rise in inflation. This has manifested itself in considerable additional and unbudgeted costs in some service areas. Most visibly this is seen in energy prices and contractual inflation embedded in contracts, particularly for Public Private Partnerships (PPP). The latest assessment of unbudgeted costs comes to £1.395 million and it is recommended that Council fund this by way of a Supplementary Estimate.

#### Pay

- 3.6. The 2022/23 pay claims for all of the Local Government bargaining groups have yet to be concluded. At its meeting on 17 June 2022 COSLA Leaders agreed to mandate the Resources spokesperson to make a revised pay offer of 5% contingent on additional funding being provided by the Scottish Government. Recognising the significant affordability impact this will have for Councils it was agreed to continue discussions to make clear to Scottish Ministers that they must urgently identify and provide additional financial resource for Local Government to protect local services and current staffing levels.
- 3.7 Following a meeting on 3 August 2022 Mr John Swinney, Deputy First Minister and Cabinet Secretary for Covid Recovery wrote to Councillor Katie Hagmann, the COSLA Resources Spokesperson advising that

the Scottish Government was not in a position to provide the additional 3% funding (£277.5 million), as requested by COSLA Leaders but recognising the challenge for councils as employers in funding a fair and affordable pay offer for employees in the current climate advised that the Scottish Government will make a contribution towards the Local Government pay offer.

- 3.8 The letter confirmed a Scottish Government financial contribution of £140 million in 2022/23 to support a revised pay offer. This covered the whole local government workforce, including teachers. Whilst the letter noted the importance of clarification around this being a recurring contribution and whilst not providing confirmation at that time due to continued uncertainty in the UK Government's fiscal stance, it stated that consideration of this will be a priority in the annual budget process. Subsequently the Deputy First Minister has confirmed that the £140 million will be recurring funding.
- 3.9 Pay offers across all bargaining groups averaging 5% would result in an unbudgeted cost estimated at £3.8 million when compared to the 2.5% provision made in the 2022/23 budget. Midlothian's share of the £140 million is estimated at £2.4 million and therefore a 5% offer would represent a net unbudgeted cost of £1.4 million for 2022/23.
- 3.10 At its special meeting on 5<sup>th</sup> August 2022 COSLA Leaders confirmed that without additional, sustainable, funding from Scottish Government, Local Government will be unable to make a significantly increased pay offer to meet the trade union pay claims. Leaders remitted to the Resources Spokesperson to continue engagement with the Scottish Government to seek full funding of the shortfall needed to construct a baselined 5% offer and also remitted to the Finance Spokesperson to continue engagement with both the Scottish and UK Governments and to liaise with other local authority organisations to press for further financial help from the Treasury. COSLA Leaders will reconvene on 12<sup>th</sup> August 2022 to further consider the matter and so a verbal update will be provided to Council.
- 3.11 At this point no adverse variation has been reflected in the outturn projections for pay, if there is an unfunded element of any award at or above 5% further consideration will need to be given as to how this is funded within existing resources available to the Council.

#### Building Maintenance Service

- 3.12 Financial outturn for 2021/22 reported to Council in June showed a considerable adverse variance of £0.788 million for the Building Maintenance Service. A subsequent discussion took place at Business Transformation Steering Group at which clear direction was given to officers to undertake a fundamental service review. Officers have established a governance framework for this and a draft scope. Meanwhile detailed work continues to address some of the weaknesses previously identified.
- 3.13 At this stage there is insufficient quality data, principally in respect of service income, on which to base a meaningful financial projection. As

a consequence there is a considerable risk, based on previous experience, of an adverse variance against budget arising which would add to the reported overspend and further deplete reserves.

#### 4 Delegation of resources to Midlothian Integration Joint Board

The approved budget provided for the allocation of £56.438 million to the Midlothian Integration Joint Board (MIJB) for the provision of delegated services. Minor technical adjustments to this allocation during the year to date increase the allocation to £56.710 million.

In accordance with the Integration Scheme the MIJB is required to deliver delegated services within the budget allocations from the Council and NHS Lothian and where any overspend is projected to put in place a recovery plan to address that. As a last resort the integration scheme allows for the MIJB to seek additional financial support from its partners, either by way of an additional budget allocation or by "brokerage" (provision of additional resources in a year which are repaid in the following year).

Additional costs incurred by the MIJB in response to the Covid-19 pandemic are expected to continue to be funded by government and accordingly at this time the expectation is that delegated services will be delivered within the allocations provided and so no provision has been made for an additional budget allocation from the Council.

Financial Monitoring reports covering all of the MIJB activity are presented to the Integration Joint Board and are available on the committee management section of the Council website:-

[Midlothian Integration Joint Board \(cmis.uk.com\)](https://cmis.uk.com)

#### 5 Projected General Fund Reserve

The projected balance on the General Fund as at 31 March 2023 is as follows:

	£ million	£ million
<b>General Fund Reserve at 1 April 2022</b>		<b>32.432</b>
<i>Planned movements in reserves</i>		
Application of Budgets carried forward from 2021/22 for use in 2022/23	(19.923)	
Funding of Corporate Solution for 2022/23 Budget	(5.576)	
Supplementary Estimate for Inflationary Pressures	(1.395)	
Other movements	0.026	
		(26.868)
Projected overspend per appendix 1		(0.225)
<b>Projected General Fund Balance at 31 March 2023</b>		<b>5.339</b>

An element of the General Fund is earmarked for specific purposes and this is shown below:

	£ million
<b>Projected General Fund Balance at 31 March 2023</b>	<b>5.339</b>
<i>Earmarked for specific purposes</i>	
To support Council Transformation	(1.336)
<b>Projected General Reserve at 31 March 2023</b>	<b>4.003</b>

The Reserves Strategy approved by Council on 12 February 2019 needs the Council to maintain an adequate level of General Reserve to provide a contingency for unforeseen or unplanned costs and that in the financial context at that time approved the adoption of 2% of the approved budgeted net expenditure (excluding resources delegated to the IJB) to be considered a minimum. This now equates to £3.818 million. Council also agreed that where projections indicate that should the 2% minimum General Reserve balance be breached an immediate recovery plan be implemented to recover the position, failing which, the next available budget would need to provide for the reinstatement of reserve position.

The projected General Reserve of £4.003 million is above the minimum set in the Reserves Strategy but will only remain that way if there is no further adverse performance against budget or any further draw on reserves. There is also the continued uncertainty over the financial impact of the pandemic and funding assumptions together with essential response costs relating to weather conditions during the winter period.

Similarly there is an expectation that there will be a recovery in the service overspends projected at quarter 1. The impact of this recovery action will be reflected in future projections when they are validated.

## **6 Report Implications (Resource, Digital and Risk)**

### **6.1 Resource**

The projected performance against budget set out in this report presents the initial projections for the year. Work continues across the council to reduce overspends and to progress at pace delivery of approved savings.

Whilst this report deals with financial issues there are no financial implications arising directly from it.

### **6.2 Digital**

Increased reliance and investment in digital solutions and digital first solutions will be a key element of future plans.

### **6.3 Risk**

Section 95 of the Local Government (Scotland) Act 1973 requires all Local Authorities in Scotland to have adequate systems and controls in place to ensure the proper administration of their financial affairs.

The assessment of performance against budgets by services is

underpinned by comprehensive financial management and budgetary control arrangements. These arrangements are central to the mitigation of financial risk.

Ensuring that adequate systems and controls are in place reduces the risk of significant variances arising, and where they do arise they help to ensure that they are identified and reported on and that appropriate and robust remedial action is taken. The primary purpose of this report is to provide an assessment of projected performance against budget for the full year based on activity in the first quarter of the year. The material variances detailed in the report highlight that the financial management and budgetary control arrangements require continual review and enhancement if financial risk is to be effectively mitigated during the year.

At this early point in the financial year there is a heightened risk that actual costs and income level may vary across the remainder of the financial year. The projected financial position could also deteriorate if local or national restrictions were to be reintroduced. In addition the risk of adverse weather has the potential to create pressure on service budgets over the remainder of the year

There are a some areas where effective forecasting of spend against budget is hindered due to incomplete service information which in previous years has resulted in previously unreported or significantly adjusted variances at the financial year end. Financial Management CMT continues to consider these areas and supports actions to address the underlying issues and mitigate the risk associated with them.

The financial projections are predicated on new burdens, including those arising from the Governments 100 day commitments to be fully funded. The position with outstanding pay awards and the potential for unfunded costs arising presents a significant risk to the Council's financial position not only for the current financial year but for future years.

The Council recognises the potential for compensation claims deriving from Scottish Government's Limitation (Childhood Abuse) (Scotland) Act 2017 which removes the three year time limit on claims of child abuse. Some claims will be historic and relate to Lothian Regional Council, Midlothian District Council or their predecessors and some will date post reorganisation and relate to Midlothian Council. And so presents a risk that would further reduce reserves from those currently projected. Further financial obligations may also arise as the implications associate with the The United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill, which has yet to secure Royal Assent , are more fully understood.

#### **6.4 Ensuring Equalities**



As changes to existing plans are developed the assessment of the impact of these proposals in relation to their impact on equalities and human rights will be carried out. This will help to ensure wherever possible that there are no negative impacts on equality groups or potential for infringement of individuals' human rights from the any of the proposals.

## **6.5 Additional Report Implications**

See Appendix A

## **Appendices**



## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

The exiting financial plans support the delivery of the key priorities in the single Midlothian Plan. As the impact on the Council of the pandemic and recovery continues to unfold over the financial year any changes in the availability and allocation of resources will need to be considered in parallel to the actions proposed to continue to delivery key priorities.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☒ Holistic Working
- ☒ Hub and Spoke
- ☒ Modern
- ☒ Sustainable
- ☒ Transformational
- ☒ Preventative
- ☒ Asset-based
- ☒ Continuous Improvement
- ☒ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☒ Efficient and Modern
- ☒ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

The report does not directly impact on Delivering Best Value.

### **A.5 Involving Communities and Other Stakeholders**

The development of the Medium Term Financial Strategy reflected a community consultation exercise carried out in 2019 which has also helped shape the drafting of the “Midlothian Promise” and the early development of the Council’s Longer Term Financial Strategy.

In addition there is continues engagement with the recognised Trade Unions on the financial position.

## **A.6 Impact on Performance and Outcomes**

The Financial Strategy facilitates decision on how Council allocates and uses its available resources and as such has fundamental implications for service performance and outcomes. The financial consequences of the pandemic will impact on the availability and allocation of resources in pursuit of key outcomes as set out in the Single Midlothian Plan for both the immediate and longer term and therefore the ability of the Council to continue to deliver services in a financial sustainable manner.

## **A.7 Adopting a Preventative Approach**

Maintaining the effectiveness of the Financial Strategy will support the prioritisation of resources to support prevention.

## **A.8 Supporting Sustainable Development**

There are no direct sustainability issues arising from this report and we will work to mitigate as far as feasible any sustainability issues which arise as a consequence of any of the changes to existing plans.

## **Appendix 1 financial tables**

MIDLOTHIAN COUNCIL

Appendix 1

GENERAL FUND 2022/23

Performance against budget

Function	Approved Budget	Revised Budget Expenditure	Revised Budget Income	Revised Budget Net £	Outturn £	(Underspend) / Overspend £
Management and Members	1,965,977	2,002,202	0	2,002,202	2,015,202	13,000
<b>Place</b>						
Corporate Solutions	22,081,954	47,172,648	(24,528,180)	22,644,468	22,661,468	17,000
Place	35,963,912	51,601,420	(13,534,276)	38,067,144	38,889,144	822,000
Central Costs	1,860,593	5,144,072		5,144,072	5,347,072	203,000
<b>People and Partnerships</b>						
Midlothian Integration Joint Board	56,437,641	65,231,665	(8,521,628)	56,710,037	56,710,037	0
Non-Delegated Services - Sport and Leisure, Community Safety and Welfare Rights	1,995,738	7,479,717	(5,056,125)	2,423,592	2,574,592	151,000
Childrens Services, Partnerships and Communities	20,138,997	22,839,174	(438,567)	22,400,607	21,703,607	(697,000)
Education	108,920,147	136,062,857	(16,661,463)	119,401,394	119,604,394	203,000
Lothian Valuation Joint Board	581,659	581,659	0	581,659	581,659	0
Non Distributable Costs	898,936	898,936	0	898,936	898,936	0
<b>GENERAL FUND SERVICES NET EXPENDITURE</b>	250,845,553	339,014,350	(68,740,238)	270,274,111	270,986,111	712,000
Loan Charges	2,763,485	2,763,485		2,763,485	2,276,485	(487,000)
NDR Discretionary Relief	70,300	70,300		70,300	70,300	0
Investment Income	(110,736)	0	(110,736)	(110,736)	(110,736)	0
Allocations to HRA, Capital Account etc.	(5,331,603)	(5,331,603)		(5,331,603)	(5,331,603)	0
	248,237,000	336,516,532	(68,850,974)	267,665,557	267,890,557	225,000
less Funding:						
Scottish Government Grant	(184,165,000)	0	(184,583,500)	184,583,500	184,583,500	0
Council Tax	(58,496,000)	0	(58,496,000)	58,496,000	58,496,000	0
<b>Utilisation of Reserves</b>	5,576,000	336,516,532	(311,930,474)	24,586,057	24,811,057	225,000



**Medium Term Financial Strategy – 2023/24 to 2027/28****Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Noting****1 Recommendations**

Council is asked to note:-

- a) The proposed reporting schedule to support finalisation of the budget and Council Tax levels for 2023/24;
- b) The update on Scottish Government grant prospects which reflects the Scottish Government's Resource Spending Review (RSR) published on 31 May 2022. Noting also that the RSR sets out extremely challenging planning parameters for Local Government which are exacerbated for Midlothian by the financial pressures associated with population growth;
- c) The update on the position with 2022/23 pay claims and the associated impact for the period of the Medium Term Financial Strategy.
- d) The update in respect of fiscal flexibilities and that having now received draft statutory guidance that work continues to assess the full implications of the service concession flexibility;
- e) That the underlying budget gap for 2022/23 is now projected to be £13.130 million and that as a consequence of both the inflationary increase in costs and cash flat grant settlements the projected budget gap for 2023/24 now stands at £14.4 million rising to a projected £27.1 million by 2027/28;
- f) Otherwise note the remainder of the report.

## 2 Medium Term Financial Strategy 2023/24 to 2027/28 - Background

Council last considered an update on its Medium Term Financial Strategy on 15 February 2022 where it agreed the following:

- a) *Note that at its meetings of 24 and 31 January and 2 February 2022 the Business Transformation Steering Group gave consideration to recommendations to Council to enable Council to fulfil its statutory duty, as set out in Section 93 of the Local Government Finance Act 1992 (as amended), namely to set Council Tax and a Balanced Budget for 2022/23;*
- b) *Consider the recommendations from the Business Transformation Steering Group meeting on 2 February 2022 that Council approves:-*
  - *The deferment of debt repayments in 2021/22 & 2022/23 to secure £6.358 million to support the 2022/23 budget;*
  - *The utilisation of £2 million from uncommitted earmarked reserves to support the 2022/23 budget ;*
  - *An allocation of £56.438 million to the Midlothian Integration Joint Board for 2022/23 in respect of delegated services (subject to final confirmation of the quantum and distribution of funding for new burdens);*
- c) *Note that after incorporating the measures in recommendation b) that the remaining budget gap for 2022/23 would be £1.369 million;*
- d) *Approve a one off addition of £0.250 million to the 2022/23 budget to supplement the Scottish Welfare Fund;*
- e) *Approve the 2022/23 service budgets as set out in Appendix D (as revised) which includes the application of £0.250 million from the projected general reserve;*
- f) *Note the amended analysis of change as set out in Appendix E (as revised);*
- g) *As a consequence set a Band D Council Tax for 2022/23 of £1,442.60 as set out in appendix F;*
- h) *Note that the projected general reserve remains £1.403 million above the minimum level determined by reference to the Council's Reserve Strategy;*
- i) *Otherwise note the update in respect of Scottish Government grant, individual Council grant settlements and the net cost of services as set out in the report;*
- j) *Delegate authority to the Chief Officer Corporate Solutions to determine if it is preferential to use the fiscal flexibility of a Loan Repayment Holiday in 2022/23 should the Statutory Instrument route be adopted by Scottish Government. In such circumstances the use of the Loans Fund review would be utilised in 2021/22 to create reserves to utilise to support the 2022/23 budget as part of the options noted in recommendation b);*
- k) *In considering the recommendations above in respect of the 2022/23 budget also consider the overarching EQIA published alongside this report.*

Council will recollect that a corporate solution, principally the use of one off funding measures, was developed to support the setting of a balanced budget 2022/23. The final budget set during the last term of Council.

Accordingly, this report provides Council with an update on the development of the Medium Term Financial Strategy (MTFS) covering the budgets to be determined during this term of Council for financial years 2023/24 through to 2027/28. It includes an update on Scottish Government grant prospects, the wider economic and political factors, update on key assumptions and the current assessment of budget gaps. That being the extent to which recurring net expenditure is projected to exceed income from Scottish Government Grant and Council Tax income based on the current Band D Council Tax of £1,442.60.

The projections in this report, being based on planning assumptions, will undoubtedly change as wider economic factors change and as Scottish Government publishes its budget for each year. Indeed since preparing the projections for this report the latest Bank of England Monetary Policy report published on 4<sup>th</sup> August 2022 points to high levels of inflation continuing through 2023 which, in the absence of any additional Scottish Government grant support, would have the effect of increasing the projected budget gaps.

The aim of the Medium Term Financial Strategy is to provide a multiyear strategy aligned to the development and approval of the Midlothian Council Strategic Plan 2022-2027, *A great, green place to grow: where people and the environment flourish*. It seeks to support the Council in fulfilling its statutory duty to set a balanced budget and determine Council Tax levels annually. In that respect, the final budget for 2023/24 will be updated to reflect the actual position for Scottish Government grant and Council Tax policy once the Scottish Government's budget bill and the associated finance circular are published late in 2022. As updates are brought to Council a reassessment of pay and inflation provisions will be made taking cognisance of the Scottish Government Public Sector pay policy and the extent to which this is reflected in the grant settlement.

### **3 Budget Projections**

At its meeting on 13 June 2022, The Business Transformation Steering Group was provided with an overview of the initial budget projections for financial years 2023/24 to 2027/28. These projections were based on key assumptions on pay inflation, government grant and Council Tax and included and reflected an initial assessment of the Scottish Government's Resource Spending Review published on 31 May 2022.

The budget projections were again updated in late July to reflect the latest assessment at that time for pay and other contractual inflation

together with grant prospects based on the Scottish Government's Revenue Spending Review planning parameters. The resultant updated projected budget gaps for each of the years is set out later in the report. In respect of the impact inflation and pay pressures is having on the current financial year, the Financial Monitoring General Fund report also on today's agenda sets on the projected in year impact and the resultant call on reserves as a consequence of inflation pressures in respect of energy, fuel and contractual inflation linked to CPI/RPI which have crystallised since the budget for 2022/23 was agreed on 15 February 2022.

In the lead up to concluding the necessary budget decisions in respect of financial year 2023/34 the following reports are anticipated:-

BTSG	Council	Objective of Report
5 September	4 October	<b>A report for Decision-</b> <ul style="list-style-type: none"> <li>• Presentation of proposed strategic plan.</li> <li>• Update on MTFS and updated projections.</li> <li>• Measures to secure financial balance.</li> <li>• Consultation and engagement arrangements for the strategic plan, MTFS and associated savings measures.</li> </ul>
17 October	15 November	<b>A report for Noting</b> <ul style="list-style-type: none"> <li>• Update including revisions to budget projections and underlying gap.</li> </ul>
28 November	13 December	<b>A report for Decision</b> <ul style="list-style-type: none"> <li>• Post consultation/engagement report on Strategic Plan.</li> <li>• Updated budget projections and revisions to measures required to secure a balanced budget for 2023/24.</li> <li>• Consideration and decision on Business Transformation Steering Group recommendation in respect of budget savings measures.</li> </ul>
TBA	TBA February	<b>A report for Decision - Finalisation of 2023/24 budget</b> <ul style="list-style-type: none"> <li>• Determine Council Tax for 2023/24 taking cognisance of settlement conditions.</li> <li>• Any changes as a consequence of the grant settlement required to agree a balanced budget for 2023/24.</li> </ul>



## 4 Scottish Government Grant Settlement

On 31 May 2022 Ms Kate Forbes, The Cabinet Secretary for Finance and Economy set out the Scottish Government's Resource Spending Review (RSR). The Scottish Government's first resource spending review since 2011, sets out the high-level parameters for resource spend within future Scottish Budgets up to 2026/27 and is described as providing a long-term plan focused on the outcomes, to deliver the Programme for Government and Bute House commitments. It offers a strategic funding framework for the Scottish Government and partners to plan for the future.

The RSR outlines how the Scottish Government will focus public finances in the coming years to tackle child poverty, address the climate crisis, strengthen the public sector as Scotland recovers from Covid and grow a stronger, fairer and greener economy.

The RSR and in turn the Council's own Medium Term Financial Strategy are being prepared against a back drop of inflation at a 40-year high of over 9 per cent, meaning households and businesses are under significant pressure, while still recovering from the shock of the COVID-19 pandemic. Bottlenecks in supply chains are proving more persistent than originally feared, including due to continued COVID-19 restrictions in China. The Russian invasion of Ukraine and the increases in global commodity and energy prices are continuing to exacerbate significant cost pressures across the economy, adding to the underlying impacts of EU Exit, which have meant that the UK has one of the highest rates of inflation in the G7.

The RSR highlights that Scottish Government face significant volatility in its funding outlook. It notes that the funding available to the Scottish Government can vary substantially over time as economic forecasts change and as the UK Government revises its spending plans. The difference in timing between the UK Spending Review, Office of Budget Responsibility forecasts and Scottish Fiscal Commission forecasts, which form the basis of the Scottish Government's funding envelope, has contributed to the uncertainty and as such the Scottish Government is extremely constrained through the fiscal framework, a legislative requirement to balance the budget, and by limitations on its ability to borrow or increase tax revenue to fund additional resource spending to manage these fluctuations.

Against this backdrop the RSR states that, "The Scottish Government is fully deploying the levers we have under the framework, however, it is increasingly clear that they are insufficient to manage the challenges we face". The RSR presents further specific investment to be made by the Scottish Government including:

- Delivering the commitment to increased year on year funding for the National Health Service investing £73 billion over the period of the RSR, with 50 per cent of that invested in community health services.

- Investing in social care and integration over the spending review period laying the groundwork for the National Care Service, bringing social care into parity of esteem with healthcare and transforming the provision of this essential service.
- More than doubling the value of the Scottish Child Payment (SCP) to £25 per week per child and rolling out the SCP in full to children under 16, by the end of 2022 and maintaining this over the spending review period.
- Implementing measures which reduce the cost of the school day, including expanding free school meal provision and working to build a system of school age childcare that is free to those on the lowest incomes.
- Funding to recruit 3,500 additional teachers and 500 support staff.
- Continuing to deliver the Scottish Attainment Fund, to tackle the poverty related attainment gap.
- Addressing backlogs in the justice system, supporting victims of crime and continuing to reduce reoffending.
- Supporting all parts of government to deliver the National Strategy for Economic Transformation.
- Delivering on the employability offer to parents by spending £670 million over the review period to help reduce child poverty – supporting thousands of parents into work, and parents already in work to increase their earnings.
- Spending £160 million over the spending review period on digital transformation to deliver better outcomes - bringing 300,000 households online through the Connecting Scotland programme and enabling access to gigabit and superfast broadband.
- £95 million of further investment across the review period to support increasing levels of woodland creation.
- Resource funding to support capital investment in low carbon infrastructure and affordable housing over the period of the Capital Spending Review including £1.8 billion to make homes and buildings warmer and an increase in active travel spending to a combined resource and capital total of £320 million a year over the period.

In respect of Local Government alongside the RSR Ms Forbes wrote to the then COSLA President, Councillor Alison Evison. Ms Forbes's letter (which was copied to all Council Leaders and which is attached as Appendix B) states that "Reflecting the fact that Local Authorities are key partners in the delivery of the priorities set out by the spending review, the spending review baselines the £120 million added during the 2022/23 Budget Bill process and maintains General Revenue Grant, Non-Domestic Rates Income and Specific Resource Grants between 2023/24 and 2025/26 before adding a further £100 million in 2026/27".

In a report to COSLA Leaders at their special meeting on 17<sup>th</sup> June 2022, COSLA Officials set out the implications for Local Government of the RSR. That report highlights that the RSR shows a "flat-lining" of revenue funding for Local Government at 2022/23 levels for the next 3 financial years (this includes a baselining of the £120m added during

the Budget Bill) and then sees an additional £100m added in 2026/27.

This guarantees £10,612m for the next 3 years, rising to £10,712m in 2026/27. This guaranteed funding comprises General Revenue Grant (including specific grants) plus Non-domestic Rates (NDR) income. However, the total revenue settlement for 2022/23 was £12,000m because an additional £1,384m was transferred in from other portfolios, for specific purposes.

The Cabinet Secretary's letter specifies that existing transfers including for Health and Social Care, and additional teachers (c£1,000m) will be maintained, however, final details of the remaining transfers (c£345m) will not be taken until the budget in December 2022.

Commentators on the RSR have recognised the impact on Local Government, with both SPICe and Fraser of Allander stating that the proposals essentially represent a 7% real terms decrease in funding between 2022/23 and 2026/27. This is in contrast to the 4.7% real terms increase that the Scottish Government will see overall (2% if social security transfers are excluded), and the real terms increases that Health, Social Justice and Housing will see.

The COSLA Leaders report highlights that the real term decrease planned for Local Government comes on top of significant real term reductions since 2013/14, which has driven ongoing reform, rationalisation, innovation and transformation work across Local Government – across workforce, property, digital, and procurement. It notes that these are now areas that the rest of the public sector is being asked to tackle as part of the RSR, with local authorities being “invited to adopt a complementary approach”.

In relation to public sector pay, the RSR has set the tone by stating a commitment to fair work, but to returning the workforce to pre-pandemic levels, targeting workforce growth in priority areas but holding the overall pay bill – as opposed to pay levels – at 2022/23 levels. Put simply, this means less but better paid jobs in the public sector.

The RSR states that Local Government is responsible for making decisions about pay, but the flat cash settlement prospects implies that a similar approach will be necessary. This will be particularly challenging, as well as risking distorted effects in some parts of the workforce dependent on commitments relating to workforce (e.g. the Pupil Teacher Ratio) and increasing demand in some areas (e.g. social care due to demographics).

In summary, the RSR presents Local Government with the prospect of cash flat grant settlements through to 2025/26 with a small increase of £100m for 2026/27. This represents extremely challenging planning parameters for Local Government which are exacerbated for Midlothian by the financial pressures associated with population

growth. Unfortunately, these planning parameters are broadly in line with the Council's previous planning assumption.

As members will be aware on 21<sup>st</sup> June 2022, Scottish Government published the National Care Service (Scotland) Bill. If established, the National Care Service would allow Scottish Ministers to transfer social care responsibility from local authorities to a new, national service. This could include adult and children's services, as well as areas such as justice social work. Scottish Ministers will also be able to transfer healthcare functions from the NHS to the National Care Service. Scottish Government's intention is to have the new National Care Service established by the end of this Parliament.

The establishment of a National Care Service and Care Boards and transfer of social care responsibilities from Local Government will have a fundamental impact on future Council budgets recognising that such a transfer could encompass circa 30% of the Council's current net expenditure.

## **5 2022/23 Pay Claims and Future Years Pay Inflation**

The 2022/23 pay claims for all of the Local Government bargaining groups have yet to be concluded. At its meeting on 17 June 2022, COSLA Leaders agreed to mandate the Resources Spokesperson to make a revised pay offer of 5% contingent on additional funding being provided by the Scottish Government. The amendment noted that this would match that offered to Agenda for Change NHS staff. Recognising the significant affordability impact this will have for Councils COSLA Leaders agreed to continue discussions to make clear to Scottish Ministers that they must urgently identify and provide additional financial resource for Local Government to protect local services and current staffing levels.

Following a meeting on 3 August 2022, Mr John Swinney, Deputy First Minister and Cabinet Secretary for Covid Recovery wrote to Councillor Katie Hagmann, the COSLA Resources Spokesperson. The letter advises that the Scottish Government is not in a position to provide the additional 3% funding (£277.5m), as requested by COSLA Leaders but recognising the challenge for Councils as employers in funding a fair and affordable pay offer for employees in the current climate advised that the Scottish Government will make a contribution towards the Local Government pay offer.

The letter confirm a Scottish Government financial contribution of £140 million in 2022/23 to support a revised pay offer and confirmed that this covered the whole local government workforce, including teachers. The letter also noted the importance of clarification around this being a recurring contribution and whilst not providing confirmation at that time due to continued uncertainty in the UK Government's fiscal stance it stated that consideration of this will be a priority in the annual budget

process. Subsequently, the Depute First Minister has confirmed that the £140 million will be recurring funding.

Pay offers across all bargaining groups averaging 5% would result in an unbudgeted cost estimated at £3.8 million when compared to the 2.5% provision made in the 2022/23 budget. Midlothian's share of the £140 million is estimated at £2.4 million and therefore a 5% offer would represent a net unbudgeted cost of £1.4 million for 2022/23.

At its special meeting on 5<sup>th</sup> August 2022, COSLA Leaders confirmed that without additional, sustainable, funding from Scottish Government, Local Government will be unable to make a significantly increased pay offer to meet the trade union pay claims. Leaders remitted to the Resources Spokesperson to continue engagement with the Scottish Government to seek full funding of the shortfall needed to construct a baselined 5% offer and also remitted to the Finance Spokesperson to continue engagement with both the Scottish and UK Governments and to liaise with other local authority organisations to press for further financial help from the Treasury. COSLA Leaders will reconvene on 12 August to further consider the matter and so a verbal update will be provided to Council.

For planning purposes the projection in this report reflects a 5% offer for 2022/23 together with Council's share of the recurring £140 million contribution from Scottish Government. The effect of this would be to increase the underlying budget gap for 2022/23 and so the opening budget gap for 2023/24 by £1.4 million.

The Scottish Joint Council bargaining group Trade Unions have balloted members for industrial action targeted at waste, early years and schools. The Trade Unions' mandates for industrial action represent a very mixed position across the country. In respect of Midlothian, the ballot has secured a mandate for action by GMB members in waste services only. At the time of writing, no notification of actual action has been received and so again a verbal update will be provided at the meeting on the position in respect of any action by GMB members.

As stated earlier the RSR approach to pay pressures is to return the public sector workforce to pre-pandemic levels, targeting workforce growth in priority areas but holding the overall pay bill – as opposed to pay levels – at 2022/23 levels. The feasibility of this for Local Government is questionable. Between 2006 and 2018, there was a steady reduction in Local Government workforce due to significant efficiency savings and service transformation programmes resulting in the workforce reducing by circa 15% from 2006 levels. Significant Scottish Government policy direction since 2018 and the need to respond to COVID has meant staff increases to the extent that if staffing for additional commitments is removed, the Local Government staffing levels would be back at 2018 levels.

This is in contrast to trends in other parts of the public sector which have seen Scottish Government nearly double since 2006, Scottish Government agencies grow by 15% and NDPBS more than double.

## **6 Update on Fiscal Flexibilities**

As Council is aware COSLA and Scottish Government reached agreement on three financial flexibilities in respect of a Loans Fund Repayment Holiday, Capital Receipts and Service Contract Concessions. The former two flexibilities were adopted as part of the Corporate Solution, principally on of funding measures, to balance the 2022/23 budget and support business transformation.

In her letter to the COSLA President on 31 May 2022, Ms Forbes confirms the Scottish Government's intention to commission an independent Capital Accounting Review. The independent review will build on the review already taken forward by Directors of Finance working with key stakeholders to deliver a phased approach towards alignment with the CIPFA Code of Practice for Local Authority Accounting.

In terms of the fiscal flexibility sought for Service Contract Concessions (PPP/PFI etc. contracts) the Government have acceded to the request to recognise principal debt repayments over the asset life and for this approach to be applied retrospectively. This can also apply to the grant funded element of the principal debt repayments. The government requires that each local authority will be responsible for fully evaluating any change in method and making appropriate financial provision. The decision for making any change must be taken by the Council and may not be delegated.

Subsequently, draft statutory guidance has been received and work is underway to fully evaluate any change in the accounting treatment and associated financial provisions. This will support a determination of the prudent application of the guidance and the assessment of the impact of the flexibility on the Medium Term Financial Strategy. At the present time, the projections set out in this report assume an in year adjustment from the application of the flexibility with further work focussing on the prudence of any application retrospectively. This assessment may be hampered or delayed until the scope and potential impact of the Capital Accounting Review is better understood given both impact on the requirement to ensure that there is a prudent provision for the repayment debt associated with capital investment.

## **7 Projected Net Cost of Services**

The current year's budget, 2022/23, approved on 15 February 2022 was reliant on £12m on one off funding measures. Since that time changes relating to pay, government grant and inflation have resulted in this figure now projected to be £13.130 million as detailed in the



table below.

One of Measures in 2022/23 Budget	£m	£ m
<b>Use of Reserves</b>		
Utilisation of uncommitted earmarked reserves	2.000	
Utilisation of general reserves	0.250	
		2.250
<b>One of utilisation of Covid Funding (to mitigate savings plans etc)</b>		1.675
<b>Deferment of debt repayments in 2021/22 &amp; 2022/23</b>		
- Loans Fund Review to meet repayments in 22/23 (max)	3.032	
- From use of Fiscal Flexibility (Loans Fund Repayment Holiday) + Utilise Loans Fund Review both in 2021/22 (max)	3.326	
		6.358
Non Recurring Expenditure		(0.250)
Impact of 2022/23 Contractual Inflation – Energy and PPP		1.697
Impact of 2022/23 5% pay offer (Unbudgeted cost £3.8 million less additional SG Grant £2.4m) each 1% unfunded above 2.5% added £1.5m		1.400
<b>Underlying Budget Gap for 2022/23</b>		<b>13.130</b>

The projections for future years in this report are predicated key assumptions in respect of Scottish Government Grant, pay and other inflation and Council Tax growth. The projections are also predicated on the current structure of public services in Scotland, as such no adjustment has been made for the implementation of a National Care service or any other changes in the structure of Local Government. As the National Care Service (Scotland) Bill progress through Parliament and toward implementation, it will be necessary to assess the impact on future year's budgets.

In respect of Scottish Government Grant, the national planning parameters for this have been defined by the RSR with cash flat settlements for 2023/24 to 2025/26 and a £100m increase for 2026/27. As the Medium Term Financial Strategy extends to 2027/28 it has been assumed that there will be a further £100m increase for that year.

In respect of pay and other inflation economic commentators the assessment at the time the budget projections were reviewed in late July were that inflation should fall as food and energy pressures ease (only have to remain flat for inflation to fall fast), though there is a risk that high wage settlements will begin a wage inflation cycle. Looking further ahead concerns could be over high inflation if world issues worsen and/or wages rise fast or in contrast, if more of a return to normal, then deflation worries could return, as demand remains low versus supply.

As such for the period of the Medium Term Financial Strategy the projections were updated to reflect the current inflationary pressures but with the in-year inflation assumption remaining at 2.5%. The Bank of England August Monetary Policy report would suggest that high inflation may continue through 2023 and so the next reassessment of

budget projections is anticipated to see budget gaps increasing as the contractual inflation provisions and energy budgets are increased.

In a change to presentation from previous budget projections and the last Medium Term Financial Strategy, no increase in Band D Council Tax has been included in the projection. The only change to Council Tax income being the projected growth in properties. This approach better recognises that decisions to increase Council Tax are better positioned as part of the response to the financial challenge and also the legislative position where Council Tax levels and the resultant Council Tax income needs to be sufficient to fund the balance of expenditure not otherwise funded from government grant, fees, reserves etc.

Work will continue to review and update cost projections based on the latest information available. As such, the analysis of change set out below is provisional and will change over the term of the Medium Term Financial Strategy. The aim is to focus on 2023/24 with the objective of de-risking, as far as possible, the deliverability of the 2023/24 budget and allow pre settlement updated projections to be included in the report scheduled for 14 December 2022.

<b>Financial Outlook 2023/24 to 2027/28 - Analysis of Change</b>					
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Opening Gap for the Year</b>	<b>13.130</b>	<b>14.391</b>	<b>18.241</b>	<b>22.215</b>	<b>24.616</b>
<b>Budget Changes</b>					
Staffing - Pay Inflation and salary progression	3.881	3.977	4.077	4.179	4.283
Contractual Inflation & Indexation	1.072	1.099	1.126	1.154	1.183
Loan Charges	0.568	0.250	0.250	0.250	0.250
Service Concession - in year adjustment	-2.336	0.000	0.000	0.000	0.000
Other	-0.011	-0.011	-0.011	-0.011	-0.012
<b>Gross Expenditure Increases</b>	<b>3.174</b>	<b>5.315</b>	<b>5.442</b>	<b>5.572</b>	<b>5.704</b>
Reinstate Lothain Buses Dividend	-0.450	0.000	0.000	0.000	0.000
Council Tax - Property Growth	-1.350	-1.350	-1.350	-1.350	-1.350
Scottish Government Grant	-0.113	-0.115	-0.118	-1.821	-1.824
<b>Gross Income Increases</b>	<b>-1.913</b>	<b>-1.465</b>	<b>-1.468</b>	<b>-3.171</b>	<b>-3.174</b>
<b>Budget Gap to Address</b>	<b>14.391</b>	<b>18.241</b>	<b>22.215</b>	<b>24.616</b>	<b>27.146</b>

Members will note that there is no provision made in the table above for demographic pressures. As this stage, rather than including a broad estimate, further work is being undertaken to more fully understand the probable demographic pressures across Schools, ASN and Children's Services and also how the impact will flow through the grant distribution system. In the short term, pressures would be mitigated by one of funding sources.

The tables highlight that the underlying budget gap for 2022/23 is £13.130 million. That is the extent to which the recurring expenditure in the current year's budget is funded by non-recurring funding sources.

As a consequence of the inflationary increase in costs and cash flat grant settlements the projected budget gap for 2023/24 now stands at £14.4 million rising to a projected £27.1 million by 2027/28, albeit later years are based on the existing service responsibilities with no adjustment for the consequences of the National Care Service



(Scotland) bill. These budget gaps represents the extent to which recurring service expenditure is projected to exceed recurring income.

By progressing the Medium Term Financial Strategy as an integral part of the Strategic Plan, it will support members in taking early decisions to address the projected budget gaps. Thereafter, when Council meets in February each year to finalise the budget and set Council Tax for the year ahead members will only have to consider recommendations from the Business Transformation Steering Group in respect of any matters arising from the settlement.

## **8 Medium Term Financial Strategy Savings Measures**

Alongside development of the Strategic Plan and in cognisance of the projected budget gap for 2023/24 and beyond, the Corporate Management Team are developing those measures that would be necessary to contribute to reducing the projected budget gaps.

While these include service transformation options, the severity of the financial outlook, in part driven by the challenging planning parameters indicated by the Scottish Governments RSR, is such that it will be necessary to develop measures that have a wide ranging impact on services and which see cuts in services that communities have until now enjoyed and relied upon.

These measures will undoubtedly be unwelcomed by elected members, communities and staff but in the absence of any fundamental change in the planning parameters which flow from the Scottish Government's RSR or a very significant increase in Council Tax, they are the types of measures that will be necessary to implement to enable elected members to fulfil their statutory duty to set a balanced budget for each year.

Reflecting the extent of the challenge and the wide ranging implications for service provision associated with savings measures officer and member engagement has continued over the summer with a view to presenting these alongside the draft strategic plan to the Council meeting in October 2022.

In addition to savings measures, members should note that each 1% or £14.42 per annum increase in Band D Council Tax would generate circa £580,000 per annum in additional income.

## **9 Next Steps**

### **9.1 Engagement on the Medium Term Financial Strategy**

As the proposed strategic plan and savings measures necessary to secure financial balance are concluded, both will be set out for public

engagement with the outcome reported back to Council before any decisions are taken.

## **9.2 Finalisation of the 2023/4 Budget and Setting Council Tax**

The scheduled meetings of the Business Transformation Steering Group and Council would support the approval of the Strategic Plan and associated Medium Term Financial Strategy in December 2022 and for the decisions required in respect of the finalisation of the 2023/24 budget at Council in February 2023.

## **9.3 Midlothian Integration Joint Board**

The Chief Officer and Chief Financial Officer of the Midlothian Integrated Joint Board (IJB) are being kept updated on the Council's budget position and are engaged in the development of the Medium Term Financial Strategy.

The indicative budget to be delegated to the IJB for 2023/24 together with future years, indicative allocations are being developed on the basis of the minimum requirements set out by Scottish Government for 2022/23 continuing. That being, the 2023/24 budget should be no less than the 2022/23 recurring budget plus the IJB's share of new monies provided in 2023/24. However, it will only be possible to formulate a formal offer for the IJB once the annual grant settlement is available and the quantum of any additional monies for delegated activities and any conditions attached to the settlement are known.

Business Transformation Steering Group will be asked to consider the formal offer arising from the settlement when it meets in January 2023 and this will form part of the final budget recommendations to Council.

## **9.4 Governance and Timetable**

Each element of the Medium Term Financial Strategy continues to have governance in place to support the timely delivery of the work streams. Any changes will first be reported to Business Transformation Steering Group with recommendations then presented to Council.

Responsibility for setting Council Tax and determining budgets remains with Council.

Council has a duty as set out in Section 93 of the Local Government Finance Act 1992 (as amended) to set its Council Tax and a balanced budget for the following financial year commencing 1 April by 11 March.

Members should note that the legislation contains no specific requirement for a Council to set its budget at the same time as setting its Council Tax. This is because it is implicit in setting the Council Tax that Council Tax income needs to be sufficient to fund the balance of

expenditure not otherwise funded from government grant, fees, reserves etc.

As Council Tax funds the gap between expected income and expenditure, you need to first identify your proposed expenditure to determine the resulting gap that Council Tax needs to fund. If no other action is taken to redress any shortfall, then the Council Tax has to be set at a rate that will do so, otherwise the budget will not balance. Accordingly, Council Tax decisions cannot be taken in advance of other budget decisions.

Members should also continue to note that in terms of Section 112 of the Local Government Finance Act 1992 (as amended) it is an offence for members to participate in any vote in respect of setting Council Tax where the member has unpaid Council Tax. Accordingly at the Council meeting where these decisions are formally taken members would be required to disclose the fact if this section of the act applies to them and subsequently not vote on any question with respect to the matter.

## **10 Report Implications (Resource, Digital and Risk)**

### **10.1 Resource**

Whilst this report deals with financial issues there are no financial implications arising directly from it.

### **10.2 Digital**

The adoption of digital solutions is a central strand of the Medium Term Financial Strategy.

### **10.3 Risk**

Within any financial projections, there are a number of inherent assumptions in arriving at figures and budget provisions and therefore risks that may be faced if costs change or new pressures emerge.

The following key risks and issues are highlighted in the context of this report:

- Uncertainty over the Scottish Government's and Council's financial position;
- The economic outlook and decision by Scottish Government on future years grant settlements and grant distribution;
- The risk to service provision and service users associated with a continued decline in available resources to fund services;
- Future years Public Sector pay Policy and current and future year pay award settlements;
- Actual school rolls varying from those provided for in the budget;
- The impact of the wider economic climate on range of factors including: inflation, interest rates, employment, tax and income levels and service demands;
- Cost pressures, particularly demographic demand, exceeding budget estimates;

- The reform of public services and the implications for the National Care Service (Scotland) Bill;
- The impact of Universal Credit, and potential pension changes;
- The costs of implementation of national policies varying from the resources provided by Government;
- Potential liabilities arising from historic child abuse;
- Unplanned capital investment requirements and the associated cost; and
- Ability to continue to meet the expectations of our communities within a period of fiscal constraint.

The Medium Term Financial Strategy aims to mitigate a number of these risks by setting out the key assumptions on which forward plans are based. The consequences of the challenging grant settlement parameters mean that it is also necessary to bring forward measures to secure financial balance over the period covered by the Medium Term Financial Strategy.

The risk of not having in place a balanced Medium Term Financial Strategy is the potential elimination of available reserves, which in turn would severely limit the Council's ability to deal with unforeseen or unplanned events and also the imposition of significant cuts at short notice with limited opportunity for consultation. Early agreement of the Medium Term Financial Strategy alongside the Strategic Plan will help to prioritise available resources and so support Councillors to fulfil their statutory duties in respect of setting budgets and determining Council Tax levels.

#### **10.4 Ensuring Equalities**

The Medium Term Financial Strategy and the resource allocation measures which will support financial sustainability will, as far as the constraint on resources allow, be developed within the context of the Strategic Plan, ensuring as far as possible that resources are directed towards the key priorities of reducing inequalities in learning, health and economic circumstance outcomes.

The Medium Term Financial Strategy will continue, as far as is possible, to reflect Midlothian Council's commitment to the ethos of the Equality Act 2010 with careful consideration of the interests of the most vulnerable in our communities through the preparation of equality impact assessments.

In addition, the Strategic Plan will underline the Council's commitment in its Equality Plan to tackle inequality and promote inclusion within the limitations of the resources available. It will also allow the Council to plan and deliver services which meet the needs of our diverse communities and respond to the changes ahead.

An overarching EQIA will be published alongside the strategic plan on the Committee Management section of the Council's website and this

will be updated in parallel to the Medium Term Financial Strategy report presented to the Council meeting in February 2023.

#### **10.5 Additional Report Implications**

See Appendix A

#### **Appendices**

**APPENDIX A – Report Implications**

**APPENDIX B – Cabinet Secretaries' letter**

**A.1 Key Priorities within the Single Midlothian Plan**

The Medium Term Financial Strategy facilitates decision on how Council allocates and uses its available resources and as such has fundamental implications for delivery of the key priorities in the Single Midlothian Plan. It helps ensure that resources are available to continue to delivery key priorities.

**A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☒ Holistic Working
- ☒ Hub and Spoke
- ☒ Modern
- ☒ Sustainable
- ☒ Transformational
- ☒ Preventative
- ☒ Asset-based
- ☒ Continuous Improvement
- ☒ One size fits one
- ☐ None of the above

**A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☒ Efficient and Modern
- ☒ Innovative and Ambitious
- ☐ None of the above

**A.4 Delivering Best Value**

The report does not directly impact on delivering Best Value.

**A.5 Involving Communities and Other Stakeholders**

The development of the Strategic Plan and associated Medium Term Financial Strategy will include a public engagement phase later in the year.

In addition, there has been and will continue to be, engagement with the recognised Trade Unions on the Council's financial position and the development of the Strategic Plan and associated Medium Term Financial Strategy.

**A.6 Impact on Performance and Outcomes**

The Medium Term Financial Strategy facilitates decision on how the Council allocates and uses its available resources and as such has fundamental implications for service performance and outcomes. The financial consequences of the pandemic have impacted on the availability and allocation of resources in pursuit of key outcomes as set out in the Single Midlothian Plan for both the immediate and longer term and therefore the ability of the Council to continue to deliver services in a financial sustainable manner.

**A.7 Adopting a Preventative Approach**

An effective Medium Term Financial Strategy will support the prioritisation of resources to support prevention.

**A.8 Supporting Sustainable Development**

There are no direct sustainability issues arising from this report and we will work to mitigate any sustainability issues which arise as a consequence of the Medium Term Financial Strategy.



## Appendix B

Cabinet Secretary for Finance and Economy  
Kate Forbes MSP



Scottish Government  
Riaghaltas na h-Alba  
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Councillor Alison Evison  
COSLA President  
Verity House  
19 Haymarket Yards  
Edinburgh  
EH12 5BH

Copy to: The Leaders of all Scottish local authorities

31 May 2022

Dear Alison,

Earlier today, as part of a statement to Parliament, I published the Scottish Government's Resource Spending Review. The Review is ambitious but realistic. In setting high level multi-year portfolio spending envelopes it offers a strategic funding framework for the Scottish Government and our many partners to plan for the future. That of course includes local government which has such a significant role to play in so many areas of government.

### Fiscal Context

Whilst the UK Government has belatedly taken action to mitigate some of the impact of rising energy prices on households, it has not responded to address the broader impact of inflation on business and public services.

The UK Spending Review in October 2021 set out a funding cash envelope for the Scottish Budget at a time when inflation was significantly lower and as a consequence the true spending power of those funding envelopes has already been significantly eroded. To date the UK Government has chosen not to adjust spending plans to reflect this and funding available for investment in public services through the rest of this parliament remains constrained. I would welcome the opportunity to discuss with you on what we might do collectively to raise this with the UK Government and the public in Scotland.

As you will be aware, the Scottish Budget for 2022-23 was already reduced in real terms by 5.2% relative to 2021-22 and growth in spending capacity over the rest of the parliament, once social security transfers are excluded, remains at only 2%. This low level of investment is deeply damaging to public services and once again highlights that Scotland does not currently hold the levers required to address our most pressing challenges.

The central funding position outlined in the spending review reflects a range of assumptions to inform the official forecasts, and are based on current tax policies as forecast by the Scottish Fiscal Commission. The funding envelopes set out here are indicative currently of

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what we can reasonably expect over the spending review years, including assumptions about additional consequential funding from UK Government beyond the spending review settlement and revenues accruing from Scotwind, but it is our annual budgets which will confirm these.

Similarly, the funding envelopes are presented at portfolio level (Level 2) and are therefore not as granular as the allocations published alongside the budget. This approach is critical so as not to constrain portfolios in the choices they make in support of our strategic priorities but does have implications for the level of detail available to make comparisons with previous years. These details, including any in-year transfers, will be confirmed as part of the annual budget process.

## Vision

Despite the challenging fiscal context, the resource spending set out in this review will drive the Scottish Government's ambitious vision for Scotland's public services. We are committed to strong, responsive public services which serve individuals' needs, improve national outcomes and create the right opportunities for Scotland to be healthier, happier and more prosperous. We want public funding to build a Scotland where communities are inclusive and empowered, and people grow up loved and respected, well-educated, and healthy. I know you and other council leaders share much of this vision.

In order to achieve this, this spending review provides fresh impetus to our public services reform programme and sets out a coherent package of action that will drive progress over the life of the current Parliament, improving outcomes while driving efficiency and value for public money.

While key elements of this vision will not directly apply to local government, addressing the financial challenges facing Scotland's public services would benefit from a cross-public sector approach in order to optimise the reach of public funding to deliver the best possible services and support to our people and communities. I would therefore anticipate and welcome a complementary approach across all parts of the public sector landscape.

This package includes:

- Changes to working practices, with our Fair Work principles at their heart, to support greater flexibility and continued hybrid working across the public sector;
- A pathway to return the overall size of the public sector workforce broadly to pre-COVID-19 pandemic levels, while supporting expansion in key areas of service delivery, helping to hold total pay bill costs - as opposed to pay levels - at 2022-23 levels;
- Support through public sector pay arrangements for those on the lowest incomes faced with the hardest impacts of the cost of living crisis;
- An enhanced focus on delivering efficiency savings across the public sector, while recognising existing efficiency programmes in some sectors, which we will support through a variety of levers including;
- Fresh consideration of the public body landscape, with further engagement ahead of the next Budget about a programme of reform;

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- A multi-year estates programme to make the best use of public sector property and other assets, reflecting the impact of the COVID-19 pandemic on ways of working and the delivery of services;
- An increased focus on maximising revenue through innovation, reflecting the guidance in the Scottish Public Finance Manual;
- A programme of digital reform, focused on inclusion and connectivity, developing a strong digital economy and investment in digital transformation of public services;
- The development of a strategy for public procurement that will drive greater collaboration and value for money.

I look forward to working with the new COSLA Leadership to explore how local authorities might contribute to that approach alongside the development of a new deal for local government. I will also ensure the relevant Scottish Government officials are available to COSLA to discuss the details set out in this package. I know that some local authorities have already undertaken similar reforms already and there will be the opportunity also to learn from their experience, which I would welcome.

### Local Government Settlement

Reflecting the fact that Local Authorities are key partners in the delivery of the priorities set out by the spending review, the spending review baselines the £120 million added during the 2022-23 Budget Bill process and maintains General Revenue Grant, Non-Domestic Rates Income and Specific Resource Grants between 2023-24 and 2025-26 before adding a further £100 million in 2026-27.

As the majority of in-year transfers from other portfolios apply to Level 4 budgets, the strategic approach of publishing portfolio allocations at Level 2 in the spending review precludes a direct like with like comparison with previous years' overall settlement figures. Final details of the settlement including additional transitional funding to reflect the devolution of Empty Property Relief to Councils from 1 April 2023; confirmation of the approach adopted for in-year transfers; and individual Council allocations will be confirmed alongside the annual budget process.

The spending review affirms the Scottish Government's commitment to agreeing a 'new deal' for Local Government in Scotland through the development of a Partnership Agreement and Fiscal Framework. The new deal will build on the Review of Local Democracy and seek to balance greater flexibility over financial arrangements for local government with increased accountability or the delivery of national priorities so that both partners can have certainty over inputs and outcomes alongside scope to innovate and improve the delivery of services to local people and communities.

This joint aspiration coupled with the strategic approach to portfolio allocations means that the spending review makes no assumptions about the scale and scope of any transfers to local government from other portfolios in-year. However, to offer a degree of certainty, the spending review confirms that existing in-year transfers for Health and Social Care, Early Learning and Childcare and additional Teachers worth £1 billion combined will be maintained. Final decisions on the transfers from other portfolios in future years will be confirmed following the establishment of the Fiscal Framework.

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The spending review also makes no assumptions about council tax nor about greater scope for discretionary revenue-raising, such as the Visitor Levy and the newly created Workplace Parking Levy, as decisions about further fiscal autonomy will be part of ongoing discussions to establish and agree the Fiscal Framework.

Alongside the resource spending review, we have also conducted a targeted review of our capital spending plans, to deal with much lower-than-expected funding from the UK Government, and to ensure capital investments align with government priorities, as set out in the Programme for Government and Bute House agreement. Whilst final allocations will be confirmed as part of the annual budget process, there are no changes to the Local Government capital allocations as set out in my letter to the COSLA President dated 4 February 2021.

### **Fiscal Flexibilities**

In my letter to you on 9 December 2021 alongside the budget, I confirmed my intention to allow an extension of the flexibilities to allow capital receipts to be used to fund the financial impact of COVID and to fund transformational projects subject to confirmation from the UK Government that this will not result in an adjustment to Scotland's block grant.

Unfortunately, the UK Government recently rejected my request and confirmed that any use of this flexibility to fund the financial impact of COVID will result in an adjustment to Scotland's block grant. Given the constrained fiscal position, I am therefore no longer able to offer that specific flexibility to deal with the impact of COVID although the offer of flexibility on using receipts for transformational projects remains unchanged.

In that letter, I also outlined my commitment to continue working with Directors of Finance and CIPFA/LASAAC on a Capital Accounting Review. I have now received a copy of the conclusions of the Directors of Finance's review. I am extremely grateful to Directors of Finance for their work on that review but having considered their findings, it falls short of the comprehensive review that was anticipated at the outset of these discussions. As noted by both Audit Scotland and LASAAC, the review focuses on capital funding arrangements and on maintain existing statutory mitigation but does not deliver proposals for closer alignment with accounting standards.

The spending review therefore confirms the Scottish Government's intention to commission an independent Capital Accounting Review. The independent review will build on the review already taken forward by Directors of Finance working with key stakeholders to deliver a phased approach towards alignment with the CIPFA Code of Practice for Local Authority Accounting.

This review will help to enhance the future sustainability of local services and address the inconsistencies of current statutory arrangements with the requirements of the CIPFA Accounting Code but I acknowledge that it will not address the long-standing request from COSLA on flexibility regarding the accounting treatment of service concessions.

On 1 February 2022, I wrote to CIPFA/LASAAC inviting them to offer an independent view on COSLA's request, which had of course been substantially changed when Directors of Finance acknowledged that a key part of the original request would have been inconsistent with recognised accounting practice. I have now received their response to the amended request and whilst I am very grateful to CIPFA LASAAC for their consideration, the response

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was ultimately inconclusive on the key aspects. The fact that CIPFA/LASAAC were unable to provide a conclusive resolution to this does highlight the risks of statutory intervention and the need for a comprehensive review.

In light of the withdrawal of the request to capitalise interest payments, I am willing to accede to the request to recognise principal debt repayments over the asset life and for this approach to be applied retrospectively. I will also agree that this may apply to the grant funded element of the principal debt repayments.

This flexibility will only apply to existing service concessions and each local authority will be responsible for fully evaluating any change in method and making appropriate financial provision. The decision for making any change must be taken by the Council, that is, it may not be delegated. The Minister for Public Finance, Planning and Community Wealth will provide further details on the statutory mitigation and the remit of the independent review in due course. We will of course welcome your input to the scope and design of that review.

### **Conclusion**

The spending review does not alter the parliamentary requirement for an annual budget process but it does provide the multi-year certainty requested by COSLA on numerous occasions. It guarantees the combination of General Revenue Grant and Non-Domestic Rates income at current levels despite a challenging UK Government Settlement and offers protection against Non-Domestic Rates revenue uncertainty post-COVID-19 and ahead of the 2023 revaluation with the addition of a further £100 million in 2026-27.

Due to the strategic nature of the portfolio allocations, it is not possible to prepare direct comparison with previous years but the spending review provides funding certainty over key transfers for Teachers and Health and Social Care. The spending review also reaffirms our commitment to working with COSLA and SOLACE to agree a new deal for Local Government in Scotland in advance of the next financial year and I look forward to commencing those discussions with the new COSLA Leadership in due course.

Yours sincerely,



**KATE FORBES**



**Scottish Parliament Finance and Public Administration Committee - Pre-Budget Scrutiny Call for Views****Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Decision****1 Recommendations**

Council is asked to agree the appended submission in response to the call for views from the Scottish Parliament's - Finance and Public Administration Committee as part of its pre-budget scrutiny.

**2 Purpose of Report/Executive Summary**

On 24<sup>th</sup> June 2022, as part of its pre-budget scrutiny, the Finance and Public Administration Committee of the Scottish Parliament launched a call for views on Scotland's public finances in 2023-24 and the impact of the cost of living and public service reform.

While the deadline for responses was set for Friday 19 August 2022 the clerk to the committee has advised that she is content for the Council to submit a late response to the call for views so allowing Council to consider the draft submission at today's meeting.

The call for views highlights that the committee is particularly interested in views on how the rising cost of living will impact on the Scottish budget in 2023-24 and will the Scottish Government's proposals for reforming the public service deliver the efficiencies expected.

**Date: 22 July 2022****Report Contact:**

Name: Gary Fairley

Tel No 0131 271 3310

[gary.fairley@midlothian.gov.uk](mailto:gary.fairley@midlothian.gov.uk)

### 3 Background

The Scottish Parliament's Finance and Public Administration Committee was established in June 2021 and focusses on:

- Scotland's public finances
- Public service reform
- The National Performance Framework
- Public administration in government.

Kenneth Gibson MSP is the Convenor of the Committee with membership consisting of the following MSP's :- Daniel Johnson , Ross Greer, Douglas Lumsden, John Mason, Liz Smith and Michelle Thomson.

The work of the Committee includes Scotland's public finances in 2023-24: the impact of the cost of living and public service reform. The focus of the committee's pre budget scrutiny for 2023-24 includes consideration of how the rising cost of living will impact on the Scottish Budget in 2023-24 and will the Scottish Government's proposals for reforming the public service deliver the efficiencies expected.

Pre-budget scrutiny aims to:

- influence how the Budget is prepared
- improve transparency and increase public awareness of the Budget
- consider how the Scottish Government's Budget for 2023-24 should respond to new fiscal and wider policy challenges
- lead to better results and outcomes when compared against the Scottish Government's targets and goals.

Pre-budget scrutiny normally takes place in the months leading up to the Scottish budget. As part of this year's pre-budget scrutiny the Committee will use this year's Resource Spending Review by the Scottish Government to inform its pre-budget scrutiny. The Resource Spending Review aims to set out spending plans for the remainder of the parliamentary term in support of the government's ambitions from 2023-24 to 2026-27.

The committee will focus primarily on three areas from the spending review:

- Proposals for public service reform,
- Impact of the cost of living crisis on the Scottish Budget 2023-24, and
- How spending priorities might affect the delivery of national outcomes.

The following key documents will inform the committee's pre-budget scrutiny:

- Scotland's Economic and Fiscal Forecasts – May 2022 by the Scottish Fiscal Commission
- the Scottish Government's Resource Spending Review (RSR), and
- the Scottish Government's Medium-Term Financial Strategy (MTFS).

These documents were all published on 31 May 2022 alongside a targeted review of the Scottish Government's 2021-22 to 2025-26 Capital Spending Plans, setting out capital funding allocations by portfolio for 2022-23 to 2025-26.

The call for evidence runs from 24 June until 19 August 2022 with the committee then hearing oral evidence in late September / early October 2022 with the Committee then considering its draft report which will be published shortly after.

#### **4.0 The Call for Views**

The Committee has set out specific questions to which it is seeking responses as detailed below. The proposed response to these question is set out in the appendix to this report.

1. The Scottish Government's Resource Spending Review assumes that the current taxation policies are maintained while funding for health and social care and social security is prioritised. Are these the right priorities and approach for the Scottish Budget 2023-24 and until 2026-27?
2. The Scottish Fiscal Commission (SFC) notes that Scottish income taxes have grown more slowly than the rest of the UK and is forecasting Scottish taxes to be around £360 million less in 2023-24 than they would be without income tax devolution. The SFC is also forecasting that, as a result of forecast error, the Scottish Budget in 2023-24 could be £221 million lower. How should the Scottish Government's Budget 2023-24 respond to this challenge?
3. How should the Scottish Government respond to inflationary pressures and the cost of living crisis in its Budget 2023-24?
4. The Spending Review identifies key areas of reform over the lifetime of the Parliament to support its priorities in the Spending Review, including delivering efficiency savings across the public sector. How should the Scottish Government approach each of these areas to achieve efficiencies while also maintaining effective public services?
  - digitalisation
  - maximising revenue through public sector innovation
  - reform of the public sector estate
  - reform of the public body landscape
  - improving public procurement
5. How effective do you think these reforms will be in delivering efficiency savings in the Scottish Budget 2023-24, and beyond? If you have

additional or alternative priorities for achieving efficiencies (for example within your public sector area), please provide details.

6. What impact will the Spending Review priorities have on the delivery of national outcomes in the National Performance Framework?
7. How should the Scottish Government target spending in its budget to achieve net zero targets?
8. How has the Scottish Government reflected its commitment to fiscal transparency in the Spending Review and how can it best ensure that spending in the Budget 2023-24 can be properly identified and tracked?

## **5 Report Implications (Resource, Digital, Risk and Equalities)**

### **5.1 Resource**

While the subject matter encompasses resources there are no direct resource implications arising from the report itself.

### **5.2 Digital**

There are no digital implications associated with the recommendations.

### **5.3 Risk**

There are no risks directly associated with making a submission. The response to the questions posed by the Committee highlight the risk the Resource Spending Review presents for local government.

### **5.4 Ensuring Equalities**

There are no equality implications associated with making a submission.

### **5.5 Additional Report Implications (See Appendix A)**

## **Appendices**

### **Appendix A – Additional Report Implications**



## **APPENDIX A – Additional Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Sustainable funding is critical to the delivery of the Midlothian Local Plan. By making a submission as part of the call for evidence the Council can seek to influence the pre-budget scrutiny of the Scottish Government's budget for 2023-24.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☒ Modern
- ☒ Sustainable
- ☐ Transformational
- ☒ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☒ Efficient and Modern
- ☒ Innovative and Ambitious

### **A.4 Delivering Best Value**

No direct implications though sustainable funding is central to how and which services can be provided

### **A.5 Involving Communities and Other Stakeholders**

There has been no wider engagement in drafting this submission although the call for views is open to all and Trade Union colleagues have been made aware of the opportunity to make submissions.

### **A.6 Impact on Performance and Outcomes**

None

### **A.7 Adopting a Preventative Approach**

No direct impact.

#### **A.8 Supporting Sustainable Development**

No direct impact.

## Appendix

### **Scotland's public finances in 2023-24: the impact of the cost of living and public service reform.**

#### **Call for views – Draft Submission by Midlothian Council**

1. The Scottish Government's Resource Spending Review assumes that the current taxation policies are maintained while funding for health and social care and social security is prioritised. Are these the right priorities and approach for the Scottish Budget 2023-24 and until 2026-27?

#### **Response**

**Commentators on the RSR have recognised the impact on Local Government, with both SPICe and Fraser of Allander stating that the proposals essentially represent a 7% real terms decrease in funding between 22/23 and 26/27.**

**This is in contrast to the 4.7% real terms increase that the Scottish Government will see overall (2% if social security transfers are excluded), and the real terms increases that Health, Social Justice and Housing will see.**

**The real term decrease planned for Local Government comes on top of significant real term reductions since 2013/14, which has driven ongoing reform, rationalisation, innovation and transformation work across Local Government.**

**The commitments made in the RSR do not recognise or address the need for investment in upstream drivers and the role of the whole system in delivering this. The areas that show greatest investment are “downstream” areas as opposed to investing in the social determinants of health further upstream e.g. housing, employability, training etc.**

**In a similar vein the RSR does not give adequate prioritisation towards directing resources to support the impact of population growth noting that sustainable and inclusive population growth is critical to the growth of the Scottish economy. The financial implications of growth in areas such as Midlothian are now very real, and at a significant scale, and the ability to manage these collectively at a time when the authority is facing financial challenges of an unprecedented scale is becoming impossible to sustain.**

**Local Authorities can be the largest employer in their area. The reduction in the overall public sector workforce, if applied to local authorities will reduce the availability of jobs and so can only further exacerbate the cost of living crisis for those who may lose jobs or have reduced opportunities for employment as a consequence of workforce reductions.**

**Scottish Government is choosing to continue to direct spend at addressing problems, not preventing them occurring and also supporting those areas facing population decline at the expense of areas grappling with population growth. Increases in funding are proposed for Health and Social Justice but not for Local Government and the economy, the areas that can really address child poverty. By the end of 2026/27**

- **Health and Social Care spending will account for 40% of Scottish Government's resource spending**
- **Social Security assistance will account for 13%**
- **Local Government's core funding will account for 22%**

**Investment by Councils in universal services such as leisure, communities, youth work and lifelong learning can support prevention. However due to continued budget reductions to these services they are no longer able offer the breadth of preventative services required to support health and economic inclusion.**

**2. The Scottish Fiscal Commission (SFC) notes that Scottish income taxes have grown more slowly than the rest of the UK and is forecasting Scottish taxes to be around £360 million less in 2023-24 than they would be without income tax devolution. The SFC is also forecasting that, as a result of forecast error, the Scottish Budget in 2023-24 could be £221 million lower. How should the Scottish Government's Budget 2023-24 respond to this challenge?**

### **Response**

**In developing its response to the overall quantum of resources that Scottish Government expects to have for financial year 2023-24 the RSR presents a further erosion of core funding for Local Government services. Councils, their partner providers, suppliers and employees are not immune from the cost of living crisis. Without adequate funding critical local services which those furthest from living well locally rely on will be cut with the inevitable loss of jobs further impacting on the local economy.**

**Adequate funding for Local Government is essential to support a strong vibrant and inclusive economy for the whole country. A necessity to grow the tax base and grow income tax receipts.**

**Supporting a vibrant and growing economy for Scotland needs adequate recognition and provision of funding to support services in areas of population growth and especially to fund the recurring revenue costs of those services which are essential to sustain a local population growth.**

**3. How should the Scottish Government respond to inflationary pressures and the cost of living crisis in its Budget 2023-24?**

**In the absence of additional income to the Scottish budget through tax receipts or the block grant the Scottish Government, like all individuals**

and organisations, needs to accept that the inflationary pressures currently being experienced represent an erosion of its spending power. It is appreciated that difficult decisions need to be made to balance budgets nationally and locally. However by continuing to prioritise and or protect initiatives or sectors such as health from the economic reality cannot be sustained at the expense of Local Government and the critical services which local government provide across the country.

The proposals in the RSR represent a real terms reduction for Local Government of 7%, and the Scottish Government needs to recognise the inflationary pressures across all areas of the public sector and not protect some at the expense of local government services.

The RSR indicates that pay inflation pressures may be managed by seeking to keep the overall public sector paybill static, so meeting inflationary pressures by reducing the size of the public sector workforce.

The feasibility of this for Local Government is questionable. Between 2006 and 2018, there was a steady reduction in Local Government workforce due to significant efficiency savings and service transformation programmes. By 2018 the workforce had reduced by circa 15% from 2006 levels. Significant Scottish Government policy direction since 2018 and the need to respond to COVID has meant staff increases to the extent that if staffing for additional commitments is removed, the Local Government staffing levels would be back at 2018 levels.

This is in contrast to trends in other parts of the public sector which have seen Scottish Government nearly double since 2006, Scottish Government agencies grow by 15% and NDPBS more than double.

4. The Spending Review identifies key areas of reform over the lifetime of the Parliament to support its priorities in the Spending Review, including delivering efficiency savings across the public sector. How should the Scottish Government approach each of these areas to achieve efficiencies while also maintaining effective public services?

- digitalisation
- maximising revenue through public sector innovation
- reform of the public sector estate
- reform of the public body landscape
- improving public procurement

## **Response**

Local Government has been managing significant real term cuts to core funding for many years adopting digitisation, innovation, estate rationalisation and improved procurement to help mitigate the impact of these real term cuts. Any “easy” savings have been taken across Local Government. The continual cycle of cuts deflects effort from a concerted focus on prevention and improving outcomes.

**Whilst these areas of reform are all appropriate in the context of the Scottish Government's budget it is difficult to assess the extent to which they will contribute to mitigating the inflationary pressures and so support the spending review.**

**It is difficult to determine the extent to which any savings from these initiatives have already been accounted for in arriving at the RSR allocations for Local Government and other sectors and so the question of targets may be one that that committee may wish to scrutinise both in terms of quantum and deliverability.**

**In respect of reform of the public body landscape any change should be evidence led and have clear outcomes.**

**5. How effective do you think these reforms will be in delivering efficiency savings in the Scottish Budget 2023-24, and beyond? If you have additional or alternative priorities for achieving efficiencies (for example within your public sector area), please provide details.**

**The measures set out in question 4 will no doubt have a lead time for delivery and require upfront investment to secure the change required. It is difficult from the information provided to comment on how effective they can be. From a Local Government perspective and give the extent of change already secured over many years it is challenging to see how these initiatives could come anywhere near close to mitigating the 7% real terms reduction.**

**6. What impact will the Spending Review priorities have on the delivery of national outcomes in the National Performance Framework?**

**As set out the RSR will have a significant negative effect on Local Governments ability to delivery of national outcomes in the National Performance Framework.**

**7. How should the Scottish Government target spending in its budget to achieve net zero targets?**

## **Response**

**The cash flat settlements for Local Government set out in the Capital Spending Review provide no additional capacity to Local Government to take forward the necessary investment in its asset base to shift to net zero targets. As such the CSR does not appear to make any attempt to targets spending to help Councils achieve net zero targets.**

**There needs to be engagement between levels of Government to understand the costs of achieving net zero targets and how best to funding these across the whole public sector.**

8. How has the Scottish Government reflected its commitment to fiscal transparency in the Spending Review and how can it best ensure that spending in the Budget 2023-24 can be properly identified and tracked?

**No observations to make.**





**Risk Management Policy and Strategy****Derek Oliver, Chief Officer Place****Report for Decision****1 Recommendations**

Council is recommended to:

- a) approve the content of the revised Risk Management Policy and Strategy;
- b) instruct the Chief Officer Place to lead the adoption and implementation of the Risk Management Policy and Strategy across the Council; and
- c) agree to review the Risk Management Policy and Framework in two years.

**2 Purpose of Report/Executive Summary**

Council is presented with the revised Risk Management Policy and Strategy, which outlines the proposed approach to risk management and governance arrangements for risk monitoring and accountability. The Framework development has included a consultation process with the Council's Audit Committee.

**Date** 15 July 2022**Report Contact:**Derek Oliver, Chief Officer Place, [Derek.Oliver@midlothian.gov.uk](mailto:Derek.Oliver@midlothian.gov.uk)

### **3 Background/Main Body of Report**

- 3.1** The Council has seen unprecedented change over the last two years, and has successfully maintained critical services in response to a global pandemic. It has demonstrated its competence to manage risk effectively during this time, and its agility when operating within a series of government directed constraints including lockdowns and whilst transitioning through to recovery.
- 3.2** Whilst the Council's response has shown that risk has been managed appropriately and proportionate mitigations have been applied, the events of the last two years should be reflected in the Council's risk management approach moving forwards.
- 3.3** The Risk Management Policy and Strategy was reviewed in mid-2021. A Risk and Resilience Group was established with membership drawn from Chief Officers and Senior Managers across the Council and Audit Service. This group has informed the revised policy and strategy. The draft Risk Management Policy and Strategy was presented to Corporate Management Team and then to Audit Committee on 7 December 2021, where it was decided to refer to Council for approval.

#### **Risk Management Policy and Strategy - summary**

- 3.4** Midlothian Council acknowledges that risk can never be eliminated in its entirety. The Council also recognises that managing risk can also identify positive opportunities which, with the appropriate level of control, may lead to service improvements. Therefore, the measures which the Council adopts are principles of good management practice which seek to control and balance risk and opportunity.

Specifically, in the area of risk management, the Council seeks to:

- Always meet its statutory obligations, and to act within the law.
  - Safeguard the public at large, the Council's members, employees, pupils, tenants and all persons to whom the Council has a duty of care.
  - Protect its property, including buildings, equipment, vehicles or any other assets and resources.
  - Preserve and enhance service delivery.
  - Maintain effective control of public funds.
  - Maintain and enhance the Council's reputation.
  - Safeguard and enhance the quality of Midlothian's environment.
- 3.5** The objective of the revised Policy and Strategy is to ensure that risk management is an integral part of the Council's corporate and service management, forms part of the Council's governance, planning and service delivery operations and allows for monitoring and reporting on the effectiveness of that strategy.

- 3.6** The strategy and policy applies to all of Midlothian Council's core functions. Where Midlothian Council enters into partnerships, contracts and agreements the principles of risk management established by this strategy and policy and supporting guidance should be considered as best practice and applied where possible. It is also expected that our significant contractors have risk management arrangements at a similar level, which should be established and monitored through commissioning processes and contract management arrangements.
- 3.7** It is essential that a single risk management approach be utilised at all levels throughout the Council. By demonstrating good governance through effective management of risks and opportunities, the Council will be in a stronger position to deliver our objectives, provide improved services to the public, work better as a partner with other organisations and achieve value for money.
- 3.8** Risk management is a part of service and corporate/strategic management and accordingly is integrated within normal management processes. The Chief Executive has overall responsibility for the management of risk within Midlothian Council. The Chief Officer Place will have responsibility for ensuring that the Council's Risk Management Strategy, Policy and Strategic Risk Register/Profile are maintained and regularly reviewed.
- 3.9** The Strategic Risk Profile will be reviewed quarterly, or where a new significant risk is identified. A quarterly risk management report is presented to the Audit Committee which reports on the Council's strategic risks. In addition, the Council Management Team is provided with a regular risk management report on strategic and organisational risks.
- 3.10** The Risk Management & Resilience Group provides recommendations to the Council Management Team on the escalation, de-escalation and closure of strategic level risks. Directorates and services undertake quarterly review, monitoring and reporting on their risk registers (supported by the risk management function) in order to ensure that risks are identified and escalated to the appropriate level at an early stage.
- 3.11** The full draft Risk Management Policy and Strategy is contained in Appendix B. Council is asked to consider and approve the contents within.

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

There are no significant resource implications to adopting the Risk Management Policy and Strategy. There may be individual impacts when carrying out risk assessments and mitigation actions that will require to be managed by the respective service.

## **4.2 Digital**

The Risk Management Policy and Strategy is a document and the risk registers/profiles are stored within Pentana which is an existing Council system. There are no additional requests relating to Digital therefore no impact.

## **4.3 Risk**

The risk of not having a robust Risk Management Policy and Strategy is that the Council does not fulfil its statutory duty. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users.

## **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

The Risk Management Policy and Strategy will ensure that that Council meets its statutory requirements including those under the Equalities Act 2010. The Risk Management Policy and Strategy will help the Council to safeguard the public at large, the Council's members, employees, pupils, tenants and all persons to whom the Council has a duty of care.

## **4.4 Additional Report Implications (See Appendix A)**

See Appendix A

## **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Risk Management Policy and Strategy**

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Risk management is an integral part of the Council's corporate and service management, forms part of the Council's governance, planning and service delivery operations and allows for monitoring and reporting on the effectiveness of that strategy. The Risk Management Policy and Strategy should underpin all of the priorities within the Single Midlothian Plan.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☒ Sustainable
- ☐ Transformational
- ☒ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

The Council's commitment to best value and securing continuous improvement can best be delivered when decisions are made against a backdrop of understanding the risks and opportunities before an organisation. The Risk Management Policy and Strategy seeks to provide the framework in which the current risk environment is understood and demonstrate that Midlothian Council is taking appropriate action in response to those identified risks.

### **A.5 Involving Communities and Other Stakeholders**

The Risk Management Policy and Strategy was informed by the Risk and Resilience Group, Corporate Management Team and Audit Committee.

## **A.6 Impact on Performance and Outcomes**

Formal monitoring and accountability procedures form an integral part of the risk management process, covering the following three main issues:

- Delivering the risk management strategy.
- Implementing risk management action plans, both corporate/strategic and service.
- Determining whether the related actions are making a difference to the risk, as appropriate.

## **A.7 Adopting a Preventative Approach**

The Risk Management approach being taken by the Council is founded on a preventative approach to managing risks, where appropriate and more generally to decision making with far greater risk awareness.

## **A.8 Supporting Sustainable Development**

Senior Managers must ensure the sustainability of the Council, which entails identifying, understanding and managing Strategic and Service level Risks and Opportunities.

## APPENDIX B

### Midlothian Council Risk Management Policy and Strategy

#### 1. Policy Statement

Midlothian Council understands that it is important to recognise and manage the many risks which are inherent in its activities, and in the services which it provides for the benefit of the community. The Council has therefore adopted this policy on risk management, has established the attached Risk Management Strategy and has implemented procedures in support of the policy and strategy.

Midlothian Council acknowledges that risk can never be eliminated in its entirety. The Council also recognises that managing risk can also identify positive opportunities which, with the appropriate level of control, may lead to service improvements. Therefore, the measures which the Council adopts are principles of good management practice which seek to control and balance risk and opportunity.

Specifically, in the area of risk management, the Council seeks to:

- Always meet its statutory obligations, and to act within the law.
- Safeguard the public at large, the Council's members, employees, pupils, tenants and all persons to whom the Council has a duty of care.
- Protect its property, including buildings, equipment, vehicles or any other assets and resources.
- Preserve and enhance service delivery.
- Maintain effective control of public funds.
- Maintain and enhance the Council's reputation.
- Safeguard and enhance the quality of Midlothian's environment.

The Council will promote these objectives by systematically identifying, evaluating, and thereafter seeking to control and monitor all risks which would potentially endanger, or which could have a detrimental effect upon the aims and objectives stated above.

The Council will support its members and officials in developing the necessary skills and competencies to enable the provision of good quality risk management to the Council.

There is a commitment to embedding risk management throughout Midlothian Council, promoting a positive risk culture and making it a part of everyday service delivery and decision-making, ensuring that sufficient resources are allocated. This includes fostering an environment that embraces openness, supports integrity, objectivity, accountability and transparency in the identification, assessment and management of risks, welcoming constructive challenge and promoting collaboration, consultation and cooperation.

Risk Management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced. To meet our objectives, improve service delivery and achieve value for money for the residents of Midlothian, risk management will be an essential and integral part of planning and decision-making.

## 2. Introduction

The objective is to ensure that risk management is an integral part of the Council's corporate and service management, forms part of the Council's governance, planning and service delivery operations and allows for monitoring and reporting on the effectiveness of that strategy.

The strategy acknowledges that risks occur at all levels of the Council's functions and activities and includes strategic or corporate risks as well as innumerable operational risks.

This strategy and policy applies to all of Midlothian Council's core functions. Where Midlothian Council enters into partnerships, contracts and agreements, the principles of risk management established by this strategy and policy and supporting guidance should be considered as best practice and applied where possible. It is also expected that our significant contractors have risk management arrangements at a similar level, which should be established and monitored through commissioning processes and contract management arrangements.

## 3. Terminology

### **Governance**

The system by which local authorities fulfil their purpose and achieve their intended outcomes for citizens and service users and operate in an effective, efficient, economic and ethical manner. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users.

### **Risk**

The chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. This can be further defined as “the combination of the likelihood of an event occurring (or not occurring, as the case may be) and its impact on the organisation”.

### **Risk Management**

The planned and systematic approach to the identification, evaluation and control of risk. The objective of risk management is to secure the assets and reputation of the organisation and to ensure the continued financial and organisational well-being of the Council. All organisations exist to achieve their objectives. The purpose of risk management is to manage the barriers in achieving these objectives.

### **Effective risk management**

Having a process in place that can identify what might go wrong, what the consequences might be of something going wrong and finally, deciding what can be done to reduce the possibility of something going wrong. If something does go wrong, making sure that the impact is kept to a minimum. Good risk management is successfully managing the barriers to achieving objectives.



#### 4. Objectives

Midlothian Council is committed to establishing and maintaining a systematic approach to the identification and management of risk.

The Council's risk management objectives are to:

- Ensure that risk management is clearly and consistently integrated and evidenced in the culture of the Council.
- Manage risk in accordance with best practice.
- Anticipate and respond to changing social, environmental and legislative requirements.
- Consider compliance with health and safety, insurance and legal requirements as a minimum standard.
- Prevent death, injury, damage and losses, and reduce the cost of incidents and accidents.
- Inform policy and operational decisions by identifying risks and their likely impact.
- Raise awareness of the need of risk management by all those connected with the Council's delivery of service.
- Recognise that good risk management also includes positive risk taking and the identification of opportunities.

These objectives will be achieved by:

- Clearly defining the roles, responsibilities and reporting lines within the Council for risk management.
- Setting out clear risk management processes.
- Continuing to demonstrate the application of risk management principles in the activities of the Council, its employees and members.
- Reinforcing the importance of effective risk management as part of the everyday work of employees and members.
- Maintaining a register of risks linked to the Council's business, strategic and operational objectives, including those risks linked to working in partnership.
- Maintaining documented procedures of the control of risk and provision of suitable information, training and supervision.
- Maintaining an appropriate system for recording health and safety incidents, responses and identifying preventative measures against recurrence.
- Preparing contingency plans to secure business continuity where there is a potential for an event to have a major impact upon the Council's ability to function.
- Monitoring arrangements continually and seeking continuous improvement.

#### 5. Approach

It is essential that a single risk management approach be utilised at all levels throughout the Council. By demonstrating good governance through effective management of risks and opportunities, the Council will be in a stronger position to deliver our objectives, provide improved services to the public, work better as a partner with other organisations and achieve value for money.

This approach to risk management will inform the Council's business processes, including:

- Strategic planning.
- Financial planning.
- Service planning.
- Policy making and review.
- Performance management.
- Project management.
- Partnership working.

It is essential in order to achieve the objectives referred to in section 4 that processes are in place to identify and assess risks and opportunities, develop and implement controls and warning mechanisms, and to review and report on progress.

The identified risks and relevant control measures will be managed through the Council's Strategic Risk Register.

There are five key principles of risk management that provide the basis on which Midlothian Council will manage risk:

**A. Governance and Leadership** – risk management shall be an essential part of governance and leadership, and fundamental to how the organisation is directed, managed and controlled at all levels.

**B. Integration** – risk management shall be an integral part of all organisational activities to support decision-making in achieving objectives.

**C. Collaboration and Best Information** – risk management shall be collaborative and informed by the best available information.

**D. Structured Processes** – risk management processes are recognised as iterative in practice, rather than sequential, and shall be structured to include:

**Risk Identification and Assessment** – to determine and prioritise how the risks should be managed.

**Risk Treatment** – the selection, design and implementation of risk treatment options that support achievement of intended outcomes and manage risks to an acceptable level.

**Risk Monitoring** – the design and operation of integrated, insightful and informative risk monitoring.

**Risk Reporting** – timely, accurate and useful risk reporting to enhance the quality of decision-making and to support management and oversight bodies in meeting their responsibilities.

**E. Continual Improvement** – risk management shall be continually improved through learning and experience.

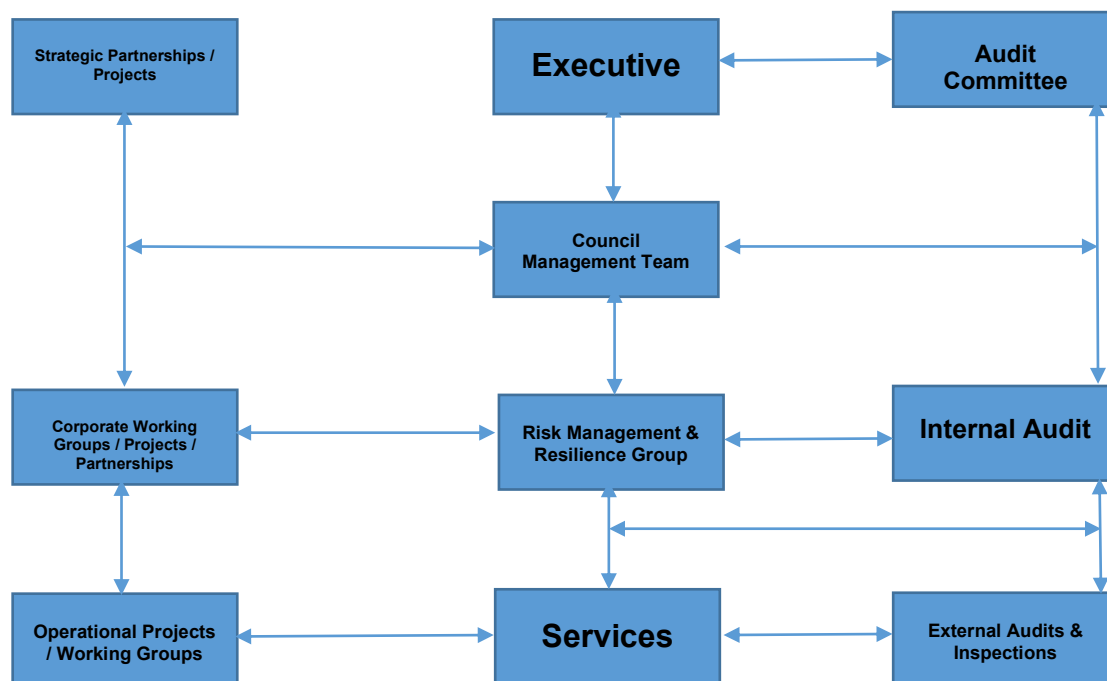
## 6. Status of Risk Management

Risk management is as much a part of the duties of Council officials as, for example, the control of budgets or the deployment of staff and assets. It is one of many substantive issues to be considered by elected members when making decisions. If the Council is to have reasonable assurance that risk management is effective, and is effectively part of the Council's operations, risk management must be carried out in a systematic and structured manner and be subject to monitoring and reporting on its effectiveness.

## 7. Management Arrangements

Risk management is a part of service and corporate / strategic management and accordingly is integrated within normal management processes.

The Risk Management Reporting Framework illustrates the Council's risk management structure:



The Chief Executive has overall responsibility for the management of risk within Midlothian Council.

Chief Officer – Place will have responsibility for ensuring that the Council's Risk Management Strategy, Policy and Strategic Risk Register/Profile are maintained and regularly reviewed. Risk owners will be clearly identified within the Strategic Risk Profile. The Strategic Risk Profile will be reviewed quarterly, or where a new significant risk is identified. The reviewed Strategic Risk Profile will be presented to the Council Management Team for approval and thereafter to the Audit Committee.

Executive Directors will have responsibility for ensuring the Strategic Risk Profile is compiled and maintained in respect of their Service.

Chief Officers will be responsible for ensuring all risks falling within their service portfolio are reviewed quarterly, or where a new risk is identified.

Senior Managers will ensure that Service Risk Registers are reviewed quarterly, or where a new risk is identified. Any identified risk which has a wider corporate impact will be escalated to the Strategic Risk Register.

The Council Management Team shall:

- Determine the levels of risk and outcomes that are tolerable and acceptable to achieve the Council's objectives.
- Provide advice to elected members on the type and amount of risk to accept when making policy decisions.
- Assume ownership of the strategic risks recorded in the Strategic Risk Profile.
- Carry out a strategic overview of the Strategic Risk Profile quarterly.
- Promote and support the implementation of the risk management policy and strategy throughout the Council.

Identified risks will be allocated to an officer of the CMT and each risk will be accompanied by an assessment of likelihood and impact. Registers will be accompanied by related actions, highlighting the means by which the risk will be controlled.

There are some aspects of operational risk management which benefit from corporate support and co-ordination. There is also a need for the Council to be able to demonstrate that risk management arrangements are effective, through the Audit Committee.

The Risk Management & Resilience Group consists of at least one senior representative from each directorate of the Council. This is not a decision-making body, as recommendations that have a strategic or corporate impact are referred to the Council Management Team.

The Audit Committee evaluates and recommends approval of the strategies and frameworks in respect of risk management. The Committee approves updates and provides direction in respect of risks held within the strategic risk profile.

The Risk Management Policy and Strategy will be reviewed every two years.

## **8. Health & Safety**

The Council has responsibilities under health and safety legislation to ensure the health, safety and welfare at work of employees and other people affected by the Council's business. Managing health and safety risks is an integral part of business risk management and the management of such risks should not be taken in isolation. Poor health and safety management can have a negative impact on other business risks such as reputation, insurance, business continuity and financial resources.

The effective management of health and safety risks, as with all significant corporate risks, is an essential part of the role of the relevant managers. The organisation and arrangements for managing health and safety within the Council are detailed in the Council's Health and Safety Policy documents.

## **9. Business Continuity**

The business continuity process is essentially risk management applied to the whole organisation and its ability to continue with its service provision in the event of a catastrophic or a localised operational impact event. The Council ensures risk management processes are applied throughout the business continuity lifecycle.

## 10. Monitoring and Accountability

Formal monitoring and accountability procedures form an integral part of the risk management process, covering the following three main issues:

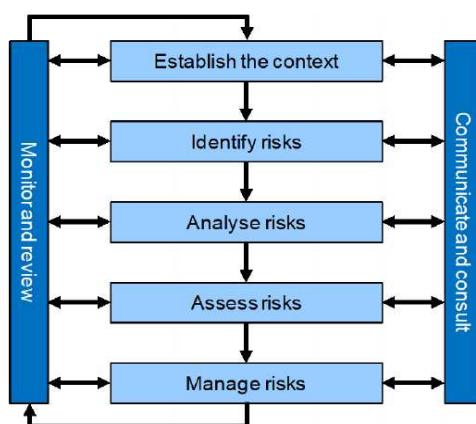
- Delivering the risk management strategy.
- Implementing risk management action plans, both corporate/strategic and service.
- Determining whether the related actions are making a difference to the risk, as appropriate.

The following monitoring arrangements are in place:

- Risk registers are presented to the Audit Committee quarterly to advise members of the risks which may affect the achievement of the Council's strategic objectives.
- Service risks are monitored through quarterly performance reports so that any performance risks are highlighted to the Council Management Team through exception reporting.
- Ensuring that the Risk Management & Resilience Group continues to be an effective and streamlined means of maintaining an overview of risk management and supporting corporate and strategic consistency in the implementation of the risk management policy.
- Internal Audit's role includes the auditing of the risk management process across the Council and the reporting on the efficiency and effectiveness of internal controls.

## 11. Approach to Risk Management

### Risk Management Process – ISO31000



The above diagram demonstrates the whole process and cycle of risk management under the international standard ISO 31000.

The standard as outlined above makes clear that risk management is a dynamic process, with frequent review of existing risks and monitoring of the environment necessary to ensure the risks captured represent the current profile of the organisation.

Continual communication of risks within the organisation is essential to allow for informed decision-making. Communication to the Audit Committee and other stakeholders is imperative to allow effective scrutiny and provide assurance that the risk profile is being effectively managed.

## Risk Identification

The aim of risk identification is to recognise and articulate the risks that may help or prevent Midlothian Council to achieve its objectives. It is particularly relevant to consider new or emerging risks alongside business planning and strategy formulation processes.

There are several risk perspectives:

**Corporate** - Those risks, which if they occurred, would have a major impact on the organisation or delivery of its priorities. Corporate risks also include cross-cutting risks that impact across directorates.

**Change related (Programme / Project)** – where we are exposed to risks that could affect our ability to successfully complete the desired transformational outcomes or deliver predefined outputs that enable us to deliver outcomes and realise benefits.

**Operational / Service / Contract** – where we are exposed to risks that could affect our control and ability to successfully and continually deliver or commission services to our service users / residents.

The following factors, and the relationship between these factors, should be considered when identifying risks:

- Changes in the external and internal context
- Causes and events
- Consequences and their impact on objectives
- Threats and opportunities
- Vulnerabilities and capabilities
- Uncertainties and assumptions within options, strategies, plans or initiatives
- Indicators or emerging risks
- Limitations of knowledge and reliability of information
- Time-related factors
- Any potential biases and beliefs of those involved.

Risks will be identified whether or not their sources are under the Council's direct control, as they have the potential to impact on achievement of objectives, causing great damage or creating significant opportunity.

## Assessment / Analysis of Risk

The aim of risk analysis is to build understanding of the nature of risk and its characteristics including, wherever possible, the level of risk. It involves consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls and their effectiveness. Analysis techniques can be qualitative, quantitative or a combination of these, depending on the circumstances and intended use.

The assessment, or scoring, of risk allows for prioritisation by evaluation. Determining the likelihood and impact of a risk and utilising a standardised assessment criteria to assign a score based on these factors allows the Council to understand and prioritise which risks to mitigate first.

	1	2	3	4	5
Likelihood	Rare	Unlikely	Possible	Likely	Almost Certain
Impact	Negligible	Minor	Moderate	Major	Extreme

### Risk Assessment Matrix

The risk assessment matrix is a 5x5 scoring mechanism which will identify a score between 1 (1x1) at the lowest (very low) and 25 (5x5) at the highest possible score (critical).

The risk assessment matrix is summarised below:

LI K E LI	5	Low 5	Medium 10	Medium 15	High 20	Critical 25
	4	Very Low 4	Low 8	Medium 12	High 16	High 20
	3	Very Low 3	Low 6	Medium 9	Medium 12	Medium 15
	2	Very Low 2	Low 4	Low 6	Low 8	Medium 10
	1	Very Low 1	Very Low 2	Very Low 3	Low 4	Medium 5
		1	2	3	4	5
IMPACT						

### Risk Evaluation

Once analysed, risks will be evaluated to compare the results against the nature and extent of risks that the organisation is willing to take or accept to determine where and what additional action is required.

### Controls

Risk controls are management measures put in place to effectively manage a risk to within acceptable levels (i.e. within target score). It is essential that the controls put in place to manage a risk are effective. The identification of effective controls is the most important part of the whole risk management process as without this element the Council would simply be identifying risks and doing nothing to manage them.

There are two main types of control measure that can be put in place to manage a risk:

- *Preventative Controls:* These are mitigating actions which will work to control the cause of the risk and prevent it happening in the first place
- *Contingency Controls:* These are actions that can be put in place to reduce the impact of the risk if it does materialise.

### Risk Appetite, Tolerance and Escalation

Midlothian Council recognises that risk is inherent in delivering and commissioning services and does not seek to avoid all risk, but instead aims to have an 'open' approach to risk, appropriately balancing risk against reward, with risks managed in a proportionate manner.

This will require an approach that allows flexibility and support for well-informed and considered risk taking, promoting transparency and effective risk management, while maintaining accountability. While risks defined as 'high' are to be managed down to a tolerable level wherever possible, it is important that risks across the Authority are not over-controlled.



It is not realistic for the Council, with its diverse range of services and duties, to have just one definitive application of risk appetite across the entire organisation. Instead, risk appetite should be set with reference to the strategy for service delivery in each particular area. However, examples of risks that would be seen as intolerable are those that are likely to:

- Negatively affect the safety of our service users, residents or employees.
- Severely damage the Authority's reputation.
- Lead to breaches of laws and regulations.
- Endanger the future operations of the County Council (i.e. by exceeding the risk capacity of the organisation – the amount of risk that the Authority can bear).
- Adversely impact the financial security or resilience of the Council

In addition, to aid managers in understanding what risks are acceptable, our appetite for risk is implicitly defined within our standard for determining risk levels. Risks rated as "Critical" will be deemed to have exceeded tolerance levels and will be subject to escalation to the Risk Management & Resilience Group for review and action. The target rating for a risk is expected to be 'medium' or lower. In the event that this is not deemed realistic in the short to medium term, this shall be discussed as part of the escalation process, and this position regularly reviewed with the ultimate aim of bringing the level of risk to a tolerable level.

### **Risk Review**

Once the process of identifying, analysing and assessing a risk are complete, it is imperative that it is subject to regular review. Ongoing management and review of a risk is the most important part of the process as maintaining or reducing the risk score to within an acceptable level assures the overall management of the organisation's profile.

During a risk review, the risk is re-assessed. If it is identified that the risk continues to exist, the list of current controls and further controls required must be checked, cross-referenced and added to where necessary. On the basis of progress with controls and an assessment of the risk environment, a re-assessment of the current score must be made using the risk assessment matrix. This will show whether the risk is decreasing, increasing or remaining static. Depending on its escalation level, a change to risk score will be reported at the Audit Committee.

### **Risk Reporting**

A quarterly risk management report is presented to the Audit Committee which reports on the Council's strategic risks. In addition, the Council Management Team is provided with a regular risk management report on strategic and organisational risks.

The Risk Management & Resilience Group provides recommendations to the Council Management Team on the escalation, de-escalation and closure of strategic level risks.

Directorates and services undertake quarterly review, monitoring and reporting on their risk registers (supported by the risk management function) in order to ensure that risks are identified and escalated to the appropriate level at an early stage.



<b>Name of Document</b>	Risk Management Policy and Strategy (v2)
<b>Author</b>	Place
<b>Policy Ownership</b>	Chief Officer Place
<b>Unit Responsible</b>	Protective Services
<b>Approved by and date</b>	To be approved at Council 23.08.22
<b>Assigned Review Period</b>	2 years from approval date
<b>Date of Next Review</b>	23.08.24 (tbc – subject to Council approval)
<b>Policy Lead</b>	Senior Manger Protective Services

<b>Version</b>	<b>Version date</b>	<b>Authorised Officer</b>	<b>Amendment Details</b>
V1	December 2021	Derek Oliver, Chief Officer Place	Feedback following presentation to Audit Committee
V2	July 2022	Derek Oliver, Chief Officer Place	Presented to Council 23.08.22 for approval





## National Care Service (Scotland) Bill (“the NCS Bill”)

### Report by Suzanne Ross, Principal Solicitor

#### 1. Purpose of Report

1.1. The purpose of this report is to:

- (i) Note that a briefing of elected members will take place on 15<sup>th</sup> August 2022
- (ii) Note the preparatory actions taken by CMT as outlined in this report
- (iii) Provide an update as to the progress of the legislation which will underpin the National Care Service;
- (iv) Provide an overview of the NCS Bill;
- (v) Draw elected members attention to the Health, Social Care and Sport Committee, and other committees, who are looking at the details of the proposals, and want to know what people think about them. Views can be submitted by 2 September 2022 as outlined in section 2.6

#### 2. Background to the Bill

2.1. In August 2021 the Scottish Government launched a consultation on the way in which social care was delivered in Scotland. The consultation followed recommendations made in the Independent Review of Adult Social Care (the Feeley Report)<sup>1</sup>.

2.2. The consultation ran for 12 weeks and closed in November 2021. Over 1,300 responses to the consultation were received<sup>2</sup>. Midlothian Council and Midlothian HSCP provided responses<sup>3</sup>. The independent analysis of responses was published in February 2022<sup>4</sup>.

2.3. On 20 June 2022 the Scottish Parliament published the NCS Bill which will provide the foundation for the NCS. Alongside the Bill, explanatory notes, a policy memorandum, a financial memorandum and a delegated powers memorandum were also published.<sup>5</sup>

2.4. The Scottish Government also published the Statement of Benefits<sup>6</sup> and the “Co-design and National Care Service” Paper<sup>7</sup>. It is intended that through an NCS Design School the Scottish Government will work with people who access and deliver social

<sup>1</sup> [Adult social care: independent review - gov.scot \(www.gov.scot\)](https://www.gov.scot/adult-social-care-independent-review/)

<sup>2</sup> [Published responses for A National Care Service for Scotland - Scottish Government - Citizen Space \(consult.gov.scot\)](https://consult.gov.scot/published-responses-for-a-national-care-service-for-scotland-scottish-government-citizen-space/)

<sup>3</sup> [Response 312540760 to A National Care Service for Scotland - Scottish Government - Citizen Space \(consult.gov.scot\)](https://consult.gov.scot/response-312540760-to-a-national-care-service-for-scotland-scottish-government-citizen-space/) And [Response 491813606 to A National Care Service for Scotland - Scottish Government - Citizen Space \(consult.gov.scot\)](https://consult.gov.scot/response-491813606-to-a-national-care-service-for-scotland-scottish-government-citizen-space/)

<sup>4</sup> [National Care Service: consultation analysis - gov.scot \(www.gov.scot\)](https://www.gov.scot/national-care-service-consultation-analysis/)

<sup>5</sup> [Introduced | Scottish Parliament Website](https://www.parliament.scot/national-care-service-introduced/)

<sup>6</sup> [National Care Service: statement of benefits - gov.scot \(www.gov.scot\)](https://www.gov.scot/national-care-service-statement-of-benefits/)

<sup>7</sup> [Supporting documents - National Care Service and co-design - gov.scot \(www.gov.scot\)](https://www.gov.scot/supporting-documents-national-care-service-and-co-design/)

care support to co-design parts of the National Care Service.

2.5. A Bill passes through various Parliamentary stages. The Bill is currently in Stage 1 of the process. It has been passed to the lead committee: the Health, Social Care and Sport Committee who will speak with experts, organisations and members of the public. The lead committee is expected to provide a report on the Bill at the start of 2023. The report will usually make a recommendation as to whether Parliament should support the general principles of the Bill. The Scottish Government will also launch the NCS Design School, ahead of the first NCS Gathering. It does not appear that details of the NCS Gathering have been published yet. The Scottish Government have held a series of events over the summer months to provide more information about the Bill and how the Bill process works.<sup>8</sup>

2.6. MSPs on the Scottish Parliament's Health, Social Care and Sport Committee, and other committees, are looking at the details of the proposals, and want to know what people think about them. Views can be submitted at the following link by 2 September 2022: [National Care Service \(Scotland\) Bill \(Detailed\) - Scottish Parliament - Citizen Space](#)

### 3. An overview of the NCS Bill

It is important to note that the Bill will be subject to Parliamentary scrutiny and will pass through various stages before it becomes an Act (ie law). It is however clear that it is the intention of the Scottish Government to establish a National Care Service and to transfer health and social care functions from local authorities to the Scottish Ministers.

3.1. There are four key Parts of the Bill:

- (i) Part 1 establishes the National Care Service and care boards. It gives Scottish Ministers the power to transfer health and social care functions to the boards.
- (ii) Part 2 gives Scottish Minister's powers over health and social care records
- (iii) Part 3 modifies existing laws relating to the provision and regulation of care
- (iv) Part 4 allows further legislation and regulations to be made.

3.2. By far, the most significant part of the legislation is the intention to transfer social care responsibility from local authorities to a new, national service. However, the Bill does not provide any detail as to the logistics of this transfer. It is not clear at this stage the extent to which powers will be removed from local authorities or to what extent local authorities will continue to have involvement in the provision or delivery of services. It is however clear that the Bill anticipates the possibility of a wholesale transfer of powers and duties to NCS.

3.3. There is also the power for Scottish Ministers to transfer healthcare functions from the NHS to the National Care Service.

3.4. As part of the initial consultation process, the Scottish Government had sought views on transferring duties and responsibilities for children's services social work and criminal justice social work into the NCS. The Scottish Government have set out their intention to consult further on any proposed transfer. Section 30 of the Bill requires

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<sup>8</sup> [National Care Service - Social care - gov.scot \(www.gov.scot\)](#) (under heading "Register for an event to learn more about the National Care Service Bill")

the Scottish Government to carry out a further consultation prior to bringing to Parliament any draft regulations seeking to transfer children's or justice services.

- 3.5. Part 1 deals with practical aspects relating to the Boards, including core principles, strategic plans, complaints handling and service failures. There are also provisions allowing for TUPE transfers of staff and for the transfers of property and liabilities. Section 27 of the Bill allows the Scottish Ministers to make regulations to transfers function from local authorities to either the Scottish Ministers or care boards. The functions which can be transferred are set out in Schedule 3 of the Bill (set out as an Appendix to this document)<sup>9</sup> and include the majority of legislation underpinning social work functions, including the Social Work (Scotland) Act 1968.
- 3.6. It is envisaged that there will be two types of care board: a local care board and a special care board. Local boards will be responsible for the delivery of care. A special care board need not be given a particular geographical area of responsibility, but may have responsibility to provide certain services throughout all of Scotland. The Scottish Ministers will have oversight of those boards. The Scottish Ministers will be granted powers to make decisions about the membership of care boards.
- 3.7. It is proposed that care boards will be bodies corporate. They will have a separate legal personality, meaning that ordinarily board members will not be personally liable for actions taken, or not taken, by the board.
- 3.8. The explanatory notes to the Bill outlines that Scottish Ministers will have the power to completely transfer the function of provision a social care service away from local authorities. Where that happens, there will be no clear legal basis for a local authority to continue providing a service. In order to allow the NCS to enter into a contract with the local authority, amendments are proposed to the Local Government (Scotland) Act 1973 to provide a legal basis to allow local authorities to continue providing services as a contractor, even where they have no legal duty to do so.
- 3.9. Part 2 gives the Scottish Ministers powers by regulations to establish a scheme for information sharing between the NCS and NHS.

Part 3 provides rights to breaks for carers and gives effect to 'Anne's Law' allowing care home residents to see and spend time with people important to them. It also provides new procurement regulations which if enacted will allow the list of bidders for a contract to be limited to those who meet a particular description. A further proposed regulations strengthen the powers of the Care Inspectorate.

Part 4 contains the provisions which allow Scottish Ministers to make regulations as to the transferring of functions from a local authority to the NCS.

#### **4. Actions required by the Council**

- 4.1. At a meeting of CMT on 29<sup>th</sup> June, it was agreed that relevant Council departments establish an officer Working Group, in preparation to engage with the NCS Design School and to continue the existing work with COSLA, SOLACE, SOLAR or other relevant bodies. The Working Group will also require to prepare to engage in the

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<sup>9</sup> Link to [Appendix](#)

future consultation on the inclusion of children's services and criminal justice social work. In addition, the Working Group should also consider how to engage with those impacted by the proposed changes, including those receiving care services, children social work and care services and criminal justice social work services.

- 4.2. Further work will be required in the coming weeks to analyse in more depth the Bill and supporting documents. Briefing seminars were provided to elected members in October 2021 and August 2022, and it may be that further seminars could be offered once there is further clarity as to the proposals.
- 4.3. Work should be undertaken by the Council in due course to engage with relevant working groups and to ensure that the Council and those to whom it provides a service's views are represented to the Scottish Government.

## **APPENDIX A – Additional Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Reducing the gap in learning outcomes  
Reducing the gap in health outcomes  
Reducing the gap in economic circumstances

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☐ Sustainable
- ☒ Transformational
- ☒ Preventative
- ☐ Asset-based
- ☐ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable

- ☐ Efficient and Modern
- ☐ Innovative and Ambitious

#### **A.4 Delivering Best Value**

Not applicable at this stage.

#### **A.5 Involving Communities and Other Stakeholders**

The report did not require any involvement of communities and other stakeholders.

#### **A.6 Impact on Performance and Outcomes**

The subject of this report does not impact currently on performance and outcomes.

#### **A.7 Adopting a Preventative Approach**

As stated within the Single Midlothian Plan 2020-2021 the Getting it Right for Every Midlothian Child Board is fully committed to realising the children's rights approach to all of our work and making sure that we embed the principles of the United Nations Conventions on the Rights of the Child.

#### **A.8 Supporting Sustainable Development**

##### **Report Contacts:**

Alan Turpie

Suzanne Ross

#### **Schedule 3 of the NCS Bill**

National Assistance Act 1948

Matrimonial Proceedings (Children) Act 1958

Social Work (Scotland) Act 1968

Children Act 1975

Local Government and Planning (Scotland) Act 1982, section 24

Health and Social Services and Social Security Adjudications Act 1983, Part 7

Foster Children (Scotland) Act 1984

Children (Scotland) Act 1995

Criminal Procedure (Scotland) Act 1995

Adults with Incapacity (Scotland) Act 2000

Mental Health (Care and Treatment) (Scotland) Act 2003

Management of Offenders etc. (Scotland) Act 2005

Adoption and Children (Scotland) Act 2007

Adult Support and Protection (Scotland) Act 2007

Children's Hearings (Scotland) Act 2011

Social Care (Self-directed Support) (Scotland) Act 2013

Children and Young People (Scotland) Act 2014

Human Trafficking and Exploitation (Scotland) Act 2015

Criminal Justice (Scotland) Act 2016

Carers (Scotland) Act 2016

Age of Criminal Responsibility (Scotland) Act 2019

Management of Offenders (Scotland) Act 2019



## **Buffer Zones**

**Report by Kevin Anderson, Executive Director - Place**

### **Report for Information**

## **1 Recommendations**

Council is recommended to:

- i. note the action taken by the Chief Executive following Motion 7.2 to Council on 25 June 2019 and the responses received in August 2019.
- ii. note that the consultation period for the Safe Access (Abortion Services) Scotland Bill closed on 11 August 2022 and that a request for an extension was unfortunately not granted.
- iii. note that the mover and seconder of the original motion have submitted their response as outlined in Appendix 3.

## **2 Purpose of Report/Executive Summary**

This report responds to a previous Motion to Council on 25 June 2019 relating to Buffer Zones. It also highlights the associated Safe Access (Abortion Services) Scotland Bill consultation which closed on 11 August 2022 and provides information regarding a submission made by the motion mover and seconder.

**Date:** 9 August 2022

**Report Contact:**

Myra Forsyth

[myra.forsyth@midlothian.gov.uk](mailto:myra.forsyth@midlothian.gov.uk)

### 3 Background

- 3.1** [Motion 7.2 Buffer Zones](#), presented to Council on 25 June 2019 supported *‘the principle of buffer zones outside NHS Lothian reproductive health clinics and hospitals, to protect individuals from obstruction or harassment when accessing vital reproductive health services and advice’* and asked that the following actions be carried out:
- *Council instructs the Chief Executive to liaise with NHS Lothian & neighbouring Local Authorities, Police Scotland, COSLA and the Scottish Government to assess the legal instruments that could be used to implement such buffer zones within the Lothian Health Board boundary.*
  - *Council further instructs the Chief Executive to bring forward a report to this Council, detailing potential courses of action.*
- 3.2** In following up the motion the Chief Executive wrote to the Chief Executive of NHS Lothian, expressing the Council’s concerns as outlined in the motion. The Chief Executive received responses back in August 2019 outlining that Public Space Protection Orders (buffer zones) are not available in Scotland so the overall decision to ban or place restrictions on a gathering or protest lies almost exclusively with Police Scotland. In addition Midlothian do not have any clinics although Council noted that Midlothian residents do access these services within the NHS facilities within the City of Edinburgh.
- 3.3** The Ministerial-led Working Group on Buffer Zones around healthcare facilities was formed in 2021 to consider short, medium and long-term actions that may help to address the issue of protests/vigils that take place outside of abortion clinics or other facilities providing healthcare.
- 3.4** The group brings together representatives of affected Councils and Health Boards, along with representatives from the Convention of Scottish Local Authorities (CoSLA), the Society of Local Authority Lawyers and Administrators (SOLAR) and Police Scotland.
- 3.5** On 19 May 2022 the proposed Abortion Services Safe Access Zones (Scotland) Bill was presented to the Scottish Parliament and the [Safe Access \(Abortion Services\) Scotland Bill consultation](#) launched. The consultation closed on Thursday 11 August 2022.
- 3.6** In referencing the current Safe Access (Abortion Services) Scotland Bill consultation, members are asked to note the submission made by the motion mover and seconder shown in section titled ‘Your views on the proposals’ in Appendix C.

### 4 Report Implications (Resource, Digital and Risk)

#### 4.1 Resource

There are no additional resource implications arising from this report.

#### **4.2 Digital**

There are no additional digital implications arising from this report.

#### **4.3 Risk**

There are no additional risks arising from this report.

#### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

There are no direct equalities implications arising from this report.

#### **4.5 Additional Report Implications (Not applicable given the subject of the report)**

### **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Background information/Links**

**Appendix C – Motion Mover and Second Submission Sample**

## **APPENDIX B**

### **Background Papers/Resource Links**

[7.2 Motion to Council 25 June 2019](#)

[Safe Access \(Abortion Services\) Scotland Bill Consultation](#)

## APPENDIX C

Original motion mover and seconder:

### SAFE ACCESS (ABORTION SERVICES) SCOTLAND BILL CONSULTATION

#### Questions

##### About you

(Note: Information entered in this “About You” section may be published with your response (unless it is “not for publication”), except where indicated in **bold**.)

1. Data protection declaration

☐ I confirm that I have read and understood the [Privacy Notice](#) to this consultation which explains how my personal data will be used.

2. If you are under 12 and making a submission, we will need to contact you to ask your parent or guardian to confirm to us that they are happy for you to send us your views.

☐ Please ONLY tick this box if you are UNDER 12 years of age.

3. Are you responding as:

☐ an individual – in which case go to Q4

☐ on behalf of an organisation? – in which case go to Q5

4. Which of the following best describes you? (If you are a professional or academic, but not in a subject relevant to the consultation, please choose “Member of the public”.)

☐ Politician (MSP/MP/peer/MEP/Councillor)

☐ Professional with experience in a relevant subject

☐ Academic with expertise in a relevant subject

☐ Member of the public

Optional: You may wish to explain briefly what expertise or experience you have that is relevant to the subject-matter of the consultation:

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5. Please select the category which best describes your organisation:

☐ Public sector body (Scottish/UK Government or agency, local authority, NDPB)

☐ Commercial organisation (company, business)

☐ Representative organisation (trade union, professional association)

☐ Third sector (charitable, campaigning, social enterprise, voluntary, non-profit)

☐ Other (e.g. clubs, local groups, groups of individuals, etc.)

Optional: You may wish to explain briefly what the organisation does, its experience and expertise in the subject-matter of the consultation, and how the view expressed in the response was arrived at (e.g. whether it is the view of particular office-holders or has been approved by the membership as a whole).

6. Please choose one of the following:

- ☐ I am content for this response to be published and attributed to me or my organisation
- ☐ I would like this response to be published anonymously
- ☐ I would like this response to be considered, but not published (“not for publication”)

If you have requested anonymity or asked for your response not to be published, please give a reason. **(Note: your reason will not be published.)**

7. Please provide your name or the name of your organisation. **(Note: The name will not be published if you have asked for the response to be anonymous or “not for publication”.)**

Name:

8. Please provide a way in which we can contact you if there are queries regarding your response. Email is preferred but you can also provide a postal address or phone number. **(Note: We will not publish these contact details.)**

Contact details:

## Your views on the proposal

Note: All answers to the questions in this section may be published (unless your response is “not for publication”).

9. Which of the following best expresses your view of the proposed Bill?

- ☒ Fully supportive
- ☐ Partially supportive
- ☐ Neutral (neither support nor oppose)
- ☐ Partially opposed
- ☐ Fully opposed
- ☐ Unsure

Please elaborate on your response

We would not oppose the Bill as framed as this would be a reasonable step to take in ensuring free access to the health services in line with the law.

10. What is your view of the proposal for safe access zones being introduced at all healthcare settings that provide abortion services throughout Scotland?

- ☒ Fully supportive
- ☐ Partially supportive
- ☐ Neutral (neither support nor oppose)
- ☐ Partially opposed
- ☐ Fully opposed
- ☐ Unsure

Please explain the reasons for your response.

We support the principal scope of the Bill being on such health care facilities. However, we have also recognised anecdotal evidence that access to other healthcare and research facilities have taken place with respect to COVID-19 vaccination centres. In the future science sceptic demonstrations and picketing might create a hostile environment to people seeking support or going about their lawful business. It may be helpful if the Bill can allow secondary legislation to cover such issues.

11. What is your view of the proposal for the ‘precautionary’ approach to be used, in which a safe access zone is implemented outside every site which provides abortion services?

- ☐ Fully supportive
- ☒ Partially supportive
- ☐ Neutral (neither support nor oppose)
- ☐ Partially opposed
- ☐ Fully opposed
- ☐ Unsure

Please explain the reasons for your response.

The only hesitation here is that an absolute ban could be seen as unnecessarily inhibitive of the right to free speech and not proportionate to the issue where there has been no historical picketing of this sort.

12. What is your view of the proposed standard size of a safe access zone being 150 metres around entrances to buildings which provide or house abortion services?

- ☐ Yes – Support this part of the proposal
- ☐ No – Believe they should be a different standard size
- ☐ No – Believe the size should be decided based on each site
- ☐ No – Do not support the introduction of safe access zones in any form
- ☒ Unsure
- ☐ Other – please detail below

Please explain the reasons for your response.

Again, the reason for hesitation is that a proportionate approach is likely to be site specific. However, a standardised baseline for safe access zones might be helpful, from which local variations take into account local and site specific circumstances.

13. What is your view of the proposal to ban all protests including both protests in support of and those in opposition to:

A person's decision to access abortion services (ie a woman having an abortion)?

- ☐ Fully supportive
- ☒ Partially supportive
- ☐ Neutral (neither support nor oppose)
- ☐ Partially opposed
- ☐ Fully opposed
- ☐ Unsure

Please explain the reasons for your response.

It is important that there should be no interference in the free access to healthcare facilities by service users, employees of the services or others associated with either of these. An exclusion zone for protests would not exclude the possibility of protests taking place elsewhere in more neutral environments.

14. What is your view of the proposal to ban all protests including both protests in support of and those in opposition to:

A person's decision to provide abortion services (ie a doctor, nurse, or midwife)?

- ☐ Fully supportive
- ☒ Partially supportive
- ☐ Neutral (neither support nor oppose)
- ☐ Partially opposed
- ☐ Fully opposed
- ☐ Unsure

Please explain the reasons for your response.



See 13 above.

15 What is your view of the proposal to ban all protests including both protests in support of and those in opposition to:

A person's decision to facilitate provision of abortion services (ie administrative or support staff)?

- ☐ Fully supportive
- ☒ Partially supportive
- ☐ Neutral (neither support nor oppose)
- ☐ Partially opposed
- ☐ Fully opposed
- ☐ Unsure

Please explain the reasons for your response.

See 13 above.

16. Which types of activity – when done for the purposes of influencing a person's decision to access healthcare settings including abortion services - do you consider should be banned in a safe access zone? (tick as many from the list as you consider should be covered by the Bill))

- ☐ Persistently, continuously, or repeatedly occupying the zone
- ☐ Impeding or blocking somebody's path or an entrance to abortion services
- ☐ Intimidating or harassing a person
- ☐ Seeking to influence or persuade a person concerning their access to or employment in connection with abortion services
- ☐ Demonstrating using items such as leaflets, posters, and pictures specifically related to abortion
- ☐ Photographing, filming, or recording a person in the zone
- ☒ All of the above
- ☐ None of these
- ☐ Other (include details below)

Similar arguments exist over similar activities that involve obstruction to other healthcare and research facilities.

17. What is your view on the potential punishments set out in the proposal for breach of a safe access zone (see pages 15 to 16 of the consultation document)?

- ☐ Fully supportive
- ☐ Partially supportive
- ☒ Neutral (neither support nor oppose)
- ☐ Partially opposed
- ☐ Fully opposed
- ☐ Unsure

Please give reasons for your response, including commenting on whether this should be a criminal offence.

Our view is that the primary purpose of the Bill should be normative and result in

people no longer acting in ways that intimidate lawful access to healthcare facilities either as a service user or for employment and associated advice & support. The proposition that single breaches are treated differently from persistent action seems entirely reasonable.

18. Do you think there are other ways in which the Bill's aims could be achieved more effectively?

- ☒ Yes  
☐ No  
☐ Unsure

Please elaborate on your response if you'd like to:

Our position is that local decision making informed by local circumstances is more proportionate in addressing this important matter, and that a legal framework that facilitates this is likely to be better for ownership of the matter by and accountability to local communities. (Local referring to the service location and the wider communities and local authorities served)

## Financial implications

19. Any new law can have a financial impact which would affect individuals, businesses, the public sector, or others. What financial impact do you think this proposal could have if it became law?

- ☐ a significant increase in costs  
☒ some increase in costs  
☐ no overall change in costs  
☐ some reduction in costs  
☐ a significant reduction in costs  
☐ I don't know

Please explain the reasons for your answer, including who you would expect to feel the financial impact of the proposal, and if there are any ways you think the proposal could be delivered more cost-effectively.

A concern is that locally informed decision-making, or an approach that requires locally informed input (which is not proposed in the consultation document) will incur a cost on those gathering, presenting and deciding on such information. Also it is clear the greater the element of local variation and discretion the greater the chance is that legal challenges could be made. This is the cost of local democratic engagement. The quantum would be dependent on the nature of the Bill and could end up being in the area that has been cited in the consultation document.

## Equalities

20. Any new law can have an impact on different individuals in society, for example as a result of their age, disability, gender re-assignment, marriage and civil partnership status, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

What impact could this proposal have on particular people if it became law?

- ☐ Positive
- ☐ Slightly positive
- ☐ Neutral (neither positive nor negative)
- ☐ Slightly negative
- ☐ Negative
- ☐ Unsure

Please explain the reasons for your answer and if there are any ways you think the proposal could avoid negative impacts on particular people.

## Sustainability

21. Any new law can impact on work to protect and enhance the environment, achieve a sustainable economy, and create a strong, healthy, and just society for future generations. Do you think the proposal could impact in any of these areas?

- ☐ Yes
- ☐ No
- ☐ Unsure

Please explain the reasons for your answer, including what you think the impact of the proposal could be, and if there are any ways you think the proposal could avoid negative impacts?

## General

22. Do you have any other additional comments or suggestions on the proposed Bill (which have not already been covered in any of your responses to earlier questions)?

## How to respond to this consultation

You are invited to respond to this consultation by answering the questions in the consultation and by adding any other comments that you consider appropriate.

## Format of responses

If possible, please submit your response electronically preferably through the survey at this link <https://www.smartsurvey.co.uk/s/bufferzonesscotland/>. Alternatively you can submit your response to the email address below in a MS Word document. Please keep formatting of this document to a minimum.

Please make clear whether you are responding as an individual (in a personal capacity) or on behalf of a group or organisation. If you are responding as an individual, you may wish to explain briefly what relevant expertise or experience you have. If you are responding on behalf of an organisation, you may wish to explain briefly what the organisation does, its experience and expertise in the subject-matter of the consultation, and how the view expressed in the response was arrived at (e.g. whether it is the view of particular office-holders or has been approved by the membership as a whole).

Please include with your response contact details (e-mail if possible, or telephone or postal address) so we can contact you if there is any query about your response.

## Where to send responses

Responses prepared electronically should be sent by e-mail to:

[gillian.mackay.msp@parliament.scot](mailto:gillian.mackay.msp@parliament.scot)

Responses prepared in hard copy should be sent by post to:

Gillian Mackay MSP  
Room MG.15  
Scottish Parliament  
Edinburgh EH99 1SP

You may also contact Gillian Mackay's office by telephone on (0131) 348 6341.

## Deadline for responses

All responses should be received no later than **11:59pm on Thursday 11 August 2022**. Please let me know in advance of this deadline if you anticipate difficulties meeting it.

## How to respond to this consultation

You are invited to respond to this consultation by answering the questions in the consultation and by adding any other comments that you consider appropriate.

## Format of responses

If possible, please submit your response electronically preferably through the survey at this link <https://www.smartsurvey.co.uk/s/bufferzonesscotland/>. Alternatively you can submit your response to the email address below in a MS Word document. Please keep formatting of this document to a minimum.

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Please include with your response contact details (e-mail if possible, or telephone or postal address) so we can contact you if there is any query about your response.

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## Deadline for responses

All responses should be received no later than **11:59pm on Thursday 11 August 2022**. Please let me know in advance of this deadline if you anticipate difficulties meeting it.



**Appointment of Members in Accordance with the Scheme of Administration – Scottish Joint Council****Report by Kevin Anderson, Executive Director, Place****Report for Decision****1 Recommendation**

The Council is invited to consider the appointment of an elected member to the Scottish Joint Council as COSLA is seeking nominations from all 32 local authorities.

**2 Purpose of Report/Executive Summary**

In accordance with Standing Order 4.1 (x) consideration requires to be given by Council to the appointment of representatives to Joint Committees, Outside Bodies and other partnership working.

**Date:** 23 August 2022**Report Contact:** Kevin Anderson, Executive Director Place**Email:** [Kevin.Anderson@midlothian.gov.uk](mailto:Kevin.Anderson@midlothian.gov.uk)

### 3 Main report

The Scottish Joint Council (SJC) represents Councils' in Scotland and their employees (other than those for whom other national negotiating machinery exists). It is committed to the local democratic control of services to the community as the primary role of local government. Its principal role is to reach agreement, based on shared values on a national scheme of pay and conditions for local application in Scotland.

The Scottish Joint Council's guiding principles are to support and encourage:

- high quality services delivered by a well-trained, motivated workforce with security of employment. It encourages training and development opportunities for employees;
- equal opportunities in employment; equality as a core principle which underpins service delivery and employment relations; and the removal of all discrimination and promotion of positive measures, including positive action when judged to be justified and effective;
- a flexible approach to providing services to the communities while meeting the needs of employees as well as employers; and
- stable industrial relations, negotiation and consultation between councils as employers and recognised trade unions.

Midlothian Council is asked by COSLA to appoint an elected member to the SJC.

This reports asks Council to consider the appointment of one member.

## 4. Report Implications (Resource, Digital and Risk)

### 4.1 Resource

None

### 4.2 Digital

There are no digital implications related to this report.

### 4.3 Risk

In accordance with Standing Order 4.1(x), this report invites the Council to appoint Members to Joint Committees and Outside Bodies etc.

Any delay in making the necessary appointments could impede the discharge of business affecting both these bodies and the Council.

### 4.4 Ensuring Equalities

An equalities impact assessment has not been required in connection with this report.



#### **4.5 Additional Report Implications**

See Appendix A

## **Appendix A - Additional Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Not applicable

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☐ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☐ Continuous Improvement
- ☐ One size fits one
- ☒ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☒ None of the above

### **A.4 Delivering Best Value**

There are no direct implications related to this report.

### **A.5 Involving Communities and Other Stakeholders**

The report does not directly relate to involving communities.

### **A.6 Impact on Performance and Outcomes**

Not applicable

### **A.7 Adopting a Preventative Approach**

Not applicable

### **A.8 Supporting a Sustainable Development**

Not applicable

**Appointment of Members in Accordance with the Scheme of Administration – Scotland Excel Joint Committee (substitute member)****Report by Kevin Anderson, Executive Director, Place****Report for Decision****1 Recommendation**

The Council is invited to consider the appointment of a named substitute member to the Scotland Excel Joint Committee.

**2 Purpose of Report/Executive Summary**

In accordance with Standing Order 4.1 (x) consideration requires to be given by Council to the appointment of representatives to Joint Committees, Outside Bodies and other partnership working.

**Date:** 23 August 2022**Report Contact:** Kevin Anderson, Executive Director Place**Email:** [Kevin.Anderson@midlothian.gov.uk](mailto:Kevin.Anderson@midlothian.gov.uk)

### **3 Main report**

Scotland Excel is governed by a joint committee and was formed under section 57 of the Local Government (Scotland) Act 1973 to carry out a range of procurement functions on behalf of councils and associate members.

The Joint Committee is made up of one or more elected members from each of Scotland's local authorities. It meets twice each year to scrutinise the performance and activities of Scotland Excel and is responsible for approving the annual budget and operating plan.

Midlothian Council is asked by Scotland Excel to appoint two elected members to the Joint Committee – one member and one substitute member.

At its meeting of 17 May 2022, Council agreed the appointment of Councillor Douglas Bowen to the Joint Committee. If the appointee is unable to attend a meeting, a substitute cannot attend unless formally appointed at Council.

This reports asks Council to consider the appointment of a named substitute member.

### **4. Report Implications (Resource, Digital and Risk)**

#### **4.1 Resource**

None

#### **4.2 Digital**

There are no digital implications related to this report.

#### **4.3 Risk**

In accordance with Standing Order 4.1(x), this report invites the Council to appoint Members to Joint Committees and Outside Bodies etc.

Any delay in making the necessary appointments could impede the discharge of business affecting both these bodies and the Council.

#### **4.4 Ensuring Equalities**

An equalities impact assessment has not been required in connection with this report.

#### **4.5 Additional Report Implications**

See Appendix A

## **Appendix A - Additional Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Not applicable

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☐ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☐ Continuous Improvement
- ☐ One size fits one
- ☒ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☒ None of the above

### **A.4 Delivering Best Value**

There are no direct implications related to this report.

### **A.5 Involving Communities and Other Stakeholders**

The report does not directly relate to involving communities.

### **A.6 Impact on Performance and Outcomes**

Not applicable

### **A.7 Adopting a Preventative Approach**

Not applicable

### **A.8 Supporting a Sustainable Development**

Not applicable



## **Wheelchair Accessible Housing Targets**

**Report by Kevin Anderson, Executive Director - Place**

### **Report for Decision**

#### **1 Recommendations**

It is recommended that Council;

- i. notes the findings of this report, and
- ii. approves the proposed wheelchair accessible housing targets, which are to be integrated into the next Local Development Plan for Midlothian.

#### **2 Purpose of Report/Executive Summary**

This report summarises the key points of 'Midlothian's Wheelchair Accessible Housing Target' which details the consultation and feedback which have enabled the target proposal.

Midlothian's wheelchair accessible targets will determine the number of wheelchair accessible homes which will be built during the course of the next five years in both social and market developments.

The proposal is to set a wheelchair accessible housing target of 20 per annum for the next five years; 10 will be social housing delivered by Midlothian Council/RSL partners and 10 should be provided by private sector developers.

**Date 23 August 2022**

**Report Contact:**

**Name** Fiona Clandillon

**Tel No** 0131 271 3102

[fiona.clandillon@midlothian.gov.uk](mailto:fiona.clandillon@midlothian.gov.uk)

### **3 Background/Main Body of Report**

- 3.1** All Scottish Local Authorities are required to set wheelchair accessible housing targets in accordance with the Strategic Housing Investment Plan (SHIP) Guidance 2021.
- 3.2** Setting wheelchair accessible housing targets in Midlothian is a required action as referenced in the previously council approved Midlothian Local Housing Strategy 2021-2026.
- 3.3** Local authorities can choose to have a single target, setting out the requirement for housing across all tenures or can distinguish requirements by tenure and / or sub area where this can be evidenced. The target(s) can be expressed as a number to be delivered over a period of time or as a % requirement of either the existing provision or as a % of all new housing provision within the area.
- 3.4** The provision of targets to support the delivery of Wheelchair Accessible homes means homes suitable for wheelchair users to live in and should, as a minimum, comply with the design criteria indicated as a 'basic' requirement for wheelchair users, as outlined in Housing for Varying Needs (HfVN) (column 'B' in 'Summary of Design Criteria').
- 3.5** The public consultation was carried out between Monday 28 February and Friday 25 March 2022. Midlothian residents were asked to complete an online survey and, if interested, attend online Microsoft Teams or Zoom discussion sessions. Paper copies were available to those who requested them and were made available in libraries and leisure centres. 105 residents completed the online survey and four residents attended the discussion sessions.
- 3.6** Setting a wheelchair accessible housing target of 20 per annum for the next five years would be a realistic target to address current and potential future shortfalls in the provision of wheelchair accessible homes. It is suggested that 10 will be social housing delivered by Midlothian Council/RSL partners and 10 should be provided by private sector developers.
- 3.7** In order to address constraints within the private sector the wheelchair accessible housing target will be set over the five year period and therefore 100 homes will be built between 2022/23 and 2027/28.

### **4 Report Implications (Resource, Digital and Risk)**

#### **4.1 Resource**

There are no additional resource implications arising from this report.

#### **4.2 Digital**

None.



### **4.3 Risk**

If the Council does not support the setting of wheelchair accessible housing targets, there will be negative consequences for wheelchair users in Midlothian.

### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

Equality is central to all housing provision and housing services delivery. An Integrated Impact Assessment (IIA) was undertaken on the Local Housing Strategy 2021-26 to ensure that the needs of local communities have been fully considered. The Wheelchair Accessible Housing Report reflects identified needs and draws on findings from the IIA when considering the implications flowing from the translation of strategic aims into housing policies.

### **4.5 Additional Report Implications**

See Appendix A

#### **Appendices**

**Appendix A** – Additional Report Implications

**Appendix B** – Wheelchair Accessible Housing Targets

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Provision of increased affordable and privately developed wheelchair accessible housing will improve the quality of life for citizens and reduce the gap in health outcomes.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☒ Sustainable
- ☐ Transformational
- ☒ Preventative
- ☒ Asset-based
- ☐ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

The wheelchair accessible housing targets will result in homes which will deliver cost-effectivity, quality, sustainability and accessibility to meet both current and future customers' requirements.

### **A.5 Involving Communities and Other Stakeholders**

The wheelchair Accessible Housing Target survey was advertised via social media, the Scottish Housing News website, libraries, leisure centres and Health and Social Care Partnership sources.

Consultation was undertaken in accordance with Scottish Government guidance including with the Scottish Government's More Homes Division, Housing Associations and the Midlothian Health and Social Care Partnership.

### **A.6 Impact on Performance and Outcomes**

The setting of wheelchair accessible housing targets supports the outcomes set out in the Local Housing Strategy 2021-26.

#### **A.7 Adopting a Preventative Approach**

Setting wheelchair accessible housing targets will ensure the provision of suitable housing which will reduce hospital discharge times, housing adaptations and the financial resources required to provide more expensive care home type accommodation.

#### **A.8 Supporting Sustainable Development**

Good practice in relation to energy efficiency and sustainability is highlighted in the Local Housing Strategy and SHIP.



## Midlothian Council

### Wheelchair Accessible Housing Targets



## Background information

In March 2019, the Scottish Government issued a Guidance Note to Local Authorities on setting targets to support the delivery of wheelchair accessible housing. This Guidance Note<sup>1</sup> follows on from the action set out in the “A Fairer Scotland for Disabled People”<sup>2</sup> delivery plan:

*“To work with local authorities, disabled people and other stakeholders to ensure that each local authority sets a realistic target within its LHS for the delivery of wheelchair accessible housing across all tenures and report annually on progress”.*

It is a required action of the Midlothian Local Housing Strategy 2021-2026<sup>3</sup>.

The definition of ‘wheelchair accessible housing’ is contained within guidance note MHDGN 201902:

*‘the provision of targets to support the delivery of Wheelchair Accessible homes across all tenures means homes suitable for wheelchair users to live in and should as a minimum comply with the design criteria indicated as a ‘basic’ requirement for wheelchair users, as outlined in Housing for Varying Needs (HfVN) (column ‘B’ in ‘Summary of Design Criteria’). as a minimum comply with the design criteria indicated as a ‘basic’ requirement for wheelchair users, as outlined in Housing for Varying Needs (HfVN) (column ‘B’ in ‘Summary of Desi*

Local authorities can choose to have a single target, setting out the requirement for housing across all tenures or can distinguish requirements by tenure and / or sub area where this can be evidenced.

The target(s) can be expressed as a number to be delivered over a period of time or as a percentage requirement of either the existing provision or as a percentage of all new housing provision within the area.

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<sup>1</sup> [Wheelchair accessible housing target: guidance note: MHDGN 201902 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/guidance-note-mhdgn-201902/guidance-note-mhdgn-201902-gov.scot/www.gov.scot/)

<sup>3</sup> [Housing strategy and performance | Midlothian Local Housing Strategy 2021-2026](https://www.midlothian.gov.uk/midlothian-local-housing-strategy-2021-2026/)

<sup>2</sup> <https://www.gov.scot/publications/fairer-scotland-disabled-people-delivery-plan-2021-united-nations-convention/>

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## 1 Current Provision

- 1.1 Midlothian's Strategic Housing Investment Plan (SHIP) is an important document which sets out the strategic investment priorities for housing over a 5 year period, specifically affordable housing. The SHIP is updated annually with details of planned social housing new build sites. The most recent SHIP (2022/23-2026/27) highlights that there are currently 115 wheelchair accessible housing units either planned or in the process of being built between 2022 and 2027.
- 1.2 Table 1.1 below, shows existing Midlothian Council, Housing Association and charity organisation wheelchair accessible housing (in black) and planned/underway housing (in red)<sup>4</sup>.
- 1.3 The table illustrates that by the end of 2027, 66% of wheelchair accessible housing will have one bedroom, 20% will have two bedrooms, 6% will have three bedrooms and there will be 4% and 2% with four bedrooms and five or more bedrooms respectively. Furthermore, 76% (215) of wheelchair accessible social housing will be provided by Midlothian Council, 22% (61) will be Housing Association properties and the remaining 2% will be provided by charity organisations.
- 1.4 The highest number of wheelchair accessible homes will be in the Dalkeith area (68) followed by Bonnyrigg (65), Penicuik (45), Newtongrange (22) and Mayfield will have 20.

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<sup>4</sup> As of May 2022



Table 1.1: Current and planned wheelchair accessible social housing in Midlothian

Area	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total by Area
<b>Bilston</b>		4 flats (Melville HA, unknown bedroom numbers, due 2026/27)		1 (Melville HA)		2022 = 1 2027 = 5
<b>Bonnyrigg</b>	8 (Chesters View, Midlothian Council) 1 (Castle Rock Edinvar HA) 39 (Midlothian Council, extra care flats due 2024) 1 (Midlothian Council, supported flats due 2023)	6 (Chesters View, Midlothian Council) 1 (Castle Rock Edinvar HA) 7 (Midlothian Council, extra care flats due 2024)	1 (Burnbrae Road, Midlothian Council) 1 (Castle Rock Edinvar HA)			2022= 18 2024 = 65
<b>Dalkeith</b>	2 (Esk Place, Midlothian Council) 5 (Castle Rock Edinvar HA) 1 (Crystallmount retirement housing, Castle Rock Edinvar HA) 40 (Midlothian Council, extra care flats, due February 2023)	2 (Railway Cottages, Viewpoint HA) 5 (Castle Rock Edinvar HA) 8 (Midlothian Council, extra care bungalows, due February 2023)	1 (Salter's Road, Midlothian Council)	3 (1 x Salter's Road, 1 x Bill Russell Grove, Midlothian Council & 1 x Melville HA) 1 (Thera Trust)		2022 = 20 2023 = 68

Area	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total by Area
Danderhall	5 (Angres Court, Midlothian Council)	2 (Angres Court, Midlothian Council)				2022 = 7
Easthouses	9 (Easthouses Court, Midlothian Council)	3 (Easthouses Court, Midlothian Council)				2022= 12
Gorebridge	1 (Castle Rock Edinvar HA)  10 (Midlothian Council, extra care bungalows, due 2023/24)	2 (Midlothian Council, extra care bungalows, due 2023/24)	1 (Robert Franks Avenue, Midlothian Council)	1 (Robert Franks Gardens, Midlothian Council)		2022 = 3 2024 = 15
Loanhead	1 (Hawthorn Gardens intermediate care, Trust HA)  1 (Castle Rock Edinvar HA)  12 (Canmore Court, amenity housing, Midlothian Council)		2 (Edgefield Court, Midlothian Council)  1 (Melville HA)	1 (Academy Court, Midlothian Council)		2022= 18
Mayfield	1 (Salisbury View, retirement housing, Castle Rock Edinvar HA)  2 (Castle Rock Edinvar HA)	1 (Salisbury View, retirement housing, Castle Rock Edinvar HA)  3 (Melville HA)  1 (Thera Trust)	1 (Westhouses Road, Midlothian Council)  2 (Melville HA)  1 (Castle Rock Edinvar HA)  2 (Melville HA bungalows, unknown bedroom numbers, due 2024/25)	3 (Melville HA)  1 (Blackcot Road, Midlothian Council)	2 (Melville HA)	2022= 18 2025= 20

Area	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total by Area
<b>Newtongrange</b>	<b>7</b> (Deanpark Court, Midlothian Council)  <b>1</b> (St Anne's retirement housing, Castle Rock Edinvar HA)  <b>3</b> (Castle Rock Edinvar HA)	<b>2</b> (Deanpark Court, Midlothian Council)  <b>4</b> (Castle Rock Edinvar HA)  <b>2</b> (Thera Trust)	<b>1</b> (Redwoods Caring Foundation)  <b>1</b> (Midlothian Council, due 2022)		<b>1</b> (Redwoods Caring Foundation)	<b>2022 = 21</b>  <b>End of 2022 = 22</b>
<b>Pathhead</b>	<b>2</b> (Castle Rock Edinvar HA)					<b>2022 = 2</b>
<b>Penicuik</b>	<b>28</b> (Cowan Court extra care flats, Midlothian Council)  <b>1</b> (retirement housing, Castle Rock Edinvar HA)  <b>2</b> (Teviot Court complex care housing, Midlothian Council)  <b>2</b> (Castle Rock Edinvar HA)	<b>4</b> (Vaucluse Place, Blackwood Homes)  <b>4</b> (Cowan Court extra care flats, Midlothian Council)	<b>1</b> (Pavilion Court, Midlothian Council)	<b>1</b> (Eastfield Farm Road, Midlothian Council)	<b>2</b> (Pentland Way, Midlothian Council)	<b>2022=45</b>
<b>Poltonhall</b>			<b>1</b> (Andy Kelly View, Midlothian Council)  <b>1</b> (Melville HA)		<b>1</b> (Royal Scots Medway, Midlothian Council)	<b>2022= 3</b>
<b>Rosewell</b>			<b>1</b> (Melville HA bungalow, unknown no. of bedrooms, due 2024/25)		<b>1</b> (Thera Trust)	<b>2022 = 1</b>  <b>2025 = 2</b>
<b>Roslin</b>	<b>1</b> (Ross Glen Court retirement housing, Castle Rock Edinvar HA)					<b>2022= 1</b>

Area	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total by Area
Total by Property Size	2022= 96 End of 2022 = 136 End of SHIP period (2027) = 186	2022 = 40 End of 2022 = 48 End of SHIP period (2027) = 57	2022 = 15 End of 2022 = 16 End of SHIP period (2027) = 16	2022= 12 End of SHIP period (2027) = 12	2022 = 7 End of SHIP period (2027) = 7	Total no. of properties 2022= 170 End of 2022 = 258 End of SHIP period (2027) = 283  (7 properties do not have a confirmed no. of bedrooms)

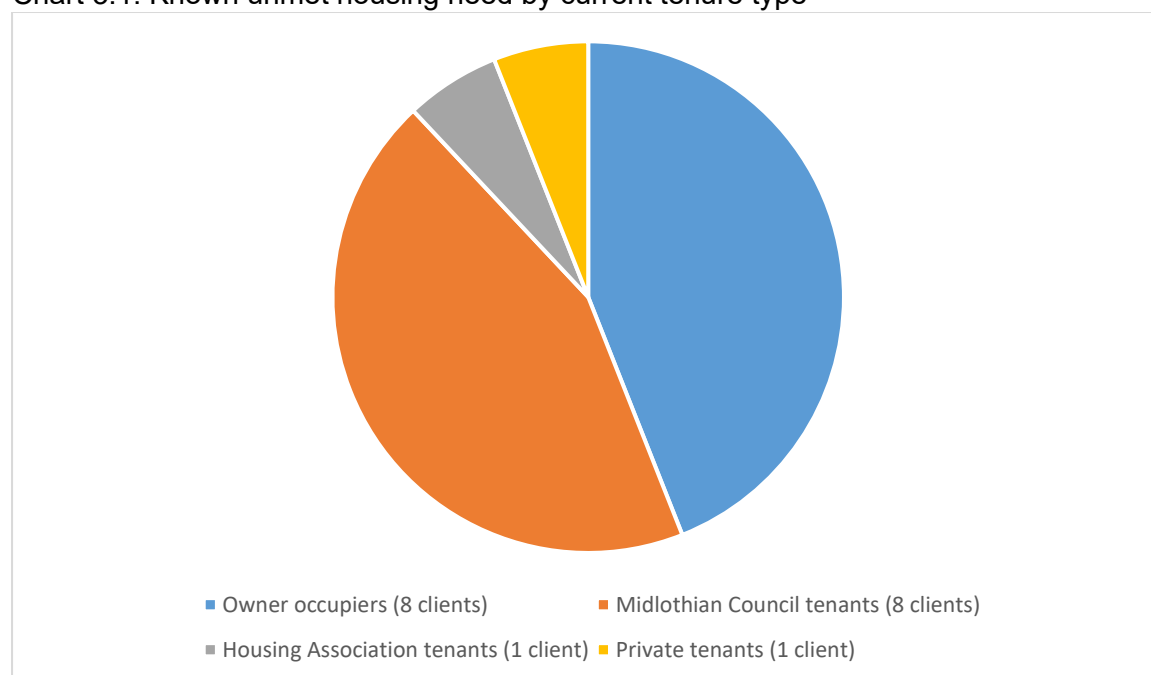
## 2. Midlothian Local Development Plan

- 2.1 The current Midlothian Local Development Plan<sup>5</sup> (2017) sets an affordable housing requirement. In principle, the Council will consider provision of specialist housing as contributing towards the affordable housing requirement (paragraph 3.2.5).
- 2.2 Midlothian Council is preparing a new local development plan for Midlothian. It is expected to be in place by 2026. The Council will develop the approach of the adopted plan, so that the affordable housing policy is sufficiently detailed and specific to support delivery of the wheelchair accessible housing targets.

## 3. Unmet need

- 3.1 Midlothian Council's Occupational Therapy Service work with adults, older people and children who have a physical, mental or learning disability, are frail or unable to manage activities of daily living, and their carers. The service helps people to remain independent in the community which may be required on a temporary basis or as a more permanent solution to long-standing difficulties. The type of help provided ranges from simple requests for information, equipment, minor adaptations to more major adaptations. The service works with people regardless of tenure type e.g. owner occupiers, Midlothian Council tenants etc. Chart 3.1 below, illustrates the current tenure of Occupational Therapy Service clients who require the use of a wheelchair and who are inappropriately housed. It should be noted that the clients live in towns and villages across the Midlothian area.

Chart 3.1: Known unmet housing need by current tenure type



- 3.2 It is clear from chart 3.1 that properties of different sizes and tenures are required across Midlothian.

<sup>5</sup> [The current development plan for Midlothian | Development plans and policies | Midlothian Council](#)

- 3.3 It should be noted that these findings are limited given low client numbers and the knowledge that many wheelchair users in Midlothian don't require the Occupational Therapy Service and their needs are therefore unknown. The results of the wheelchair accessible housing consultation, below, contains further information on current need.



#### 4. Consultation

- 4.1 Our public consultation was carried out between Monday 28 February and Friday 25 March 2022. Midlothian residents were asked to complete an online survey and if interested, attend online Microsoft Teams or Zoom discussion sessions. Paper copies were available to those who requested them and were made available in libraries and leisure centres.

Discussion sessions were held on:

- Tuesday 22 February 2022, 10am-11am
- Wednesday 23 February 2022, 12:30pm-13:30pm
- Thursday 24 February 2022, 11am-12noon
- Monday 28 February 2022, 10am-11am
- Wednesday 2 March 2022, 12:30pm-13:30pm

- 4.2 105 residents completed the online survey and four residents attended the discussion sessions.

#### 5. Consultation results

##### Profile of Respondents

Residents were asked for their current postcode. 30% of respondents were from the Bonnyrigg/Lasswade area, 29% were from the Dalkeith area, 11% were from the Penicuik area and 10% were from the Gorebridge area. The remaining 21% of responses is comprised of small numbers of residents from Lasswade, Loanhead, Rosewell and Roslin. Two responses were from out with Midlothian.

In terms of their current house type, the majority (67%) stated they lived in houses. Just 13% stay in flats and single storey/bungalows respectively and 7% live in four in a block properties.

Table 5.1

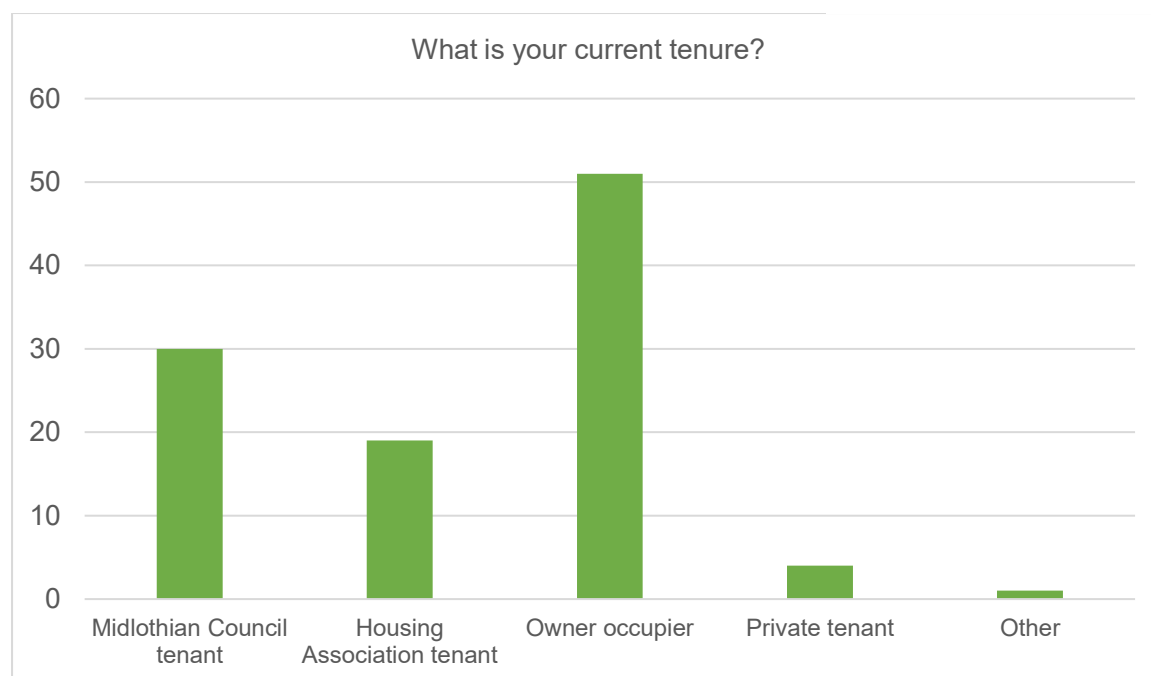
Current house type	No. of responses
House	70
Flat	14
Single storey/bungalow	14
Four in a block	7
Other	0

In addition, 49% of respondents were owner occupiers, 29% were Midlothian Council tenants, 18% were Housing Association tenants, 4% were private sector tenants and 1% were living with parents.



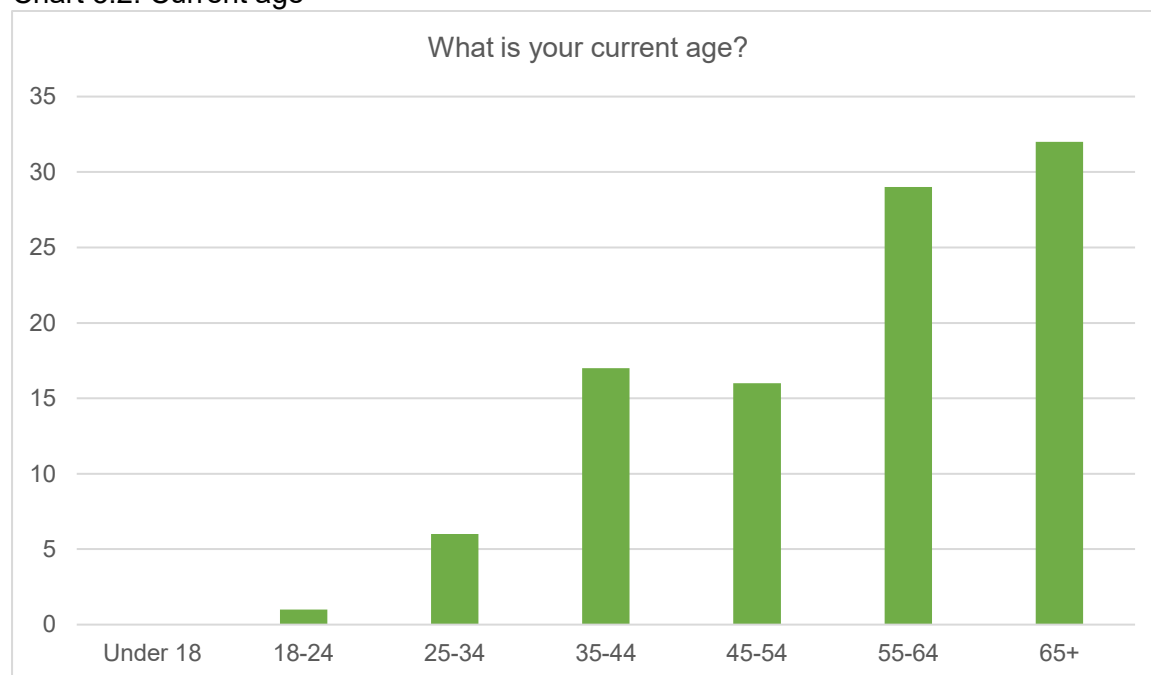
Figure 1: Midlothian Council housing in Dalkeith

Chart 5.1 Current tenure



Finally, residents were asked for their current age. 32% were 65 years old and above, 29% were aged between 55 and 64, 17% were aged between 35 and 44, 16% were aged between 45 and 54, 6% were aged between 25 and 34 and 1% were aged between 18 and 24 years old. No respondents were under 18 years old.

Chart 5.2: Current age



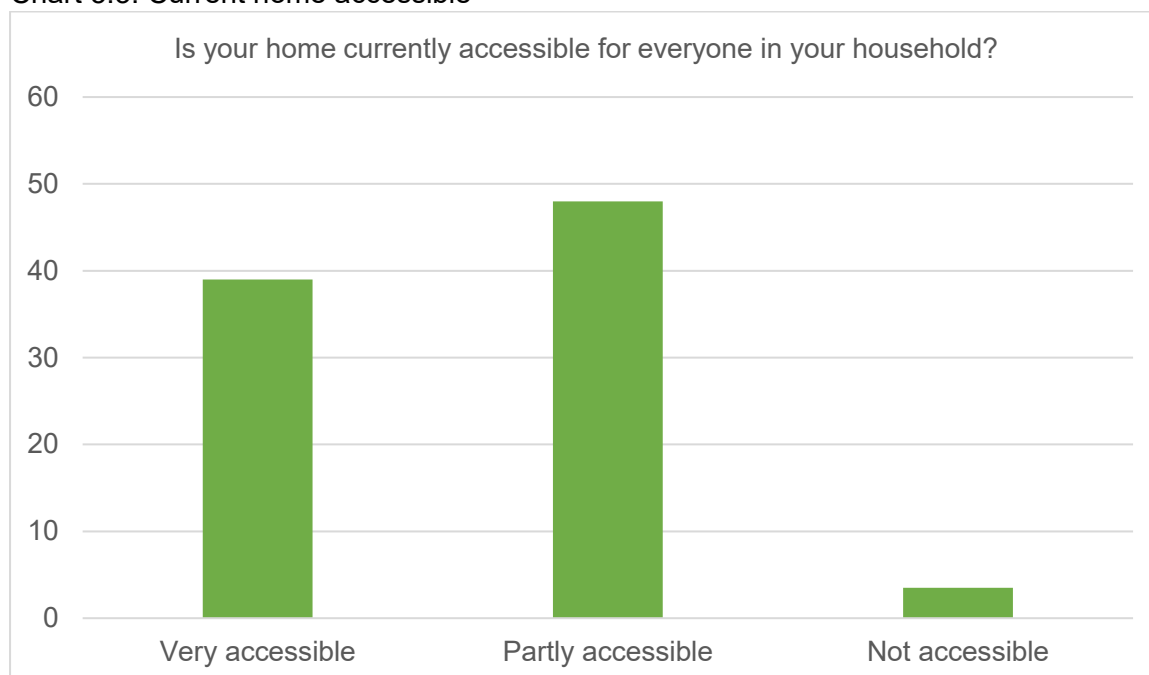
### Accessibility of Housing

Residents were asked if they, or anyone living with them, currently require the use of a wheelchair. The responses were split evenly with 50% answering yes and 50% answering no.

In relation to the accessibility of their current home, 48% of respondents answered that their homes are partly accessible, 39% reported that their homes are very accessible and 14% stated that their homes are not accessible.



Chart 5.3: Current home accessible



Residents were asked whether there is anything in their current homes which limits their household's day to day activities. Respondents were able to choose multiple answers. Out of the 97 responses received the most common issues were steps outside of home (24%), the design/layout of their homes (11%), internal steps (10%), difficult to access bath/shower (9%) and 8% reported that their doors are too narrow. Of the remaining restrictions, between 5% and 2% of respondents reported issues with them.

Table 5.2: Is there anything about your current home which limits your household's day to day activities?

Restriction	No. of responses
Steps inside of home	10
Steps outside of home	23
Restricted movement due to design/layout of home	11
Doors too narrow	8
Rooms too small	5
Bath/shower difficult to access/use	9
Toilet difficult to access/use	4
Electric lights/sockets are difficult to reach	2
Heating controls are difficult to reach	3
Can't open windows	2
Difficulty answering door	3
Kitchen cupboards/shelves are difficult to reach	5
Cooker hob/oven is difficult to reach	4
Can't access garden	2
Can't use garden due to its layout	4

Can't access local amenities (public transport/GP/shops etc.)	2
---	---

Residents were asked whether someone using a wheelchair could visit their home (access the property and move around without difficulty). 67% of respondents reported that this wouldn't be possible whereas 33% believe a wheelchair user could visit and access their properties without difficulty.



Residents were asked whether their homes had been adapted to make it accessible for their household. 51% of households have not had adaptations carried out, 35% reported that their homes have been partly adapted and 14% have had adaptations carried out which have made their homes accessible.

Table 5.3: Has your home been adapted to make it more accessible for you/your household?

Have adaptations been carried out?	No. of responses
Yes	14
Yes – partly	34
No	50

**Sample of adaptations detailed in comments:**

*'When my daughter who had a stroke lived with us we had down stair shower and toilet put in as she could not get in out of bath'*

*'I had a ramp installed myself and have had to build an extension'*

*'Stair lift, wet room, ramp'*

*'Stair lift inside. Shower chair. Outside graded steps but no good for wheelchair'*

*'Extra railing on the stairs, shower'*

*'Bathroom has been adapted'*

*'Widening of some doorways and wet room installed'*

*'Walk in shower'*

*'Internal doors - have had the lower threshold lowered'*

*'Ground floor bedroom, wet room'*

*'High sockets. Partial walk in shower'*

*'Stair lift, toilet frames and shower stool, perching stool, hand rail outside'*

Residents were asked how many bedrooms their current home has. 35% of respondents have 2 bedroom and 3 bedroom properties respectively, 15% have 4 bedrooms, 11% have one bedroom and the remaining 3% have 5 bedrooms or more.

Table 5.4

<b>No. of bedrooms</b>	<b>No. of responses</b>
1	12
2	37
3	37
4	16
5+	3

The majority of respondents (75%) reported that the number of bedrooms is right for their household, with 14% stating they have too few bedrooms and the remaining 11% reported having too many bedrooms.

One respondent highlighted that the number of bedrooms was sufficient unless a full time carer was needed. Another stated that their third bedroom was needed for the storage of their disabled son's equipment.

## Future Housing Needs

Residents were asked whether they knew of any changes to their mobility which would require the use of a wheelchair in the future. 61% do not know of any changes whereas 39% are aware that they will require the use of a wheelchair in the future. Comments highlighted a number of respondents with degenerative conditions such as MS and autoimmune illnesses which made future wheelchair use a possibility.

Table 5.5

Do you know of any changes to your mobility which will require the use of a wheelchair in the future?	No. of responses
Yes	37
No	58

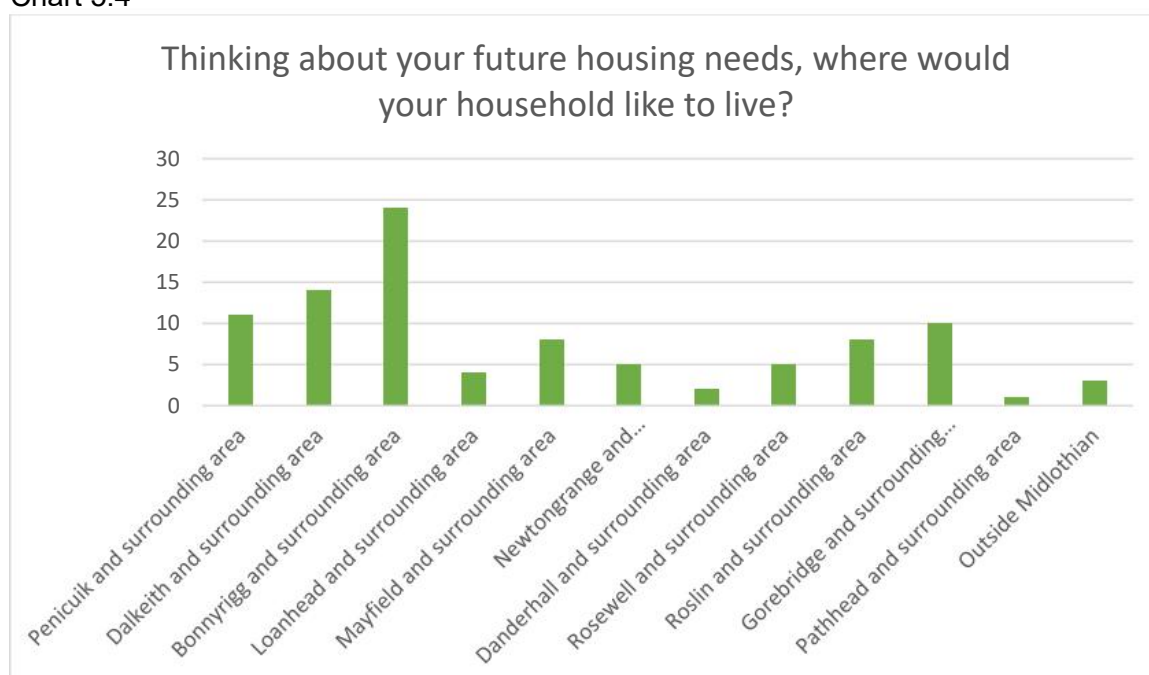
Residents were asked when considering their future housing needs, which area of Midlothian they would choose to stay in. 25% of respondents would choose to stay in Bonnyrigg in the future, 15% would choose Dalkeith, 12% would choose Penicuik and 11% would like to stay in Gorebridge. Of the remaining areas, between 8% and 1% would opt to live in them.

It is of note that 30% of respondents were from the Bonnyrigg/Lasswade area and 29% were from Dalkeith which shows that small numbers of residents would choose to live elsewhere if given the option. The statistics show support for small numbers of wheelchair accessible homes in the smaller villages and towns and larger numbers of wheelchair accessible housing in the larger towns such as Bonnyrigg, Dalkeith, Penicuik and Gorebridge.



Figure 2: Midlothian Council housing in Bonnyrigg

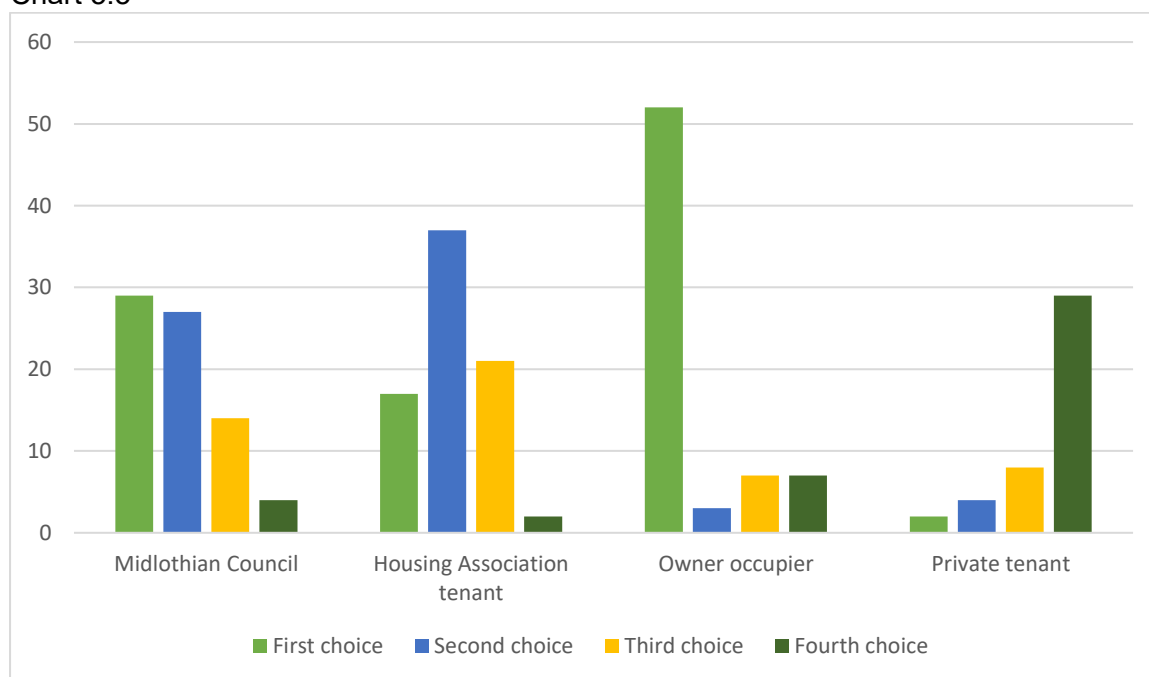
Chart 5.4



Respondents were asked to consider their future housing needs and choose their preferred tenure (and rank their choices in order of first choice, second choice etc.). When considering the first choice findings 52% of respondents would opt for home ownership, 29% would choose to be Midlothian Council tenants, 17% would choose to be housing association tenants and just 2% would like to be private sector tenants. As a second choice 52% would choose to be housing association tenants, 38% would choose to be Midlothian Council tenants with very small numbers opting for owner occupancy and private rented tenancies.

It is of note that these statistics, when viewed in context with the current home tenure details earlier, show that very few people wish to change their tenure in the future and that approximately half of all requirements will emerge from owner occupiers.

Chart 5.5



In their comments, respondents stated that the reasons for this were a mix of financial (cannot afford to buy a home or cannot access a mortgage) and security (wishing for security of tenure; the need for adaptations and repairs to their homes)

*'I am happy being a tenant with Bield Housing. Main reason feeling safe and secure in my building. No worries about repairs etc. Everything I need is here for me'*

*'For security of tenancy. I am terrified my private landlord will sell this property and I will be homeless'*

*'Security though ongoing repair and maintenance is an issue - care and repair service in Midlothian would be a help'*

*'I like to have my own home and know that I am paying my mortgage in order that I will one day own the property to help support my daughter when she is older'*

*"I would prefer to stay where I currently live and have the ramp I need for access. It's been a long time now since applying for help with a grant - too long. I haven't been able to leave my home for a fortnight due to my husband's ill health to put the portable ramp down for me. As it is, it isn't even one I could drive my chair down. This needs improving in the length of time it takes to obtain help"*

*'I'm not fit to take care of any adjustments needed for my house'*

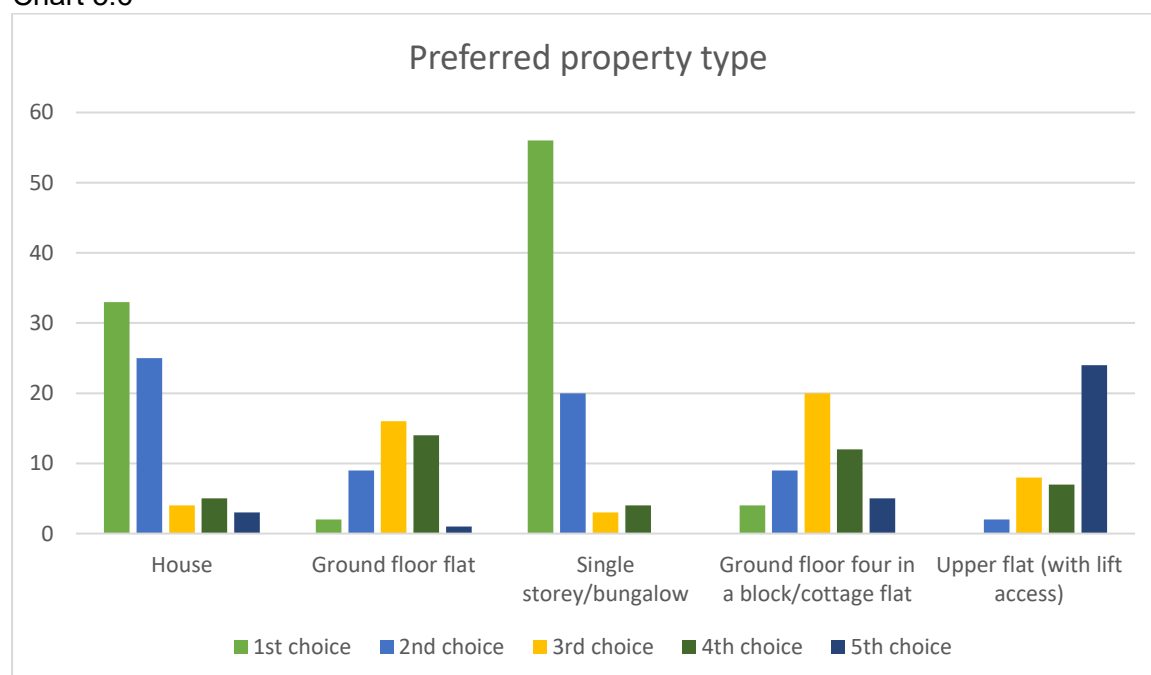
*'We would love to have the opportunity to buy our home as it is designed for a wheelchair user. However if the wheelchair user passed away I would need to move out. Lack of suitable affordable housing for disabled people means lack of opportunity'*

*"I would much prefer to stay in my own home and if need be have things adapted in order I can remain."*

Residents were asked to consider their future housing needs and choose their preferred type of home (and rank in order of first choice, second choice etc.). 59% of respondents chose a single storey/bungalow as their first choice, 35% chose a house, 4% chose a ground floor four in a block/cottage flat, 2% chose a ground floor flat and no-one chose an upper flat (with lift access). As a second choice 38% would choose a house, 31% would choose a single storey/bungalow, 14% chose ground floor flats and ground floor four in a block/cottage flats and 3% chose an upper flat.

It is significant to note that whilst 81% of respondents currently live in either houses or single storey/bungalows; 94% of respondents would choose to live in these property types in the future.

Chart 5.6



Residents were asked if they had any comments they would like to make about wheelchair accessible housing in Midlothian. The comments contained a mixture of different points including the importance of wheelchair/equipment storage, parking, the lack of affordable market homes and the necessity of having wheelchair users on planning committees.

*'My daughter has a disability and needs a wheelchair from time to time, she is in a private let and only went for the house she's in because she could access the shower on her own, not for the house or the area'*

*'Would like to see new housing by private builders to build more bungalows, like how there is affordable housing. There should be so many bungalows included too'*

*'There is not enough / any new build houses on one storey / new bungalows being built. Currently, for the size of bungalow my family need, it is so expensive to buy or the bungalows need a lot of work done to them as they are very dated. Please build some new build bungalows for house owners to buy!'*

*'Being disabled and owning home - spent £25,000 to convert for wheelchair. Makes you think about people who couldn't afford to do this and how restricting life in a wheelchair is'*

*'Space is needed to store the wheelchair when not in use'*

*'Parking access is vital to any person with a disability, whether a wheelchair user or not Please add this to your deliberations'*

*'All homes should have doorways wide enough to accommodate a wheelchair. Floorplans should be logical where movement within the home is with ease. Downstairs WC/bathroom should be compulsory'*

*'Most new built areas have had very little or no disabled properties available to me, while there is a demand for larger houses I can't move as nowhere is suitable for me'*

## 6. Online chats

- 6.1 Interested residents were asked to join online chat sessions with staff from Housing, Planning and the Health and Social Care Partnership. The sessions allowed a greater understanding of the accessibility issues wheelchair users face, informative discussions around private development restrictions and the opportunity to consider issues not included in the survey.
- 6.2 Four residents attended the sessions and the following points were noted:

'Midlothian Council installed ramps are hideous and highlight the disability.'

'All new builds should have wide doors so wheelchair users can visit others. No steps if possible. Right angle turns (in wheelchairs) are very difficult.'

'Through floor lifts are expensive and take up lots of space.'

'Priority areas for future housing should be in areas where the Council knows the families are'

'Wheelchair accessible housing should have flat surfaces everywhere. No carpets as they make manoeuvring difficult. Ramp inclines can be steep. You have to think flat, wide doorways with open spaces.'

'Wherever these houses are built in Midlothian, there will be a demand.'

## 7. Setting a Wheelchair Accessible Housing Target

- 7.1 To enhance the supply of wheelchair accessible housing, Midlothian Council can choose to have a single target, setting out the requirement for housing across all tenures or can distinguish requirements by tenure and / or sub area. The target(s) can be expressed as a number to be delivered over a period of time or as a percentage requirement of either the existing provision or as a percentage of all new housing provision within the area.

### Tenure

- 7.2 The consultation found that 52% of respondents would choose to buy their own home whereas 46% would choose social rented housing.

### Sub area

- 7.3 There is evidence to suggest that wheelchair accessible targets could be set by sub area. 25% of respondents would choose to live in the Bonnyrigg area with 15% opting for Dalkeith, 12% wishing to live in Penicuik and 11% opting for Gorebridge.



There is also evidence to suggest that small numbers of wheelchair accessible homes are required in the smaller towns in Midlothian.

#### Future need

- 7.4 The evidence collated found that 50% of respondents (and/or their household members) currently require the use of a wheelchair and 50% do not. The percentage of households who know they will require the use of a wheelchair in the future sits at 39%.
- 7.5 Table 7.1 below combines the data from respondents who currently require the use of a wheelchair with those who foresee needing one in the future. Both percentages and numbers have been provided in order to enable the wheelchair accessible targets to be set.

Table 7.1

	No. of respondents	% of respondents
Household currently requires the use of a wheelchair	50	50%
Household is aware of changes to mobility which will require the use of a wheelchair in the future	37	39%
<b>Total</b>	<b>87</b>	<b>88%<sup>6</sup></b>

- 7.6 The wheelchair accessible housing targets will cover the five year period from 2022/23 – 2027/28. If the targets were restricted to responses received for the consultation, there is evidence to suggest that building 17 homes per annum over the next five years would satisfy current and known foreseeable need<sup>7</sup>. This does not include the unknown e.g. families moving into Midlothian, life changing accidents, Midlothian residents who did not take part in the consultation etc. Further evidence from the consultation suggests that 52% of these should be built by the private sector.
- 7.7 Setting a wheelchair accessible housing target of 20 per annum for the next five years would be a realistic target to address current and potential future shortfalls in the provision of wheelchair accessible homes. It is suggested that 10 will be social housing delivered by Midlothian Council/RSL partners and 10 should be provided by private sector developers.
- 7.8 In order to address constraints within the private sector the wheelchair accessible housing target will be set over the five year period and therefore 100 homes will be built between 2022/23 and 2027/28.
- 7.9 This target will be examined at the end of the 5 year period in order to account for Midlothian's growth and ageing population.
- 7.10 The Midlothian Strategic Housing Investment Plan 2022/23-2026/27 contains details of 115 social housing units which are either planned or in the process of being built between 2022 and 2027.

<sup>6</sup> Average total respondent number used (98.5) due to differing respondent numbers and percentages in questions 5 and 12

<sup>7</sup> 87 divided by 5

- 7.11 In order to assist with the development of wheelchair accessible homes in the private sector, Midlothian Council's Planning Department propose using the second Local Development Plan to allocate sites and contain policy provision to meet the Wheelchair Accessible Housing Target.
- 7.12 Further governance from the Scottish Government may be required to assist with the development of wheelchair accessible homes in the private sector.
- 7.12 It should be noted that there are additional actions Midlothian Council can employ in order to make best use of existing wheelchair accessible and adapted housing stock across all tenures. The proposed actions cover adaptations of existing homes, personal needs assessments, information and advice, education, RSL allocations and development of an evidence base in order to inform future wheelchair accessible targets. It is proposed that these actions will be consolidated within the LHS 2021-26 action plan, and will be reported annually to Council as part of the existing LHS monitoring, implementation, and reporting process.

## **Rapid Rehousing Transition Plan 2022/23-2024/25**

**Report by Derek Oliver, Chief Officer - Place**

**Report for Noting**

### **1 Recommendations**

Council is recommended to note the updated Rapid Rehousing Transition Plan submitted to the Scottish Government on 4 July 2022.

### **2 Purpose of Report/Executive Summary**

This report presents the annual review of Midlothian Council's Rapid Rehousing Transition Plan which was submitted to the Scottish Government on 4 July 2022.

**Date** 4 July 2022

**Report Contact:**

Name: Matthew McGlone

Tel No: 07785 440 478

[matthew.mcglone@midlothian.gov.uk](mailto:matthew.mcglone@midlothian.gov.uk)

### 3 Background/Main Body of Report

- 3.1** The Scottish Government published its [Ending Homelessness Together Action Plan](#) in 2018. The plan sets out how the Scottish Government, local authorities and partners would implement the recommendations of the Homeless and Rough Sleeping Action Group.
- 3.2** Following the publication of this action plan all Local Authorities were required to publish a Rapid Rehousing Transition Plan (RRTP) setting out:
- How they will move to a model of rapid rehousing in no more than five years
  - How homeless demand and any backlog of homeless cases will be addressed.

Midlothian Council submitted its first [RRTP](#) in December 2018, following by updated versions in June 2020 and June 2021 (Appendix C).

- 3.3** Local authorities have been supported in the delivery of these plans through funding provided by the [Scottish Government's Ending Homeless Together Fund](#). Between 2018/19 to 2021/22 Midlothian Council received funding totalling £522,000. A further £121,000 has been awarded for 2022/23. The Scottish Government has confirmed further awards will be made for 2023/24. As in previous years the amount received will be based on the average number of homeless applications in the previous three years. Funding beyond this time is yet to be confirmed.

- 3.4** Midlothian Councils RRTP sets out a vision towards 2024:

*“An increased number of homeless households will obtain permanent accommodation, no homeless household will be accommodated in bed and breakfast accommodation and the average time taken for the Council to complete its homeless duty will have halved from 105 to 52 weeks”*

The following key actions were identified to support this vision:

- Increase the supply of affordable housing in Midlothian.
- Revise the Council's Housing Allocation Policy to address the backlog of homeless households already in temporary accommodation, and reduce the time taken to house homeless households in the future.
- Seek alternative models of temporary accommodation to reduce the need for bed and breakfast accommodation.
- Ensure homeless households are supported to access a wide range of housing options, including the private rented sector.
- Develop a 'Housing First' approach in Midlothian to house homeless households with complex needs.

The updated RRTP shows how the Council will continue the work undertaken in previous years to achieve this vision and explains how we will address the next phase of its approach to transforming services provided to those in housing need, including continued compliance with the [Homeless Persons \(Unsuitable Accommodation\) \(order\) Scotland](#).

Within the RRTP, Section 4 provides an update on activities that have taken place during 2020/21 to help achieve this vision. Section 5 details the Council's priorities for 2022/23 to 2023/24. Section 6 sets out the resources required to effectively deliver these activities.

- 3.5** During 2021/22 Midlothian Council continued to make significant progress in transforming services provided to those households experiencing homelessness or threatened with becoming homeless, building on the foundations established in previous years.
- 3.6** Specific achievements include:
- As a result of ending the use of emergency bed and breakfast accommodation, Midlothian Council was able to achieve compliance with the revised Unsuitable Accommodation Order from commencement, and ensured there were no breaches of the order during 2021/22.
  - Significant reduction in the number of households residing in temporary accommodation for over two years - from 189 on 31 March 2019 to 51 on 31 March 2022.
  - Continued use of the revised Housing Allocation Policy introduced in May 2020. The revised policy increases the proportion of properties allocated to homeless households and requiring homeless applicants to maximise their chances of securing housing by widening their areas of choice and property types, which has resulted in quicker permanent housing outcomes.
  - 48 households had their temporary accommodation converted to a Scottish Secure Tenancy during 2021/22, reducing the need for multiple moves before being permanently housed, allowing for links established within the local community to be maintained. All those who have been in accommodation for over two years have been offered the opportunity to have their accommodation converted to a permanent tenancy, where suitable to do so.
  - Housing First continued for a second year in Midlothian. 40 homeless applicants, with multiple and complex support needs have now secured permanent housing through this project since its launch in July 2020. The 2022 Housing First Check Up is included with this report (Appendix E).

As a result of the activities described above the overall number of open homeless cases in Midlothian has reduced from 1082 on 31 March 2018 to 630 on 31 March 2022.

The conversion works to redevelop Jarnac Court in Dalkeith have been completed and this project now provides good quality temporary accommodation to 22 households, together with the provision of on-site support.

#### **4 Report Implications (Resource, Digital and Risk)**

##### **4.1 Resource**

RRTP activities are funding through a combination of; grants provided by the Scottish Government, reinvesting savings realised by ending the use of bed and breakfast accommodation, and existing service budgets.

##### **4.2 Digital**

None

##### **4.3 Risk**

The RRTP sets out key actions and priorities to meet legal duties in respect of homeless households or those who are at risk of, or threatened with future homelessness.

##### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

The content of the RRTP was considered under the Councils Integrated Impact Assessment and this is provided as Appendix D.

##### **4.4 Additional Report Implications (See Appendix A)**

See Appendix A

#### **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Background information/Links**

**Appendix C – Rapid Rehousing Transition Plan 2022/23 – 2023/24**

**Appendix D – Integrated Impact Assessment**

**Appendix E – Housing First Annual Check Up 2022**

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Preventing homelessness, or where this is not possible providing good quality temporary accommodation and reducing the time taken for people to be permanently housed improves the quality of life for households concerned, leading to sustainable communities and reducing the gap in health outcomes.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☒ Sustainable
- ☒ Transformational
- ☒ Preventative
- ☐ Asset-based
- ☐ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☒ Efficient and Modern
- ☒ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

Key actions included in the RRTP reduce the financial burden on the Council in respect of significantly reducing future use and spend for temporary accommodation.

### **A.5 Involving Communities and Other Stakeholders**

Internal consultation has taken place with relevant services and Tenant Panel members. The RRTP consultation was also incorporated into the Local Housing Strategy 2021-26.

### **A.6 Impact on Performance and Outcomes**

The RRTP sets out an ambitious plan to transform services provided to homeless households in Midlothian, and is subject to annual review by the Scottish Government.

### **A.7 Adopting a Preventative Approach**

The RRTP contains activities that focus on the prevention of homelessness, increasing tenancy sustainment, and reducing the need for costly temporary accommodation, resulting in sustainable communities. Other activities such as the redevelopment of Jarnac Court ensure when temporary accommodation is required it is of a good standard and people are able to quickly access the support they need to prevent recurring homelessness in the future.

### **A.8 Supporting Sustainable Development**

The use of Jarnac Court reduces further the further financial burden on the Council; and ensures the effective use of vacant buildings is maintained, resulting in sustainable use of Council assets. This is achieved whilst not precluding the potential to redevelop Dalkeith town centre to provide further permanent affordable housing.



## APPENDIX B

### Background Papers/Resource Links (insert applicable papers/links)

Rapid Rehousing Transition Plan link:

[https://www.midlothian.gov.uk/download/downloads/id/4317/rapid\\_rehousing\\_transition\\_plan\\_202122 - 202324.pdf](https://www.midlothian.gov.uk/download/downloads/id/4317/rapid_rehousing_transition_plan_202122_-_202324.pdf)





**Rapid Rehousing  
Transition Plan  
2022/23 – 2023/24**



# COMMUNICATING CLEARLY

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Körler için kabartma yazılar, kaset ve büyük nüshalar da dahil olmak üzere, istenilen bilgileri sağlamak ve tercüme etmekten memnuniyet duyarız.

اگر آپ چاہیں تو ہم خوشی سے آپ کو ترجمہ فراہم کر سکتے ہیں اور معلومات اور دستاویزات دیگر شکلوں میں مثلاً بریل (ناہینا افراد کے لیے ابھرے ہوئے حروف کی لکھائی) میں، ٹیپ پر یا بڑے حروف کی لکھائی میں فراہم کر سکتے ہیں۔

Contact 0131 270 7500 or email: [enquiries@midlothian.gov.uk](mailto:enquiries@midlothian.gov.uk)

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## 1. Introduction

Following the publication of the Scottish Government's Ending Homeless Together Action plan all Local Authorities were required to publish a Rapid Rehousing Transition Plan (RRTP) by December 2018. As part of these plans Local Authorities were asked to demonstrate the following:

- How they will move to a rapid rehousing model over a period of no more than five years.
- Demonstrate how both homeless demand will be met, and how any backlog of homeless households currently in temporary accommodation will be addressed.

Midlothian Council's original Rapid Rehousing Transition Plan was given approval by a meeting of the full Council on 18<sup>th</sup> December 2018. This set out a vision that by 2024:

*"An increased number of homeless households will obtain permanent accommodation, no homeless household will be accommodated in bed and breakfast accommodation, and the average time taken for the Council to complete its homeless duty will have halved from 105 to 52 weeks."*

The following key actions were identified to support this vision:

- Increasing the supply of affordable housing in Midlothian.
- Revise Midlothian Council's Housing Allocation Policy to address the backlog of homeless households already in temporary accommodation, and reduce the time taken to house homeless households in the future.
- Seek alternative models of temporary accommodation to reduce the need for bed and breakfast accommodation.
- Ensure homeless households are supported to access a wide range of housing options, including the private rented sector.
- Develop a 'housing first' approach in Midlothian to house homeless households with complex needs.

Midlothian Council has updated its RRTP on an annual basis, with the most recent version being approved in August 2021. These updated plans provide an update on the activities undertaken during the year and which activities are to be prioritised in future years.

Midlothian Council has received support from the Scottish Government's Ending Homelessness Together Fund to help deliver these activities. Table 1 gives details of the confirmed funding allocated to Midlothian Council. It will not be possible to fully transform the way services are delivered without securing additional resources.

<b>Table 1 Ending Homelessness Together Funding receive by Midlothian Council</b>	
Initial Grant (development funding)	£32,000
2019/20 EHT Funding	£141,000

2020/21 EHT Funding	£137,000
Winter Support Fund 2020/21	£85,000
2021/22 EHT Funding	£127,000
2022/23 EHT Funding	£121,000
<b>TOTAL</b>	<b>£643,000</b>

Midlothian Council made decisions on which projects could be delivered within the funding available, prioritising those it believes will have the most significant impact on reshaping homelessness in Midlothian. Details of work undertaken and progress made during 2021/22 is provided in Section 4. A detailed breakdown of spending for each project up to the end of 2021/22 and projected spend in 2022/23 is included in Appendix 1.

This updated Rapid Rehousing Transition Plan will provide an update on the progress made during 2020/21 and will show how Midlothian Council will continue the work undertaken to deliver these projects during 2022/23. Midlothian Council believes these activities are crucial, to reduce the time spent in temporary accommodation, improving the quality of temporary accommodation and continue to deliver Housing First. The plan also explains how Midlothian Council will address the next phase of its approach to transforming the services provided to those in housing need by developing other initiatives during 2022/23 and into 2023/24, with an emphasis on the prevention of homelessness. Section 5 of this report sets out Midlothian Council's priorities for over the next two years. Section 6 sets out the resources required to effectively deliver these activities.

## **2. Midlothian Context**

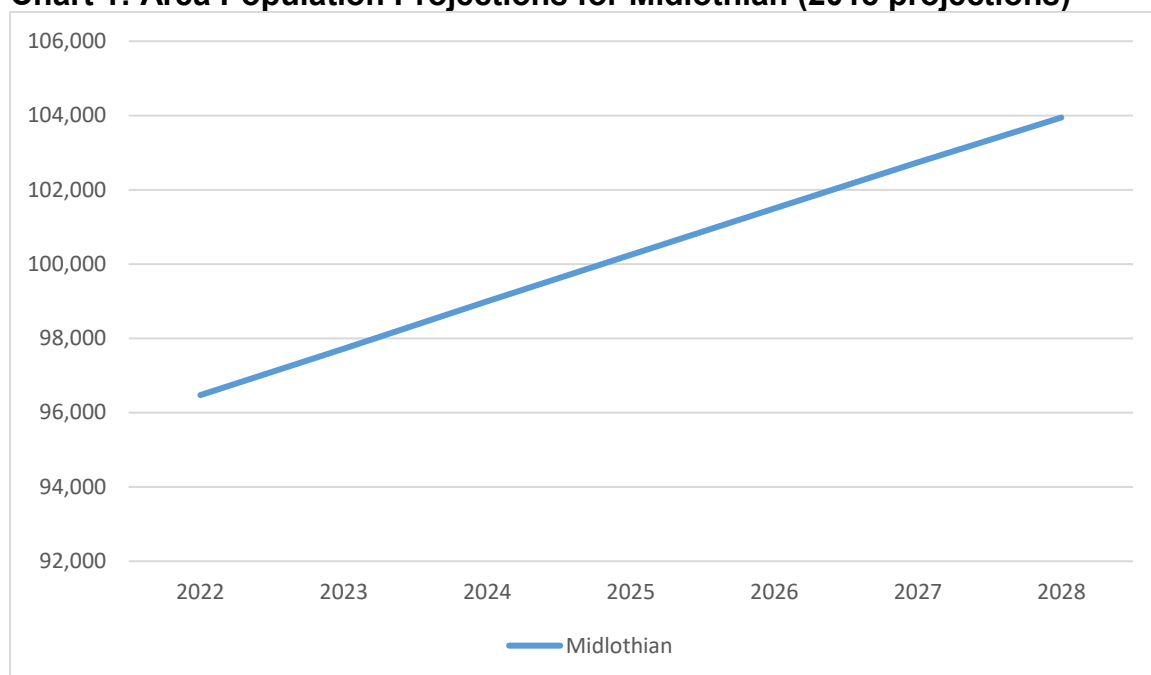
### **2.1. About Midlothian**

Midlothian is a small local authority area adjoining Edinburgh's southern boundary and framed by the Pentland Hills in the west and the Moorfoot Hills of the Scottish Borders in the south. The majority of the population lives in larger towns and villages in the northern part of the county. The southern half of the authority is predominantly rural, with a small population spread between a number of villages and farm settlements.

The population of Midlothian accounts for 1.7% of the total population of Scotland. In June 2020, the Midlothian population was 93,150. It is projected that by 2028 the population will increase to 103,945 which is an increase of 10% compared to the population of Scotland which is projected to increase by only 1.35% during the same period (2020 to 2028)<sup>1</sup>. Chart 1 below, shows the projected population increase for the Midlothian area which is estimated to be the highest percentage change to population size in Scotland.

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<sup>1</sup> [Population Estimates | National Records of Scotland \(nrs.scot.nhs.uk\)](https://nrs.scot.nhs.uk/population-estimates/)

**Chart 1: Area Population Projections for Midlothian (2018 projections)<sup>2</sup>**

The SESplan Housing Need and Demand Assessment, published in 2015, assessed housing need and demand in Edinburgh, Fife, East Lothian, West Lothian, Midlothian and the Scottish Borders. It set Housing Supply Targets (HST) for each local authority within the South East of Scotland area. A Project Team and Executive Board comprising of representatives from each SESplan area was set up to deliver the Housing Supply Target for the SESplan area. Table 2 below shows the Housing Supply Targets agreed by SESplan Member Authorities for 2018-30 with 165 affordable housing and 369 market housing agreed for Midlothian.

<b>Table 2: SESplan Housing Supply Targets 2018-2030</b>						
	Affordable		Market		Combined	
	Annual Average	Period Total	Annual Average	Period Total	Annual Average	Period Total
City of Edinburgh	1,200	14,400	1,220	14,640	2,420	29,040
East Lothian	189	2,268	330	3,960	519	6,228
Fife	262	3,144	605	7,260	867	10,404
Midlothian	165	1,980	369	4,428	534	6,408
Scottish Borders	128	1,536	220	2,640	348	4,176
West Lothian	300	3,600	333	3,996	633	7,596
<b>SESPLAN</b>	<b>2,244</b>	<b>26,928</b>	<b>3,077</b>	<b>36,924</b>	<b>5,321</b>	<b>63,852</b>

It should be noted that a Housing Need and Demand Assessment (HNDA3) is currently underway which will provide updated Housing Supply Targets for the SESPlan area.

<sup>2</sup> [Midlothian Council Area Profile \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk/publications/midlothian-council-area-profile)



As shown in table 3 below, the most common housing tenure in Midlothian is owner occupied housing (66%) followed by social rented housing (25%) with private rented housing accounting for 8% of dwellings in Midlothian. Compared to Scotland overall there is a higher percentage of home owners and council tenants in Midlothian while there is a lower proportion of private rented housing and Housing Association properties.

<b>Table 3: Housing Tenure</b>				
	Midlothian Tenure (000)		Scotland Tenure (000)	
Tenure	%	No.	%	No.
Owner occupied	66%	27	59%	1,551
Rented privately	8%	3	14%	376
Vacant private dwellings and second homes	2%	1	4%	99
Housing Associations	8%	3	11%	284
Council Housing	17%	7	12%	316
Total	100%	41	100%	2,626

<http://www.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/KeyInfoTables>

The supply of social rented housing and private rented housing is particularly important as the majority of homeless households will require rented accommodation in order that they can be suitably housed in permanent accommodation. Table 4, below shows that there are 10 RSLs who own housing in Midlothian. Midlothian Council (7,121 homes), Melville Housing Association (2,010 homes) and Castle Rock Edinvar Housing Association (1075 homes) all have a significant supply of housing in the local area whereas the other providers have a smaller number of units, and are often providers of specialist housing, such as retirement housing.

<b>Table 4: Stock Profile Collection by Midlothian Area</b>		
Type of provision	Total Units	%
Ark Housing Association	5	0.04%
Bield Housing Association	116	1%
Blackwood Housing Association	23	0.2%
Castle Rock Edinvar Housing Association	1075	10%
Dunedin Canmore Housing Association	98	0.9%
Link Housing Association	20	0.1%
Melville Housing Association	2010	19%
Midlothian Council	7121	68%
Trust Housing Association	35	0.3%
Viewpoint Housing Association	34	0.3%
<b>Total</b>	<b>10,537</b>	<b>100%</b>

Source: Scottish Housing Regulator

Chart 2 below, shows the number of lets made by Midlothian Council in recent years. It shows that there has been an increase in the number of lets made in recent years, which is due to new build site completions and purchases of ex-council properties from the open market. The level of turnover of council housing in Midlothian is low,

with a turnover rate of 4% of council homes becoming available for re-let in 2021/22<sup>3</sup>. This is significantly below the national average which is 8%.

**Chart 2: No. of lets made by Midlothian Council**

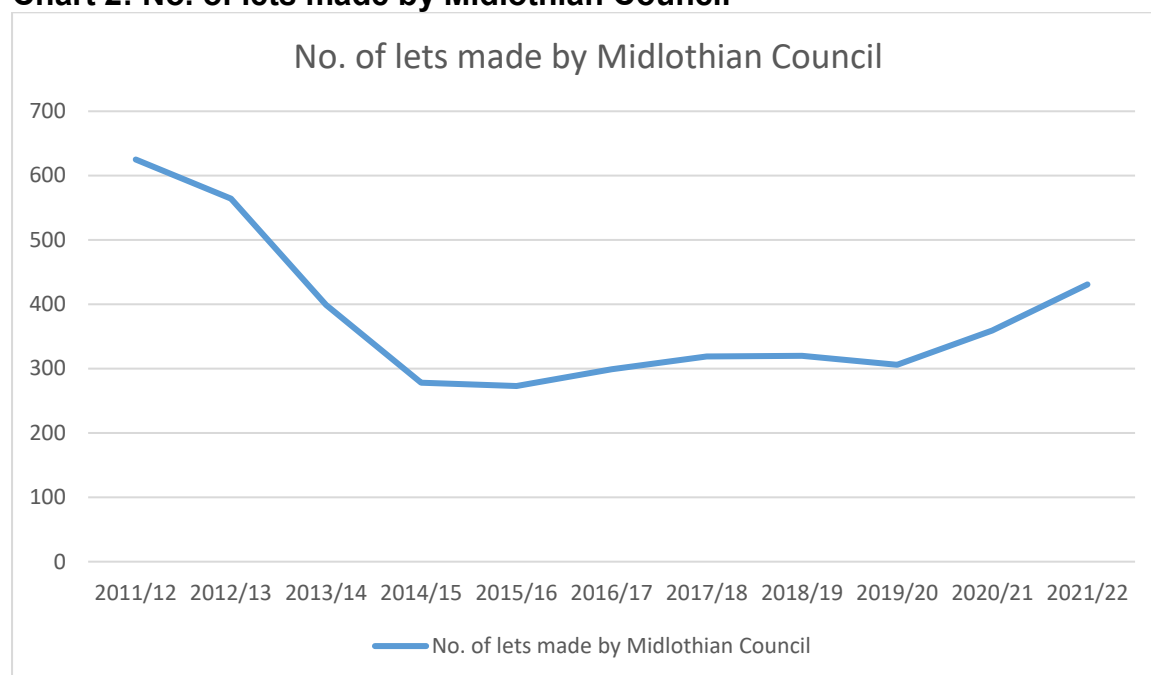
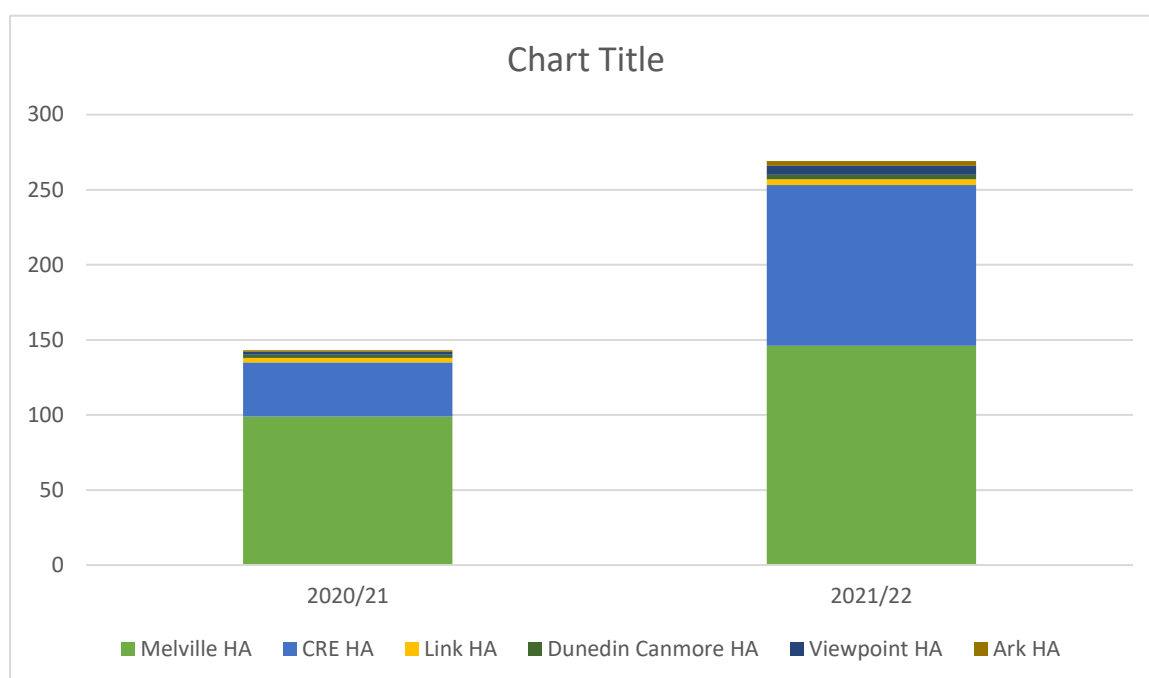


Chart 3 below shows the number of Housing Association lets in Midlothian in 2020/21 and 2021/22. It is clear from the chart that RSL lettings are low in Midlothian however new build completions in 2021/22 by Melville and Castle Rock Housing Associations boosted numbers. In 2021/22, there were 269<sup>4</sup> lets by RSLs in Midlothian, representing 8% of total RSL stock which reflects the national average. Overall, RSL lettings and new build projects are very important as they provide additional homes and options to people applying for housing in Midlothian.

<sup>3</sup> This figure does not include lets to new build properties or open market purchases; solely lets to existing permanent properties in order to reflect an accurate turnover rate

<sup>4</sup> Does not include data from Bield, Blackwood or Trust Housing Associations

**Chart 3: No. of RSL lets in Midlothian**



Midlothian Council has a target to let 60% of its housing to homeless households. This target is higher than the average for Councils in Scotland and significantly higher when compared to the average for housing associations in Scotland. Midlothian Council let 431 homes in 2021/22 of which 253 were to homeless households which, at 59% is just below target.

Table 5 shows the number of private lets advertised in Midlothian. It should be noted that lets within the private rented sector were heavily impacted by the Covid pandemic in 2020 and continued to be so in 2021. It can be assumed that a small number of households are no longer homeless as a result of obtaining a private rented tenancy.

Table 5: No. of private sector lets in Midlothian 2020-2021 <sup>5</sup>		
Year	2020	2021
No. of lets	133	138

## 2.2. Investment in new Council housing in Midlothian

The Council is committed to the construction of new build council homes in Midlothian. A Future Land Supply Report providing an update on the Council House Building programme was submitted to a meeting of full Council in March 2022. Table \* below details sites in the current programme which are either on site or coming forward.

Table \*: Emerging sites 2021/22

<sup>5</sup> Data obtained from [www.zoopla.co.uk](http://www.zoopla.co.uk) and may not capture all available private lets being advertised in a year.

Project Address	No. of properties	Estimated / Actual site start	Estimated / Actual completion
Bonnyrigg, Burnbrae Road	21	Mar-22	Jun-23
Bonnyrigg, Cockpen Terrace	16	Mar-22	Jan-23
Bonnyrigg, Dalhousie (Springfield Homes)	70	Jan-21	Jun-22
Bonnyrigg High Street (Complex Care)	20	May-22	Mar-24
Bonnyrigg Polton Street (Complex Care)	46	Mar-22	Jun-24
Dalkeith Newmills Road (Care Housing)	48	Mar-21	Dec-22
Dalkeith Newmills Road (General Needs)	44	Mar-21	Dec-22
Gorebridge, Newbyres Crescent	72	Mar-22	May-24
Mayfield, Conifer Road	72	Mar-22	Mar-24
Mayfield, Former Newbattle High School	98	Sep-22	Apr-24
Newtongrange, Morris Road	79	Aug-18	Jul-22
Dalkeith, Buccleuch Street	7	Feb-22	Nov-22
Roslin, Moat View (Barratt)	53	Feb-22	Jan-24
Shawfair (Dandara)	18	Feb-22	Apr-23
Danderhall, Newton Church Road (Leisure Centre)	24		
Danderhall, Newton Church Road (Barratt)	33	Sep-22	Feb-24
Shawfair Plot P	49	Jun-22	Mar-24
<b>Total</b>	<b>770</b>		

Midlothian's Strategic Housing Investment Plan 2022/23-2026/27 contains details of all planned social housing sites in the area:

[https://www.midlothian.gov.uk/downloads/file/4395/strategic\\_housing\\_investment\\_plan\\_202223\\_to\\_202627](https://www.midlothian.gov.uk/downloads/file/4395/strategic_housing_investment_plan_202223_to_202627)

### 2.3. Pressure analysis

Table 6 below shows the areas in Midlothian which are in greatest demand from homeless applicants. Dalkeith is in most demand with 23.2% of homeless applicants waiting for a permanent home there, this is followed by Penicuik (16.7%), Bonnyrigg/Lasswade (14.7%) and Mayfield (10.6%). When examining these in conjunction with the affordable housing supply programme above, it is evident that the programme is working to address the issue.

It is of importance to note that Midlothian Council let 431 properties in 2021/22 and

of these, 253 lets were to homeless applicants. Were the council to let properties solely to homeless applicants, it would take 1.4 years to permanently house those currently on the waiting list.

<b>Table 6: No. of homeless applicants on waiting list by area</b>		
<b>Area</b>	<b>Number</b>	<b>%</b>
Auchendinny	2	0.3%
Bilston	4	0.6%
Bonnyrigg/Lasswade	93	14.7%
Carrington	0	0.0%
Cousland	0	0.0%
Dalkeith	147	23.2%
Danderhall	13	2.1%
East Lothian	3	0.5%
Edinburgh	11	1.7%
Gorebridge	48	7.6%
Loanhead	57	9.0%
Mayfield	67	10.6%
Newtongrange	25	3.9%
Nfa	30	4.7%
North Middleton	0	0.0%
Other	11	1.7%
Pathhead	5	0.8%
Penicuik	106	16.7%
Poltonhall	4	0.6%
Rosewell	5	0.8%
Roslin	1	0.2%
Temple	0	0.0%
West Lothian	2	0.3%
<b>Total</b>	<b>634</b>	<b>100%</b>

## 2.4. Open Market Purchases

Midlothian Council has an Open Market Purchase Scheme whereby ex-local authority properties are purchased from the open market and let to those on the waiting list. Midlothian Council plans to purchase a further 80 properties between 2022/23 and 2026/27.

## 3. Homelessness in Midlothian

This section will provide an update on homeless trends in Midlothian during 2021/22, reflect on the impact of COVID-19 and the positive changes realised through the revised Housing Allocation Policy. All data presented in this section is sourced from Midlothian Councils HL1, HL2 and HL3 return to the Scottish Government.

During 2021/22 there has been a further reduction (11%) in the overall number of households seeking homeless assistance compared to the previous year. Table 7 shows this while the proportion of applications from households with dependent children has remained relatively unchanged since the previous year.

<b>Table 7: Number of homeless applications per year</b>							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total homeless applications	526	509	566	495	481	490	432
% of households with dependent children	44%	46%	41%	39%	41%	35%	34%
% of households with no children	56%	54%	59%	61%	59%	65%	66%

This reduction in homeless applications during 2021/22 has mostly been as a result of fewer people aged 18-59 seeking assistance. Table 8 shows there was a 23% reduction in presentations from applicants aged 18-25, and a 10% reduction from those aged 26-59 compared to 2020/21. During the same period the number of applications from 16-17 year olds increased by 36%, this is still less than the number of presentations each year from 2015/16 – 2018/19.

<b>Table 8: Number of applications by age (percentage of all applications)</b>							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
16-17	29 (6%)	25 (5%)	34 (6%)	29 (7%)	20 (4%)	14 (3%)	22 (5%)
18-25	137 (26%)	120 (24%)	153 (27%)	130 (26%)	112 (23%)	155 (32%)	119 (28%)
26-59	339 (64%)	344 (67%)	359 (63%)	311 (62%)	320 (67%)	299 (61%)	269 (62%)
60+	21 (4%)	20 (4%)	20 (4%)	25 (5%)	29 (6%)	22 (4%)	22 (5%)

It is important for gender and household type to be taken into consideration when delivering services to homeless people. In 2021/22 Midlothian Council received 263 requests for homeless assistance from single person households, 40% of which were from female applicants. The number of applications from single parents reduced from 157 in 2020/21 to 127 in 2021/22, of which 67% were female. It is also important to recognise that woman and children are far more likely to require assistance as a result of domestic violence. 59 people sought homeless assistance as a result of domestic abuse or other violence in the household during 2021/22. 57 of these approaches for assistance were from female applicants, 40 of which had dependent children in the household.

Table 9 gives a breakdown of the reason given for requesting homeless assistance from Midlothian Council. People being asked to leave by friends/relatives or leaving accommodation following a breakdown in relationship with a partner or parents remains the main cause of homelessness in Midlothian. The Coronavirus (Scotland)

Act 2020 contained measures to protect renters during the pandemic, including and a ban on evictions in areas subject to Level 3 and 4 restrictions and extended notice periods and all grounds becoming discretionary. During 2021/22 these measures were phased out with the last ones ending in March 2021. This has resulted in the reduction in the number of applications made as a result of a landlord taking action to end the tenancy during 2020/21 continuing through 2021/22.

<b>Table 9: Technical reason for homeless application</b>							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Asked to leave	157	138	189	133	101	151	130
Dispute within household / relationship breakdown: non-violent	84	103	86	99	138	150	127
Dispute within household: violent or abusive	105	104	117	73	78	69	53
Other reason for loss of accommodation	25	25	46	20	43	43	57
Overcrowding	12	14	10	24	26	22	14
Discharge from prison / hospital / care / other institution	17	11	15	19	16	11	9
Other action by landlord resulting in the termination of the tenancy	55	57	38	66	38	8	17
Fleeing non-domestic violence	3	1	1	1	9	8	6
Emergency (fire, flood, storm, closing order from	4	2	1	1	1	5	0

Environmental Health etc.)							
Other reason for leaving accommodation / household	39	23	26	40	3	6	3
Harassment	4	2	3	1	1	5	7
Termination of tenancy / mortgage due to rent arrears / default on payments	12	16	21	10	13	4	4
Forced division and sale of matrimonial home	9	7	5	2	4	4	3
Applicant terminated secure accommodation	2	3	6	5	9	3	1
Loss of service / tied accommodation	2	4	3	1	2	0	1

Since 2017/18 the number of ongoing homeless cases closed each year has exceeded the number of presentations made to Midlothian Council. Resulting in a significant reduction in the overall number of homeless households who are waiting to be rehoused in Midlothian, this is shown in Table 10. Midlothian Councils 2019/20 RRTP including a target to reduce the number open homeless cases to 860 by 2023/24, As a result of the number of open cases being below this for the previous two years the target was revised in 2021/22. The revised target was for the number of open homeless cases to be below 700 by 2023/24. As this target has already been achieved as further revision has been made to in this year's action plan. The table also shows the proportion of people who secure some form of permanent accommodation (Scottish Secure or Private Residential Tenancy) has continued to increase from 42% of all closed cases in 2015/16 to 65% in 2021/22. In 2021/22 this has largely been maintained by the revisions made to Midlothian Councils Housing Allocation Policy which increased the proportion of lets to homeless households, and the number of properties completed as part of the new build housing programme.



The number of people securing a Private Residential tenancy has reduced from 55 in 2020/21 to 31 in 2021/22, this is reflective of a reduction in the number of properties available in the area with rents that are within Local Housing Allowance rates.

<b>Table 10: Number of closed and ongoing homeless cases in Midlothian</b>							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of cases closed	504	447	571	678	537	531	615
Number of open cases on 31 <sup>st</sup> March	1025	1087	1082	899	843	802	630
% closed to LA or RSL tenancy	41%	46%	42%	46%	51%	54%	60%
% closed to Private Rented Accommodation	1%	1%	1%	8%	7%	10%	5%

As Midlothian Council moves on to the next phase of Rapid Rehousing it will focus on activities which aim to prevent homelessness to further reduce the number of homeless applications made.

Table 11 shows that the average time taken to close a homeless case in Midlothian reduced during 2021/22, this shows to positive impact of the revised allocations policy in previous years reducing the number of long term legacy cases. The average length of stay in temporary accommodation (Table 12) also reduced during this period.

<b>Table 11: Average case duration (weeks)</b>							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Average case duration	91.7	108.1	109.4	106.7	109.2	118.1	97.9

<b>Table 12: Length of stay (weeks) in temporary accommodation</b>							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total (all)	-	95.1	36.1	60.6	72.5	87.3	76.2

Midlothian Council anticipated these averages to increase during 2020/21 and remain relatively high during 2021/22 as more temporary tenancies were 'flipped' to permanent accommodation and an increase in the number of permanent lets to homeless applicants. This resulted in those who have been in their accommodation for long periods being housed reflecting the positive impact of the Housing Allocations Policy and the delivery of preventative housing options advice. Long term

the activities undertaken as part of Midlothian Councils transformation of services will continue to focus on reducing the time taken to make an offer of permanent housing, and reducing the length of time in temporary accommodation.

#### **4. Midlothian Council's RRTP 3rd year position statement**

Midlothian Council continued to develop key projects that could best achieve the outcomes detailed in previous years RRTP during 2021/22. This section will provide an update on the development and delivery of this work. A full breakdown of the funding allocated to each activity is included as Appendix 1.

##### **4.1. Housing Allocations Policy**

After receiving approval at a full Council meeting in December 2019, Midlothian implemented a revised Housing Allocations Policy in April 2020. Work to implement these changes has continued during 2021/22. The key changes to the policy were:

- Increase the proportion of permanent lets to the homeless list – As previously stated Midlothian Councils new allocations policy established a target of allocating 60% of void properties to homeless applicants. In 2021/22 205 void properties were let to homeless households, a slight increase from 194 in 2020/21, and more significant increase from 150 in 2019/20. When combined with the number of 'flipped' temporary accommodation properties, this is the equivalent of 58.7% of Midlothian Council lets, compared to 54% in the previous year.
- Flipping tenancies – Converting temporary accommodation to permanent accommodation has also been scaled up as part of the new Housing Applications Policy. During 2021/22 48 households had their temporary accommodation 'flipped' to a permanent council tenancy in this way. A slight reduction to the 51 completed in 2020/21, this is due to a significant staff resource required to allocate and let new build properties which have been completed during this period. This practice has helped to reduce the number of households who have been in their temporary accommodation for over two years from 189 in 2018/19 to 51 at the end of 2021/22 (52 at the end of 2020/21). All those households who had been in temporary accommodation for over two years on 31<sup>st</sup> March 2022, have either been offered and declined the opportunity to have their accommodation made into a permanent tenancy, or the property is not suitable to be flipped in this way.
- Improving opportunities for general needs applicants – The Housing Allocations Policy includes measures intended to ensure other households in housing need are able to access suitable accommodation without the need to present for homeless assistance. These measures are also designed to ensure that the Council makes best use of its available housing stock by allocating to those in most need. The changes include increased incentives for people willing to downsize and encourage mutual exchanges. During 2021/22 59 mutual exchanges involving a Midlothian Council tenant were completed. 80 applications were submitted to the incentive to move scheme after following the completion of a mutual exchange, or an existing tenant downsizing to a smaller property in 2021/22. Due to the restriction on unnecessary house moves during much of 2020/21 it is not possible to fully evaluate the effectiveness of these measures compared to previous years. The ongoing effectiveness of these initiatives will continue to be monitored in

future years.

## **4.2. Housing First**

Midlothian Council launched Housing First on 1<sup>st</sup> July 2020. The successes of the first year pilot have continued to be realised during 2021/22. Midlothian Council met its target of creating 20 Housing First tenancies in the first year and remains on course to create a further 20 in year two.

A partnership approach is taken to identifying and supporting homeless people who may benefit from the Housing First approach. Services from a range of disciplines including, Housing, Homelessness, Justice, Mental Health, Substance Misuse, Midlothian Womens Aid, Domestic Abuse Service and other third sector organisations have all committed to the delivery of Housing First in Midlothian.

As of 31<sup>st</sup> March 2022 there have been no evictions from a Housing First tenancy in Midlothian. 33 people continued to engage with the support provided through Housing First, five of which are in the 'step-down' process. Since the launch of Housing First two tenants have sadly passed away.

Midlothian Council has participated in the inaugural Housing First Check-Up process led by Homeless Network Scotland. The purpose of this process is to help local authorities to consider the quality and effectiveness of Housing First services, the fidelity to the principles of Housing First, and assess improvement methodology around local systems. A full report of the outcomes will be provided by Homeless Network Scotland in June 2022.

Midlothian Council has committed to creating a further 20 Housing First tenancies in the third year of the programme. To ensure people are properly supported in their tenancy the number of support hours available in the service will be increased. A full review of Housing First in Midlothian will be completed in autumn of 2022. This review will consider the options for mainstreaming the service on a long term basis, ensuring people are sufficiently supported within their tenancy, and seek the views of service users to improve the service. It will also take into account the feedback received through the Housing First annual check-up process.

## **4.3. Review of temporary accommodation**

Midlothian Council recognises the need to ensure that when temporary accommodation is required it is of a good quality, affordable, and meets the needs of the individual and has undertaken several activities to reflect this.

### **4.3.1. Ending unsuitable accommodation**

Midlothian Councils RRTP for 2020/21 set out plans to end the use of Bed and Breakfast type accommodation by the end of April 2021. This was to ensure compliance with the Scottish Government's intention to extend the Unsuitable Accommodation Order (UAO) to all homeless households by this date. A Local Authority would be in breach of the order if any homeless person is placed in unsuitable accommodation for more than 7 days.

As part of its response to COVID-19 the Scottish Government moved the date for

implementing these changes to May 2020. With the following additional exemptions:

- a person in the household has symptoms of coronavirus and the household requires to isolate;
- the accommodation is required to provide temporary accommodation to ensure that a distance of 2 metres can be maintained between a member of the household and a person who is not a member of the household in order to prevent the spread of coronavirus
- The local authority is unable to place the household in suitable accommodation as a result of the impacts of coronavirus on temporary accommodation supply in the area (this exemption only applies to households without a dependent child or pregnant person).

In response to these changes Midlothian Council was successful in ending the use of B&B type accommodation in November 2020, and has not placed any household in accommodation considered unsuitable as defined by the UAO since this time.

The cost of using emergency accommodation provided by third party contractors was £526,930 in 2019/20. Many of the savings realised by ending the use of this accommodation will be used to fund other RRTP activities, where possible. These activities will have a clear focus on the prevention of homelessness, including increasing the number of households assisted to private rented accommodation and providing direct assistance to help people remain in their current accommodation.

#### **4.3.2. Shared temporary accommodation**

During 2020, Midlothian Council developed shared temporary accommodation which satisfies the UAO guidance, to replace bed and breakfast accommodation. This accommodation uses two bedroom properties to provide accommodation for single person households each with their own bedroom, while sharing kitchen, bathroom and living room areas with one other person. This type of accommodation is more affordable for people who are in employment, and also increases opportunities for others to access education, training and employment.

Midlothian Council's original RRTP included plans for 20 properties to be used in this way. During the initial stages of the COVID-19 pandemic this was increased to 33 properties to accommodate up to 60 households. Ensuring sufficient capacity for all those in B&B type accommodation plus additional capacity to meet the increased demand for temporary accommodation at the time.

At the end of March 2022, 21 properties were being used to provide this type of temporary accommodation. As some residents have been permanently housed, some of those remaining in the shared temporary accommodation have been offered the opportunity to have the property converted to a permanent Scottish Secure Tenancy.

These properties are managed by a 0.5 FTE Temporary Accommodation Officer, this post is funded up to the end of 2022/23.

#### **4.3.3. Emergency accommodation for families**

Midlothian Council established emergency accommodation to provide fully furnished, self-contained, accommodation for up to eight households with either children or a pregnant person in the Mayfield area. This project became fully operational in July 2020. A review of furnishings in the accommodation in January 2021 ensured all flats were able to provide accommodation to families with up to three children in the household.

To ensure sufficient accommodation for larger families a second project in the Gorebridge area was completed in July 2021. This project provides self-contained, fully furnished accommodation for a further five households, two of the properties provide accommodation for households with up to four children.

An on-site caretaker service during office hours provides basic support to residents as required, while also maintaining the security and cleanliness of the building and monitoring anti-social behaviour.

These projects will be managed by a 0.5 FTE Temporary Accommodation Officer, this post is funded up to the end of 2022/23.

#### **4.3.4. Supported accommodation – Jarnac Court**

In December 2019 Midlothian Council approved revised plans to refurbish an office building in the centre of Dalkeith to be re-purposed as supported accommodation for at least five years. The project will provide supported accommodation for 22 households that is of good quality with access to support appropriate to the needs of the individual, including 14 double bedrooms. Residents will be able to access two fully fitted kitchens, two communal living areas, and laundry facilities, a number of the bedrooms have en-suite facilities. There are a variety of office/meeting areas within the accommodation which all allow residents to be provided with any support required in a private setting. Services from Midlothian Health and Social Care Partnership, including mental health and substance misuse teams will also provide specialist support on site. This will ensure people are able to have their support needs assessed quickly and receive the support they require. Following a delay to building work commencing due to COVID-19 the project is now scheduled for completing in spring 2022.

On completion a full review of supported accommodation in Midlothian will be completed. This will ensure the support provided and capacity meets the needs and wishes of homeless people in Midlothian.

#### **4.3.5. Review of temporary accommodation rents**

It is important that when needed temporary accommodation is accessible to all homeless households who require it, regardless of income. In February 2020 Midlothian Council approved plans to include revisions of rent charges for self-contained temporary accommodation as part of the next rent strategy.

A further full council meeting in February 2021 decided to defer the rent setting strategy for 2022-25. This work will be completed in the autumn of 2022.

#### **4.4. Housing Education**

Two housing education projects are included in Midlothian Council's RRTP. These projects focus on preventing youth homelessness from occurring, promoting tenancy sustainment, preventing recurring homelessness.

##### **4.4.1. Schools education programme**

Midlothian Councils homelessness team have an established programme of providing housing education to S4 and S6 pupils as part of the school curriculum. As a result of the limitations imposed on external visitors in schools settings during the Covid-19 pandemic it was not possible to deliver this during 2020/21 and 2021/22.

Officers are currently liaising with individual schools to deliver this programme during 2022/23. The aim of each session is to educate on homelessness, housing options, and budgeting. Providing a more locally focused information in order to give wholly accurate collections of information young adults in readiness for their leave from home.

##### **4.4.2. SQA accredited Tenancy and Citizenship award**

In December 2018 a pilot programme for a SQA level 4, Tenancy and Citizenship Award was completed, resulting in four young parents successfully graduating.

Following the success of this pilot the course materials have been revised during 2021/22. Creating a suite of six standalone modules covering the following outcomes:

- Gaining and sustaining a tenancy
- Looking after your home
- Living in your community
- Understanding principles of money
- Money management
- Cookery skills, techniques and process.

Modules have been designed in a way that allows them to be built into support plans to help achieve better outcomes for the individual. Course materials have been designed in such a way that they can be delivered directly by support workers. Services users will be able to access the modules most relevant to them.

While primarily being delivered to households in supported accommodation, households in any type of temporary accommodation or Housing First tenancy will be able to access the revised modules. Midlothian Council believes this will promote tenancy sustainment and reduce instances of recurring homelessness.

#### **4.5. Crisis Intervention Fund**

Proposals to introduce a Crisis Intervention Fund were approved by Midlothian Council in May 2021. The fund launched in July 2021 and is accessible to front line officers allowing a more preventative approach to be taken when assisting those in housing need. Examples of where the fund may be used include; preventing action



to end a tenancy being taken following an unforeseen change in circumstances, enabling a household to access accommodation they would otherwise be able to, assisting a household to remain in their current accommodation until a planned move to alternative accommodation is completed.

The fund will operate as a two year pilot to enable its effectiveness to be fully evaluated with an interim review completed after 12 months. An annual budget of £30,000 has been committed to the fund for the duration of the pilot. Making use of savings realised from ending the use of B&B accommodation.

During 2021/22 4 people were provided with assistance totalling £3060.09. This reflects the nature of homeless presentations during this period and limited availability of private rented accommodation during this period. The Scottish Government Tenant Grant Fund was also successfully implemented in Midlothian during this time, providing assistance to 75 households who had accrued rent arrears as a result of the Covid-19 pandemic who may have otherwise required assistance from the prevention fund.

#### **4.6. Nomination agreement with East and Midlothian Women's Aid**

The long-standing nomination agreement between Midlothian Council and East and Midlothian Women's Aid was revised in August 2020, resulting in a minimum of four nominations to be made by East and Midlothian Women's Aid.

Those nominated by East and Midlothian Women's aid are provided with a permanent Scottish Secure Tenancy without the need to present to the Local Authority for homeless assistance. Support is provided to help address practical issues such as registering with GP, liaising with schools, setting up utility accounts, and settling into the community, in addition to emotional support.

In April 2022, both parties agreed to continue this nomination agreement.

#### **4.7. Improving access to the private rented sector.**

It is important for people who are homeless or threatened with homelessness to have access to the widest possible range of housing options. Since the introduction of the Private Residential Tenancy in December 2017 Midlothian Council has provided direct financial assistance to households who are prevented from accessing this accommodation due to lack of a deposit. In 2021/22 31 homeless households secured a private rented tenancy, of those 11 received direct assistance to secure a deposit. This is reflective of a reduced number of properties available within LHA rates, and increased competition for those properties being reported by front line officers.

The increased budget of £32,000 approved for 2021/22 will remain in place for 2022/23. This increased utilises savings made from ending the use of B&B type accommodation.

#### **4.8. Sustainable Housing on release For Everyone (SHORE) Standards**

In November 2019, Midlothian Council's Community Safety and Justice Partnership established a multi-disciplinary group to work in partnership in the provision of

supporting people returning to the community after serving a custodial sentence. This group includes representatives from, Justice, Mental Health, Substance Misuse, Housing/Homelessness and two third sector organisations. In addition to securing suitable housing the group works in partnership to develop support plans to help people address other, often complex, support needs that meet their individual needs. All support provided through this project is delivered from a trauma informed perspective. In 2021/22 this group was expanded to include representatives from the DWP, Job Centre Plus, and Communities and Lifelong Learning.

The Community Safety and Justice Partnership continues to fund an additional two workers from third sector organisations as part of this project. One post provides transitional support to help people to engage with other services. A second post is tasked to build a network of volunteer peers, to support clients in preparation for returning back to the community, often with the focus on reducing isolation and support those who are on the periphery of re-offending.

During 2021/22 42 people scheduled to be released from prison were discussed at this group, accommodation was made available to all those who were identified as having nowhere to stay in advance of release.

#### **4.9. Staff resources**

In April 2021 an additional Homelessness Officer was recruited for two years. This post will provide an additional resource to reduce individual caseloads and afford officers with more time to focus on providing advice and assistance to prevent homelessness.

#### **4.10. Staff Training**

Midlothian Council is committed to ensuring a person-centred and trauma informed approach is taken to the delivery of services, with responses that are tailored to the individual needs and circumstances of those in need of assistance.

During 2020/21, the majority of staff from Homelessness and Housing Services, including front line officers and managers have completed Level 1 Trauma Informed Training delivered through the NHS Education led pilot programme. This training provided staff with an understanding of the ways adverse and traumatic events in childhood and later life impact on homelessness. Support workers from contracted tenancy support, housing first and supported accommodation services were also able to access this training. Following an evaluation of this training Midlothian Health and Social Care Partnership are recruiting a Trauma Informed Practice Development worker, this post will be responsible for ensuring the training is made available to all partners in to develop a trauma informed community.

Additional staff training is delivered through Midlothian Councils Health and Social Care Partnership's 'The Midway' project. This training is available to all staff from within the Health and Social Care Partnership, Council staff, Primary Care providers, and the Third Sector. This includes the 'Good Conversations' training course. This training helps staff to deliver services that focus on what matters to the person, and ensures responses are based on the strengths, needs and wishes of the individual.



Frontline Homelessness, Temporary Accommodation and Housing Officers have all been provided with Domestic Abuse Awareness Training.

The Health and Social Care Partnership also co-ordinate a series of bite sized training/awareness sessions throughout the year. These sessions aim to better equip staff to recognise and address unfair disadvantages people face to leading healthy lives. Topics include, substance misuse, grief and loss, access to work and housing and homelessness.

All frontline staff from Homelessness, Temporary Accommodation and Housing Services have access to the first three modules of the Housing Options Training Toolkit. Modules five and six are expected to be made available to users during May 2022, with Module four still in production.

#### **4.11. Domestic abuse pathway**

Midlothian Council supports a zero tolerance approach to domestic abuse, and supports the recommendations of the Improving Housing Outcomes for Women and Children Experiencing Domestic report published in December 2020. This commitment to taking action to support the victims of domestic abuse has been affirmed by signing the Women's Aid, Chartered Institute of Housing, and Domestic Abuse Housing Alliance, Make a Stand pledge

Domestic abuse is one of the main reasons for people seeking homelessness assistance in Scotland. It is important for services to be delivered in a way that meet the needs of women, children and young people affected by violence against women and girls.

As any future policies relating to Housing and Homelessness are developed, Midlothian Council will ensure they give full consideration to the specific needs of women and children experiencing domestic abuse. This work has continued in the delivery of RRTP projects during 2021/22:

- Training for all front line homeless staff. This training provides staff with the skills required to deliver services in a sensitive manner that does not put the victim at risk of further abuse.
- Developing an Equally Safe policy.
- Developing shared temporary accommodation. This provides an alternative temporary accommodation option for women fleeing domestic abuse removing the need to access larger scale congregate accommodation where many other residents will be male.
- Revising the delivery of Housing First. Membership of the multi-agency core-group was reviewed in March/April 2021 to include representation from services who provide support to women experiencing domestic abuse. This provides an additional route to accessing Housing First, and also helps maintain the safety of victims by ensuring perpetrators are not knowingly accommodated in an area that would put a person at further risk.
- Embedding partnership working with East and Midlothian Woman's Aid, Domestic Abuse Service and MARAC within the delivery of housing management functions.

#### **4.12. Homeless Prevention - Escalating HARM joint working group**

Midlothian Council's Housing Services Team has established an Escalating HARM group to provide support to tenants potentially at risk of losing their home. This multi-discipline group includes representatives from the following agencies: Housing Services, Adult Health and Social Care, Children's Services, Police Scotland, Mental Health Services, and any relevant third sector partners. The group meets at short notice to develop agreed packages of support to prevent further action being taken to terminate a tenancy, with a focus on early intervention and partnership working.

#### **4.13. Improving health and homeless outcomes**

As part its strategic plan Midlothian's Health and Social Care Partnership is committed to providing additional resources to people in supported accommodation to ensure they are able to access appropriate support as early as possible. These services are delivered directly within the accommodation with the intention of removing potential barriers to accessing services and improve engagement. With two posts funded by the Health and Social Care Partnership and Justice Service.

During 2021/22 the Health and Homelessness Steering group has continued to meet, with a continued focus on ensuring the safety and wellbeing of homeless people during the pandemic, and ensuring homeless households in Midlothian are able to access vaccines.

Additional projects being considered by the steering group include, provided gym passes for people in supported accommodation, promoting digital inclusion through the provision of Wi-Fi, and the creation of a digital library in supported accommodation.

### **5. Midlothian Councils Rapid Rehousing Transition Plan**

#### **5.1. Key outcomes**

Midlothian Council's original RRTP set out 4 key outcomes that would achieve the overall vision of the RRTP:

***Midlothian's vision for the Rapid Rehousing Transition Plan is that by 2024: "An increased number of homeless households will obtain permanent accommodation, no homeless household will be accommodated in bed and breakfast accommodation, and the average time taken for the Council to complete its homeless duty will have halved from 105 weeks to 52 weeks."***

A set of actions is associated with each outcome which will only be achieved if the Council and key stakeholders work in partnership. More detail on the proposed actions is provided in section 5.2. Some of the outcomes and activities will be revised over the coming years to ensure that the RRTP remains a relevant strategic document.

#### **Outcome 1: The supply of permanent accommodation for homeless households has increased.**

Achieving a significant increase in the supply of affordable housing is key to

providing homeless households, and others in housing need, with a settled housing outcome as soon as possible. The low supply of affordable housing has been the biggest contributor to issues such as the length of time taken to close a homeless case and lengthy periods spent in temporary accommodation.

As stated earlier there has been significant investment in new housing over a sustained period of time in Midlothian. It is important that this investment continues as set out in the Strategic Housing Investment Plan 2021-26.

This investment alone will not be sufficient to deliver the wider aims of the RRTP. It is important to maximise the opportunities to prevent homelessness from occurring, and for homeless households to have access to the widest choice of housing options including improving access to the private rented sector.

**Outcome 2: Where temporary accommodation is required it is of good standard with access to effective support.**

This outcome was revising in 2021/22 after successfully ending the use of Bed and Breakfast accommodation in 2020. It is important that measures continue to be in place to ensure there is no risk of using unsuitable accommodation in the future.

Good progress has been made to reduce the number of households who have been in temporary accommodation for over two years. To ensure the overall objective of reducing this number to zero by 2023/24 access to permanent accommodation for homeless households will need to continue to increase.

To ensure accommodation meets the needs of homeless households in Midlothian a review of council owned supported accommodation will need to be completed. Partnership working with other agencies including those from the Health and Social Care Partnership must continue to ensure support needs can be assessed at the earliest opportunity.

**Outcome 3: Homeless households with support needs supported to access and maintain permanent accommodation.**

To ensure people who have experienced long term/repeated homelessness with multiple/enduring support needs are supported to live a sustainable way of life, Midlothian Council will continue to deliver up to 20 Housing First tenancies a year during 2022/23.

Midlothian Council will continue the work of the Health and Homelessness Steering Group to review and improve service provision to maximise opportunities to prevent homelessness and improve outcomes across all services.

To deliver effective support to homeless people, Midlothian Council will need to develop effective partnership working practices with other organisations to ensure people's wider support needs are also addressed alongside housing need.

To protect staff and services users, it has not been possible to deliver some housing education projects during 2020/21, and 2021/22 as a result of restrictions preventing access to schools and restrictions on accessing supported accommodation for staff

who do not usually work at the property. The delivery of these projects will be reviewed as the easing of restrictions allows.

#### **Outcome 4: Housing Options and support is in place to prevent homelessness**

In Midlothian it is important that opportunities for homeless prevention and housing options activities are maximised due to the low supply of social rented housing.

The Housing Options process begins when the local authority is approached by anyone in housing need. It is important for people to be offered the widest choice of housing options, at the earliest opportunity. The advice should also cover other circumstances which may not be housing related, such as debt, employment, mediation, and mental health issues. To deliver these services effectively it is important that staff delivering the Housing Options service are well trained and able to provide a person centred approach.

As many people may not seek face-face advice in the first instance it is important that housing options advice is available through as many sources as possible, including digitally, and in a variety of local settings such as libraries and GP surgeries.

The RRTP also identifies a need to make greater use of the private rented sector, and consider innovative ways to prevent homelessness through a crisis intervention fund. It is important that these initiatives are available to people at the earliest opportunity, and not only those at risk of losing their accommodation in the next 56 days.

## 5.2. Action Plan

Midlothian Council Rapid Rehousing Transition Plan: Action Plan (updated June 2022)

Outcome 1: The Supply of permanent accommodation to homeless households has increased

What Actions are planned		Lead Partners	Timescale	Current indicator 2021/22	Target indicator 2023/24	Resource requirement	Comments
1.1	Increase number of Scottish Secure Tenancies allocated to homeless households in Midlothian	Midlothian Council, RSLs	Ongoing	373 Homeless cases closed after securing a Scottish Secure Tenancy	350 let to homeless households by Council and RSLs	Existing resources	
1.2	Fully implement updated Housing Allocations Policy	Midlothian Council, RSLs	Ongoing	58.7% lets to homeless households	60% lets to homeless households	Existing resources	
1.3	Review nominations agreement with RSLs to ensure homeless households are housed more quickly	Midlothian Council RSLs	Ongoing	Annual Review	-	Existing resources	Review completed in 2021/22. Will be kept under ongoing review.
1.4	Provide settled accommodation to homeless households in the private rented sector	Midlothian Council, Private landlords	Ongoing	5% homeless cases closed after securing a private rented tenancy	35 Homeless cases closed to private let. (revised from 10% of all cases)	Yes – see page 36/37	This reflects a slight reduction in the number of homeless households who were able to secure a private residential tenancy (31 in 2021/22 compared to 55 in 2020/21) and a significant increase in the number of homeless

							households who secured a Scottish Secure Tenancy (373 in 2021/22 compared to 285 in 2020/21) along with the challenges in securing affordable private rented accommodation detailed in 4.7
1.5	Target open market purchases for council housing to areas and property types in demand from homeless households	Midlothian Council	Ongoing	15 properties purchased in 2021/22	12 Purchases in 2022/23 based on SG funding.	SHIP development plan funding	Original RRTP target of 80 properties by 2023/24 has been achieved: 2018/19 – 39 2019/20 – 44 2020/21 – 14 2021/22 - 15 Total - 112
1.6	Reduce the average number of weeks taken to close a homeless case	Midlothian Council RSLs	By 2023/24	97.9 weeks to close a homeless cases	Average 52 weeks to close a homeless cases	Existing resources	Reducing from 118.1 in 2020/21. Midlothian Council expects this to remain relatively high in 2022/23 as those households who have been homeless for the longest time are rehoused through the measures included in the revised Housing Allocation Policy.
1.7	No homeless household will spend longer than 2 years	Midlothian Council, RSLs	By 2023/24	51 households in temporary accommodation	All households in temporary accommodation	Existing resources	Reducing from 189 in 2019/20 and 52 in 2020/21

	in Temporary Accommodation			longer than 2 years (on 31/3/2022)	for over 9 months will have been offered the opportunity to have the property flipped to permanent housing, where the property type is suitable for this to happen.		
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Outcome 2: Where temporary accommodation is required it is of good standard with access to effective support.

What Actions are planned		Lead Partners	Timescale	Current indicator 2021/22	Target indicator 2023/24	Resource requirement	Comments
2.1	Ensure no breaches of the Unsuitable Accommodation Order	Midlothian Council	Ongoing	0	0	Existing resources	
2.2	Ensure adequate supply of emergency accommodation for households with children and pregnant persons by developing a 2 <sup>nd</sup> project to replicate the Mayfield Families Project.	Midlothian Council	Complete	N/A	Two projects established to be used for emergency accommodation for families.	Yes – see page 36/37	Second project operational in July 2021.
2.3	Convert Jarnac Court – an existing office building owned by Midlothian	Midlothian Council	2021/22	N/A	22 units	Yes – see page 36/37	Scheduled for completion in June 2022.

	Council – into 22 short term lets.						
2.4	Improve the turnover of emergency family accommodation by reviewing internal working practices and developing appropriate performance indicators	Midlothian Council	Ongoing	34.9 days	Families will spend no longer than 28 days in emergency accommodation	Yes – see page 36/37	Reducing from 36 in 2020/21
2.5	Include a review of temporary accommodation rents as part of the next rent setting strategy.	Midlothian Council, tenant groups	2022/23	Approval for this work given at Council meeting in Feb 2021*	Revised rents in place	Existing resources	*Scheduled to be completed during 2022/23
2.6	Complete a review of the furnishings provided in temporary accommodation to ensure it is of a good quality and meets the needs of tenants	Midlothian Council	Complete	N/A	N/A	Existing resources	
2.7	Following completion Jarnac Court complete a review of all supported accommodation to make sure it provides the services and support required	Midlothian Council, H+SC Partnership	2022/23	N/A	N/A	Existing resources	
2.8	Ensure all temporary accommodation in Midlothian meets the Temporary Accommodation Standards (expected to be	Midlothian Council, Third Sector,	2023/24		All temporary accommodation meets the published standards		



	published by the Scottish Government in 2022)	H+SC Partnership					
2.9	Ensure sufficient staffing resources are in place to manage temporary accommodation effectively.	Midlothian Council	Ongoing	0.5 FTE Officer recruited to manage shared temporary accommodation  0.5 FTE Officer recruited to manage emergency accommodation for families	Continual review as projects are developed	Yes – see page 36/37	This post is funded through 2022/23.
2.10	Improve tenant satisfaction with the quality of temporary accommodation	Midlothian Council	By 2022/23	This data was not collected due to COVID in 2021/22	85%	Existing resources	

Outcome 3: Homeless households with support needs are supported to access and sustain permanent accommodation

What Actions are planned		Lead Partners	Timescale	Current indicator 2021/22	Target indicator 2023/24	Resource requirement	Comments
3.1	Ensure accommodation and support is available to those in crisis to ensure no rough sleeping Occurs in Midlothian	Midlothian Council	Ongoing	% of applicants who slept rough the night before applying: 0%	% of applicants who slept rough the night before applying: 0%	Existing resources	
3.2	Continue to deliver Housing first beyond first year pilot.	Midlothian Council,	Ongoing	20 People supported into accommodation	20 new housing first tenancies established a year*	Yes – see page 36/37	*20 properties during 2022/23. Number of properties during

		H+SC Partnership		during each of the first two years.			future years to be confirmed following full review.
3.3	Review resources required to ensure sufficient capacity to provide effective support to people in Housing First tenancies	Midlothian Council, H+SC Partnership	Complete	Additional staffing resource funded for 2022/23	All Housing First tenants who require support are provided with this for as long as they require.	Yes see page ***	
3.4	Complete full review of Housing First in Midlothian with a view to creating a long term sustainable model of delivery that can be mainstreamed.	Midlothian Council H+SC Partnership	2022/23		A long term model for Housing First is in place for 2023/24	Existing resources (Funding model to be confirmed)	
3.5	Develop an Equally Safe Housing And Homeless policy	Midlothian Council	Complete	-	-	Existing Resources	Approved by Divisional Management team in November 2021
3.6	Continue to support improved health and wellbeing outcomes for homeless households through the Health and Homelessness Steering Group	Midlothian Council; H+SC Partnership, NHS Lothian	Ongoing	-	-	Existing resources	
3.7	Ensure compliance with SHORE standards is maintained.	Midlothian Council, H+SC Partnership, SPS	Ongoing	Percentage of people identified as having no accommodation	Percentage of people identified as having no accommodation available on release are provided with	Existing resources	

				available on release are provided with accommodation on release from prison 100%	accommodation on release from prison 100%		
3.8	Support young homeless people to develop the skills required to successfully sustain a tenancy by delivering training to obtain SQA award.	Midlothian Council	2022/23	Complete the redesign of six core modules from the SQA accredited course	All young people will be offered the opportunity to complete modules appropriate to their needs.	Existing resources	*During 2022/23 roll out of the Gaining and Sustaining a tenancy module as an initial trial of the revised course materials to young people in supported accommodation.
3.9	Revise working practices to ensure all individuals seeking Housing Options Advice/Homelessness Assistance are provided with a Personal Housing Plan to ensure early identification of support needs	Midlothian Council	2022/23	-	100% of individuals seeking Housing Options Advice/Homelessness Assistance are provided with a Personal Housing Plan	Existing resources	*procedures will be fully revised to reflect changes enacted following the recommendations of the Prevention Review Group.
3.10	Develop and procure a dedicated Youth Prevention and Support Service	Midlothian Council	2022/23	-	Youth homeless support service in place	Yes see page	

Outcome 4: Housing options and support are in place to prevent homelessness

What Actions are planned		Lead Partners	Timescale	Current indicator 2021/22	Target indicator 2023/24	Resource requirement	Comments
4.1	Reduce the number of open homeless cases	Midlothian Council, RSLs	By 2023/24	630*	500	Existing resources	*Exceeds original target of 860 by 2023/24
4.2	Make better use of the private rented sector by increasing the number of households given assistance to access a deposit.	Midlothian Council, Private Landlords	Ongoing	11 households provided with deposit assistance	45 Households provided with deposit assistance	Yes – see page 36/37	Reflects the challenges accessing the private rented sector described in section 4.7
4.3	Continue to provide housing education courses in Midlothian Secondary Schools	Midlothian Council	Ongoing	Not completed during 2021/22 due to Covid-19 restrictions	All secondary schools have housing education on curriculum	Existing resources	
4.4	Ensure a person centred approach is taken to the delivery of all housing options, homelessness and tenancy management functions by having a trauma informed workforce.	Midlothian Council, H+SC Partnership, NHS Lothian	2022/23	Continued roll out of training.	100% of Homelessness, Housing and Temporary accommodation officers have received trauma informed training.	Existing resource – staff time to attend ½ day training sessions.	Training will be offered to all Housing, Homeless and Temporary Accommodation Officers as it is made available by Midlothian Health and Social Care Partnership.
4.5	Roll out of the Housing Options Training tool kit to all appropriate staff teams	Midlothian Council	Ongoing	Monitoring indicators to be confirmed once roll out of the tool kit commences	All housing staff have completed HO tool kit training	Existing resource – Staff time required to complete 6 modules and	All Housing and Homeless staff were provided with access to the tool kit at launch in January 2022.

						to monitor completion.	
4.6	Continue work with the Edinburgh, Lothian's and Border Housing Options HUB to identify and share best practice across the region, and to ensure joint working on homeless prevention activates.	Housing Hub membership areas. Scottish Government	Ongoing	N/A	N/A	Existing resource	
4.7	Reduce the number of evictions from RSLs following receipt of a Section 11 notice. Liaise with RSLs to develop joint working protocols based on the good practice identified through the North HUB. Develop a recording and monitoring framework to measure the effectiveness of the work	Midlothian Council, RSLs	2022/23	Monitoring framework to be developed in 2022/23	Reducing percentage of section 11 notices that result in a homeless presentation.	Existing resource	
4.8	Develop an improved response to Section 11 Notices received from private landlords and mortgage lenders. Develop a recording and monitoring framework to measure the effectiveness of the work	Midlothian Council	2022/23	Monitoring framework to be developed in 2022/23	Reducing percentage of section 11 notices that result in a homeless presentation.	Existing resource	

4.9	Develop processes to improve the response to those at risk of being evicted from Council tenancies in Midlothian	Midlothian Council H+CP Children and Families	Ongoing	Monitoring framework to be developed*	Reducing number of evictions that result in a homeless presentation.	Existing resource	*First meeting took place in November 2022. Full evaluation to be completed during 2022/23
4.10	Develop a crisis intervention fund to prevent homelessness at an early stage. Removing risk of homelessness in specific cases and testing new solutions that do not fit into existing pathways.	Midlothian Council	Ongoing	Launched in July 2022.	Reducing number of Housing Advice cases that result in a homeless presentation	Yes – see page 36/37	Evaluation to be completed in 2022/23
4.11	Develop pathways to prevent homelessness for groups who are predictably at highest risk of becoming homeless including, ensuring policies reflect the needs of vulnerable groups: <ul style="list-style-type: none"> <li>• Women and children experiencing domestic abuse.</li> <li>• Young people</li> <li>• Individuals up to the age of 26 who were previously looked after by the local authority</li> </ul>	Midlothian Council	2023/24	-	-	Existing resource	

	<ul style="list-style-type: none"> <li>• Gypsy/travellers</li> <li>• Individuals with a history of offending</li> <li>• Individuals discharged from hospital or other institutions</li> </ul>						
4.12	Develop partnership working with internal teams and third sector support providers to deliver more effective responses across all services.	Midlothian Council, RSLs, H+SC Partnership, Third Sector	Ongoing	-	-	Existing resource	Working practices will be kept under continued review to ensure the needs of service users are met.
4.13	Monitor the effectiveness of prevention activities as set out in Single Midlothian Plan.	Midlothian Council	Ongoing	44%	55%	Existing resource	
4.14	Assess feasibility of delivering/procuring a mediation service	Midlothian Council	2022/23	-	-	Existing resource – Staff time to complete	This will be included as part of a wider review of housing support services.
4.15	Review Housing Advice availability in the Midlothian Council area including: <ul style="list-style-type: none"> <li>• Review and develop bite sized housing options leaflets</li> </ul>	Midlothian Council	Ongoing	-	-	Existing Resource – Staff time to complete	

	<ul style="list-style-type: none"> <li>Review housing options content on Midlothian Council website</li> <li>Ensure housing options advice is accessible in a variety of settings i.e. libraries, GP surgeries, Local Job Centre Plus</li> </ul>						
4.16	Ensure staff from a variety of partner agencies have a basic understanding of housing options advice and availability of other services in Midlothian through the delivery of awareness sessions.	Midlothian Council, H+SC Partnership	Ongoing	Number of Housing/Homeless Session delivered in the year: 4	Number of Housing/Homeless Sessions delivered per year: 4	Existing resource	
4.17	Ensure Housing Advice and Homelessness services are sufficiently resourced. Allowing effective advice and assistance to be delivered.	Midlothian Council, H+SC Partnership	Ongoing	1 additional Homeless Officer in place for 2 years	Officers have manageable caseloads that allow effective prevention work to be completed.	Yes – see page 36/37	



## 6. Resource plan

Table 13 provides an estimate of the funding required to deliver Midlothian Council's RRTP from 2022/23 through to 2023/24. Midlothian council is confident it will be able to deliver the projects within these costs. However, to do so will require additional resources to deliver the plan in full. For this reason, Midlothian Council's RRTP will be subject to continual review and, therefore possible amendment.

<b>Table 13: Projected resources required by activity.</b>			
Activity	Financial Year		Total
	2022/23	2023/24	
RRTP – Coordinator 0.5 FTE	£17,248	£17,248	£34,496
Housing First Support	£56,349	£56,349	£112,698
Housing First co-ordinator 0.25 FTE	£8,624	£8,624	£17,248
Crisis Intervention Fund	£30,000	£30,000	£60,000
Private Rented Deposit Scheme	£32,000	£32,000	£64,000
1 FTE Homelessness Officers (2 year post)	£36,159*	-	£36,159
Temporary accommodation Officer- 0.5 FTE (Emergency Families accommodation)	£17,248*	-	£17,248
Temporary Accommodation Officer – 0.5 FTE ( Shared Accommodation)	£17,248*	-	£17,248
Emergency Accommodation (Families) – Support staff	£50,207	£50,207	£100,414
Housing Education (SQA)	£11,498	£11,498	£22,996

0.33 FTE			
Housing Education (Schools Programme) 0.33 FTE	£11,498	£11,498	£22,996
Housing Options Training Toolkit	£857.24	£757.48	£1,614.72
Development of Jarnac Court	£415,207	-	£415,207
Youth Prevention and Housing Support Service	£200,000	-	£200,000
Total	£689,267.24	£218,181.48	£907,448.72

## 7. Monitoring, Equalities and Consultation

Midlothian Council provides opportunities for consultation and engagement with tenants and other service users. If you have any comments or queries on the content of this document, please contact the Housing Planning & Performance Section at Midlothian Council for more information.

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Midlothian Council is committed to ensuring equality of opportunity and combating discrimination through a series of equal opportunities and anti-discriminatory policies. The Council has embedded equalities principles into strategic planning as well as service delivery. Housing policies and services are regularly monitored, reviewed and reported on to ensure that they comply with equalities requirements.

Midlothian Council carried out an Integrated Impact Assessment when publishing its original Rapid Rehousing Transition Plan to ensure that the needs of all equality strands were considered. This has been reviewed in June 2022. Additional Integrated Impact Assessments have been completed for individual activities. These assessments found no evidence that any direct discrimination will arise from any of the activities. Where relevant Midlothian Council has continued to consult with tenants and service users when developing activities related to this plan.

## Appendix 1: Midlothian Council RRTP 2021/22 Activities and Spend Report

### Details of funding recipient

Local Authority	Midlothian Council		
Reporting Period	01/04/2021 <small>DD/MM/YYYY</small>	to	31/03/2022 <small>DD/MM/YYYY</small>
Reporting Officer	Matthew McGlone		
Position	Housing Options Development Officer		
Date Completed	08/06/2022		
Total RRTP Funding carried over from 2020/21	<b>£15,699 (2019/20 EHT Fund)</b> <b>£125,650 (2020/21 EHT Fund)</b> <b>£85,000 (Winter Support Fund)</b>		
RRTP Funding received for 2021/22	£127,000		

## 2021/22 Activity

<b>Activity Name:</b>	<b>Emergency accommodation for Families</b>			
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	<p>These projects provide emergency, 1<sup>st</sup> stop accommodation to homeless applicants with either dependent children or a pregnant person in the household.</p> <p>The properties provide self-contained, fully furnished accommodation removing the need for this group to be placed in unsuitable accommodation.</p> <p>Properties are staffed by a full time support worker and a part time concierge/caretaker.</p>			
<b>Allocation Spent on activity:</b>	£	SG RRTP funding	Local Authority funding	Other
		£77,298.96 (£58,578 2019/20 EHT fund £18,720.96 2020/21 EHT fund)	35,133.48 (2019/20)	-
<b>Overview of progress made to date:</b> Provide a short summary of the work undertaken in the past year, progress made and challenges.	<p>The first property in the Mayfield area became fully operational in July 2020, providing accommodation for up to 8 families. A review of the furnishings in 2021 ensured all flats in at this project are now able to accommodate households with up to three children.</p> <p>A second property in the Gorebridge area was completed in July 2021. Providing an additional four flats to be used as this type of accommodation, including two which can accommodate households with up to four children. The cost of delivering the second project was significantly reduced as Midlothian Council was able to identify a block of flats in which all properties were due to be vacated in a short period of time.</p>			

<b>Impact of Activity:</b> Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.	During 2020/21 41 Households were provided with accommodation at the Mayfield project. A further 80 households were provided with accommodation in 2021/22 (60 at Mayfield and 20 at Gorebridge).  This project has partially contributed to ending the use of bed and breakfast accommodation provided by third party contractors. The total savings realised by ending the use of this accommodation is £526,930 per annum, this was achieved through a combination of projects including this one.			
<b>Partnership Working:</b> Provide detail of all partners involved in this activity and how they have supported delivery.	These projects are managed by Midlothian Council with on-site support provided by a dedicated support provider.  Support needs of households provided with this type of emergency accommodation can be identified more quickly than in the B&B type accommodation previously used.			
<b>Future spend planned on this activity in 2022/23:</b>	<b>£</b>	<b>SG RRTP Funding</b> -	<b>Local Authority funding</b> -	<b>Other</b> -
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.	Both these projects are now fully operational.			
<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:	These projects will continue on a long term basis and funded through a combination of savings made by no longer using accommodation provided by a third party, and the service charge applied to the accommodation.  The 0.5 FTE temporary accommodation officer responsible for the management of these properties is in post until the end of 2022/23.  The provision of on-site support forms part of a larger contract which provides a support service to all of Midlothian Councils supported accommodation. This contract is also in place until the end of 2022/23. Decisions			

	relating to future service provision will be included as part of any review of this contract.
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2021/22 Activity				
<b>Activity Name:</b>	<b>End the use of B&amp;B accommodation – Develop shared temporary accommodation</b>			
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	As an alternative to unsuitable bed and breakfast accommodation, shared temporary accommodation provides accommodation to two homeless households. The accommodation is available to single person and couple households, each provided with the own bedroom while sharing kitchen, bathroom and living areas. The accommodation provided is a more affordable option for households who are in employment. For those not in employment, access to employment, training, and education are also improved.			
<b>Allocation Spent on activity:</b>	£	SG RRTP funding	Local Authority funding	Other
		£58,578 (2019/20 EHT Funding)	£ 103,253.93 (2020/21)	-
<b>Overview of progress made to date:</b> Provide a short summary of the work undertaken in the past year, progress made and challenges.	Midlothian Council ended its use of B&B type accommodation provided by third party contractors in November 2020. Shared temporary accommodation has continued to be used. The plans contained in the original RRTP were to develop 20 properties to provide accommodation for up to 40 households. During the initial stages of the COVID-19 pandemic this was increased to 33 properties to accommodate up to 66 households. Ensuring sufficient capacity for all those in B&B type accommodation plus additional capacity to meet the increased demand for temporary accommodation at the time.			

	At the end of March 2022 21 properties were being used to provide this type of temporary accommodation.		
<b>Impact of Activity:</b> Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.	As some residents have been permanently housed, some of those remaining in the shared temporary accommodation have been offered the opportunity to have the property converted to a permanent Scottish Secure Tenancy. Two people have benefited from this opportunity so far, others will be considered as appropriate opportunities arise.  Some of the financial savings realised from end the use of B&B type accommodation have been used to fund other RRTP prevention focused activities.		
<b>Partnership Working:</b> Provide detail of all partners involved in this activity and how they have supported delivery.	This project is managed by Midlothian Councils Homeless & Temporary Accommodation teams.		
<b>Future spend planned on this activity in 2022/23:</b>	£	SG RRTP Funding	Local Authority funding
	-	-	-
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.	The need/demand for temporary accommodation of this nature will be reviewed throughout 2022/23 and future years to ensure sufficient supply.		
<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:	To ensure this project can be mainstreamed the service charge for the accommodation will cover the cost of furnishings, cleaning and staffing.  We anticipate other RRTP activities such as revisions to the Allocations Policy, the flipping of temporary and homeless prevention activities will result in fewer households requiring temporary accommodation, and a reduction in the time spent in temporary accommodation. As this happens the amount of temporary accommodation stock will be reduced.		

## 2021/22 Activity

<b>Activity Name:</b>	<b>Housing Allocations Policy review/implementation – Allowing people to remain in their temporary housing as a settled option.</b>			
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	<p>Households who have been in temporary accommodation for the longest time will be given the opportunity to remain in the accommodation on a permanent basis. This reduces the number of moves households are required to make before being permanently housed.</p> <p>Over time this will result in a reduction in the time spent in temporary accommodation. In the initial stages the average time in accommodation and time to close a homeless cases will increase when reported through HL1 and HL3 as those who have been in their accommodation the longest secure permanent accommodation in this way.</p>			
<b>Allocation Spent on activity:</b>	<b>£</b>	<b>SG RRTP funding</b>	<b>Local Authority funding</b>	<b>Other</b>
		-	-	-
<b>Overview of progress made to date:</b> Provide a short summary of the work undertaken in the past year, progress made and challenges.	<p>During 2021/22 48 households had their temporary accommodation converted to a Scottish Secure Tenancy in this way.</p> <p>In 2020/21 51 people had their accommodation converted in this way, resulting in the number of people in temporary accommodation for over two years reducing from 189 on 31<sup>st</sup> March 2019 to 52 on 31<sup>st</sup> March 2021.</p> <p>As of 31<sup>st</sup> March 2021 51 households had been in their temporary accommodation for over two years. All of these households have either been offered and declined the opportunity to convert their accommodation in this way, or were in accommodation that was not suitable to be 'flipped'</p>			



<p><b>Impact of Activity:</b> Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.</p>	<p>Since commencing this initiative 99 households have benefited from having their accommodation converted in this way.</p> <p>This along with other activities this has contributed the overall reduction in open homeless cases at the end of the year (802 – 2020/21 reducing to 630 – 2021/22)</p> <p>Converting properties in this way reduces the overall number of void properties and the costs associated with this, including, void rent loss, repairs and general maintenance.</p>			
<p><b>Partnership Working:</b> Provide detail of all partners involved in this activity and how they have supported delivery.</p>	<p>This project is managed by Housing Services and Temporary Accommodation.</p>			
<p><b>Future spend planned on this activity in 2022/23:</b></p>	<p>£</p>	<p>SG RRTP Funding</p>	<p>Local Authority funding</p>	<p>Other</p>
		<p>-</p>	<p>-</p>	<p>-</p>
<p><b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.</p>	<p>The decision to offer households the opportunity of converting temporary accommodation to settled accommodation in this way will continue on a cases by case basis. With those who have been in their accommodation for the longest time considered first.</p> <p>People who decline the opportunity to have their accommodation converted in this way will not be penalised and still be made an offer of permanent housing under Homeless Legislation</p>			
<p><b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:</p>	<p>This activity has been mainstreamed from implementation.</p>			

## 2021/22 Activity

<b>Activity Name:</b>	<b>Housing Allocation Policy review/implementation – increasing the number of void properties offered to homeless households.</b>			
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	The amendments made to the Housing Allocations Policy aim to ensure homeless households are able to access settled accommodation as soon as possible, and to minimise the time spent in unsuitable accommodation. The percentage of Council properties allocated to those on the Homeless List increased from 45% to 60%. On Implementation all homeless households were required to choose all house types, and as a minimum at select at least two of the six areas which have a significant number of available properties.			
<b>Allocation Spent on activity:</b>		<b>SG RRTP funding</b>	<b>Local Authority funding</b>	<b>Other</b>
	£ -	-	-	-
<b>Overview of progress made to date:</b> Provide a short summary of the work undertaken in the past year, progress made and challenges.	During 2021/22, 205 void properties were allocated homeless households by Midlothian Council. When combined with the 48 temporary accommodation properties converted 58.7% of all lets in Midlothian were to homeless households, increasing from 54% in 2020/21.			
<b>Impact of Activity:</b> Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.	This activity combined with other measures introduced in the Housing Allocations Policy and RRTP activities has contributed to the number of homeless cases reducing from 802 on 31/3/2021 to 630 on 31/3/2022. Further evidence of the positive impact being made is shown in the average homeless case duration reducing from 118 weeks in 2020/21 to 98 weeks in 2021/22			
<b>Partnership Working:</b> Provide detail of all partners involved in this activity and how they have supported delivery.	This activity is managed by Midlothian Councils Housing Services Team.			
		<b>SG RRTP Funding</b>	<b>Local Authority funding</b>	<b>Other</b>

<b>Future spend planned on this activity in 2022/23:</b>	£	-	-	-
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.	Midlothian Council will monitor the number of properties allocated to homeless households throughout 2021/22 to ensure the targets set out in the Housing Allocations Policy are met. To further reduce the overall number of homeless cases.			
<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:	This activity has been mainstreamed from implementation. It will be kept under frequent review to monitor progress.			

2021/22 Activity				
<b>Activity Name:</b>	Target open market purchases for Council Housing to areas and house types in high demand from homeless applicants.			
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	To increase the availability of council housing in areas where there is the greatest shortfall in meeting the demand. These properties are allocated to homeless applicants. This helps reduce the time taken for applicants to be housed in areas/property types where they may be waiting longer for secure housing.  This activity is funded by Midlothian Council along with an additional grant subsidy from the Scottish Government More Homes Division.			
<b>Allocation Spent on activity:</b>	£	SG RRTP funding	Local Authority funding	Other
	-	£7,277,935.42	£2,677,420	
<b>Overview of progress made to date:</b> Provide a short summary of the work undertaken in the past year, progress made and challenges.	In 2021/22 15 properties were purchased through the open housing market in this way.  In total Midlothian Council has purchased 112 properties in this way (2018/19 – 39, 2019/20 – 44, 2020/21 – 14,			

	2021/22 – 15) Exceeding the original target of purchasing 80 properties by 2023/24 in 2019/20.  The properties purchased in 2021/22 were funded in the following way, £1.691m Midlothian Council, £0.517 Scottish Government (More Homes Division)			
<b>Impact of Activity:</b> Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.	As a result of this activity 112 homeless households have been able to secure permanent housing in an area selected on their housing application.			
<b>Partnership Working:</b> Provide detail of all partners involved in this activity and how they have supported delivery.	This project is managed by Midlothian Councils, Housing Strategy and Housing Services Teams.			
<b>Future spend planned on this activity in 2022/23:</b>	£	SG RRTP Funding	Local Authority funding	Other
	-		£2,310,000	£685,714
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.	Midlothian Council aims to purchase a further 12 properties to be allocated in this way during 2022/23.			
<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:	This activity will be reviewed on an on-going basis.  Decisions on the number of properties to be purchased will be based on the current housing demand and availability of accommodation in each locality.			

2021/22 Activity	
<b>Activity Name:</b>	<b>Ending the use of Bed and Breakfast accommodation:</b> convert Jarnac Court, an existing office building owned by Midlothian Council, into 22 short term temporary accommodation units.
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	<p>Jarnac court will provide accommodation for 36 people facing emergency homelessness.</p> <p>The former Dalkeith office space now boasts 22 bedrooms, of which 14 are doubles, some with en suites, two fully</p>

	fitted kitchens, two communal living areas, offices/meeting rooms, bathrooms and laundry facilities.			
<b>Allocation Spent on activity:</b>		<b>SG RRTP funding</b>	<b>Local Authority funding</b>	<b>Other</b>
	£	-	£1,644,793.00 (£75,000 in 2019/20, £56,000 in 2020/21, £1,513,793.45 in 2021/22)	-
<b>Overview of progress made to date:</b> Provide a short summary of the work undertaken in the past year, progress made and challenges.	The initial project proposals were approved in 2018. During 2019, it became apparent that additional repairs would be required to the building, in addition to the original repair work. Additional work was also identified to ensure building standards will be met, reflecting the change of use from commercial to residential.  The revised plans and proposed budget were approved by Midlothian Council in December 2019 following which a contractor was appointed to complete the required works. Building works are now scheduled to be completed during Spring 2022 with the project becoming operational in late spring/early summer.			
<b>Impact of Activity:</b> Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.	The impact of this activity will be assessed throughout 2022/23.			
<b>Partnership Working:</b> Provide detail of all partners involved in this activity and how they have supported delivery.	The accommodation will be managed by Midlothian Councils temporary accommodation team.  Residents will have 24 hours access to on-site housing support.			

	Services from Midlothian Health and Social Partnership, including mental health and substance misuse teams, will also provide specialist support on-site. This will ensure people are able to have support needs assessed quickly and receive the support required.			
<b>Future spend planned on this activity in 2022/23:</b>		SG RRTP Funding	Local Authority funding	Other
	£ -		£415,207	-
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.	The building is scheduled to be handed over to Midlothian Councils temporary accommodation team in June 2022, with the first residents moving in over the following weeks.			
<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:	It is proposed for the building to be used as supported accommodation for a minimum of five years. As the impact of RRTP projects aimed at reducing the time spent in temporary accommodation, and re-housing legacy cases is realised, the amount and type of accommodation provided in Midlothian will be reviewed.			

2021/22 Activity				
<b>Activity Name:</b>	Homeless Prevention Fund			
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	<p>The homeless prevention fund is a small scale resource available to front line staff to prevent homelessness, or the need for temporary accommodation from occurring.</p> <p>This project has been funded through the savings made from Midlothian Council ended its use of B&amp;B type accommodation provided by external contractors.</p> <p>The fund was launched on 26<sup>th</sup> July 2021</p>			
<b>Allocation Spent on activity:</b>	£	SG RRTP funding -	Local Authority funding £30,000	Other -

<p><b>Overview of progress made to date:</b></p> <p>Provide a short summary of the work undertaken in the past year, progress made and challenges.</p>	<p>After received approval from Midlothian Council in May 2021 the fund was launched in July 2021. A budget of £30,000 was allocated to the prevention fund for 2021/22, utilising savings made from ending the use of B&amp;B type accommodation.</p> <p>The due to the nature of presentations and limited availability of accommodation in the private rented sector during this time A total of £3060.09 was award to assist 4 households between July 2021 and March 2022.</p> <p>The Scottish Government Covid Tenant Grant Fund was successfully implemented in Midlothian, further reducing the number of people who may otherwise have required assistance from the Prevention Fund.</p>			
<p><b>Impact of Activity:</b></p> <p>Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.</p>	<p>Examples of positive outcomes from use of the fund include, providing assistance with the first month's rent to enable people to secure a private rented tenancy, removing the need to access temporary accommodation and potentially multiple moves before finding settled accommodation.</p> <p>Others have been provided with help to maintain their tenancy while in custody for a short period using the fund to pay rent for a short period. This helps to ensure accommodation is available upon release preventing further homelessness, while also removing additional costs for the council associated with void rent loss and repairs.</p>			
<p><b>Partnership Working:</b></p> <p>Provide detail of all partners involved in this activity and how they have supported delivery.</p>	<p>The Homeless Prevention Fund is managed by Midlothian Council's Homeless Team. Where relevant Officers negotiate with landlords to prevent action that would lead to eviction being escalated. Officers work in partnership with other agencies and the third sector to ensure support is in place to ensure longer term tenancy sustainment.</p>			
		SG RRTP Funding	Local Authority funding	Other

<b>Future spend planned on this activity in 2022/23:</b>	£	-	£30,000	-
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.	This project will continue for 2022/23 with the same budget allocation.			
<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:	Midlothian Council approved this project as a two year trial. A review of the initiative will be completed at the end of this period.			

2021/22 Activity				
<b>Activity Name:</b>	Improving access to the private rented sector			
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	<p>Since the introduction of the Private Residential Tenancy in December 2017, Midlothian Council has made good use of this sector as a permanent housing option for homeless households.</p> <p>In April 2021 it was agreed to increase this budget from £16,000 to £32,000 in order to provide more assistance. This increase was funded through the savings made as a result of Midlothian Council ending its use of B&amp;B accommodation provided by third party contractors.</p> <p>In addition to assisting households who have been assessed being homeless or a risk of homelessness within the next 56 days, assistance is now also provided to households seeking general housing advice. This is to further prevent the risk of people becoming homeless and potentially needing costly temporary accommodation.</p>			
<b>Allocation Spent on activity:</b>	£	SG RRTP funding	Local Authority funding	Other
	£	-	£32,000	-



<p><b>Overview of progress made to date:</b></p> <p>Provide a short summary of the work undertaken in the past year, progress made and challenges.</p>	<p>During 2021/22 11 households were provided with assistance to access a deposit enabling them to secure a private residential tenancy.</p> <p>Throughout 2021/22 frontline officers have reported a reduction in the availability of private rented accommodation where the rent is within LHA rates. In addition to this it is reported the 'competition' for available properties has also increased with a significant increase in the number of people stating an interest in properties.</p>			
<p><b>Impact of Activity:</b></p> <p>Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.</p>	<p>The activity assists people to access accommodation in the private rented sector who would otherwise be unable to do so. This helps to ensure homeless people and those at risk of becoming homeless in Midlothian have access as wider range of housing options as possible.</p> <p>People are able to access secure accommodation removing the need for multiple moves and the need for often costly temporary accommodation.</p>			
<p><b>Partnership Working:</b></p> <p>Provide detail of all partners involved in this activity and how they have supported delivery.</p>	<p>This activity is managed by Midlothian Councils Homelessness team. Officers work directly with landlords to help people unable to source a deposit access the private rented sector. Officers work in partnership with other agencies/services to ensure support is in place, where required, to maximise tenancy sustainment.</p>			
<p><b>Future spend planned on this activity in 2022/23:</b></p>	<p>£</p>	<p>SG RRTP Funding</p>	<p>Local Authority funding</p>	<p>Other</p>
<p><b>Implementation in 2022/23:</b></p> <p>Provide a short summary of the aims and targets for this activity during 2022/23.</p>		<p>-</p>	<p>£32,000</p>	<p>-</p>
<p><b>Implementation in 2022/23:</b></p> <p>Provide a short summary of the aims and targets for this activity during 2022/23.</p>	<p>This activity will continue in 2022/23, with the same increased budget. Officers will continue to work with local landlords and letting agencies to help households access the private rented sector where this is a suitable housing option that they wish to consider.</p>			

<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:	This activity is already mainstreamed. The budget allocated to the activity will continue to be reviewed on an annual basis.
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2021/22 Activity			
<b>Activity Name:</b>	<b>Sustainable Housing on Release for Everyone (SHORE) Standards</b>		
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	<p>In November 2019, Midlothian Council's Community Safety and Justice Partnerships established a multi-disciplinary group to work to work in partnership in the provision of supporting people returning to the community after serving a custodial sentence.</p> <p>Housing and homeless work with this group to help prevent people losing their accommodation, and where required ensure suitable accommodation is identified ahead of liberation.</p>		
<b>Allocation Spent on activity:</b>		<b>SG RRTP funding</b>	<b>Local Authority funding</b>
	£ -	-	-
<b>Overview of progress made to date:</b> Provide a short summary of the work undertaken in the past year, progress made and challenges.	<p>The multi-multidisciplinary group has continued to meet on a fortnightly basis throughout 2020/21. Ensuring support plans are in place to help people leaving prison to address other, often complex, needs. All support is delivered from a trauma informed perspective.</p> <p>The Community Safety and Justice Partnership fund an additional two workers from third sector organisations as part of this project.</p>		
<b>Impact of Activity:</b> Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.	As a result of this activity suitable accommodation has been identified for all those who require this ahead of their release from prison. The additional support provided ensures people are able to access welfare benefits quickly,		

	receive support to address wider needs and where appropriate access training, education or employment.			
<b>Partnership Working:</b> Provide detail of all partners involved in this activity and how they have supported delivery.	A partnership approach is taken to the delivery of this activity. Agencies/services who participate in the fortnightly meetings include, justice, mental health, substance misuse, third sector, children and families, and housing/homelessness. During 2021/22 this group has been expanded to include Skills Development Scotland, Communities and Lifelong Learning, and Department for Work and Pensions.			
<b>Future spend planned on this activity in 2022/23:</b>	<div>£</div>	<div>SG RRTP Funding</div> <div>-</div>	<div>Local Authority funding</div> <div>-</div>	<div>Other</div> <div>-</div>
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.	This activity will continue during 2022/23.			
<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:	Midlothian Councils Community Safety and Justice Partnership will continue to review this activity to ensure adherence to the SHORE standards.			

2021/22 Activity			
<b>Activity Name:</b>	Revised nominations agreement with East and Midlothian Womens Aid		
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	This agreement with Womens Aid aims to provide those experiencing domestic abuse with settled accommodation as a first option. This removes the need to make a homeless application, and possible moves to temporary accommodation		
	SG RRTP funding	Local Authority funding	Other

<b>Allocation Spent on activity:</b>	£	-	-	-
<b>Overview of progress made to date:</b> Provide a short summary of the work undertaken in the past year, progress made and challenges.	An updated nominations agreement was confirmed in August 2020.  This committed to providing a minimum of four properties to be used in this way each year.			
<b>Impact of Activity:</b> Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.	Those provided with housing in this way have been able to quickly settle into their new tenancy knowing the need for short term moves to temporary accommodation has been removed. East and Midlothian Women's Aid provide support for a minimum of six months including assistance to register with GP, Schools etc. help to settle in the community and emotional support to both women and children.			
<b>Partnership Working:</b> Provide detail of all partners involved in this activity and how they have supported delivery.	This initiative is jointly facilitated by Midlothian Council and East and Midlothian Women's Aid.			
<b>Future spend planned on this activity in 2022/23:</b>	£	SG RRTP Funding	Local Authority funding	Other
	£	-	-	-
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.	This agreement will be continued throughout 2022/23. The number of properties allocated will be continue to be monitored locally.			
<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:	This activity has been mainstreamed from implementation			

## 2021/22 Activity

<b>Activity Name:</b>	<b>Midlothian House Project</b>			
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	<p>Midlothian Housing Project is a Local House Project, to help young people leaving care to create their own home and live independently in the community.</p> <p>The project is co-designed with young people who work together to develop relationships and learn skills that enable them to live successful adult lives.</p> <p>The project receives support from the Life Changes Trust Foundation, matched with a financial commitment by Midlothian Council.</p> <p>Young people are also supported to develop and participate in peer support groups throughout the time they are working with the project.</p>			
<b>Allocation Spent on activity:</b>		<b>SG RRTP funding</b>	<b>Local Authority funding</b>	<b>Other</b>
	£ -	£420,646	£250,323	
<b>Overview of progress made to date:</b> Provide a short summary of the work undertaken in the past year, progress made and challenges.	<p>20 care experienced people are participating in the wider activities provided by the project. 11 have successfully moved into their own permanent tenancy and a further two are waiting to be allocation permanent housing.</p>			
<b>Impact of Activity:</b> Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.	<p>11 young people have been provided with a permanent tenancy.</p> <p>16 of the young people are either in active training/education or employment.</p>			
<b>Partnership Working:</b> Provide detail of all partners involved in this activity and how they have supported delivery.	<p>LA partners: Children and Families, Adult Services, Justice Team, Substance Misuse Service.</p>			

	Third sector organisations include: Connect Scotland, Fast Forward, and Health in Mind.  Connections have also be established with Edinburgh Collage and Communities and Lifelong Learning.  Midlothian Council Housing Services have committed to provide six properties per year, with local Housing Associations providing four per year.  Joint working between Housing Services and project staff has continued to raise care experience awareness and trauma informed practice.			
<b>Future spend planned on this activity in 2022/23:</b>		SG RRTP Funding	Local Authority funding	Other
	£ -	-	-	-
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.	During 2022/23 work will continue to support those from the first cohort to successfully sustain their tenancy and live independently in the community. During this period it is hoped all of those from the second cohort will be provided with a permanent tenancy.			
<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream / when this activity will end:	This project has been funded for an initial three year period. Children and Families will be responsible for conducting reviews and taking decisions regarding future funded etc.			

2021/22 Activity	
<b>Activity Name:</b>	<b>Homeless Prevention Forum – early intervention to prevent evictions due to rent arrears</b>
<b>Activity Description:</b> Provide a short overview of the aims and the transformative nature of this activity.	The Homeless Prevention Forum has been established to ensure a person centred approach is taken to prevent evictions from Midlothian Council tenancies due to rent arrears.

Allocation Spent on activity:	£	SG RRTP funding	Local Authority funding	Other
		-	-	-
<b>Overview of progress made to date:</b> Provide a short summary of the work undertaken in the past year, progress made and challenges.	After developing joint working agreements and the aims and scope of the meetings, the Homeless Prevention Forum met for the first time on 30 <sup>th</sup> September 2021. Initial expectations were around 10 Midlothian Council tenants at risk of eviction due to rent arrears would be discussed at each meeting.			
<b>Impact of Activity:</b> Evidence of the impact of this activity, including any financial saving and how many households have benefited from this activity.	A review of the first three meetings took place in February 2022. This found that 30 households had been referred to the forum (all as a result of arrears). In 25 cases there it was evidenced that the multi-agency approach and actions taken by the forum have prevented homelessness.  There is evidence that many of the households discussed at the forum have actively engaged with the support offered to address their rent arrears. Court action is continuing for the few cases who have not engaged with the support offered so far. Attempts to provide support those households and prevent homelessness will continue.			
<b>Partnership Working:</b> Provide detail of all partners involved in this activity and how they have supported delivery.	The forum brings together senior members of staff from a variety of teams including, Homelessness, Housing Services, Arrears, Children and Families, and Housing Support.  Services take a person centred approach to each person discussed to identify actions to be taken to resolve/reduce the arrears and prevent enforcement action from being escalated.			
Future spend planned on this activity in 2022/23:	£	SG RRTP Funding	Local Authority funding	Other
		-	-	-
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for this activity during 2022/23.	This activity will continue during 2022/23 to prevent homeless resulting from rent arrears. It is recognised that			

	<p>this type of activity may become more important over the coming months as the impact of the rising cost of living begins to be realised.</p> <p>Although no cases have been referred so far the scope of the forum has been widened to include tenants who are at risk of eviction due to anti-social behaviour.</p>
<p><b>Plans for mainstreaming this activity:</b></p> <p>Provide detail of the timescale and plans to mainstream / when this activity will end:</p>	<p>After evaluation and success of the first three meetings it was decided to mainstream this activity.</p> <p>Processes will be kept under regular review to ensure the intended outcomes are achieved.</p>

Housing First Progress	
<p><b>Housing First Progress:</b></p> <p>Provide a short overview of progress to date in developing and implementing Housing First in your local authority area.</p>	<p>During 2019/20 Midlothian Council developed a model of delivering housing first, including the procurement of a dedicated Housing First Support Provider. Following a short delay due to COVID-19 Midlothian Council launched Housing First on 1<sup>st</sup> June 2020.</p> <p>Throughout the development of Housing First a partnership working approach has been taken to ensure those accepted are provided with wrap-around support specific to their own individual needs.</p> <p>These partnership working arrangements have been reviewed at frequent intervals, particularly in the first year 'pilot'.</p>
<p><b>Housing First Tenancies</b></p> <p>Provide an overview of how many Housing First tenancies have started area and the plans for scaling up Housing First in future years. Also provide the average support cost of each Housing First tenancy.</p>	<p>Since launch 34 people have been accepted for Housing First in Midlothian up to 31<sup>st</sup> March 2022. During the first two years of Housing First 40 people will have been accepted. A further 20 Housing First tenancies will be in the third year.</p>



	<p>Up to 31<sup>st</sup> March 2021 the average known cost of supporting each Housing First tenancy was £2,365.18. This does not include the significant resources committed to delivering Housing First and providing support to tenants by partner services/agencies that are met from existing budgets.</p>
<p><b>Housing First Furniture Packages</b> Provide an overview of any furniture packages you provide to each Housing First tenancy, including an average cost of furniture packages and how they are funded.</p>	<p>Those accepted for Housing First in Midlothian are supported to apply for furnishings from the Scottish Welfare fund. The items provided are assessed on an individual basis by Midlothian Councils Revenues and Benefits team, in line with existing Scottish Welfare Fund guidance. The average award for those accepted for Housing First to date is £1364.37.</p> <p>Those accepted for housing first are also supported to apply for additional assistance to furnish/decorate the accommodation from a variety of other funds. These applications are made on an individual basis according the needs/wishes of the individual.</p> <p>Some Housing First tenants have also been eligible for a Leaving Care Grant.</p>
<p><b>Housing First Partners</b> Provide detail of all Housing First partners who are supporting the delivery of Housing First.</p>	<p>The Housing First support service in Midlothian is provided by WithYOU. Administrative functions are completed by a 0.25 FTE member of staff from Customer and Housing Services. Ongoing tenancy management is provided through existing resources within Housing Services.</p> <p>The following agencies/services work in partnership to provide additional, non-housing support and or contribute to the processes relating to the identification and selection of homeless people suitable for Housing First; Joint Mental Health Team, Substance Misuse Service, Justice Social Work, Children and Families, Spring Service, Change Grow Live, East and Midlothian Womens Aid, Domestic Abuse Service, Revenues, DWP.</p>

Allocation Spent on Housing First:		SG RRTP funding	Local Authority funding	Other
		£ 80,416 (£32,000 development fund, £23,844 2019/20 EHT fund, £24,572 2020/21 EHT fund)	-	-
<b>Impact of Housing First:</b> Evidence of the impact of Housing First, including any financial saving and savings identified by other public bodies if it has been measured.	There have been many positive outcomes for people accepted for Housing First in Midlothian including examples of people being able to enter employment, people reducing/stabilising their substance misuse, people not re-entering the justice system, people being able to have meaningful, including overnight, access to children. The wider savings by other public bodies has not be calculated.			
Future spend planned on this activity in 2022/23:		SG RRTP Funding	Local Authority funding	Other
		£56,349 (£19,303.34 2020/21 EHT fund, £37,245.66 2021/22 EHT fund)	-	-
<b>Implementation in 2022/23:</b> Provide a short summary of the aims and targets for Housing First during 2022/23.	Midlothian Council has committed to continuing Housing First on the same basis for a third year. This is with an increased staffing resource to reflect the increased numbers of people receiving support from the service. This will see up to another 20 people being offered a Housing First tenancy.			

<b>Plans for mainstreaming this activity:</b> Provide detail of the timescale and plans to mainstream.	In the second half of 2022/23 a full review of Housing First in Midlothian will be completed. Learning from the experiences of the project so far, and the feedback received from Homeless Network Scotland through the check-up process. This will inform decisions about how Housing First will operate on a longer term basis in Midlothian.
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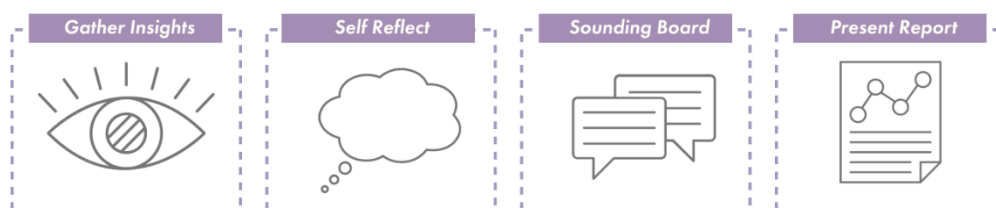
Unspent RRTP Funding		
Please provide the total RRTP funding provided by the Scottish Government for the implementation of the Rapid Rehousing Transition Plan in your area that has <u>not</u> been spent to date.	£	<b>£174,754.34 (£47,754.34 2021/22 winter boost, £127,000,000 2021/22 EHT grant fund)</b>
Provide detail of how this funding will be spent on implementing the Rapid Rehousing Transition Plan in 2022/23 detailing the area that it will be used in. Please make clear the individual amounts		
ACTIVITY	FUNDING TO BE CARRIED FORWARD	
Youth homeless prevention and support	£	£174,754.34
	£	
	£	
	£	
	£	





## Housing First Scotland Annual Check-Up

# Final Report Midlothian



Check-up completed: 24/05/2022

### Homeless Network Scotland

Charity Registered in Scotland (SC0 03453) and Company Limited by Guarantee (SC112361)  
Registered Office at Unit 16a, Adelphi Centre  
12 Commercial Road, Glasgow G5 0PQ  
Chief Executive: Margaret-Ann Brünjes

### Contact Us

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w: [homelessnetwork.scot](http://homelessnetwork.scot)

# Thank you.

**Thank you for participating so fully in the annual check-up process for Housing First.**

Housing First means ordinary, settled housing as a first response for people whose homelessness is made harder by experiences such as trauma, addiction, and mental health problems. Combined with flexible, person-centred and open-ended support, it centres safety, choice and peace of mind.

Housing First is branching out across Scotland. From the initial pilots and pathfinder, 24 of 32 local authority areas are now putting Housing First. While the highest demand is in urban areas, all 32 councils in Scotland have people who could thrive with Housing First.

Homeless Network Scotland and Scottish Government are facilitating this annual check-up. In this first year, 13 local authorities are participating (those having at least 1 year of delivery, and not being involved in the pathfinder). We will report separately on emerging themes, great ideas and learning points across all areas.

In this local report we summarise your strengths and successes and the shared commitments explored for the year ahead. And we also leave you with a deliberate provocation from the expert who joined your sounding board!

**Home is the best base to build and live our lives. Housing First is normal, its fairer, it works – and we all benefit.**

## Method

- We facilitated **Housing First Connect**, an online event for all partners involved in Housing First across each of the local authority areas that make up the East Housing Options Hub.
- We invited the local authority lead and key partners to complete the **Self-Reflection Tool**. Five self-reflection scores were returned.
- We will be inviting new tenants to tell us what they think about Housing First by responding to a short text survey. We will be in touch about this shortly.
- We submitted an interim **Messages that Matter** report to the local authority lead and partners, based on the combined insights we gathered from people, the scores from the self-reflection tool and the quarterly monitoring data supplied to the Scottish Government.
- We facilitated a **Sounding Board** with the local authority lead and a small roundtable of your nominated partners to explore the messages that matter. This was also attended by an expert on Housing First from outside Scotland, Alex Smith, Senior Project Manager leading Housing First England, Homeless Link.

## Measure

Heriot-Watt university estimates that around 3,560 Housing First tenancies per year, over a 10-year programme, would meet demand from people already in the homelessness system and those forecast to be best-fit for Housing First over the same period. This is generally higher than local forecasts and not linked to the local factors that will influence how fast Housing First can scale up across the area. The number of Housing First tenancies started in Midlothian is 31 as of March 2022.

Housing First Demand Estimates					
Aberdeen City	221	Edinburgh	357	Orkney	6
Aberdeenshire	103	Eilean Siar	8	Perth & Kinross	73
Angus	60	Falkirk	103	Renfrewshire	124
Argyll & Bute	40	Fife	273	Scottish Borders	55
Clackmannanshire	49	Glasgow City	538	Shetland	7
Dumfries & Galloway	109	Highland	91	South Ayrshire	58
Dundee City	181	Inverclyde	44	South Lanarkshire	158
East Ayrshire	79	Midlothian	33	Stirling	62
East Dunbartonshire	20	Moray	39	West Dunbartonshire	136
East Lothian	47	North Ayrshire	132	West Lothian	150
East Renfrewshire	17	North Lanarkshire	185	Scotland	3,560

Table 2: Housing First Demand Estimates 2021-2031 (per year)

## Strengths and successes

*Midlothian partners were able to clearly demonstrate several foundations that were strong and developments that were inspiring. This includes:*

- A different approach to allocations; Midlothian identify void properties and allocate them directly to Housing First at a rate of two per month to overcome issues with housing supply.
- “Flipping” temporary tenancies to Scottish Secure Tenancies in line with the desires of the tenant and taking action to ensure that no one waits longer to secure a tenancy through Housing First than those on other housing waiting lists.
- Offering a furnished property has contributed to the success of tenancies and has evolved the thinking in the local authority that all properties ought to be furnished for people recovering from a period of homelessness.
- The support provided to tenants is of good quality and flexible, support providers work in partnership with housing providers to ensure support is timely when issues arise with the property.

## Commitments and considerations

*Midlothian partners are exploring the following developments for the year ahead:*

- A robust and inclusive commissioning approach can ensure that the delivery of Housing First is commissioned against, and therefore tied to, the principles of Housing First. Consultation during 2022-23 will help develop a commissioning and cost model for Housing First in Scotland that protects low caseloads and the capacity of support workers.
- The long-term approach to funding Housing First is to build it into a range of frameworks, to join up approaches and avoid long-term duplication of services. A shared funding approach, especially with health and social care partnerships and community justice, acknowledges the shared cost-benefits of Housing First.
- Creating a partnership with Scottish Welfare Fund to allow funds to be released more quickly for Housing First tenants, learning from other Housing First partnerships and their agreements with SWF.
- Scope options for colocation of staff to encourage stronger partnerships with specialist support services such as mental health and addictions services.
- Work towards a caseload of seven tenants per Housing First worker, bringing the delivery in line with the Housing First principles



### **Experts' provocation...**

In other areas, teams are rigid in adhering to the recommended maximum caseloads and have developed some “non-negotiables” to sit alongside the Housing First principles, with caseload being one. Midlothian should consider the maximum caseload a non-negotiable factor and bring the delivery in line with the principles.

### **Housing First – the help.**

Whether you are planning, commissioning or delivering Housing First support – there is help on hand. Find out more about the tools and time available for you at [www.housingfirst.scot](http://www.housingfirst.scot) including ‘Branching Out’ - the National Framework for Housing First.



**Title of Report** Trauma Informed practice development in Midlothian

**Report by** Nick Clater (Head of Adult Services)

**Report for Information**

**1 Recommendations**

Council is recommended to note the report.

**2 Purpose of Report/Executive Summary**

This is an information report providing an update on the development of trauma informed practice in Midlothian.

**Date** 2 August 2022

**Report Contact:** Nick Clater (Head of Adult Services)  
0131-271-3402  
[nick.clater@midlothian.gov.uk](mailto:nick.clater@midlothian.gov.uk)

### 3 Background/Main Body of Report

In Midlothian Council, we are committed to creating a culture that is trauma informed. The vision is for a whole system, multi-level approach to workforce training and development.

Leaders in Midlothian Community Planning Partnership, including service areas within both Midlothian Council and Midlothian HSCP, identified that an understanding was required by the workforce of trauma, adversity and its impact on health, learning and wellbeing. The 'workforce' referred to is multi-agency, and includes a range of roles – from receptionist in universal services to clinical specialists across the lifespan.

A brief scoping exercise identified gaps in Trauma Informed Practice training for people in client-facing roles across Midlothian. Staff in a wide range of Council services all expressed a desire for their practice to be better trauma informed.

In September 2019 a bid to NHS Education for Scotland (NES) from Midlothian HSCP was successful and Midlothian was allocated £40,000 to deliver Trauma Training to the Midlothian workforce. The training model proposed was an open access one. The aim was to provide:

- Level 1 (Trauma Informed) Training to 400 frontline workers and volunteers in a range of public facing Services
- Level 2 (Trauma Skilled) Training to 110 people, initially focusing on the services and partner agencies associated with the new Recovery Hub, Number 11.
- Level 3 (Trauma Enhanced) Training was to be provided by the local TIPTICs.
- To ensure full engagement and ongoing sustainability, key leaders and managers would be expected to attend Scottish Trauma Informed Leadership Training (STILT) which was provided by NES. This was to ensure that they had a good understanding of the Transforming Psychological Trauma agenda and their responsibilities in supporting staff to undertake training and implement learning in their day to day work.
- To build on existing good practice of staff supervision and to support local service areas to embed this within their practice as appropriate to the staff group

This pilot project is now complete with 359 people trained at level 1 and 107 people at level 2 which was very close to the target set. An evaluation report has been compiled with 6 recommendations and forwarded to Scottish Government. This report is attached as an appendix. We have received positive feedback from the Scottish Government.

The governance for this piece of work currently sits under Midlothian Trauma steering group chaired by Head of Adult Services with members from a range of organisations. The Head of Adult Services is also the Trauma Champion across the HSCP and Midlothian Council.

We are in the process of developing a Trauma Informed Practice Development Worker (£100k funding from the Scottish Government for the next two years has been secured). This post will both coordinate the ongoing training to a range of roles and agencies across Midlothian as well as develop Midlothian to become a trauma informed community. This will include exploring how public buildings can be more trauma informed, how we all might be able to modify our behaviours and communication to enable it to be more trauma aware.

It should be noted that there is a commitment to review the membership of the Trauma Steering Group so that it is more congruent with a One Council approach. It has been very much centred on Adult Social Work services. Both the Head of Adult Services and the CSWO and Chief Officer Children's Services, Partnerships and Communities are committed to leading on this piece of work and engaging with other colleagues across Midlothian Council. Moreover, there are clear links with *The Promise*. The post referred to above will work across all areas in Midlothian Council and there is a strong commitment to ensure trauma informed approaches and practice are embedded across all areas.

#### **4 Report Implications (Resource, Digital and Risk)**

##### **4.1 Resource**

There are no resource implications in this report as Midlothian has received £100k over two years to recruit a Trauma informed practice development worker to lead on the work. Including on costs the Trauma development worker post costs £45,000 per year which leaves a small surplus each year. The Trauma steering group will decide what will be the use of the remaining money.

##### **4.2 Digital**

There are no digital implications in this report.

##### **4.3 Risk**

The Trauma informed practice development work will increase awareness for staff and communities in Midlothian and how we might modify our behaviour and language when interacting in front line services and present a more empathetic and understanding approach.

##### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

Not applicable.

##### **4.4 Additional Report Implications (See Appendix A)**

See Appendix A

## Appendices

### Appendix A – Report Implications

### Appendix B – Trauma Informed Practice Pilot project report

## APPENDIX A – Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

There are some links to the Trauma Informed practice development work within the Single Midlothian Plan

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- ☒ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☐ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### A.4 Delivering Best Value

Not applicable.

### A.5 Involving Communities and Other Stakeholders

The trauma informed practice report is accessible to the general public following its approval by Scottish Government. The working group for the Pilot project included a range of people from different organisations and those with lived experience.

### A.6 Impact on Performance and Outcomes

The Trauma informed practice development work as highlighted in the report and its recommendations will continue to train more front line

staff across organisations in Midlothian. Therefore increasing the number of trained staff and increasing awareness and understanding of supporting people who have experienced trauma. This will lead to Midlothian becoming a Trauma informed community.

**A.7 Adopting a Preventative Approach**

Not applicable.

**A.8 Supporting Sustainable Development**

Not applicable.

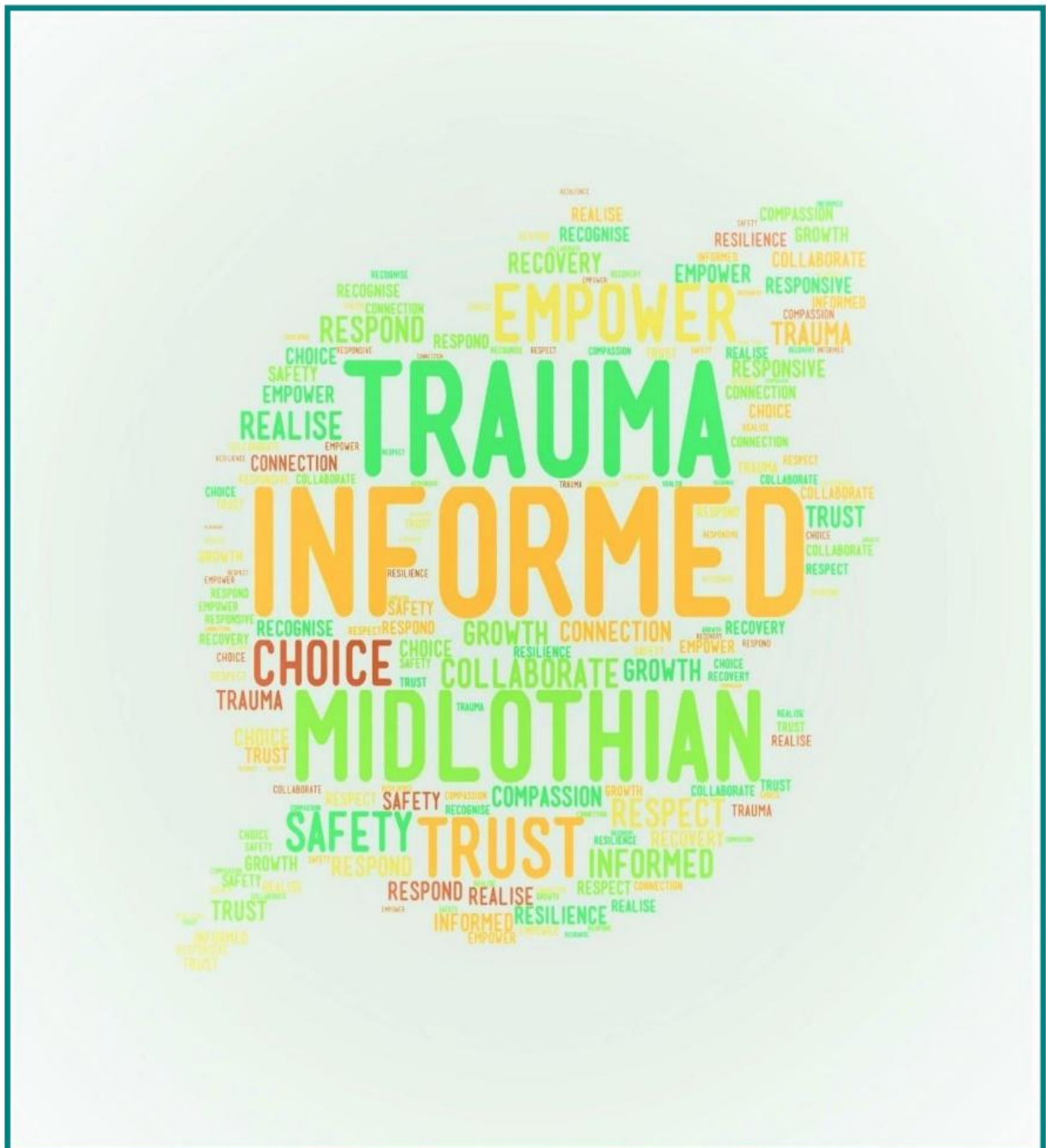
**APPENDIX B**

**Background Papers/Resource Links** Trauma Informed Practice Pilot project report





# Midlothian Trauma Training Pilot



**The work described in this report would not have been possible without the enthusiasm and contributions of a wide range of partners. The Midlothian Trauma Training Steering Group would like to thank:**

The Lothian Transforming Psychological Trauma Implementation Coordinators; Dr Suzie Black and Dr Gillian Radford, for their support and guidance, allowing us to use their training resources and for providing training for our Trauma Trainers.

CAPS Collective Independent Advocacy, Ele Davidson and the Lothian People with Lived Experience Group for their enthusiasm for the pilot, observations, ideas and useful feedback.

The Midlothian Trauma Trainers; Lorraine Chapman, Arab Chaudhry, Jackie Davidson, Sarah Fletcher, Gemma Goodwin, Kirsten Kidd, Gillian MacDonald, Rowena Macintosh, Joe Riba Segues Ewan Ross, Ann Marie Sheerer, Martin Sweeney for their support and commitment to delivering the training.

The Midlothian Trauma Training Administrators: Liz Sinclair and Jennifer Aliscio for their support with the administration tasks.

The Midlothian Council Learning and Development Team; Christine Dunn, for her guidance and collaborative working.

Report Written by Penny Balfour, Clinical Associate in Applied Psychology.

Trauma Training Coordinator for the Midlothian Trauma Training Pilot

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## INTRODUCTION

In Midlothian, the Health and Social Care Partnership (Midlothian HSCP) and third sector organisations are committed to creating a culture that is trauma informed. The vision is for a whole system, multi-level approach to workforce training and development.

Leaders in Midlothian Community Planning Partnership, including service areas within both Midlothian Council and Midlothian HSCP, identified that an understanding was required by the workforce of trauma, adversity and its impact on health, learning and wellbeing. The 'workforce' referred to is multi-agency, and includes a range of roles – from receptionist in universal services to clinical specialists across the lifespan.

A brief scoping exercise identified gaps in Trauma Informed Practice training for people in client-facing roles across Midlothian. Staff in council contact centres, schools, early years centres, housing services, the revenues service, homeless services, primary care, third sector programmes, libraries, adult social care, children's services and leisure services all expressed a desire for their practice to be better trauma informed.

In June 2018 the Scottish Government committed £1.35 million over three years, to design and deliver a National Trauma Training Programme (NTTP), to be coordinated by NHS Education Scotland (NES). The aim is to develop and support a consistent, trauma-informed workforce across all frontline services. In addition to developing a National Trauma Training Framework and Training Plan, one of the core elements of the NTTP was to establish Pilot Delivery Trial Sites, to test the implementation of trauma training for priority public sector frontline workers.

Following the release of the NES Trauma Training Framework (2017), it was identified that there were a limited number of professionals within Midlothian with the knowledge and skills to deliver the volume of training required across levels 1 – 3.

Working with the local NES Transforming Psychological Trauma Implementation Coordinators (TPTICs), it was agreed that a helpful pilot site for trauma training would be the new Recovery Hub - Number 11, a one-stop shop for people with experience of substance misuse, criminal justice, mental health challenges and/or other aspects of social inequalities.

In September 2019 the bid to NES from Midlothian HSCP was successful and Midlothian was allocated £40,000 to deliver Trauma Training to the Midlothian workforce. The training model proposed was an open access one. The aim was to provide:

- Level 1 (Trauma Informed) Training to 400 frontline workers and volunteers in a range of public facing Services
- Level 2 (Trauma Skilled) Training to 110 people, initially focusing on the services and partner agencies associated with the new Recovery Hub, Number 11.
- Level 3 (Trauma Enhanced) Training was to be provided by the local TIPTICs.
- To ensure full engagement and ongoing sustainability, key leaders and managers would be expected to attend Scottish Trauma Informed Leadership Training (STILT) which was provided by NES. This was to ensure that they had a good understanding of the Transforming Psychological Trauma agenda and their responsibilities in supporting staff to undertake training and implement learning in their day to day work.
- To build on existing good practice of staff supervision and to support local service areas to embed this within their practice as appropriate to the staff group.

## APPROACH

### Midlothian Trauma Training Steering Group

A multi agency steering group was established to provide overall support and direct the pilot. The steering group, with representation from Midlothian HSCP, included mental health, substance misuse, criminal justice, learning and development and psychology colleagues. Children and adult services were represented.

### People with Lived Experience Involvement

The expertise of people with lived experience was sought through the Collective Independent Advocacy (CAPS) People with Lived Experience Group to inform the approach through representation at the Steering Group.

### Scottish Trauma Informed Leadership Training (STILT)

Having commitment from leaders and managers is vital in any process that involves significant organisational change.

Senior organisational leaders, senior operational managers, service leads and team leads from Midlothian Health and Community Partnership (MHSCP) and third sector organisations were invited to attend the Scottish Trauma Informed Leadership Training (STILT). This was delivered by the NHS Education Scotland Transforming Psychological Trauma Team. The intention being to ensure:

- A shared understanding of trauma informed practice
- Full engagement
- Ongoing sustainability
- Consideration of how to embed trauma informed practice into the workplace
- Staff are supported to undertake and implement trauma training across their organisation

STILT was held locally over 1.5 days with 25 team leads and managers attending from a variety of services including; Midlothian Council, NHS Lothian, Sure Start, CAPS, Women's Aid, The Thistle Foundation, Health in Mind and Mid and East Lothian Drugs (MELD).

## Midlothian Trauma Training Pilot Coordinator

A Clinical Associate in Applied Psychology was seconded to the 0.5 WTE role of Midlothian Trauma Training Pilot Coordinator (TTPC) to implement the Midlothian trauma training plan. The role of the Pilot Co-ordinator was to:

- Co-ordinate and manage the local delivery of Trauma Informed (Level 1) and Trauma Skilled (Level 2) Trauma training.
- Facilitate and co-facilitate the Level 1 and Level 2 trauma training to workers in Midlothian.
- Support the identified local network of Level 1 and 2 trauma trainers.
- Contribute to the development of the Midlothian trauma training evaluation.
- Co-ordinate and implement the trauma training evaluation.
- Communicate through written reports and verbal feedback the outcome of training.

An administrator from Midlothian Psychological Service's was seconded 0.25 WTE to support the pilot coordinator in organising the trauma trainings across Midlothian. The administrator's role included:

- Setting up a Midlothian Trauma Training email account and monitoring and responding to emails for bookings and enquiries.
- Identifying and booking rooms for training events.
- Managing the training bookings and waiting lists.
- Sending emails to lists of delegates including appropriate resources.

## The Midlothian Trauma Training Team

The Midlothian Trauma Training Team was recruited from 26 members of staff from Midlothian Council, NHS Lothian, Midlothian Sure Start and Women's Aid. They had all previously attended a Level 1 or Level 2 Train the Trainer event. These were facilitated by the Lothian TPTICs. Across September – November 2019 a total of 26 people were trained, 15 people were trained to deliver the Level 1 trauma training and 11 people were trained to deliver both the Level 1 and Level 2 trauma training.



At the start of the pilot, the Midlothian trainers were invited to an event organised by the Midlothian Trauma Training Co-ordinator. This was an opportunity to introduce the pilot, discuss the materials and how we could co-ordinate and work together.

In terms of retention, 11 trainers did not take part in the pilot for various reasons:

- 5 did not respond to emails
- 1 person opted out
- 3 people moved on to other jobs
- 1 person did not have capacity to deliver the training
- 1 person went on maternity leave.

Of the 15 people who remained:

- 12 delivered level 1 and/or Level 2 trainings.
- 3 trainers remained involved but were unable to deliver the training due to capacity issues and also identifying a suitable date and time.

## The Training Packages

The Level 1 and Level 2 Training Packages were developed by the Lothian TPTICs. The Training Packages had been designed using the NES Knowledge and Skills Framework, to ensure that they met the competencies that were required for the training at each level. Level 1 training was designed to be delivered in 1.5 hours and the Level 2 training over one day. Both packages are for colleagues working with clients across the lifespan.

## Awareness Raising Activities

The Midlothian Training Co-ordinator presented at several local events. The aim of these was to inform people about the NTTP, available resources and, to promote the Midlothian Trauma Training Pilot. These included presenting at the Midlothian Voluntary Sector Summit, a Midlothian Health and Social Care Partnership Senior Management meeting, and the Midlothian Council Services with Communities meeting.

The Level 1 training events were advertised widely by email through Midlothian HSCP and Midlothian Voluntary Action. As there were fewer Level 2 training events, emails advertising events were initially targeted to managers who had attended the STILT training and staff at Number 11, before being advertised more widely. Emails advertising the training events included information about the levels of training and who the training was appropriate for, as well as attachments and links to the NES Transforming Psychological Trauma Knowledge and Skills Framework and Training Plan documents. The emails were also an opportunity to include links to the range of freely available trauma training resources from the NES Transforming Psychological Trauma website. During the pilot, additional emails were sent to senior managers to advertise the NES Deep Dive events. These explored how adopting a trauma-informed approach could support key community planning priorities, and help professionals to identify tangible steps towards ensuring that this approach is embedded in policy and practice moving forward.

### **Audit of STILT and Number 11 Managers: Staff Training Needs**

Building on the STILT training, and focusing on Number 11 as a Recovery Hub, team leads and managers, who attended the STILT training, and/or were based at Number 11, were emailed to inform them about the Midlothian Trauma Training Pilot. A document was attached which was adapted from the NES National Trauma Training Plan. This document asked them to assess their staff training needs, so that their staff could be targeted for the training.

Unfortunately, COVID-19 significantly impacted on the number of responses that were received. Responses were received for 43 (36%) of members of staff working at Number 11. Of those respondents:

- 12% had no previous trauma training
- 33% had completed training equivalent to Level 1.

The majority of staff had completed training equivalent to Level 3 (40%) and 16 % had completed Level 4. Previous training included: Trauma Enhancement Training (provided externally by Epione Training and Consultancy, to the Midlothian Council Criminal Justice Service), Safety and Stabilisation Training, and Trauma Focused CBT provided by the TPTICs and NES respectively. Of the 40 members of staff who were identified as requiring further training, the training required was at Level 2 or above.

## The Impact of COVID-19.

The training was designed and organised to be delivered face to face. The initial focus of the pilot was to deliver the Level 1 Trauma Training. Fourteen Level 1 events had been organised to be held in various community settings across Midlothian. There was a high demand for the training with 193 people booking a place in 3 weeks. Two Level 1 training events took place, however due to COVID-19 the remaining 12 events had to be cancelled and the Pilot put on hold. In addition, a presentation to the Elected Members of Midlothian Council also had to be cancelled.

As the situation developed it became clear that for the pilot to continue the training would need to be delivered remotely. The Lothian TPTICs adapted their training packages so that they could be delivered on-line. Level 1 remained a 1.5-hour training session and the Level 2 training was adapted into 3 modules each lasting 2.5 hours. These were to be delivered in sequence after participants had completed the NES emodule 'Developing Your Trauma Skilled Practice' which was available through TURAS (NES's digital learning platform).

The Midlothian Trauma Training team were encouraged to attend one of three online Top Up training sessions facilitated by the TPTICs between August and October 2020. The aim being the up skilling trainers to deliver the Level 1 and 2 packages remotely.

Moving to online delivery meant that we could offer less places at each event. It was decided to limit this to 20 places per event, and extend the Level 1 training to 2 hours, as this felt manageable when delivering training in this format. To make maximum use of the training capacity, the pilot co-ordinator facilitated at each event, with one other co-facilitator from the Trauma Training Team. Prior to each event, the pilot coordinator and co-facilitator met remotely to discuss and practice on-line delivery. There were also opportunities for co-facilitators to observe the remote training prior to delivering it. As a large proportion of the pilot coordinator's time became focused on delivering training, and because the priority within services became on managing the pandemic, there was less opportunity to offer and provide consultation to services regarding the implementation of trauma informed service delivery.

# EVALUATION

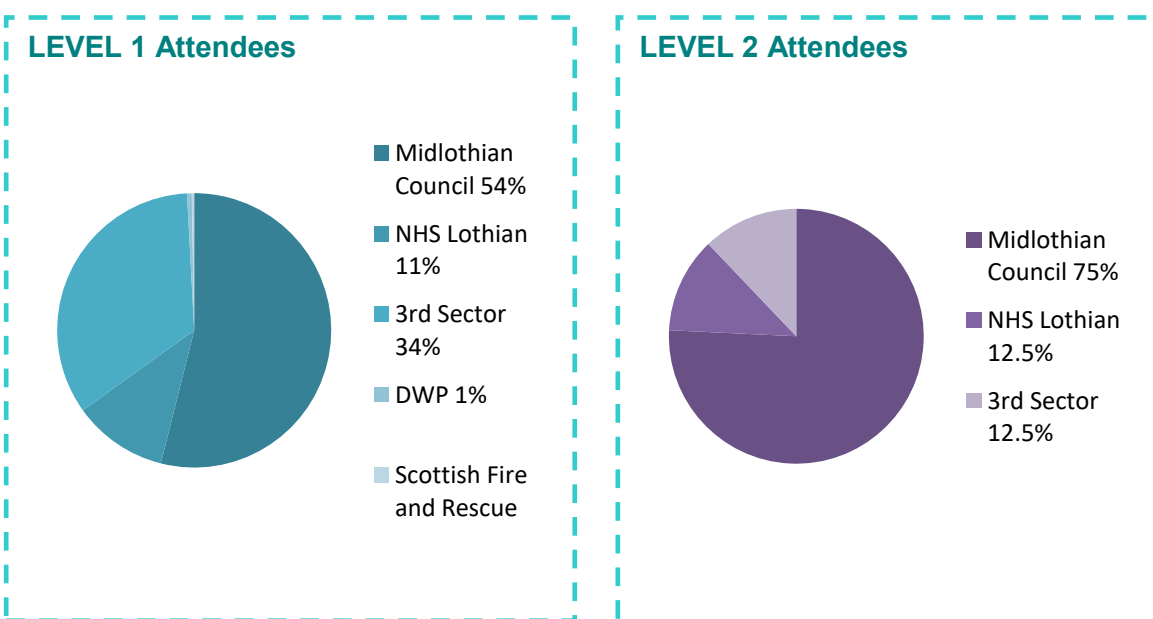
## Reach of the Trauma Training

### Level 1 and 2 Training Delivery Attendance Numbers

<b>LEVEL 1</b>  A total of <b>359</b> people were trained at <b>Level 1</b> .  39 Level 1 training events were organised to be delivered remotely via MS Teams, 461 people booked a place and 338 people attended the training.	<b>LEVEL 2</b>  A total of <b>107</b> people were trained at <b>Level 2</b> .  9 events were organised to be delivered remotely via MS Teams, 152 people booked a place to attend and 107 people completed the training.  30 people who booked a place did not attend or cancelled, 6 people attended only 1 session and 9 people attended 2 sessions
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### Organisation representation at Level 1 and Level 2 Training events

In terms of reach, staff with a variety of different job roles within Midlothian HSCP and the Third Sector, accessed the training.



The majority of attendees for both the Level 1 and Level 2 training were from Midlothian Council followed by NHS colleagues and finally the Third Sector, 2 people attended the Level 1 training from the Department of Work and Pensions and 1 person from Scottish Fire and Rescue. 43 staff attended the training from Number 11, 16 of them attended Level 1 training and 22 attended Level 2 training. Number 11 staff were from a variety of job roles and services including administration, criminal justice social work, the community and joint mental health teams and MELD.

The higher proportion of Midlothian Council employees may be due to the pilot being a Midlothian Council initiative. Most of the awareness raising activities were aimed at and delivered to Council staff, and the advertising was through the Midlothian Council networks.

For the Level 1 training, 34% (n=122) people attended from twenty seven Third Sector organisations in Midlothian. The highest representation came from Women's Aid 15% (n=19), Scottish Autism 11% (n=14), and Health in Mind 10% (n=12). For the Level 2 training 11% (n=12) attended from 5 Third Sector organisations in Midlothian, most commonly Sure Start 50% (n=6), Partners in Advocacy 17% (n=2) and VOCAL 17% (n=2).

**Figure 1: Examples of departments, services and job roles represented at the Level 1 and 2 Trainings**



A significant majority of attendees, at both the Level 1 and Level 2 trainings, were frontline staff. Also attending an event were 57 staff, with senior positions. These included team leaders, management and senior management from statutory and third sector services. A further 27 staff with senior positions within MHSPC attended one of the three Level 1 events which were held specifically for them. These events were organised as a way of keeping Trauma Informed Organisational Change on their agenda. In addition it gave them an opportunity to experience the training for themselves, to help them promote and support their staff to attend an event.

## Evaluation of the Training

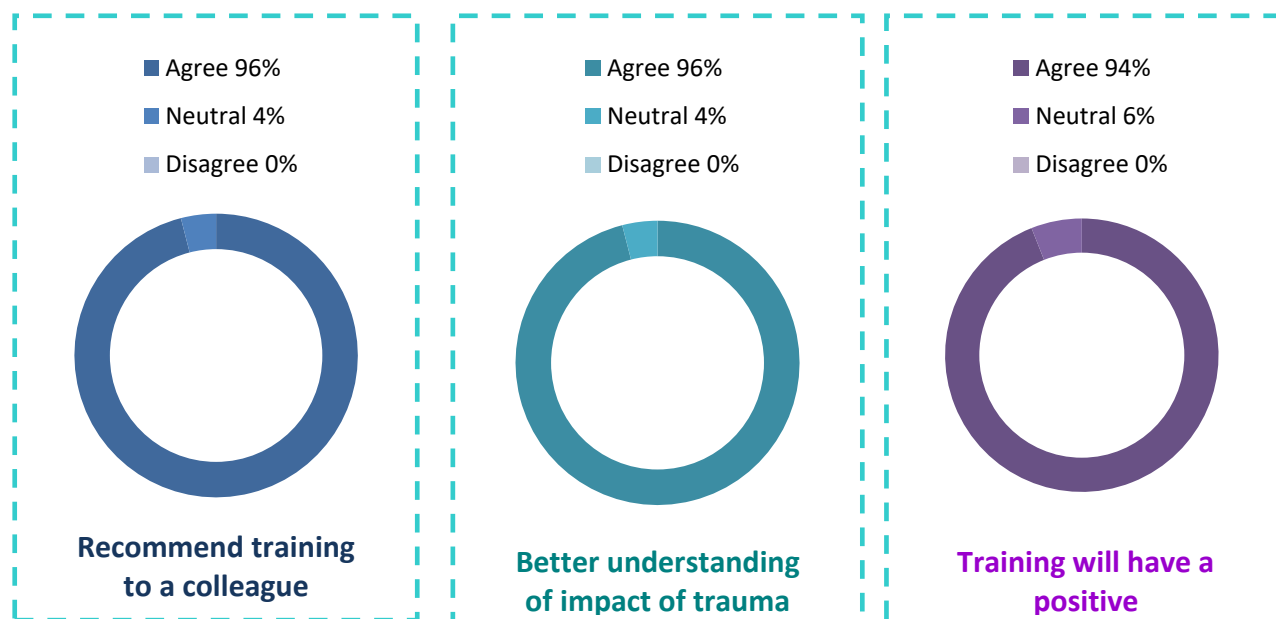
Participants were asked to complete an on-line evaluation questionnaire via the JISC Survey Platform, before and immediately after the training and at 6 weeks and 3 months post training. Partly due to the timescale of the pilot and participants only having recently completed the training and also the difficulty of getting people to complete post training follow-up surveys only a small number of people had completed the 3 month follow up evaluation survey at Level 1 and the 6 week and 3 month evaluation survey at Level 2 (Appendix 1). These therefore are not included in the following analysis. Results from statistical analysis comparing pre and post training mean values, for the questionnaire items for each package, are displayed in Appendices 2,3,4,6 and 6.

## Perceptions of Acceptability and Usefulness of the Training

Participants rated the Level 1 and Level 2 trainings highly. 96% (n=339) agreed that they would recommend it to a colleague, 96% (n=333) of the attendees agreed that the training gave them a better understanding of the impact that trauma can have, and 94% (n=331) agreed that the training would have a positive impact on their job.

**Figure 2: Level 1 and Level 2 Attendee Feedback.**

**Percentage who Agree with Statement**



**What was most useful about the Level 1 training?**

“ It was a really useful and insightful course. The most useful comment I took away was in thinking not 'what is wrong with you' but 'what happened to you'. I found this a really simple way of rethinking my approach when dealing with service users. [Anonymous](#)

It was really interesting, and thought provoking. I found the statistics pretty eye-opening. I think I have a greater understanding of the links with trauma and the way people can present to the service. Any training that can break down barriers is such a positive thing. [Customer Service Advisor](#).

The training as a whole was very good and useful. I found the examples of how trauma can affect people's everyday lives and practical steps one can take to be more trauma informed particularly helpful. [Monitoring and Evaluation Officer](#).

I found the questions relating to our practice useful as we were using the information from the training and putting it into context. [Children's Services Practitioner](#)

Hearing about other services and the changes they have made to try to be more trauma informed. [Psychological Therapist](#). ”

## What was most useful about the Level 2 training?

“ Being able to recognise that people have different levels of tolerance and how the brain reacts to memories. [Social Work Practitioner](#).

The training is very informative, great to hear other professionals talk about their own experience of dealing with service users who present with traumas. [Foster Carer](#).

The overall course has been useful on both a personal and practical level. Realising the significance a positive relationship with one person can have on people we work with and how valuable these relationships are. [Youth worker](#).

Thinking about self-care and strategies which workers can use to promote own wellbeing. [Social Worker](#).

Tips on how to respond to disclosures - quite actionable in terms of our procedures. [Chief Executive](#).

It made me think differently about the responses to situations from the people I work with and ways of creating environments where people who have experienced trauma feel safer and more supported. [Social Worker](#).

The opportunity to think about the concepts as a manager. [Manager](#).

It was useful to consider strategies to build trust with people and how to support someone who has experienced or may be experiencing trauma. [Social Worker](#). ”



## Impact of the Training

### Perceived increase in confidence, knowledge and skills

For the Level 1 training, 9 items on the evaluation questionnaire assessed participants perceived confidence, knowledge and skills in terms of responding to and supporting people who have been affected by trauma.

A One-Way, Repeated-Measures analysis of variance (ANOVA), showed **highly statistically significant** increases in participants **perceived confidence in their ability to apply trauma informed principles to their job** at pre and post. This **was maintained at 6 week follow up** ( $F=48$ ,  $df=2$ ,  $p<0.000$ ) (Appendix 2). Paired Samples T tests comparing means for the remaining 9 items pre and post training, further demonstrated that training resulted in **a statistically significant increase in understanding, confidence and knowledge** post training (Appendix 3).

For Level 2, 22 items on the evaluation questionnaire assessed changes in participants' perceived confidence, knowledge and skills, in terms of responding and supporting people who have been affected by trauma. The same analysis was used for the Level 2 training. A One-Way, Repeated-Measures ANOVA, between each of the 3 modules, showed **statistically significant** increases in participants **perceived confidence in their ability to apply trauma informed principles to their job** ( $F=8.7$ ,  $df=3$ ,  $p<0.000$ ) (Appendix 4). Paired Samples T tests comparing means for the remaining 21 items, pre and post training, further demonstrated that training resulted in **a statistically significant** increase in understanding, confidence and knowledge (Appendix 5).

### Self Care

In addition to increases in understanding, confidence and knowledge, a key aspect of the Level 1 and 2 training is to raise awareness of the importance of practicing self care especially, in the context of supporting people who have been affected by trauma. For both Level 1 and Level 2 training, Paired Samples T tests comparing means pre and post training, indicated **statistically significant** increases ( $p<0.000$ ) (Appendix 3 and 5) in the following questionnaire items:

- I understand importance of self-care and support when working with people who may have been affected by trauma Level 1
- I am aware of strategies to look after my wellbeing

- I know how I can access further support in order to look after my wellbeing, should I need to.

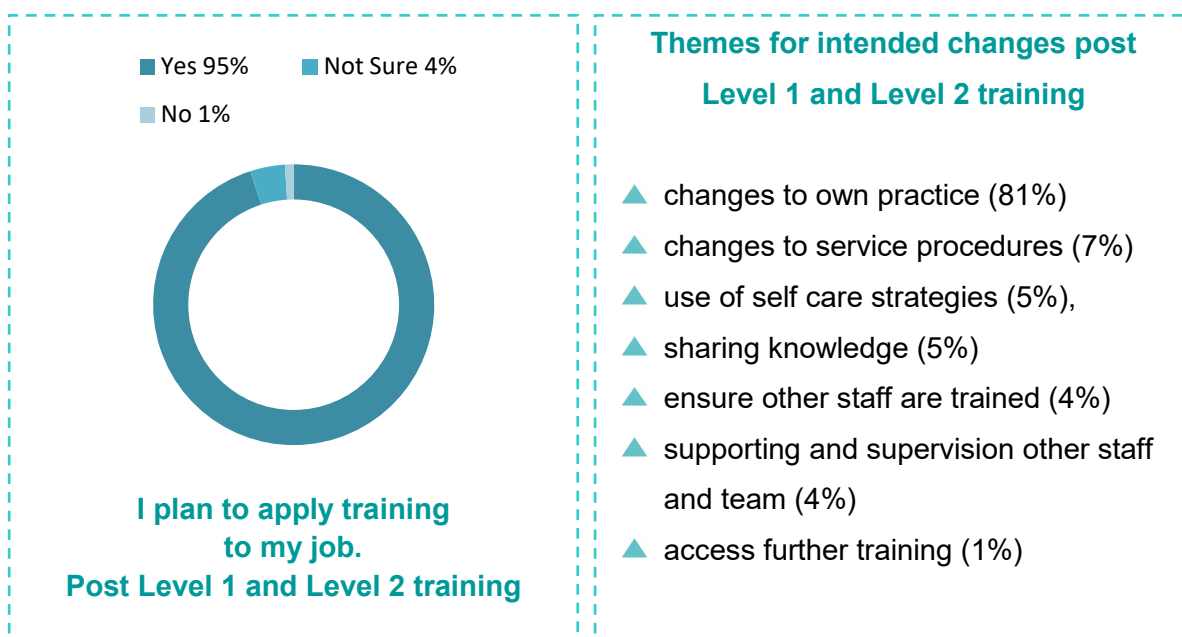
## Implementing Trauma Informed Practice

### Intention to apply training to job

Post Level 1 and Level 2 trainings, participants were asked if they intended to apply the training to their jobs. Of the 322 people (69% of total attendees) who responded, 95% of people indicated that they planned to apply the training in their work.

Qualitative feedback was invited for both trainings to gather data on participants intended trauma informed practice changes. Data was analysed for themes.

**Figure 3: Level 1 and Level 2 Attendee Feedback. Plans to apply training to job.**



“ I will be more aware when patients arrive at reception and are not being pleasant that they are probably out with their Window of Tolerance and this will help me to be more empathetic. [Administrator](#).

Review our systems to ensure that we operate in a trauma informed manner. [Social Worker](#).

The importance to remember 'self care', not only for myself, but also for my team. I will aim to use the self care tool with my staff in support and supervision. [Manager](#).

Ensure all colleagues in the team complete Trauma awareness training and embed this in to their approach with learners [Career Support Worker](#).

Bring this up in conversation more often when discussing cases. Add notes from this training to my bulletins to highlight the benefits. Take topic to team meetings as a discussion point.

”  
[Manager](#).

## **Examples of how participants applied the Level 1 training to their work at 6 and 3 month follow up.**

Participants were asked at the 6 week and 3 month follow up if they had been able to apply the training to their jobs. Importantly at Level 1, 52% of the 65 respondents said that they had been able to apply the training to their work.

### **Trust**

“ When I was working with a person who was frightened by past traumatic experience becoming more vivid, I was able to apply learning from the training to gain trust to support her. [Occupational Therapist](#).

I try to make sure clients/other employees are well informed about every step of the process, eg. what paperwork and why it is needed. [Administrator](#).

### **Safety**

I offer a safe environment and working remotely I ask young people if they have a safe space at home or school to talk, if they do not I can rearrange to make sure it is at a suitable time or help them to gain access to a private space. [Counsellor](#).

I ensure women have a quiet comfortable space to talk ensuring they feel safe at all times. [Support Worker](#).

### **Choice**

The young people get to choose what we discuss each week, when they want a meeting. [Youth Worker](#).

I re-evaluated my contact method and suggest different options to families (emails, phone calls, texts, Zoom, Skype, or face to face meeting in a community centre). [Development Worker](#).

### Collaboration

I work in my job role by collaboration with other professionals, which includes my clients. We work together ensuring the client has the best opportunities given to them to live life to full. It is important that the client feels part of this. [Peer worker](#).

Collaboration with the families I work with - working together as equals. [Family Support worker](#).

### Empowerment

I support them to make contact with other departments themselves so that they can have control of the information passed on. [Library Assistant](#). ”

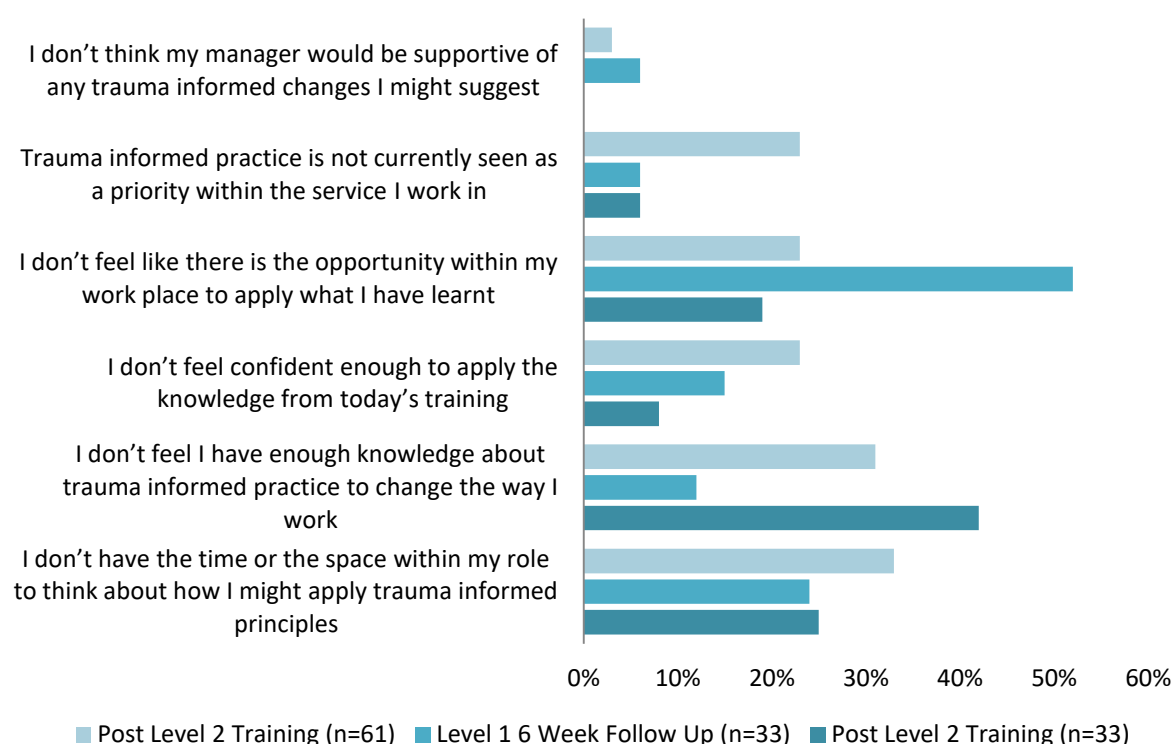
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## Barriers or Challenges to Implementing Trauma Informed Practice Changes

Post training and at follow up, participants were asked to select from a list of perceived and then actual challenges and barriers to implementing trauma informed care.

The most common choice post Level 1 and 2 training, and at the Level 1 six week follow up, was that people did not think that they had the opportunity in their work. This was often linked to the impact of COVID including changes to role, working remotely and high demands in terms of workload.

### What are the Barriers or Challenges to Implementing the Level 1 and 2 Training?



Training attendees were also asked whether there were any additional barriers to implementing the training. Interestingly, a number of participants who worked for services for specific populations, including learning disabilities and autistic spectrum disorders, identified that they would benefit from follow up training specifically tailored for people working with these groups.

## Additional barriers or Challenges to Implementing the Level 1 and 2 Training



A few respondents gave suggestions for how the barriers could be overcome:

“ The best solution would be for more resources for expert trauma work so people are seen in a timely way. [Health and Wellbeing Practitioner](#).

I think the principles of this training when we are out of Lock down will be used more when we are seeing clients normally again. I think a lot of people - Clients and workers will have been traumatised by Covid 19. [Occupational Therapist](#).

Refresher sessions/ emails could be a good reminder to implement the trauma informed principles into one's practice. [Monitoring and Evaluation Officer](#).

Keeping an open mind and keeping "trauma informed thinking" as a daily reminder to oneself. [Early Years Family Practitioner](#). ”

## Additional Participant Feedback

### Level 1 Training

Participants were asked if there anything that you would change about the training?

The majority of the Level 1 participants, who fed back, commented that they found the training useful, they liked the training packages including the slides and animations and that they thought the training was well presented. Several people commented that they would have preferred to attend a face to face training, more interaction between participants and the addition of practical examples and case studies. Several people commented that they felt that the training was at a level that was too basic for them and a few people commented that not being able to see the other participants due to the format of teams to be off-putting.

### Level 2 Training

Similarly to the Level 1 feedback, the majority of Level 2 participants commented that they found the training to be useful, engaging and pitched at the right level of information. There were many positive comments about the quality of the training and the knowledge and experience of the Trainers. Again, there were a number of comments that it would have been helpful if the training had been tailored towards their particular staff groups, so as to make it more relevant to the particular issues that they experienced in their workplace. A number also commented that the first session felt like a repetition of the TURAS emodule that they were asked to complete prior to the training. Some also commented that although a lot of the information was familiar to them, they found the training to be a good refresher.

## Level 3: Safety and Stabilisation Training

Level 3, Safety and Stabilization training was provided by the Lothian TPTIC's in November 2019. Fourteen people were trained from Midlothian, including 10 people from the NHS, 3 people from Midlothian Council and 1 person from the third sector.

## Feedback from CAPS People with Lived Experience Group

The Trauma Training Pilot Coordinator met the CAPS People with Lived Experience group on 3 occasions. Initially discussions centred on how they could be involved in the delivery of the pilot. Their ideas included:

- Observing the training packages
- Attending Train the Trainers and then co delivering the training
- Involvement in the evaluation
- Linking in with work already being developed within their group. For example incorporating short videos about peoples lived experience into the training.

Due to the impact of the pandemic there was less opportunity to develop these ideas further at this point. However several members of the People with Lived Experience Group were able to attend a Level 1 training event. The Group also met after the pilot had finished and were able to provide feedback which is summarised below.

### Feedback on the Training and Training Packages

As the understanding of trauma and its impact is rapidly developing, the group felt that it is vital the materials and training is regularly reviewed, including by People with Lived Experience, in order to reflect this.

### Language

- The group commented on the importance of the use of language in all aspects of the training.
- The importance of the facilitators' language being inclusive and normalising.
- Updating the language used, for example in the "Opening Doors" animation from "sex of worker" to "gender" of worker.
- The training refers to the 'workforce'; this could be reworded to workforce and including some people with lived experience.

### Self Care

- Being more explicit about using self care strategies at the start of the training.

### Length of Training

- Extending the length of the training to include the opportunity for participants to introduce themselves so that participants knew who was attending.



## E-learning

- Opening access to the TRURAS e-learning modules, which are recommended and also a pre-requisite to the Level 2 Training, to make them accessible to training participants who are not in paid employment for example volunteer's and people with lived experience.

## People with Lived Experience as Trainers

- The involvement of Lived Experience was highlighted by the group in relation to trainers themselves. The group commented that although the pandemic is likely to have been, in part, the cause of the relatively high level of dropout in trainers, the group believed that offering these opportunities to a more diverse range of people, including people with lived experience, would not only have the potential to decrease the level of drop out but also provide a more balanced approach to the training being delivered.

## Evaluation

- The group noted that at the start of their involvement they had discussed being involved in the evaluation and highlighted that this would still be extremely beneficial to allow for more qualitative responses. Whilst they understood the need for the statistical data, it was felt the qualitative aspect required development around what people wanted, what they had learned and what improvements could be made in the future. It was also suggested that the follow up feedback time frame could be extended and how requests for feedback are communicated to participants requires further consideration so that it does not feel tokenistic.

## Training Target Groups

- The group commented that, in terms of future planning, it would be important to ensure that key services, which would benefit from using a trauma informed approach, are targeted for Trauma Training in the future. In particular the services which had a low uptake for the training for example; the Department of Work and Pensions, Job Centre Staff, Housing and Homeless Officers and other similar services.

### The Trauma Co-ordinator Role

- The post of co-ordinator was thought to be important and it was thought that this should be someone who was embedded in the community and was keenly aware of the make-up and structure of the community with good links to organisations and businesses in the area.

### Future Investment

- The Group feedback about the importance of ensuring there are adequate resources/funding to support the ongoing development of this national initiative at a local level.

In response to the feedback that was received from the group during the pilot, the Level 1 training length was increased from 2 to 2 ½ hours, to allow time for participant introductions. To highlight the importance self care, the wording on the introductory email was adjusted with more explicit direction about the use of self care during and after the training. This was reinforced at the start of each training event. In the future, further consideration can be given to how this can be developed, perhaps by changing the order to include the self care section at the beginning of the training rather than the end and by including a self care activity at the start of each event. Feedback about the use of language during training was fed back to the facilitators and the wording on the introductory email was changed to make it more explicit as to the number of people who may be in attendance and that the training was open broadly to people, whether paid or unpaid who were working in Midlothian.

One member completed an online evaluation (Appendix 7) which was circulated to the People with Lived Experience Group at the end of the pilot. They suggested the following developments which were supported by others from the group.

- “Dynamic involvement of people with lived experience at all stages
- More opportunity for peer to peer education
- Develop a national network of peers/groups perhaps connecting through existing peer networks or trauma champions
- Explore how peer values such as mutuality, reciprocity and equality can exist with changing hierarchical power dynamics and support collaborative approaches in communities”.

## Feedback from the Midlothian Trauma Training Team

At the end of the pilot the Midlothian Trauma Training team were asked to complete an anonymous online survey (Appendix 8) to gather their thoughts about the pilot, training and their thoughts and ideas going forward. Ten out of the 12 trainers responded (excluding the Co-ordinator).

### Experiences of delivering the training

The Trauma Training Team rated the training packages favourably, with 40% of them agreeing that they were “excellent” and 60% “good”. Feedback included:

- The training was set out clearly.
- Easy to follow.
- Opportunities to share examples of trauma informed practice with participants was helpful.

One trainer noted that there was feedback from some participants suggesting that the language in the Opening Doors animation could be updated, from “sex of the worker” to “gender of the worker”, as some participants may have found this triggering. One trainer commented that it was important to include more explicit references to social workers as helping professionals in relation to trauma. Several trainers fed back the challenges of delivering trauma training remotely, in particular ensuring the engagement and participation of attendees.

The team were asked what barriers they had to overcome to deliver the training.

- 66% found it difficult to find the time within their role
- 33% said that they had not felt confident in delivering training remotely.

Additional barriers included:

- The long gap between completing Training for Trainers and delivering the training
- The challenges of delivering good quality training remotely including engaging participants and the technical challenges of remote delivery.

Despite the additional challenges because of Covid and the extra work having to adapt the training to a remote delivery, 80% of the trainers stated that they intended to continue to deliver the training in the future, and 20% were undecided.

### **Views about the role of a Trauma Training Co-ordinator.**

As the Midlothian Steering Group chose to use most of the funding for the pilot to employ a Trauma Training Co-ordinator, it seemed important therefore to find out from the trainers their thoughts about having a person specifically employed in this role.

90% of the Training Team said that they strongly agreed and 10% said they agreed that there was a benefit to having a person employed in this role. Comments included that it was an essential role and it was helpful to have a co-ordinator to:

- Drive the training on despite the pandemic
- Engage support and motivate the trainers to deliver the training and to help them to transition to remote delivery
- Have someone consistent and reliable and who knew everything about the pilot.

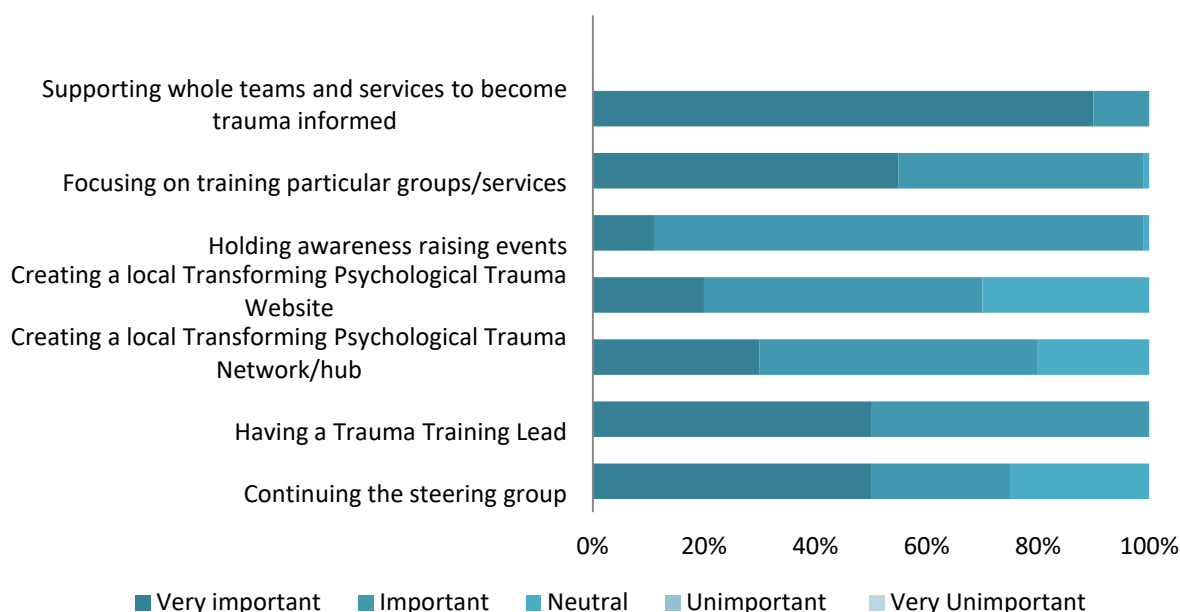
90% of the Trainers strongly agreed or agreed that it would be of value, to have a Trauma Training Coordinator in post once the Pilot is finished. A suggestion was that it would be useful for a coordinator to work closely with the Midlothian HSCP Learning and Development Team, as they have expertise in advertising and promoting courses.

### **How Transforming Psychological Trauma Training in Midlothian can become further established.**

The Training Team, were asked about how trauma training can become further established in Midlothian once the pilot came to an end.

Trainers were asked to select in terms of importance the priority actions for going forward.

## Priority Actions



The majority to the Training Team (90%) thought that it would be important to focus on offering training to specific teams, and to work with and support whole teams to become trauma informed.

“Having further input for specific teams to support the implementation of the knowledge gained from the training is so important for changing practice and becoming trauma informed.”

Interestingly, whilst many participants on the trauma training commented that they found it helpful learning with staff from different services, a few participants who attended the Level 2 training, identified that that they would have benefitted from training that was more tailored to their specific service and client group.

The majority of the Training Team also identified, that they thought that it was very important to continue with a Trauma Training Steering group and also having a person in a lead role to co-ordinate the training.

“Research from recent ‘deep dive’ events highlights the need for strategic and senior management support, which would be ensured through continuation of the steering group. This also supports joined up practice across teams/agencies and provides opportunities for voices of lived experience to influence strategic aims”

Trainers also commented that it would be important to;

- Train more people to become trainers (there was already an interest from managers within their service for this)
- Engage more with managers

- Broaden the roll out of the training to ensure that it was available to other services, in particular Adult and Social Care Staff and Children and Families Social Work staff to be trained to at least level 2.

Other comments included: having a mutli-professional training team was a positive learning experience; the level 1 training being included as part of the induction process; and that it is important to ensure the momentum is not lost.

## CONCLUSIONS

Despite the onset of the global pandemic, the Midlothian Trauma Training pilot was successfully adapted and Level 1 and Level 2 trauma training was delivered remotely, to a high volume of staff. This encompassed staff with a variety of roles, representing services which work with people across the lifespan, from statutory and third sector organisations. Both the training Level 1 and Level 2 was well received by the majority of attendees.

The support from the Lothian TPTICs was an important aspect of the pilot. The TPTICs provided access to Training for Trainers, and the use of their training packages and resources which had been effectively adapted to be delivered remotely due to the pandemic.

There was a high demand for the Level 1 and Level 2 training evidenced by the number of bookings during the pilot and enquiries for future training. This demand illustrates an awareness of the value of having a trauma informed workforce within services, and the need for further trauma training in Midlothian.

In terms of the impact of the training, not only did the significant majority of participants gain an increased level of understanding, knowledge and skills, a significant majority of those who attended a Level 1 or Level 2 training, indicated that they planned to apply the training to their work. The Level 1 follow up data showed, that many staff had applied the training to their jobs and were making trauma informed changes to their working practice. This is important; it suggests that offering Trauma Training to staff, with a variety of roles and remits across services, can lead to them making actual trauma informed changes to their working practice.

Consideration needs to be given as to how staff and services, can be further supported to continue to make, and embed trauma informed changes to their work and organisation. In the future it would be important to measure the impact of these changes within services and how the changes are experienced by staff and those who the services.

The open access model to training worked well for the Level 1 trauma training, with some participants commenting on the value of hearing and learning from other professional groups. For the Level 2 training however, some participants and Trainers commented that the training would have been more effective if it had been tailored specific service remits. Trainers and some participants also commented on the benefit of having the experience of a

range of trainers from different professional backgrounds able to bring their expertise and experience.

Whilst training people to increase their knowledge and skills to support people who have a history of trauma is important, training frontline staff in and of itself is not enough to achieve meaningful trauma informed change. This is supported by the feedback from participants which revealed a number of challenges and barriers to implementing trauma informed care. Participants fed back that they did not feel that there was opportunity within their work to apply the training, not feeling that they had enough knowledge, and not having space and time within their job. These barriers illustrate the need for ongoing training and the importance of considering how staff and managers can be supported to make trauma informed changes to their work and organisation culture. This could be addressed by working and supporting services as a whole, to work towards trauma informed organisational change.

This would involve working with managers and teams to ensure staff are:

- Staff are trained to the appropriate level.
- Staff are supported through ongoing training and supervision.
- Staff self care and wellbeing systems are in place.
- Workplace policies and procedures are trauma informed.

There is clearly an interest and need within teams and services in Midlothian for further work in this area. Staff and services are still contacting the Midlothian Trauma Training Co-ordinator with requests for further training. There is also a selection of free resources on the NES Transforming Psychological Trauma website which managers and teams could be supported to use within their service.

Whilst there are staff in Midlothian with experience and expertise in this area, all of the trauma trainers and the People with Lived Experience group agreed, that there was a benefit to having a person employed in a lead role, to drive the training, to provide consistent, reliable knowledge of the training and the broader Transforming Psychological Trauma agenda. The majority of trainers also thought, as a priority going forward, it would be important to focus on offering training to specific teams, and to work with and support whole teams to become trauma informed. This was also suggested by some of the training participants.



## RECOMMENDATIONS

### RECOMMENDATION 1: Continue Trauma Training

Whilst a large number of people in Midlothian have attended Level 1 and Level 2 training, there is clearly an ongoing need and demand for trauma training to be continued. Going forward it will be important for the Steering Group to discuss how and which service(s) are best placed to manage this and also to identify services and groups who would benefit from adopting a trauma informed approach.

### RECOMMENDATION 2: Continuation of the Trauma Training Steering Group

The multi-professional steering group, which included representation from a People with Lived Experience Group, was key in the implementation of the pilot. Representation from senior people, with different roles and remits, across services and sectors, meant that consideration could be given as to how the training, could be effectively rolled out to a broad range of staff within Midlothian. Representation from the People with Lived Experience Group focused attention on the training packages, how the training was delivered, how it may be received by attendees. It will be important for the Steering Group to review the feedback from the training in particular the barriers that people identified to making trauma informed change and discuss how these can be addressed.

### RECOMMENDATION 3: Continue and develop the Trauma Training Co-ordinator Role

A crucial element of the Midlothian Trauma Training was having someone in post as the Local Trauma Training Co-ordination. This is evidenced by the feedback received from the trauma trainers. Going forward it would be preferable if this role was continued and developed further. Consideration needs to be given to the skills and experience required needed for this role. In addition to linking in with local and national developments, awareness raising, coordinating future training events, delivering training, supporting the local trainers, further developments could include:

- Working alongside the local Trauma Champion
- Engaging with services and managers to help to make and embed trauma informed practice changes within peoples jobs
- Supporting services and managers to make trauma informed organisational changes
- Support and develop meaningful involvement with People with Lived Experience.
- Developing an local on-line platform with Trauma Information and training dates widely accessible to the workforce and general public.

#### **RECOMMENDATION 4: Build Capacity of Trauma Trainers**

Having a multi-professional training team was viewed positively by the trainers and training participants. Trauma training takes time out of people's busy roles therefore it will be important to increase the pool of available trainers. Over half of those trained to facilitate the training were then unable to go on to deliver the training. This was partly due to the impact of Covid and workplace demands, but it is important to note that trainers self selected without necessarily having a strong commitment from their service manager. It is therefore important that there is management commitment and buy in before people are offered a place on a Train the Trainer event. Future consideration needs to be given to increasing the range of people who are able to deliver the training to include a more diverse range of people including those with Lived Experience.

#### **RECOMMENDATION 5: Further Develop Opportunities for People with Lived Experience Involvement**

The voice of people with lived experience is important in any initiative. Initial steps were made in terms of engagement with one group of people with lived experience. The group were enthusiastic about being involved with the Trauma Training Pilot, and they generated interesting ideas about how they could further be involved to support this work. Ideas included co-delivering the training, evaluation and incorporating short videos about people with lived experience. Going forward it would be important to develop these ideas to further enrich the training.

#### **RECOMMENDATION 6: Management Engagement and Support**

Whilst a high proportion of training participants intended to, and then were able to make trauma informed changes to their job, participants also identified a range of barriers and challenges. The best chance of integrating trauma informed practice within peoples work is if managers and leaders fully sign up and engage with this process. There are a number of freely available resources through the NES Transforming Psychological Trauma website and resources developed by the Lothian TPTIC's. A Trauma Training Co-ordinator could usefully support managers to use the resorces within their organisation and staff teams.

**“We are just glad to know that this training is happening and appreciate the opportunity to be further involved”**

**People with Lived Experience Group.**

## The Midlothian Trauma Training Steering Group.

Margaret Brewer, Linda Clark, Tracey Clusker, Ele Davidson, Sarah Fletcher, Dee Kieran, Andrew Love, Sheena Lowrie, Tracey MacLeod, Joe Riba Segues, Mairi Simpson, Kaye Skey, Dr Massimo Tarsia, Alison White.

## References:

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([transformingpsychologicaltrauma.scot](https://www.nhs.uk/education-scotland/publications/transformingpsychologicaltrauma.scot))
2. NHS Education For Scotland. (2019). The Scottish Psychological Trauma Training Plan. NHS Education for Scotland. Retrieved from [trauma-training-plan-final.pdf](https://www.nhs.uk/education-scotland/publications/trauma-training-plan-final.pdf)  
([transformingpsychologicaltrauma.scot](https://www.nhs.uk/education-scotland/publications/transformingpsychologicaltrauma.scot))

## Appendix 1: Summary of Level 1 and Level 2 Completed Questionnaires

Level 1	Pre	Post	6 Week	3 Month	
n	369*	241	61	13	
Level 2	Pre	Post Module 1	Post Module 2	Post Module 3	6 week
n	114*	74	59	33	8

\*Not all the people who completed the pre training questionnaire went on to attend the training.

## Appendix 2: Results of One-Way, Repeated-Measures ANOVA, Comparing Questionnaire Items 1 and 2, for Level 1 Pre, Post and 6 week follow up Evaluation.

Questionnaire Item		Mean	SD	N	F (df)	P	ES
1. Being trauma informed is important and relevant in my job.	Pre	4.37	.598				
	Post	4.69	.471				
	6-week FU	4.54	.561				
				35	6.6 (2)	0.002	.163*
2. I feel confident in my ability to apply trauma informed principles in my job.	Pre	2.94	.924				
	Post	4.22	.54				
	6-week FU	4.11	.575				
				36	48 (2)	.000	.582*

## Appendix 3: Results of Paired Samples t Test, Comparing Questionnaire Items 3-13, for Level 1 Pre and Post Training Evaluation.

Questionnaire Item		Mean	SD	T	df	p
3. I understand what people mean when they use the terms trauma and complex trauma.	Pre	3.28	.97			
	Post	4.59	.556			
				-21.4	212	.000
4. I can identify the kinds of experiences that can be traumatic.	Pre	3.83	.74			
	Post	4.58	.523			
				-15.5	211	.000
5. I understand the different ways that trauma can affect people.	Pre	3.69	.77			
	Post	4.59	.51			
				-17.0	212	.000
6. I understand how to respond to the people I am in contact with in order to help them feel safe and supported.	Pre	3.44	.77			
	Post	4.42	.61			
				-20.4	213	.000
7. I understand what the 5 principles of trauma informed care are.	Pre	2.26	.88			
	Post	4.51	.57			
				-34.5	187	.000
8. I feel confident I could use the 5 principles of trauma to support someone affected by trauma.	Pre	2.33	.93			
	Post	4.27	.73			
				-27.3	185	.000

9. I feel confident I could support people affected by trauma to access appropriate services and supports to improve recovery, where needed.	Pre	3.1	.96			
	Post	4.3	.67			
				-19.7	214	.000
10. I feel as if I understand the different ways in which I can adapt the way I work to reduce the risk of trauma-related distress.	Pre	3.0	.90			
	Post	4.35	.65			
				-22.5	211	.000
11. I understand the importance of self-care and support when working with people who may have been affected by trauma.	Pre	3.74	.87			
	Post	4.61	.51			
				-15.3	215	.000
12. I am aware of strategies to look after my wellbeing.	Pre	3.82	.81			
	Post	4.62	.51			
				-14.5	213	.000
13. I know how I can access further support in order to look after my wellbeing, should I need to.	Pre	3.83	.81			
	Post	4.54	.53			
				-13.0	189	.000

#### Appendix 4: Results of One Way Repeated Measures ANOVA, Comparing Questionnaire Items 1 and 2, for Level 2 Pre and Post Training Evaluation.

Questionnaire Item		Mean	SD	N	F (df)	p	ES
1 Being trauma informed is important and relevant in my job.	Pre	4.82	.39				
	Post M1	4.76	.44				
	Post M2	4.76	.44				
	Post M3	4.88	.33				
				17	0.5 (3)	.68	-
2. I feel confident in my ability to apply trauma informed principles in my job.	Pre	3.71	.59				
	Post M1	4.06	.56				
	Post M2	4.41	.71				
	Post M3	4.65	.61				
				17	8.7 (3)	.000	.35

## Appendix 5: Results of Paired Samples t Test Comparing Questionnaire Items 3-24, for Level 2, Pre and Post Training Evaluation.

Questionnaire Item		Mean	SD	t	df	p
3. I understand what is meant by the terms trauma and complex trauma.	Pre	3.74	.62			
	Post	4.56	.60			
				-6.88	53	.000
4. I feel confident I can identify the types of experiences that might be traumatic	Pre	4.04	.58			
	Post	4.48	.72			
				-6.70	53	.001
5. I am aware of the prevalence of trauma in the general population	Pre	3.63	.81			
	Post	4.39	.56			
				-6.10	53	.000
6. I am aware of the types of services where people who have experienced trauma might be over-represented.	Pre	3.50	.82			
	Post	4.19	.56			
				-5.43	53	.000
7. I understand the factors which might influence someone's response to traumatic events.	Pre	3.76	.64			
	Post	4.41	.53			
				-5.92	53	.000
8. I understand the possible long term consequences of experiencing complex trauma.	Pre	3.79	.70			
	Post	4.50	.54			
				-6.05	51	.000
9. I understand the short term impact trauma might have on a person's body and brain.	Pre	3.69	.70			
	Post	4.43	.54			
				-6.40	53	.000
10. I feel confident at using the concept of the window of tolerance as a tool to understand how someone might present to my service	Pre	2.94	.80			
	Post	4.29	.64			
				-9.28	51	.000
11. I feel confident at identifying some of the strategies people might use to cope with traumatic experiences.	Pre	3.48	.82			
	Post	4.48	.66			
				-7.25	43	.000
12. I understand how I might support someone to develop helpful ways of coping	Pre	3.39	.78			
	Post	4.36	.65			
				-7.64	43	.000
13. I feel confident in how to respond to someone who discloses information about a trauma they have experienced.	Pre	3.57	.76			
	Post	4.45	.55			
				-8.14	43	.000
14. I understand the factors which might help someone have a positive experience of disclosing a traumatic event.	Pre	3.36	.73			
	Post	4.38	.76			
				-10.3	41	.000
15. I understand some of the strategies I could use to practice self-care and look after my wellbeing.	Pre	3.63	.76			
	Post	4.63	.49			
				-8.68	42	.000
16. I feel confident I can put some self-care strategies into practice, should I need to.	Pre	3.84	.68			
	Post	4.59	.50			
				-7.64	43	.000
17. I know how I can access further support in order to look after my wellbeing, should I need to.	Pre	3.84	.74			
	Post	4.53	.55			
				-5.63	44	.000
18. I understand what is meant by the term Trauma Informed Practice.	Pre	3.72	.65			
	Post	4.76	.44			
				-6.44	28	.000
19. I understand how I might apply the	Pre	3.37	.85			

5 principles of trauma informed care in my service.	Post	4.63	.56			
				-6.42	29	.000
20. I understand the types of changes that I could make to make my practice more trauma informed.	Pre	3.48	.74			
	Post	4.66	.55			
				-7.45	28	.000
21. I feel confident I could use the 5 principles of trauma informed care to support someone affected by trauma.	Pre	3.33	.80			
	Post	4.60	.56			
				-6.62	29	.000
22. I understand the impact that trauma can have on how someone might experience relationships	Pre	3.86	.65			
	Post	4.79	.42			
				-6.86	27	.000
23. I feel confident in how to trauma inform my professional relationships.	Pre	3.55	.63			
	Post	4.72	.53			
				-8.89	28	.000
24. I understand what the important factors are in supporting recovery from traumatic events.	Pre	3.32	.72			
	Post	4.64	.56			
				-8.10	27	.000

## Appendix 6: Results of One Way Repeated Measures ANOVA, Comparing Questionnaire Items 25-27, for Level 2 Pre and Post Training Evaluation.

Questionnaire Item		Mean	SD	N	F (df)	p	ES
25. The information in this training has given me a better understanding of the experiences of people who have been affected by trauma.	Post M1	4.35	.61				
	Post M2	4.59	.51				
	Post M3	4.76	.44				
				17	3.2 (2)	.053	-
26. I feel this training will have a positive impact on how I work with service users.	Post M1	4.53	.62				
	Post M2	4.59	.62				
	Post M3	4.76	.44				
				17	1.5 (2)	.242	-
27. I would recommend this training to a colleague.	Post M1	4.88	.34				
	Post M2	4.56	.63				
	Post M3	4.88	.34				
				16	5.3 (2)	0.011	.26

## Appendix 7: People with Lived Experience Group Online Survey

Hello, thank you so much for taking a few minutes to complete the **anonymous** survey.

Your feedback is really important to us in terms of how we develop the Trauma Training Programme in Midlothian.

We really want you to have a voice in this.

We can use your **anonymous** feedback in the final report.

1. Did you attend a Midlothian Trauma Training Pilot Event?
2. If you attended an event, overall, what did you think of the training?  
Excellent/Good/Fair/Poor/Very Poor
  - What do you think was good about the training?
  - What do you think about the training that could be improved upon?
3. What are your thoughts/ideas/suggestions of how People with Lived Experience can be involved with this training going forward?
  - Do you know of any other People with Lived Experience /Service User groups in Midlothian that it would be good to involve? (If yes, please list)
4. Is there anything about the overall National Education Scotland Transforming Psychological Strategy or Training plan that you would like to feedback?
5. Please let us know if there is anything else that you would like to feedback back about the Midlothian Trauma Training Pilot.
- 6.

THANK YOU FOR COMPLETING THE SURVEY

## Appendix 8: Trauma Trainers Online Survey

As part of the Midlothian Trauma Training pilot evaluation we are following up on all the staff who delivered the training.

It is very important that we capture this information as this will help us develop the training both locally and nationally.

I would be ever so grateful if you could complete this very short survey. Please be assured that it is completely anonymous. The information that you give will be used in the final evaluation report.

1. What level of training did you deliver?
2. Were there any barriers that you had to overcome to deliver the training?
  - It was difficult to find the time within my role
  - It was hard to get support from management
  - I did not feel confident delivering the training on-line
  - Other.. Please give details
3. If you did experience any barriers is there anything that would have helped you to overcome them?
4. What did you think about the training packages?  
Excellent/Good/Fair/Poor/Very Poor
5. Is there anything that you would change in the training packages?
6. Do you intend to continue to deliver the training after the pilot comes to an end?  
Yes/No/Undecided



7. The Midlothian Steering Group chose to use most of the funding for the pilot to employ a Programme Lead. We are interested to hear whether you think there was a benefit to having a person in this role?  
Strongly agree (of benefit)/Agree/Neutral/Disagree/Strongly disagree (little benefit)  
Please add comments.
8. Do you see any value of the post of Trauma Training Lead to be continued once the pilot comes to an end?  
Yes, strongly agree/Yes agree/Unsure/No, disagree/ No, strongly disagree
9. We are very interested to hear your thoughts/ideas about how Transforming Psychological Trauma Training in Midlothian can become further established once the pilot ends. Please select from the suggestions (you can select more than 1) and add any other thoughts and ideas below.
- Continuing the Steering Group
  - Developing stronger links with People with Lived Experience Groups
  - Having a Trauma Training Lead
  - Creating a local Transforming Psychological Trauma network/hub
  - Creating a local transforming psychological trauma website
  - Holding awareness raising events
  - Focusing on training particular groups/services
  - Supporting whole teams and services to become trauma informed
  - Other ideas/suggestions
10. Do you have any other comments/feedback or anything else that you think would be helpful for us to know?



**Additions to Family Leave - Pregnancy Loss Pledge and Fertility Treatment Leave****Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Decision****1 Recommendations**

The Council is recommended to

- i. Consider committing to the Miscarriage Association's Pregnancy Related Pledge, also
- ii. to further providing paid time off up to 5 days (pro rata) for any employee who has suffered a miscarriage and for their partner too, and
- iii. to provide support to employees who have decided to go through the in-vitro fertilisation (IVF) process and allow 2 days paid leave (pro rata) per cycle of treatment up to a maximum of 5 days (pro rata) in a leave year for the employee and their partner.

**2 Purpose of Report/Executive Summary**

The Miscarriage Association is urging employers across the UK to commit to supporting their staff through the distress of miscarriage.

They are encouraging businesses and organisations to meet their new pregnancy loss standard to ensure that employees going through what can be a very difficult or traumatic time get the support and time off they need.

To date, amongst others, the British Army, Fife Council, West Dunbartonshire Council, East Renfrewshire Council and Inverclyde Council have signed up for the Pregnancy Loss Pledge.

The standard asks employers to understand and implement the rules around pregnancy-related leave, create a supportive work environment, to have a policy or guidance in place, to ensure line managers have access to resources to help them manage a difficult situation and to support people, including partners, back to work by showing flexibility wherever possible.

## **2.1 Fertility Treatment**

Becoming a parent is one of the biggest steps in life and one of the most rewarding experiences in the world. For those who cannot conceive naturally, IVF can quite literally deliver miracles. Sadly, one in six couples will experience trouble conceiving.

There is currently no statutory right to paid time off to undergo fertility treatment, however as a family friendly employer offering a number of options to working parents, the Council is requested to consider introducing 2 days paid leave (pro rata) per cycle of fertility treatment, up to a maximum of 5 days (pro rata) in a leave year for the employee and their partner.

As a reminder, the Council currently provides family leave under the following headings – maternity leave/adoption leave/shared parental leave/paternity leave/parental leave/surrogacy leave/parental bereavement leave/foster care and kinship care leave.

For information; neonatal leave and pay is expected to become legislation soon as it had its second reading in Parliament on 15 July 2022. This will provide up to an additional 12 weeks statutory leave whilst a premature baby remains in neonatal care.

**Date:** 12 August 2022

**Report Contact:**

Louise Bell, HR Business Partner

[louise.bell@midlothian.gov.uk](mailto:louise.bell@midlothian.gov.uk)

### **3 Background**

#### **3.1 Pregnancy Loss Pledge**

The pain of miscarriage impacts countless lives: One in four pregnancies will result in this reality. While the emotional and physical ramifications can be incredibly hard to go through.

By taking the Miscarriage Association Pregnancy Loss Pledge the Council agrees to:

- Encourage a supportive work environment where people feel able to discuss and disclose pregnancy and/or loss without fear of being disadvantaged or discriminated against;
- Understand and implement the rules around pregnancy-related leave, ensuring staff feel able to take the time off they need;
- Show empathy and understanding towards people and their partners experiencing pregnancy loss;
- Implement a pregnancy loss policy or guidance, or ensure it is included in sickness, bereavement or other workplace policies – being mindful of the needs of partners, too;
- Encourage line managers to access in-house or external guidance on how to support someone experiencing pregnancy loss;
- Support people back to work by being responsive to their needs and showing flexibility wherever possible.

If we agree to take the Pledge, we will be issued with marketing information by the Miscarriage Association to enable us to share this with staff and/or on social media.

Campaigning is ongoing by Angela Crawley, SNP MP for Lanark and Hamilton East to introduce miscarriage leave.

However, in the meantime as well as taking the Pledge, we request that the Council introduces 5 days of paid leave (pro rata) for any employee who suffers a miscarriage and to extend this leave to her partner too. This is a family friendly approach consistent with all the other family friendly offerings the Council already has in place.

#### **3.2 Fertility Treatment**

Employees struggling with fertility problems or going through fertility treatment should be better supported by the Council. There is currently no statutory right to take time off work to undergo IVF treatment; however, Fertility Network UK recommended employers treat fertility issues in the same way as any other medical issue and provide employees the flexibility they require around treatments.

Investigations regarding infertility, consultations exploring treatment options and medical interventions aimed at assisting conception should be regarded as medical appointments and entitlement to time off to attend such appointments is covered by the Council's usual procedures.

In order to support employees who are going through fertility treatment, the Council is suggesting to grant 2 days paid leave (pro rata) per cycle of IVF up to a maximum of 5 days (pro rata) in a leave year. This will allow the individual some time to deal with the physical and emotional effects of fertility investigations or interventions.

#### **4 Report Implications (Resource, Digital, Risk and Equalities)**

##### **4.1 Resource**

Additional paid time off for individuals if these two categories would be applicable. This would clearly have an impact on staffing, this needs to be weighed up with the wellbeing of staff.

##### **4.2 Digital**

There are no direct IT implications as a result of this report.

##### **4.3 Risk**

Whilst there are no direct risks associated with this report, adopting this guidance should in turn encourage individual's experiencing miscarriage or going through the In Vitro Fertilisation (IVF) to feel better supported and in turn could reduce sickness absence levels if there is now specific leave for these purposes.

##### **4.4 Ensuring Equalities**

Providing appropriate support within an individual's place of work will better enable equality of opportunity. These interventions have been identified as having a positive impact on those with protected characteristics i.e. pregnancy and maternity

##### **4.5 Additional Report Implications (See Appendix A)**

#### **Appendices**

##### **Appendix A – Additional Report Implications**

## **APPENDIX A – Additional Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Midlothian Council and its Community Planning Partners have made a commitment to treat the following areas as key priorities under the Single Midlothian Plan:-

- Reducing the gap in economic circumstances
- Reducing the gap in learning outcomes
- Reducing the gap in health outcomes
- Reducing the impact of climate change

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☒ Modern
- ☐ Sustainable
- ☐ Transformational
- ☒ Preventative
- ☐ Asset-based
- ☐ Continuous Improvement
- ☒ One size fits one
- None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious

### **A.4 Delivering Best Value**

The guidance does not directly relate to the delivery of best value.

### **A.5 Involving Communities and Other Stakeholders**

Trade Union colleagues will be notified if approval is received to proceed.

#### **A.6 Impact on Performance and Outcomes**

Adopting and implementing the guidance will positively impact on the working lives of Council's employees and partners who have experienced miscarriage or are going through fertility treatment.

#### **A.7 Adopting a Preventative Approach**

Adopting and implementing the guidance will help to support employees in fulfilling their duties.

#### **A.8 Supporting Sustainable Development**

Adopting and implementing this supportive time off will contribute to our employee's wellbeing and inform sustainable development.