

Notice of meeting and agenda



Midlothian Council

Venue: Council Chambers, Midlothian House, Dalkeith, EH22 1DN

Date: Tuesday, 08 November 2016

Time: 14:00 - 17:00

John Blair
Director of Resources

Contact:

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Further Information:

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

Recording Notice: Please note that this meeting will be recorded. The recording will be publicly available following the meeting, including publication via the internet. The Council will comply with its statutory obligations under the Data Protection Act 1998 and the Freedom of Information (Scotland) Act 2002.

1 Welcome, Introductions and Apologies

Including any apologies received from Members who are unable to attend

2 Order of Business

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

3 Declarations of Interest

Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

4 Deputations

No deputations received for consideration

5 Minutes of Previous Meeting

5.1 Minutes of meetings submitted for approval as a correct record:

Note of Meeting of Midlothian Council of 27 September 2016 **5 - 26**

5.2 Minutes of meetings for noting and consideration of any recommendations:

Meeting of Cabinet of 30 August 2016 **27 - 34**

PRIVATE - Meeting of Cabinet of 30 August 2016

Meeting of Special Cabinet of 30 August 2016 **35 - 40**

Meeting of Audit Committee of 21 June 2016 **41 - 46**

Meeting of Local Review Body of 7 June 2016 **47 - 56**

Meeting of Local Review Body of 6 September 2016 **57 - 64**

Meeting of Planning Committee of 31 May 2016 **65 - 74**

Meeting of General Purposes Committee on 24 May 2016 **75 - 78**

PRIVATE - Meeting of General Purposes Committee of 24 May 2016

Meeting of General Purposes Committee of 23 August 2016 **79 - 80**

PRIVATE - Meeting of General Purposes Committee of 23 August 2016

Meeting of Petitions Committee 24 March 2014 **81 - 82**

6 Questions to the Council Leader

No questions received for consideration

7 Motions

7.1 Notice of motion - moved by Councillor de Vink and seconded by Councillor Bryant

7.2 Notice of motion - moved by Councillor Russell and seconded by Councillor Muirhead

8 Public Reports

8.1 Presentation to Elected Members by Scotrail to be given by James Ledgerwood, Lindley Kirkpatrick and Andy Miller.

8.2 Presentation to Elected Members by Grant Thornton - Annual Report to Elected Members and the Controller of Audit for Finance - Year End 31 March 2016 - please note report can be found in the Member's Library

8.3 Review of United Kingdom Parliament Constituencies in Scotland by the Boundary Commission for Scotland - Report by Chief Executive **87 - 92**

8.4 TO FOLLOW - Financial Strategy 2017-2018 to 2021 -2022 - Report by Head of Finance and Integrated Service Support **93 - 94**

8.5 Financial Monitoring 2016-17 - General Fund Revenue - Report by Head of Finance and Integrated Service Support **95 - 112**

8.6 Treasury Management Mid-Year Review Report 2016-2017 - Report by Head of Finance and Integrated Service Support **113 - 128**

8.7 General Services Capital Plan 2016-2017 - Report by Head of Finance and Integrated Service Support **129 - 136**

8.8 Housing Revenue Account - Report by Head of Finance and Integrated Service Support **137 - 142**

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| 8.9 | Impact of Exiting the European Union – Report by Chief Executive | 143 - 150 |
| 8.10 | Chief Social Work Officer Annual Report 2015-16 - Report by Chief Social Work Officer | 151 - 178 |
| 8.11 | Community Payback Order Annual Report 2015-2016 - Report by Joint Director, Health and Social Care | 179 - 196 |
| 8.12 | Extra Care Housing - Report by Joint Director, Health and Social Care | 197 - 200 |
| 8.13 | East Lothian and Midlothian Public Protection Committee Annual Report 2015-2016 - Report by Head of Adult Social Care | 201 - 204 |
| 8.14 | Scottish Social Security Consultation Response – Report by Director, Education, Communities and Economy | 205 - 210 |

9 Private Reports

THE COUNCIL IS INVITED (A) TO CONSIDER RESOLVING TO DEAL WITH THE UNDERNOTED BUSINESS IN PRIVATE IN TERMS OF PART 1 OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973 – THE RELEVANT REPORTS ARE THEREFORE NOT FOR PUBLICATION; AND (B) TO NOTE THAT NOTWITHSTANDING ANY SUCH RESOLUTION, INFORMATION MAY STILL REQUIRE TO BE RELEASED UNDER THE FREEDOM OF INFORMATION (SCOTLAND) ACT 2002 OR THE ENVIRONMENTAL INFORMATION REGULATIONS 2004

- 9.1** Midlothian and Edinburgh Zero Waste Parc - Project Update - Report by Director, Resources
- 9.2** Head Teacher Appointments - For approval by Midlothian Council - Presented by Director, Education, Communities and Economy:

Appointment of Head Teacher Moorfoot Primary School

Appointment of Head Teacher St Margaret's Primary School

Minute of Meeting



Midlothian Council

| Date | Time | Venue |
|-------------------|------|--|
| 27 September 2016 | 2pm | Council Chambers, Midlothian House, Buccleuch Street, Dalkeith |

Present:

| | |
|--|---|
| Provost Wallace | Depute Provost Coventry |
| Councillor Johnstone – Leader of the Council | Councillor Constable – Depute Leader of the Council |
| Councillor Baxter | Councillor Beattie |
| Councillor Bennett | Councillor Bryant |
| Councillor de Vink | Councillor Imrie |
| Councillor Milligan | Councillor Montgomery |
| Councillor Muirhead | Councillor Parry |
| Councillor Pottinger | Councillor Rosie |
| Councillor Russell | Councillor Young |

Religious Representatives (Non-voting observers for Education Business):

| | |
|-----------------|----------------|
| Mr V. Bourne | Rev. R. Halley |
| Mrs M. Harkness | |

In attendance:

| | |
|--|--|
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| | |

1. Apologies

1.1 It was noted that no apologies had been received.

2. Order of Business

2.1 The order of business was confirmed as outlined in the agenda that had been circulated with the exception that item 8.15 – Strategic Development Plan for Edinburgh and South East Scotland – Report by Head of Communities and Economy – would be heard after item 8.3.

3. Declarations of interest

3.1 The Provost requested that any Elected Member who had to declare an interest in a particular item to do so as the item arose.

3.2 At this point the Provost declared an interest in item 7.1

4. Deputations

4.1 It was noted that no deputations had been received for consideration at this meeting.

5. Minutes of Previous Meetings

5.1 Prior to the minutes of the previous Council meeting being approved, Councillor Bryant confirmed he had omitted to submit apologies on behalf of Councillor Beattie in respect of this meeting. The minutes of the meeting as amended of Midlothian Council on 16 August 2016 were then submitted and approved as a correct record so moved by Councillor Bryant and seconded by Councillor Constable.

5.2 The addendum to the minutes of the meeting of Midlothian Council on 16 August 2016 were submitted and approved as a correct record so moved by Councillor Constable and seconded by Councillor Johnstone.

5.3 The minutes of the Cabinet meeting of 31 May 2016 were presented to the Council for noting and consideration of any recommendations therein.

5.4 The minutes of the Special Cabinet meeting of 31 May 2016 were presented to the Council for noting and consideration of any recommendations therein.

5.5 The minutes of the Performance, Review and Scrutiny meeting of 26 April 2016 were presented to the Council for noting and consideration of any recommendations therein.

5.6 The minutes of the Special Performance, Review and Scrutiny (1) meeting of 8 June 2016 were presented to the Council for noting and consideration of any recommendations therein.

- 5.7 The minutes of the Special Performance, Review and Scrutiny (2) meeting of 8 June 2016 were presented to the Council for noting and consideration of any recommendations therein.
- 5.8 The minutes of the Police and Fire and Rescue Board meeting of 24 May 2016 were presented to the Council for noting and consideration of any recommendations therein.

6. Questions to the Leader of the Council

- 6.1 It was noted that no questions had been submitted to the Leader for consideration.

Sederunt – The Provost made a personal statement in relation to his comments at the Performance, Review and Scrutiny Committee held on 7 September 2016. Following this the Provost handed the Chair of the meeting to the Depute Provost and left the Chamber.

7. Notices of Motions

| Motion No. | Motion Title | Proposed by: | Seconded by: |
|------------|---------------------------|----------------------------|----------------------------|
| 7.1 | Councillor Wallace | Councillor Milligan | Councillor Muirhead |

Motion:

At a meeting of the Council's Performance and Scrutiny Committee held on Tuesday 7th September, when discussing a report from the Head of Adult Social Services on a Scottish Government cut to funding for the Mid and East Lothian Drug and Alcohol Project (MELDAP), Councillor Joe Wallace launched an unwarranted and highly inappropriate attack on veterans.

Council believes that this directly contradicts his role as Veteran's Champion which requires the post holder to actively promote the welfare of our veterans and consequently makes his position as Veteran's Champion and indeed Provost completely untenable.

Therefore Council agrees that

- 1 Councillor Wallace is no longer fit to continue in his role as Veteran's Champion and he should resign with immediate effect;*
- 2 His role as Provost, given the ceremonial responsibilities of that post, particularly in relation to armed forces based in Midlothian, is also untenable and he should resign as Provost with immediate effect;*
- 3 If Councillor Wallace fails to acknowledge these points and resign from both roles voluntarily, Council removes him from both posts with immediate effect.*

Summary of discussion

Prior to the debate, the Depute Provost asked the Monitoring Officer to confirm his proposal as to how this item should be handled by the Council in line with the requirements as per the Council's Standing Orders. The Monitoring Officer duly provided his suggestion that the debate for the motion should be taken in its entirety which the voting for each of the component parts of the motion should be voted for separately in the interests of clarity. Further he confirmed that as per the Council's Standing Orders that for parts 1 and 2 of the motion the outcome would be decided by simple majority and in relation to part 3, the motion would be carried if ten Members voted in favour of it. Further he clarified that if parts 1 and 2 were not carried, there would be no need to vote in respect of part 3.

The Depute Provost asked the Chamber whether they were in agreement with this proposal which the Elected Members present confirmed that they were.

The Council then heard from Councillor Milligan who moved the motion and spoke of his reasons for doing so.

The Council then heard from Councillor Muirhead who in seconding the motion also spoke of his reasons for doing so.

The Council then heard from Councillor Johnstone who moved the direct negative of the motion.

Further the Council heard from Councillor Constable who seconded Councillor Johnstone's move of the direct negative of the motion.

Then Councillor then heard from Councillor Baxter who confirmed he would not support the motion moved by Councillor Milligan .

Councillor Milligan then summed up the motion.

Then Council then voted in relation to the motion:

In relation to Part 1, eight Members voted in favour of the motion moved by Councillor Milligan and seconded by Councillor Muirhead and nine voted against.

In relation to Part 2, eight Members voted in favour of the motion moved by Councillor Milligan and seconded by Councillor Muirhead and nine voted against.

The Depute Provost confirmed that as the first two parts to the motion had been defeated there was no requirement to proceed with a vote on the third part. This was confirmed by the Monitoring Officer.

Decision

The Council did not agree to parts 1 and 2 of the motion, therefore the motion was defeated in its entirety.

Sederunt – The Provost returned to the Chamber and assumed the Chair of the meeting.

| Motion No. | Motion Title | Proposed by: | Seconded by: |
|------------|-------------------------|---------------------------|---------------------------|
| 7.2 | Aberfan Disaster | Councillor Bennett | Councillor Russell |

Motion:

21 October 2016 marks the 50th Anniversary of the Aberfan disaster, which saw 116 children and 28 adults tragically lose their lives when a coal bing collapsed and destroyed houses and the school in the village.

Council agrees to write to the Mayor of Merthyr Tydfyl on behalf of the people of Midlothian, a former mining area, to offer our ongoing condolences and assurance that their grief has not been forgotten.

Summary of discussion

The Council heard from Councillor Bennett who presented and moved the motion which was then seconded by Councillor Russell.

Decision

The Council agreed the motion and agreed to write to the Mayor of Merthyr Tydfyl

Action

Provost

| Motion No. | Motion Title | Proposed by: | Seconded by: |
|------------|---------------------|------------------------------|-------------------------|
| 7.3 | Rio Olympics | Councillor Montgomery | Councillor Imrie |

Motion:

Midlothian Council congratulates Team GB on their achievements in the Olympic and Paralympic Games in Rio de Janeiro, with Scotland 's athletes making a major contribution towards the record medal haul including a silver from our own County's Para breast stroke swimmer Scott Quin.

Summary of discussion

The Council heard from Councillor Montgomery who presented and formally move the motion which was then seconded by Councillor Imrie.

Councillor Parry was then heard in support of the motion and moved that the Council write to Scott Quin to congratulate him.

Decision

The Council approved the motion and agreed to write to Scott Quin to congratulate him.

Action

Provost

8. Reports

| Agenda No. | Report Title | Presented by: |
|------------|---|----------------------------|
| 8.1 | Revision of the Council's Standing Orders and associated documents | Director, Resources |

Outline of report and summary of discussion

The report was presented by the Director, Resources which presented the Council with proposals for the revision of the Council's Standing Orders and associated documents (Scheme of Administration and Scheme of Delegation) to the Council.

Councillor Johnstone moved that the Council agree the recommendations and welcomed the update of the governance arrangements for the Council.

Councillor Milligan was then heard in agreement of the proposals, but moved that the issue of papers should be no less than five days (proposed Standing Order 7.8) and suggested some further minor amendments should be made to tidy up historical errors in the documents.

Councillor Johnstone accepted Councillor Milligan's suggestion and following this the Monitoring Officer sought clarification that at least ten Members were voting in favour of the revised documents in line with the existing Standing Orders. The Provost clarified that the approval of the Council with Members in the Chamber and the recommendations were thereby approved.

Decision

The Council agreed to:

- a) Approve the revised Standing Orders and associated documents subject to minor amendments;
- b) Instruct the Director, Resources to publish the revised Standing Orders and associated documents; and
- c) Instruct the Director, Resources to bring forward a review of the Council Standing Orders and associated documents to the Council meeting prior to the summer recess on an annual basis.

| Action |
|---------------------|
| Director, Resources |

| Report No. | Report Title | Presented by: |
|------------|---|------------------------|
| 8.2 | Local Government Boundary Commission for Scotland Fifth Statutory Review of Electoral Arrangements | Chief Executive |

| Outline of report and summary of discussion |
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| <p>The Council heard from the Chief Executive who presented the report which sought to inform Members of the final decision made by Scottish Ministers in regard to Midlothian in the Fifth Statutory Review of Electoral Arrangements carried out by the Local Government Boundary Commission for Scotland.</p> <p>Councillor Johnstone moved that the recommendations contained within the report were accepted and this was seconded by Councillor Constable.</p> <p>Councillor Baxter expressed his concern in relation to the basis that the Boundary Commission made their decision citing the balance of voter rolls.</p> |

| Decision |
|--|
| <p>The Council agreed to:-</p> <p>a) Note the “<i>Local Government Boundary Commission for Scotland Fifth Statutory Review of Electoral Arrangements – Final Recommendations</i>” in respect of Midlothian which have been accepted by Scottish Ministers and which accord with the earlier decision of Midlothian Council made on 12 May 2015</p> |

| Report No. | Report Title | Presented by: |
|------------|--|----------------------------|
| 8.3 | Audit Committee Chair’s Annual Report | Director, Resources |

| Outline of report and summary of discussion |
|---|
| <p>The Council heard from the Director, Resources who presented the Audit Committee Chair’s Annual Report for 2015/16.</p> <p>Councillor Parry moved the recommendations contained in the report which were subsequently agreed by the Council.</p> |

| Decision |
|--|
| <p>The Council agreed to:</p> <p>a) Note the Annual report of the Independent Chair of the Audit Committee which was approved by the Audit Committee.</p> |

| Report No. | Report Title | Presented by: |
|------------|---|--|
| 8.3a | Strategic Development Plan for Edinburgh and South East Scotland – Proposed Plan | Head of Communities and Economy |

Outline of report and summary of discussion

The Council heard from the Head of Communities and Economy who delivered a report which presented an update on the issues raised by Members following the previous report to Council on 16 August 2016 and subsequent seminar for Members on 30 August 2016. Specifically, the report presented an update on the issues raised in respect of infrastructure to serve and support development in Midlothian.

The Council then heard from Councillor Bryant who was heard in support of ratifying the plan citing that there was no provision for additional new sites in Midlothian in respect of housing and further, ratification would not increase the pressures of infrastructure. Ratification would also incorporate the action programme which would support projects to improve infrastructure across the region. In conclusion the Councillor expressed his concern that delay or non ratification would have significant and adverse consequences.

Councillor Johnstone agreed with Councillor Bryant and suggested that the Council accept the recommendations.

Councillor Milligan was then heard in opposition of the recommendations citing his concerns in relation to healthcare, education provision, transport and infrastructure as key issues that he felt were not resolved within the plan.

Councillor Baxter was heard in support of Councillor Milligan's concerns, re-affirming his position that there was no indication of the long term needs of the infrastructure particularly in relation to heavy and light rail.

Councillor Montgomery asked for clarification in relation to the lifespan of the plan which the Head of Communities and Economy provided. Following this, Councillor Montgomery confirmed his view that he felt that Midlothian was not getting much out of the plan and further expressed his position in relation to the rail link to Penicuik.

Following further debate involving Councillors Muirhead, Johnstone and Rosie the Council then proceeded to a vote in relation to the recommendations.

Councillor Milligan moved that the recommendations were not accepted which was seconded by Councillor Muirhead.

Councillor Bryant moved that the recommendations were accepted which was seconded by Councillor Johnstone.

Nine Councillors voted against accepting the recommendations and nine Councillors voted in favour of accepting the recommendations. The Provost then cast his second vote in favour of accepting the recommendations which therefore became the decision of the Council.

Decision

The Council agreed:

- a) To ratify the Proposed Strategic Development Plan for Edinburgh and South East Scotland.

Action

Head of Communities and Economy

| Report No. | Report Title | Presented by: |
|------------|--|---|
| 8.4 | Financial Strategy 2017-18 to 2020-21 | Head of Finance and Integrated Service Support |

Outline of report and summary of discussion

The Council heard from the Head of Finance and Integrated Service Support who provided the Council with an update on the Financial Strategy encompassing the years 2017/18 to 2021/22 which included:

- An update on future years Scottish Government Grant prospects;
- Updated budget projections rolled forward for 2017/18 to 2021/22;
- A sensitivity analysis reflecting the potential impact of different scenarios;
- An update on the existing and proposed change programmes aimed at addressing the projected budget shortfalls;
- An update on reserves.

Councillor Parry moved that the recommendations were approved by Council and following a short and at times heated discussion involving Councillors Milligan, Parry, Muirhead and Coventry, the Council agreed the recommendations within the report.

Decision

The Council agreed to:

- a) Note the update in respect of the Scottish Government Grant Settlement as set out in section 2;
- b) Note the implication associated with the Council Tax reforms and the gap that will exist between revenues generated in the County and resources provided to Midlothian Schools;
- c) Note the updated projected cost of services, key assumptions and resultant budget shortfalls as set out in section 3 and continue to endorse the key assumptions on which the budget projections are based;
- d) Note the uncertainties and the potential impact of differing scenarios as set out in section 6;

- e) Note the role the current and developing strands of the Change Programme and relevant impact on the Financial Strategy as set out in tables 6 and 7;
- f) Note that the strands of the Change Programme will provide the means to identify options to address projected budget shortfalls;
- g) Note that the updated projections at this time indicate that a budget gap of £5.867 million for 2017/18 rising to £ 31.712 million by 2021/22, though these are heavily dependent on the assumptions detailed in the report;
- h) Otherwise note the contents of the report.

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| Action |
| Head of Finance and Integrated Service Support |

| Report No. | Report Title | Presented by: |
|------------|-------------------|--|
| 8.5 | Reserves Strategy | Head of Finance and Integrated Service Support |

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|--|
| Outline of report and summary of discussion |
| <p>The Council heard from the Head of Finance and Integrated Service Support who presented a report which sought to update the Council on the useable reserves and set out a Reserves Strategy for the Council's consideration.</p> <p>Councillor Parry moved the recommendations with the following addendum:</p> <p><i>'(e) In respect of recommendations (a) and (b), the Council reserves the right to revisit these again during the 2017/18 budget setting cycle given the continued uncertainty in respect of the grant settlement from Government; and</i></p> <p><i>(f) Otherwise note the Reserves Strategy set out in the report.'</i></p> <p>Councillor Johnstone seconded the recommendations as amended by Councillor Parry.</p> <p>Councillor Milligan then moved that the recommendations as tabled in the report should be accepted which was seconded by Councillor Baxter.</p> <p>There followed a short discussion in relation to the Financial Strategy following which there followed a vote in relation to the recommendations.</p> <p>Nine Members voted in favour of the recommendations as contained in the report and Nine voted in favour of the recommendations as amended by Councillor Parry and seconded by Councillor Johnstone. The Provost cast his second vote in favour of the recommendations as amended by Councillor Parry and seconded by Councillor Johnstone which then became the decision of the Council.</p> |

Decision

The Council agreed to:

- a) Retain the General Fund contingency level at £8.000 million which is approximately 4% of net expenditure;
- b) Earmark a total of £4.000 million to support change, which will incorporate the current sums set aside for Council Transformation;
- c) Note that subject to recommendations (a) and (b) £2.783 million of General Fund Reserves would be available to utilise;
- d) Maintain the current arrangements for capital receipts and the Capital Fund;
- e) In respect of recommendations (a) and (b), the Council reserves the right to revisit these again during the 2017/18 budget setting cycle given the continued uncertainty in respect of the grant settlement from Government; and
- f) Otherwise note the Reserves Strategy set out in the report.

Action

Head of Finance and Integrated Service Support

| Report No. | Report Title | Presented by: |
|------------|--|---|
| 8.6 | Financial Monitoring 2016-17 – General Fund Revenue | Head of Finance and Integrated Service Support |

Outline of report and summary of discussion

The Council heard from the Head of Finance and Integrated Service Support who presented a report which provided the Council with information on the performance against revenue budget in 2016/17 and the details of the material variances.

Councillor Parry moved that the recommendations were approved by the Council, following which the Council agreed to approve the recommendations.

Decision

The Council agreed to:

- a) Note the content of the report

Action

Head of Finance and Integrated Service Support

| Report No. | Report Title | Presented by: |
|------------|---|---|
| 8.7 | General Services Capital Plan 2016-17 to 2020-21 | Head of Finance and Integrated Service Support |

Outline of report and summary of discussion

The Council heard from the Head of Finance and Integrated Service Support who presented a report which provided the Council with:

- An update of the General Services Capital Plan incorporating the rephrasing of projects from the 2015/16 outturn position and new projects approved since the previous report to Council on 08 March 2016;
- Information on further additions to the Capital Plan for approval;
- Information on the projected performance of the General Services Capital Plan against budget for 2016/17;
- Forecast expenditure and income for the General Services Capital Plan for 2016/17 through to 2021/22.

Councillor Parry then moved that the recommendations contained within the report were approved following which the Council agreed to approve the recommendations.

Decision

The Council agreed to:

- a) Note the General Services Capital Plan Quarter 1 monitoring position for 2016/17;
- b) Approve the projects as outlined in Section 2.3 to be added to the General Services Capital Plan;
- c) Approve the allocated expenditure and funding in the General Services Capital Plan 2016/17 to 2021/22 (as shown in appendices 2 and 3);
- d) Note that based on the current forecasts and provisional sums, that the level of debt outstanding is forecast to be £124.000 million at 31 March 2022;
- e) Note that the capital receipts associated with the EWIM Phase 3 project shall be credited to the Capital Fund and therefore a technical adjustment is required to amend the cap on the level of debt outstanding to £124.000 million (from £114.000 million).

Action

Head of Finance and Integrated Service Support

| Report No. | Report Title | Presented by: |
|------------|---|---|
| 8.8 | Housing Revenue Account – Capital Plan and Revenue Budget – 2016-17 to 2021-22 | Head of Finance and Integrated Service Support |

Outline of report and summary of discussion

The Council heard from the Head of Finance and Integrated Service Support who presented a report which provided the Council with:

- An update on the Housing Revenue Account (HRA) Capital Plan and Revenue Budget for 2016/17 – 2021/22;
- An update on the projected outturn against budget for 2016/17.

Councillor Parry moved the recommendations were approved following which the Council agreed to move the recommendations.

Decision

The Council agreed to:

- Approve the revised HRA Capital Plan for 2016/17 to 2021/22 as detailed in Appendix 1;
- Approve the revised HRA Revenue Budget for 2016/17 and note the Indicative Revenue Budget for 2017/18 to 2021/22 as detailed in Appendix 2;
- Note the Projected Outturn against revised Budget for The HRA Revenue Account and Capital Plan for 2016/17.

Action

Head of Finance and Integrated Service Support

| Report No. | Report Title | Presented by: |
|------------|--|---|
| 8.9 | Midlothian Integration Joint Board – Financial Assurance Update | Head of Finance and Integrated Service Support |

Outline of report and summary of discussion

The Council heard from the Head of Finance and Integrated Service Support who presented a report which provided the Council with a final update on the financial assurance work carried out in relation to the delegation of resources to the Integration Joint Board from 1 April 2016..

Councillor Johnstone moved that the recommendations were approved by the Council which was seconded by Councillor Constable.

Decision

The Council agreed to:

- a) Note this final update on the financial assurance process in relation to the delegation of financial resources to Midlothian Integration Joint Board; and
- b) Note that ongoing work on financial assurance will be subsumed as business as usual within the Financial Services team.

Action

Head of Finance and Integrated Service Support

| Report No. | Report Title | Presented by: |
|-------------|---|------------------------|
| 8.10 | Borders Rail Update - Maximising Economic Benefit in Midlothian. | Chief Executive |

Outline of report and summary of discussion

The Council heard from the Chief Executive who provided the Council with an update on the Borders Railway in relation to maximising the economic benefit within Midlothian. Further the Chief Executive sought approval for additional funding to support a range of projects which can directly contribute to maximising the long-term economic benefits of the railway to Midlothian.

Following commentary in relation to strategic significance of the railway and the development of the current service, Councillor Bryant then moved that the Council accept the recommendations contained within the report.

Councillor Imrie subsequently sought clarification in relation to whether communities not immediately alongside the railway could apply for grants from the Blueprint Leadership Group to support them realise the benefit of the railway. Further Councillor Imrie confirmed his concerns in relation to the number of carriages on the railway and, including the proposals to increase this, expressed his belief that this wouldn't be sufficient to support the demand for the service. Further Councillor Imrie confirmed his disappointment in relation to the failure of the Midlothian Explorer Tourist Bus. In conclusion, Councillor Imrie moved that the Chief Executive and the Leader of the Council approach Abellio and articulate the rationale for more carriages on the line and the possibility of increasing the number of trains on the service.

In response the Chief Executive confirmed that the projects that are being developed to benefit from the Blueprint Fund will specifically focus on communities close to line. In relation to the issue of passenger numbers, the Chief Executive confirmed that it was his intention to maintain the pressure on Scotrail and in relation to the Tourist Bus the Chief Executive confirmed that lessons need to be learned.

The Council then heard from Councillor Milligan who spoke in relation to his disappointment in respect of the Tourist Bus and his view that the money could have been better spent to support **Page 18 of 215** **Minutes**. Further Councillor Milligan

expressed his concern in relation to the proposed increase of carriages as not being sufficient to support the demand. In conclusion Councillor Milligan expressed his view that the implementation of the railway had been a success and was to be welcomed, despite the various performance issues.

Councillor Coventry was then heard in support of the benefits of the Waverley Line specifically in relation to positive destinations and supporting young people to attend college. Coupled with this Councillor Coventry confirmed his view that the railway benefits all the communities in Midlothian.

Following input from Councillor Rosie in relation to the Tourist Bus, the Council agreed the recommendations contained within the report including the Chief Executive's commitment to maintain the dialogue with Abellio in relation to the rail service.

Decision

The Council agreed to:

- a) Note progress in seeking to maximise the economic benefits of the Borders Railway;
- b) Note the commitment from Abellio/Scotrail to address current operational matters in the running of the rail service;
- c) Approve a supplementary estimate from the available General Fund Reserve of £200,000 as the Council's contribution to master planning work in Midlothian (£150,000) and to provide revenue funding in respect of ongoing project development work (£50,000);
- d) Approve the allocation of a provisional budget of £250,000 in the General Services Capital Plan to provide the Council's funding contribution to other Borders Railway related economic development projects; and
- e) Require regular reports on progress with the operation of the Borders Railway and the related projects.

Action

Chief Executive

Director, Resources

Sederunt – At this point the Provost called a ten minute recess

| Report No. | Report Title | Presented by: |
|------------|---|-------------------------------|
| 8.11 | Lothian Buses – CEC dividend request - update | Head of Commercial Operations |

Outline of report and summary of discussion

The Council heard from the Head of Commercial Operations who provided the Council with an update on the discussions held with City of Edinburgh Council, East and West Lothian Councils and Lothian Buses following the Council meeting on Tuesday 22 March 2016.

Councillor Johnstone was then heard proposing that the recommendations were accepted.

Councillor Rosie sought clarification in relation to the next meeting of Lothian Buses which the Head of Commercial Operations provided.

Councillor Imrie was then heard expressing his concern in relation to the future of Lothian Buses. Further he suggested that the Council should make representation to the Lothian Buses Board to explain our concern in relation to the service.

Following further input from Councillors Constable, Milligan, Rosie and Baxter, the Council resolved to agree the recommendations contained within the report.

Decision

The Council agreed to:

- a) Note the discussions that have taken place to date;
- b) Note the comments from both Lothian Buses and City of Edinburgh Council that meeting City of Edinburgh Council's request for an extraordinary dividend could only happen if it did not affect the operation of Lothian Buses; and
- c) Agree that the Director Resources will provide a further update report when information is available.

Action

Head of Commercial Operations

| Report No. | Report Title | Presented by: |
|------------|---------------------------|-------------------------------|
| 8.12 | 2016-17 Pre winter update | Head of Commercial Operations |

Outline of report and summary of discussion

The Council heard from the Head of Commercial Operations who provided the Council with an update on the plans in place for the forthcoming winter season and advises of the financial implications of providing the current level of service.

In moving that the Council approve the recommendations, Councillor Rosie expressed his view that residents should support each other during the winter months.

Councillor Imrie expressed the need for collaboration and consultation with communities and confirmed the need for this policy be circulated within communities with a view to seeking feedback. This was seconded by Councillor Young.

Following contributions from Councillors Montgomery, Pottinger and Constable, the Head of Commercial Operations confirmed that the documents that had been circulated were 'living' documents and were subject to change by Elected

Members and Communities and as such was a under continual review. Further the Head of Commercial Operations offered to write to the Midlothian communities to confirm the winter priorities.

Councillor de Vink wished to congratulate the Head of Commercial Operations for the work that his team do over the winter months to ensure the communities in Midlothian continue to be accessible and re-iterated the need for communities to work together in adverse weather conditions.

Councillor Rosie moved that the recommendations were accepted with the proviso that the Head of Commercial Operations write to the communities in Midlothian to confirm the winter priorities which the Council agreed.

Decision

The Council agreed to:

- a) Adopt and publish the Winter Service Policy and Operational Plan for the 2016/17 winter season; and
- b) The Head of Commercial Operations to write to the Midlothian Communities to confirm the winter priorities.

Action

Head of Commercial Operations

Sederunt – Councillor Beattie left the chamber at 4.45pm

| Report No. | Report Title | Presented by: |
|------------|--|---|
| 8.13 | Update on the Implementation of Self Directed Support in Midlothian | Joint Director, Health and Social Care |

Outline of report and summary of discussion

The Council heard from the Joint Director, Health and Social Care who provided the Council with an update on the progress made with the implementation of Self Directed Support (SDS) in Midlothian.

Councillor Johnstone was heard in support of the recommendations which were seconded by Councillor Constable.

Decision

The Council agreed to:

- a) Note the progress being made with the implementation of Self Directed Support in Midlothian

| Report No. | Report Title | Presented by: |
|------------|---|---|
| 8.14 | New Social Housing – Progress Report – Phase 2 and Phase 3 | Head of Property and Facilities Management |

Outline of report and summary of discussion

The Council heard from the Head of Property and Facilities Management who following the last update report to Cabinet on 23 August 2016, described to Council in more detail the way forward for the Council House Building Programme Phase 2 and outlines new proposals for Phase 3.

Councillor Parry was heard in support of the development proposals and moved that the recommendations were accepted which was seconded by Councillor Rosie.

Councillor Muirhead asked for clarification in relation to the Newbyres Crescent development which the Head of Property and Facilities Management confirmed was part of the phase 2 development programme.

Councillor Russell expressed concern in relation to the number of houses proposed on the site of the old Dalkeith High School and requested that this was revisited. The Head of Property and Facilities Management confirmed that this did not represent the total number of homes to be built on this site and would be developed further in phase 3.

Following further questions and discussion involving Councillors Montgomery, Bennett, Baxter and de Vink and responses from the Head of Property and Facilities Management, the Head of Communities and Economy, and the Group Manager Housing Strategy and Performance the Council agreed the proposals.

Decision

The Council agreed to:

- a) Agree to the extension to the Phase 2 Framework;
- b) Agree to the anticipated timeframes as set out in section 3.2;
- c) Approve progress of site investigative works and surveys;
- d) Authorise the Director to review the list of preferred sites should there be any restrictions which impact the effectiveness of any of the initial listed sites for development; and
- e) Approve the proposed procurement arrangements as set out in the report.

Action

Head of Property and Facilities Management

| Report No. | Report Title | Presented by: |
|------------|------------------------------|--|
| 8.16 | Scottish Child Abuse Inquiry | Director, Education, Communities and Economy |

Outline of report and summary of discussion

The Council heard from the Director, Education, Communities and Economy who provided an update on the progress made by Midlothian Council in preparing for the Scottish Child Abuse Inquiry and to raise awareness of the financial impact of the Proposed Draft (Limitation (Childhood Abuse) (Scotland) Bill.

Councillor Constable moved that the recommendations were accepted and this was agreed by Councillor Johnstone.

Decision

The Council agreed to:

- a) Note the significant work already carried out in Midlothian;
- b) Note the future need for additional resources; legal advice; administrative duties; compensation claims; media management; victim witnesses supports, all of which are unknown at this stage; and
- c) Note that members of the Project Team will continue to engage with the appropriate national and local forums.

Action

Director, Education, Communities and Economy

| Report No. | Report Title | Presented by: |
|------------|---|---|
| 8.17 | Proposed Development of a Play Strategy for Midlothian | Director, Education, Communities and Economy |

Outline of report and summary of discussion

The Council heard from the Director, Education, Communities and Economy who provided an update on the progress of developing a Play Strategy for Midlothian and to agree to the Play Strategy being produced.

Councillor Constable moved that the recommendations were accepted along with proposing that Councillor Johnstone accept the position of Play Champion.

The Council then heard from Rev. Ruth Halley who confirmed that the General Assembly of the Church of Scotland had instructed its Education Committee to encourage Local Authorities to consider how schools could be used as a community resource. The Church of Scotland is mindful of the contribution of the Church facilities within the Community. In conclusion Rev. Ruth Halley commended the Council for its approach in relation to a Play Strategy.

Councillor Rosie seconded Councillor Constable's proposals and Councillor Coventry commented on the excellent briefing for Members in respect of the Play Strategy.

Following this, the Council agreed to the recommendations and the nomination of Councillor Johnstone as the Play Champion.

Decision

The Council agreed to:

- (a) Note the content of this report;
- (b) Agree in principle contents of the Midlothian Play Strategy and Action Plan;
- (c) Agree the monitoring and reporting structure for the Play Strategy and Action Plan; and
- (d) Councillor Johnstone to assume the role of Play Champion.

Action

Director, Education, Communities and Economy

| Report No. | Report Title | Presented by: |
|------------|--|---|
| 8.18 | Additional Essential Works at Pentland House Penicuik | Group Manager Housing Strategy and Performance |

Outline of report and summary of discussion

The Council heard from the Group Manager Housing Strategy and Performance who presented a report which sought to inform the Council of unforeseen essential works required to be carried out as part of the current refurbishment project at Pentland House, Penicuik. Further the report advised on the technical and financial implications of the proposed works including additional resources and materials required and details the anticipated time scales.

Councillor moved that the recommendations were accepted which was seconded by Councillor Rosie.

Following a brief question and answer session, the Council resolved to approve the recommendations.

Decision

The Council agreed to:

- (a) Approve Option 3 within the report as the most effective and best safeguard to address the issues detailed in the report.

Action

Group Manager Housing Strategy and Performance

| Report No. | Report Title | Presented by: |
|------------|--|---|
| 8.19 | Consultation on a Child Poverty Bill for Scotland | Director, Education, Communities and Economy |

Outline of report and summary of discussion

The Council heard from the Director, Education, Communities and Economy who presented a report to inform the Council of the Scottish Government's Consultation on a Child Poverty Bill for Scotland and seek approval for the Council's response.

Councillor Constable was heard in support of the recommendations which were seconded by Councillor Johnstone.

Decision

The Council agreed to:

- a) Welcomes the Scottish Government's proposals to develop a Child Poverty Bill for Scotland; and

- | |
|---|
| b) Approves the Councils response to the Child Poverty Bill for Scotland, as set out at Appendix 1 of the report. |
|---|

| |
|---------------|
| Action |
|---------------|

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| Director, Education, Communities and Economy |
|--|

Minute of Meeting

Cabinet
Tuesday 11 October 2016
Item No 4.2



Cabinet

| Date | Time | Venue |
|----------------|------|--|
| 30 August 2016 | 11am | Council Chambers, Midlothian House, Buccleuch Street, Dalkeith |

Present:

| | |
|----------------------|----------------------|
| Councillor Johnstone | Councillor Bryant |
| Councillor Parry | Councillor Constable |
| Councillor Rosie | |

Religious Representatives:

| | |
|-------------|--|
| Mr V Bourne | |
|-------------|--|

1 Apologies

1.1 Apologies received for Mrs M Harkness and Rev.R Halley

2 Order of Business

The order of business was confirmed as outlined in the agenda that had been circulated.

3 Declarations of interest

No declarations of interest were received.

4 Minutes of Previous Meetings

The Minutes of the Meetings of the Cabinet of 31 May 2016 were submitted and approved as correct records.

Reports

| Agenda No | Title |
|-----------|--|
| 5.1 | Procedure for External Inspection Reports |

Outline and summary of item

Report seeking approval for a proposed approach to be applied to all published external inspection reports for services which Midlothian Council had direct responsibility for and which were subject to inspection from the following agencies:

- Care Inspectorate
- Education Scotland
- Healthcare Improvement Scotland
- Mental Welfare Commission
- Scottish Housing Regulator

The proposed procedure for ensuring that members were notified of all external inspection reports published for Midlothian Council services and that appropriate governance was in place for Cabinet and Performance Review and Scrutiny for those council services which had been subject to an external inspection report was set out as an appendix to the report. The Chief Executive was heard in amplification of the report..

Decision

To approve the procedure for External Inspection Reports.

| Action |
|-----------------|
| Chief Executive |

| Agenda No | Report Title | Presented by: |
|-----------|--|---|
| 5.2 | Inspection of Mayfield Nursery School | Director Education, Communities and Economy |

Outline of report and summary of discussion

The report detailed the outcome of the inspection carried out by HM Inspectorate of Education and the Care Commission which was communicated in their letter dated 28 June 2016.

Mayfield Nursery was inspected on the week beginning 30 May 2016. The report was published on 28 June 2016 and had been distributed to all Elected Members and Church Representatives on the Cabinet for their information. The inspection covered key aspects of the work of the Nursery including the 'I Can' Speech, Language and Communication unit.

Following inspection, the Scottish Government gathered evaluations of five core quality indicators to keep track of how well all Scottish Early, Learning and Childcare settings and schools were doing. Noted below are the evaluations for Mayfield Nursery:

| | |
|-------------------------------------|-----------|
| Improvements in Performance | Very Good |
| Children's Experiences | Very Good |
| Meeting Learning Needs | Excellent |
| Curriculum | Very Good |
| Improvement through self-evaluation | Excellent |

The following particular strengths were indicated by the inspection team:

- Confident, resilient children who thoroughly enjoy their nursery experience.
- The welcoming and inclusive ethos, created by staff, where children feel respected and encouraged to be the best they can be.
- Children's progress in communication, early language and literacy.
- Strong relationships and productive partnerships with external agencies.
- The highly effective leadership of the acting Head Teacher and commitment to self-evaluation.

The following areas for improvement were agreed between HMIE, the Nursery and the Education service:

- Develop further the current arrangements for improvements to ensure appropriate and well-informed change.

In addition, the Care Commission also evaluated the Nursery provision as follows and concluded, as a result of this inspection, there are no requirements and no recommendations. :

| | |
|--------------------------------------|-----------|
| Quality of Care and Support | Excellent |
| Quality of Environment | Excellent |
| Quality of Staffing | Excellent |
| Quality of Management and Leadership | Excellent |

HMIE concluded that they were satisfied with the overall quality of provision. They were confident that the Nursery's self-evaluation processes were leading to improvements. As a result, HMIE would make no further evaluative visits in connection with this inspection.

During the inspection, HMIE identified an aspect of innovative practice which they would like to explore further in order to share the practice with others. As a result HMIE would work with the Nursery and local authority in order to record and share more widely this innovative practice. Mary Smith was heard in amplification of this report during which she introduced Ms Lisa Barnes, Head Teacher, Mayfield Nursery School who provided Members with further information on the background to this Inspection.

Mr Bourne was heard highlighting that this was an exceptionally complimentary Inspection report and congratulating all involved.

Decision

- (a) To note the content of the inspection report;
- (b) To pass this report to the Performance, Review and Scrutiny Committee for its consideration; and
- (c) To congratulate the pupils, parents and staff connected with Mayfield Nursery School on the key strengths and innovative practice highlighted in the report.

Action

Director Education, Communities and Economy

| Agenda No | Report Title | Presented by: |
|-----------|---|---|
| 6.1 | Right to Buy Policy on Council Housing | Joint Director, Health and Social Care |

Outline of report and summary of discussion

The report advised Cabinet of the end of the Right to Buy (RTB) policy in Scotland aimed at allowing council house ownership, which took effect on 1 August, 2016. Right to Buy schemes were still operating in the rest of the United Kingdom.

The report highlighted that the Council was committed to the construction of new build council homes in Midlothian. The Council had allocated £108M for its phase 1 new build programme, with 864 homes developed on 16 sites across Midlothian by the end of 2012.

The Council committed a further £60M for the development of Phase 2 new building and had also agreed a Phase 3 programme.

Following notification of the proposed policy change to tenants in 2015, there was an increase in the number of right to buy applications in Midlothian.

There were 156 current applications at different stages and 43 of these received in the final week of the scheme, which were being assessed to determine if these met the RTB criteria. The Head of Customer and Housing Services was heard in amplification of the report.

Decision

To note the content of the Report.

Action

Head of Housing and Customer Services

| Agenda No | Report Title | Presented by: |
|-----------|--|---|
| 6.2 | Council House Building Programme Phases 2&3 Progress Update August 2016 | Head of Property and Facilities Management |

Outline of report and summary of discussion

The report provided the Cabinet with an update on the progress being made on the Council House Building Programmes.

The first phase provided 864 additional homes within the Midlothian area over a period of 7 years with a total budget of £108,700,000 and was complete.

Phase 2 was providing a further 420 additional homes within the Midlothian area with a total budget of £63,663,000 which was funded from the Housing Revenue Account and Scottish Government grant funding. The General Services Account provided funding for the Young People's Homes and non-housing elements of Cowan Court Extra Care Housing.

There remained approximately 90 homes yet to be completed. The Phase 2 Contractor Framework allowed for an extension of one year beyond the expiry date of 31 July 2017. All the available sites previously approved for Phase 2 had now been used therefore further sites were currently being assessed in conjunction with those for the Phase 3 Housing and will be submitted for to Council for approval after consultation.

Phase 3 would comprise up to 240 homes to be constructed from a budget of £36 million funded by the Housing Revenue Account.

Phase 3 would develop the immediately available sites that were surplus to the Phase 2 requirements in addition to further sites that had been identified as becoming available over the next few years. The Head of Property and Facilities Management was heard in amplification of the report.

Decision

To note the content of the report and the progress made on Phases 1, 2 and 3.

Action

Head of Property and Facilities Management

| Agenda No | Report Title | Presented by: |
|-----------|---|--|
| 6.3 | Historic Environment Scotland: Conservation Area Regeneration Scheme | Head of Communities and Economy |

Outline of report and summary of discussion

The report sought approval to submit a bid to Historic Environment Scotland (HES) for Conservation Area Regeneration Scheme (CARS) Round 7 funding for a scheme at Penicuik town centre. Approval was also sought to submit a bid to the Heritage Lottery Fund (HLF) for Town Heritage (TH) programme funding to help make a bigger scale improvement to Penicuik town centre than just through a CARS programme on its own. The report also sought authorisation for the level of Council financial contribution to support the bids to HES and the HLF. The deadline for submitting bids to HES and the HLF was 31 August 2016. Bids had been prepared for submission to both HES and HLF.

The bids focus on the historic core of Penicuik, primarily, the town hall, selected properties on the High Street, John Street (west side), West Street, The Square and Bridge Street, St Mungo's Church Hearse House/ St Kentigern's and public realm works. At the end of the project, the historic core of Penicuik would be in a better physical condition and would have a sounder basis for longer term maintenance. The project would contribute significantly to the reinvigoration of Penicuik town centre and greatly help with enhancing Penicuik as a visitor destination.

Decision

(a) To authorise submission of the prepared bid to Historic Environment Scotland for Conservation Area Regeneration Scheme Round 7 funding for a scheme at Penicuik;

(b) To authorise submission of a bid to the Heritage Lottery Fund through Townscape Heritage funding for town centre improvements at Penicuik to complement the bid to Historic Environment Scotland to enlarge the scope and scale of works that can be undertaken; and

(c) To authorise a Council funding contribution of £350,000 collected by way of developer contributions to provide match funding and help support the bids to Historic Environment Scotland and the Heritage Lottery Fund.

Action

Director Education, Communities and Economy

Exclusion of Members of the Public

In view of the nature of the business to be transacted, the Cabinet agreed that the public be excluded from the meeting during discussion of the undernoted item, as contained in the Addendum hereto, as there might be disclosed exempt information as defined in paragraph 6 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973:-

Irrecoverable Debt Write-Off – Agreed Recommendations.

The Cabinet thereafter agreed to proceed as detailed in the Addendum hereto.

The meeting terminated at 11.32am.

Minute of Meeting

Cabinet
Tuesday 11 October 2016
Item No. 4.1.



Special Cabinet

| Date | Time | Venue |
|------------------------|---------|--|
| Tuesday 30 August 2016 | 9.00 am | Council Chambers, Midlothian House, Dalkeith, EH22 1DN |

Present:

| | |
|------------------------------|----------------------|
| Councillor Johnstone (Chair) | Councillor Constable |
| Councillor Bryant | Councillor Parry |
| Councillor Rosie | |

Religious Representatives:

| | |
|--|--|
| | |
|--|--|

In attendance:

| | |
|-----------------|---|
| Kenneth Lawrie | Chief Executive |
| Mary Smith | Director Education, Communities and Economy |
| Grace Vickers | Head of Education |
| Alison White | Head of Adult and Social Care |
| Ricky Moffat | Head of Commercial Operations |
| Kevin Anderson | Head Customer and Housing Services |
| Janet R Ritchie | Democratic Services Officer (Minutes) |

1. Apologies

- 1.1 Apologies were received from Mr Vic Bourne, Margaret Harkness and Rev. Ruth Halley.

2. Order of Business

The order of business was amended as detailed below.

3. Declarations of interest

No declarations of interest were received.

4. Reports

| Report No. | Report Title | Presented by: |
|------------|---|-----------------|
| 4.1 | Midlothian Council Performance Report Quarter 1 2016/17 | Chief Executive |

Outline of report and summary of discussion

The Quarter 1 2016/17 Performance Report for Midlothian Council was submitted detailing the delivery of Midlothian Council's priorities through the Community Planning Partnership and the Single Midlothian Plan. The Council Transformation Strategy and Individual Service Plans outlined how Midlothian Council would deliver its contribution to the Single Midlothian Plan. The Chief Executive highlighted to the Cabinet the notable items and also the challenges going forward from the Report.

Decision

- To note the report.

| Report No. | Report Title | Presented by: |
|------------|--|---------------------------------------|
| 4.2 | Customer and Housing Services Performance Report Quarter 1 2016/17 | Head of Customer and Housing Services |

Outline of report and summary of discussion

The Quarter 1 2016/17 Performance Report for Customer and Housing Services was submitted. The Head of Customer and Housing Services highlighted to the Cabinet the progress in the delivery of strategic outcomes and summary of the emerging challenges as detailed in the Report. Thereafter the Head of Customer and Housing services responded to questions raised by the members of the Cabinet.

Decision

- To note the positive report.

| Report No. | Report Title | Presented by: |
|------------|---|-------------------|
| 4.6 | Education Performance Report Quarter 1 2016/17 | Head of Education |

Outline of report and summary of discussion

The Quarter 1 2016/17 Performance Report for Education was submitted. The Head of Education highlighted to the Cabinet the progress in the delivery of strategic outcomes and summary of the emerging challenges as detailed in the Report. Thereafter the Head of Education responded to questions raised by members of the Cabinet.

Decision

- To congratulate the service on the excellent report
- To note the national attention with regards to the Leadership Programme.
- To note the Visible Learning Conference in November

| Report No. | Report Title | Presented by: |
|------------|---|-------------------------------|
| 4.3 | Adult Social Care Performance Report Quarter 1 2016/17 | Head of Adult and Social Care |

Outline of report and summary of discussion

The Quarter 1 2016/17 Performance Report for Adult and Social Care was submitted. The Head of Adult and Social Care highlighted to the Cabinet the progress in the delivery of strategic outcomes and summary of the emerging challenges as detailed in the Report. Thereafter the Head of Adult and Social Care responded to questions raised by the members of the Cabinet.

Decision

- To note the Report.

| Report No. | Report Title | Presented by: |
|------------|---|---|
| 4.5 | Children's Services Performance Report Quarter 1 2016/17 | Director of Education, Communities and Economy |

Outline of report and summary of discussion

The Quarter 1 2016/17 Performance Report for Children's Services was submitted. The Director of Education, Communities and Economy highlighted to the Cabinet the progress in the delivery of strategic outcomes and summary of the emerging challenges as detailed in the Report. Thereafter the Director of Education, Communities and Economy responded to questions raised by members of the Cabinet.

Decision

- To note the good Report.

| Report No. | Report Title | Presented by: |
|------------|--|---------------------------------|
| 4.5 | Communities and Economy Performance Report Quarter 1 2015/16 | Head of Communities and Economy |

Outline of report and summary of discussion

The Quarter 1 2016/17 Performance Report for Communities and Economy was submitted. The Head of Communities and Economy highlighted to the Cabinet the progress in the delivery of strategic outcomes and summary of the emerging challenges as detailed in the Report. Thereafter the Head of Communities and Economy responded to questions raised by the members of the Cabinet.

Decision

- To congratulate the Economic Development team on their good work.
- To note the comprehensive Report.

| Report No. | Report Title | Presented by: |
|------------|--|-------------------------------|
| 4.7 | Commercial Operations Performance Report Quarter 4 2015/16 | Head of Commercial Operations |

Outline of report and summary of discussion

The Quarter 1 2016/17 Performance Report for Commercial Operations was submitted. The Head of Commercial Operations highlighted to the Cabinet the progress in the delivery of strategic outcomes and summary of the emerging challenges as detailed in the Report. Thereafter the Head of Commercial Operations responded to questions raised by the members of the Cabinet.

Decision

- To note the positive report.

| Report No. | Report Title | Presented by: |
|------------|---|-------------------------------|
| 4.9 | Finance and Integrated Service Support Performance Report Quarter 4 2015/16 | Head of Commercial Operations |

Outline of report and summary of discussion

The Quarter 1 2016/17 Performance Report for Finance and Integrated Service Support was submitted. The Head of Commercial Operations highlighted to the Cabinet the progress in the delivery of strategic outcomes and summary of the emerging challenges as detailed in the Report.

Decision

- To note the Report.

| Report No. | Report Title | Presented by: |
|------------|---|--|
| 4.10 | Property and Facilities Management Performance Report Quarter 4 2015/16 | Head of Property and Facilities Management |

Outline of report and summary of discussion

The Quarter 1 2016/17 Performance Report for Properties and Facilities Management was submitted. The Head of Property and Facilities Management highlighted to the Cabinet the progress in the delivery of strategic outcomes and summary of the emerging challenges as detailed in the Report.

Decision

- To note the Report.

5. Private Reports

No private reports were submitted to this meeting.

Meeting terminated at 10:18 am

Minute of Meeting



Audit Committee

| Date | Time | Venue |
|----------------------|----------|--|
| Tuesday 21 June 2016 | 11.00 am | Council Chambers, Midlothian House, Dalkeith, EH22 1DN |

Present:

| | |
|----------------------------------|-------------------------------------|
| Peter Smaill (Independent Chair) | Michael Thomas (Independent Member) |
| Councillor Baxter | Councillor Bryant |
| Councillor de Vink | Councillor Milligan |
| Councillor Muirhead | |

In attendance:

| | |
|--------------------|--|
| Kenneth Lawrie | Chief Executive |
| John Blair | Director Resources |
| Mary Smith | Director Education, Communities and Economy |
| Gary Fairley | Head of Finance and Integrated Service Support |
| Chris Lawson | Risk Manager |
| Elaine Greaves | Internal Audit Manager |
| Heather Mohieddeen | Senior Auditor |
| Kevin Anderson | Head of Housing and Customer Services |
| Janet R Ritchie | Democratic Services Officer |

1. Apologies

1.1 Apologies were received from Councillor Parry

2. Order of Business

The order of business was confirmed as outlined in the agenda that had been circulated.

3. Declarations of interest

No declarations of interest were received.

4. Minutes of Previous Meetings

4.1 The minutes of the Audit Committee meeting of 10 May 2016 were submitted and approved as a correct record.

5. Reports

| Report No. | Report Title | Presented by: |
|------------|--|---------------|
| 5.1 | Risk Management, Update for 1 January 2016 – 31 March 2016 | Risk Manager |

Outline of report and summary of discussion

There was a report submitted to the Audit Committee from the Risk Manager dated 1 June 2016 providing the Committee with 2015/16 quarter 4 update, covering the period 1 January to 31 March 2016. The Risk Manager presented the Report to the Committee highlighting Appendix 1 the Strategic Risk Profile Report and Appendix 2 the Single Midlothian Plan Risks. Thereafter the Risk Manager responded to questions raised by the Committee:

- An explanation on why the Climate change noted in the Strategic Risk Profile Summary as a high risk but on the following chart 'Top issues' this was not noted. The Risk Manager stated the top issues were current risks and climate change is a future risk. It was also explained that it is voluntary reporting on compliance with the climate change duties until November 2016.
- An explanation was also requested on the difference in scoring from the Strategic Risk Profile Summary and the Top issues on Balancing Budgets and why the impact figure was different for 2017/18 and future years. This is due to there being greater confidence in the figures for 2017/18 budget whereas with future years there is less clarity on the definitive nature of the potential risk.

Decision

The Audit Committee noted the quarter 4 2015/16 Strategic Risk Profile report and considered the current response to the risks and opportunities highlighted.

| Report No. | Report Title | Presented by: |
|------------|--|---------------------------------|
| 5.2 | Annual Report from the Chairman – Year ended 31 March 2016 | Peter Smaill, Independent Chair |

Outline of report and summary of discussion

There was a report submitted to the Audit Committee from the Independent Chair to inform the Council of the work carried out by the Audit Committee during the financial year 2015/16. The Independent Chair presented the Report to the Committee including Appendix 1, Audit Committee Self Assessment, Appendix 2 Annual Governance Statement 2015/16 and Appendix 3 Core Areas of Knowledge.

The Conclusion of the Report was:

- The Committee, in tandem with the Internal Audit function, has taken steps to streamline its workload by way of a more planned approach to subject scrutiny. It retains the flexibility to probe specific unanticipated problems, and increasingly views its work as related to assessing risks and not just enforcing good housekeeping as deficiencies become apparent, important though that function remains.
- The Committee in 2016/17 will thus continue to question any perceived weaknesses in internal controls and will also focus on the Council's forward-looking strategy for stabilising the Consolidated Income and Expenditure account. In this a continuing emphasis on Value for Money harmonises the aims of balancing the Council's financial position while generating optimal public benefit from the Council's operations.
- The Audit Committee has also been monitoring progress with the roll out of the new Health and Social Care Integration Joint Board and has received an Internal Audit report on the financial assurance process undertaken over amounts delegated by the Council to the new Board. The Audit Committee will be involved in scrutinising the outturns from this in future years.

Decision

The Committee agreed to note the Report.

| Report No. | Report Title | Presented by: |
|------------|--|------------------------|
| 5.3 | Internal Audit Report on Follow up review of Audit Recommendations | Internal Audit Manager |

Outline of report and summary of discussion

There was a report submitted to the Audit Committee by the Internal Audit Manager on Follow up of Audit Recommendations. The Internal Audit Manager presented this report to the Committee highlighting that the purpose of the report was to review the recommendations that had been signed off as complete in 2015/16. The majority of Audit actions were identified as being completed satisfactorily, however, one action had not been adequately completed, and some actions were reported as complete but testing revealed that these were only partially completed.

Thereafter the Committee raised questions on the following recommendations:

- The recommendation made in September 2015 that training should be delivered annually to ensure managers understood the Construction Industry Scheme (CIS) and are aware of the importance of classifying construction suppliers as subcontractors and checking the materials and labour split on the sub contractors' invoice. This recommendation was not complete and the training had been delivered in 2014 but annual training had not been delivered to staff. Discussion took place regarding this recommendation and it was agreed that a training programme should have been put in place and this will be addressed at the next Management meeting.
- The recommendation on accurate records should be maintained on the number of garage sites under Council ownership and this recommendation was not yet complete. It was clarified by the Head of Housing and Customer Services that all garage sites have been identified and rents collected and this was completed as from 20 June 2016.

Decision

The Committee agreed:

- The training for Managers on the Construction Industry Scheme will be raised at the next Management meeting and the Audit recommendation of annual training will be followed through.
- To otherwise note the Report.

Action

Director of Resources

| Report No. | Report Title | Presented by: |
|------------|---|------------------------|
| 5.4 | Internal Audit Report on Follow up of Controls Operating over Developer Contributions | Internal Audit Manager |

Outline of report and summary of discussion

There was a report submitted to the Audit Committee dated 7 June 2016 by the Internal Audit Manager on the Internal Audit Report on the Follow up of Controls Operating over Developer Contributions. The Internal Audit Manager presented this report to the Committee highlighting that the purpose of the report was to respond to the Audit Committee's request that Internal Audit follow up on the monitoring recommendations reported in the review of controls operating over Developer Contributions reported to the Audit Committee in March 2016.

Thereafter the Committee raised questions on the following:

- A new system to record all of the development and stages of completion. A procurement exercise is currently being undertaken to source the system. It is hoped this new system will be in place within the year but at the moment Financial Services and the Planning Service are working together to

complete an in depth analysis of contributions received.

- The Committee asked for confirmation that all Developer's contributions have been accounted for and there is no possibility that some of this information has been lost or destroyed.
- The Committee felt that the report lacked evidence and information on the progress of recording and monitoring of Developer's contributions and details of any loss of contributions. The Director of Education, Communities and Economy highlighted that there are several services involved in this work and that all Developer Contributions identified have either been collected or are in the process of being collected. The Internal Audit Manager advised that the purpose of the report was to give an update on the progress made in implementing the monitoring recommendations, to date, and that it was perhaps premature to follow up the recommendations as the expected completion date for many of the actions had not yet been reached.

Decision

The Committee agreed:

- That a fuller report would be brought to the Audit Committee on the recording and monitoring of Developer's Contributions once the Compliance Officer is recruited and the new system in place.
- To otherwise note the Report.

Action

Internal Audit will produce a follow up report in due course.

6. Private Reports

No private reports were submitted to this meeting.

The meeting terminated at 11:46 am

Minute of Meeting



Local Review Body

| Date | Time | Venue |
|-------------|--------|--|
| 7 June 2016 | 2.00pm | Council Chambers, Midlothian House, Buccleuch Street, Dalkeith |

Present:

| | |
|---------------------------|----------------------|
| Councillor Bryant (Chair) | Councillor Beattie |
| Councillor Bennett | Councillor Constable |
| Councillor Imrie | Councillor Rosie |

1 Apologies

Apologies received from Councillors Baxter, de Vink, Milligan and Montgomery.

2 Order of Business

The order of business was confirmed as outlined in the agenda that had been previously circulated.

3 Declarations of interest

No declarations of interest were received.

4 Minutes of Previous Meetings

The Minutes of Meeting of 26 April 2016 were submitted and approved as a correct record.

5 Reports

| Agenda No | Report Title | Presented by: |
|-----------|---|----------------|
| 5.1 | Decision Notice – Land at 22 Tipperwell Way, Howgate, Penicuik [15/00794/DPP] | Peter Arnsdorf |

Executive Summary of Report

With reference to paragraph 5.5 of the Minutes of 26 April 2016, there was submitted a copy of the Local Review Body decision notice upholding a review request from Mrs H Larkins, 22 Tipperwell Way, Howgate, Penicuik seeking, a review of the decision of the Planning Authority to refuse planning permission (15/00794/DPP, refused on 26 November 2015) for the change of use from agricultural land to private garden ground (retrospective) at land north of 22 Tipperwell Way, Howgate, Penicuik and granting planning permission subject to conditions.

Decision

To note the LRB decision notice.

| Agenda No | Report Title | Presented by: |
|-----------|---|----------------|
| 5.2 | Decision Notice – Land at Rosebank North Cottage, Roslin [15/00948/DPP] | Peter Arnsdorf |

Executive Summary of Report

With reference to paragraph 5.6 of the Minutes of 26 April 2016, there was submitted a copy of the Local Review Body decision notice upholding a review request from Ms Fiona Macaulay, Rosebank Cottage, Chapel Loan, Roslin seeking a review of the decision of the Planning Authority to refuse planning permission (15/00948/DPP, refused on 8 February 2016) for the demolition of derelict outbuildings and erection of replacement outbuilding at Land at Rosebank North Cottage, Roslin and granting planning permission subject to conditions.

Decision

To note the LRB decision notice.

Eligibility to Participate in Debate

In considering the following items of business, only those LRB Members who had attended the site visits on 6 June 2016 participated in the review process, namely Councillors Bryant (Chair), Beattie, Bennett, Constable, Imrie and Rosie.

| Agenda No | Report Title | Presented by: |
|-----------|---|----------------|
| 5.3 | Notice of Review Requests Considered for the First Time – (a) Land West of Springfield House, Lasswade [15/00994/DPP] | Peter Arnsdorf |

Executive Summary of Report

There was submitted report, dated 31 May 2016, by the Head of Communities and Economy regarding an application regarding an application from APT Planning and Development, 6 High Street, West Linton, seeking on behalf of their client Mr J Lessels, a review of the decision of the Planning Authority to refuse planning permission (15/00994/DPP, refused on 17 February 2016) for the erection of 5 dwellinghouses; formation of access road and associated works at land west of Springfield House, Lasswade.

Accompanying the Notice of Review Form and supporting statement, which were appended to the report, was a copy of the report of handling thereon, together with a copy of the decision notice.

The Local Review Body had made an accompanied visit to the site on Monday 6 June 2016.

In accordance with the procedures for the Local Review Body, the Planning Advisor gave a brief overview of the review hearing procedures and outlined the background to the case. He then introduced the applicant's agent, Mr Tony Thomas, APT Planning and Development, Mr Peter Cain and Mr Keith Fuller, Poltonhall Community Council both of whom had made representations, to the meeting.

Thereafter, oral representations were received from the applicant's agent, Mr Cain and Mr Fuller, and the local authority Planning Officer; following which they responded to questions from members of the LRB.

Summary of Discussion

Thereafter, the LRB gave careful consideration to the merits of the case based on all the information provided both in writing and in person at the Hearing. Whilst noting the present and emerging development plan policies, the LRB debated whether there were material planning considerations that justified a departure. It was acknowledged that the representations and consultation responses received were material considerations. The LRB discussed the current appearance of the site which it was felt could be improved without the need to redevelop the site for residential purposes as was currently proposed. Concerns regarding issues of precedent were also considered.

Decision

After further discussion, the LRB agreed to dismiss the review request, and refuse planning permission for the following reasons:

1. The proposed development is located on land identified as countryside within the Green Belt and, as such, is contrary to policies RP1, RP2 and DP1 of the adopted Midlothian Local Plan as no adequate justification for the redevelopment of the site with houses has been provided.
2. It has not been demonstrated to the satisfaction of the Planning Authority that adequate landscaping can be secured to ensure that the development would not have a detrimental impact on the landscape character and amenity of the surrounding area and Area of Great Landscape Value, therefore the proposal is contrary to policies RP5, RP6 and RP7 of the adopted Midlothian Local Plan.
3. The development is contrary to policy RP9 of the adopted Midlothian Local Plan as it has not been demonstrated that there is a locational need for the development in the river valley.

Action

Head of Communities and Economy

| Agenda No | Report Title | Presented by: |
|-----------|--|----------------|
| 5.4 | (b) Land at Gourlaw Farm, Rosewell [15/00939/DPP] | Peter Arnsdorf |

Executive Summary of Report

There was submitted report, dated 31 May 2016, by the Head of Communities and Economy regarding an application from Format Design, 146 Duddingston Road West, Edinburgh, seeking on behalf of their client Ms L Sillars, a review of the decision of the Planning Authority to refuse planning permission (15/00939/DPP, refused on 29 January 2016) for the change of use of steading building to dog day care centre at Gourlaw Farm, Rosewell.

Accompanying the Notice of Review Form and supporting statement, which were appended to the report, was a copy of the report of handling thereon, together with a copy of the decision notice.

The Local Review Body had made an unaccompanied visit to the site on Monday 6 June 2016.

In accordance with the procedures for the Local Review Body, the Planning Advisor gave a brief overview of the review hearing procedures and outlined the background to the case. He then introduced the applicant Ms Lyn Sillars, the applicant's agent, Mr Bob Tait, Format Design, and Mrs H Martin, who had made representations, to the meeting

Thereafter, oral representations were received from the applicant's agent, the applicant, Mrs Martin and the local authority Planning Officer; following which they responded to questions from members of the LRB.

Summary of Discussion

Having heard from the Planning Adviser, the LRB gave careful consideration to the merits of the case based on all the information provided both in writing and in person at the Hearing. In particular, the LRB discussed the potential impact that the noise from barking dogs might have and also the vehicular access to the application site. It was felt that the rural nature of site, lent itself to such a development and that as the dogs would be picked up and taken to the site, the access could accommodate the additional traffic movements likely to be generated.

Decision

To agreed to uphold the review request, and grant planning permission for the following reason:

The proposed use of the site for a dog day care centre is compatible with its rural location and will not have a detrimental impact on neighbouring and nearby properties, above that level of disturbance which can be reasonably expected in the countryside. Furthermore, the careful management of the site and the collection and return of dogs can mitigate any concerns over road safety.

subject to the following conditions:-

1. Development shall not begin until the following details have been submitted to and approved in writing by the planning authority:
 - a. a green transport plan designed to minimise the number of vehicles accessing the site. The plan should include measures to ensure that dogs are not dropped off and collected by individual owners; and details of the size and number of vehicles that will be used by the applicant to collect and return the dogs.
 - b. a scheme of advanced signage to be displayed on roads approaching the two concealed entrances.

Development shall thereafter be carried out in accordance with the approved details or such alternatives as may be agreed in writing with the planning authority.

Reason: *To ensure safe and convenient access to/from the site.*

2. Development shall not begin until the following details have been submitted to and approved in writing by the planning authority:
 - a. Details of the design, height, specification and location of acoustic fencing to be located around the external paddocks and the parking area.

Development shall thereafter be carried out in accordance with the approved details or such alternatives as may be agreed in writing with the planning authority.

Reason: *To minimise noise disturbance to nearby residential properties.*

3. The use hereby approved shall accommodate a maximum of 20 dogs at any one time.
4. No dog shall be allowed into any external run area outwith the hours of 9.00am to 6.00pm Monday to Saturday unless otherwise approved in writing by the Planning Authority.
5. There shall be no overnight boarding of dogs.

Reason for Conditions 3 - 5: *To minimise noise disturbance to nearby residential properties.*

6. The dog day care use hereby approved shall be operated by the occupant of the house known as Gourlaw Farm, Rosewell.

Reason: *Occupation of the house by persons unconnected with the business would create a sub-standard level of amenity for the occupants of the house.*

Action

Head of Communities and Economy

| Agenda No | Report Title | Presented by: |
|-----------|---|----------------|
| 5.5 | (c) 1Galadale Drive, Newtongrange [16/00044/DPP] | Peter Arnsdorf |

Executive Summary of Report

There was submitted report, dated 31 May 2016, by the Head of Communities and Economy regarding an application from GSM Architecture, 36-12 Malbet Park, Edinburgh, seeking on behalf of their client Mr A Wilkie, a review of the decision of the Planning Authority to refuse planning permission (16/00044/DPP, refused on 14 March 2016) for the erection of extension at 1Galadale Drive, Newtongrange.

Accompanying the Notice of Review Form and supporting statement, which were appended to the report, was a copy of the report of handling thereon, together with a copy of the decision notice.

The Local Review Body had made an unaccompanied visit to the site on Monday 6 June 2016.

Summary of Discussion

Having heard from the Planning Adviser, the LRB then gave careful consideration to the merits of the case based on all the written information provided. In this particular instance, it was felt that on balance the individual circumstances of the application site meant that the proposed extension, which was in keeping with other similar extensions in the area, would not have a significantly detrimental impact, albeit the sloping nature of the ground was acknowledged.

Decision

To agreed to uphold the review request, and grant planning permission for the following reason:

The proposed extension by means of its scale, form and design is compatible with its location and the host building and will not have a significant impact on neighbouring and nearby properties.

subject to the following condition:-

1. Development shall not begin until samples of materials to be used on external surfaces of the extension have been submitted to and approved in writing by the planning authority. Development shall thereafter be carried out using the approved materials or such alternatives as may be agreed in writing with the planning authority.

Reason: To ensure the quality of the development is enhanced by the use of complementary materials to reflect its setting in accordance with policies RP20 and DP6 of the Midlothian Local Plan and national planning guidance and advice.

Action

Head of Communities and Economy

| Agenda No | Report Title | Presented by: |
|-----------|--|----------------|
| 5.6 | (d) Cherrytrees, Fala, Bonnyrigg [15/00995/DPP] | Peter Arnsdorf |

Executive Summary of Report

There was submitted report, dated 31 May 2016, by the Head of Communities and Economy regarding an application from Derek Scott Planning, 21 Lansdowne Crescent, Edinburgh, seeking on behalf of their clients Dr's C & V Rofe, a review of the decision of the Planning Authority to refuse planning permission (15/00995/DPP, refused on 22 February 2016) for the demolition of existing dwellinghouse and erection of replacement dwellinghouse, garage and associated works at Cherrytrees, Fala, Bonnyrigg.

Accompanying the Notice of Review Form and supporting statement, which were appended to the report, was a copy of the report of handling thereon, together with a copy of the decision notice.

The Local Review Body had made an unaccompanied visit to the site on Monday 6 June 2016.

Summary of Discussion

The LRB, having heard from the Planning Adviser, then gave careful consideration to the merits of the case based on all the written information provided. In this particular instance, the LRB felt that the location of the application site on the edge of the settlement envelope, together with the design of the proposed replacement dwellinghouse would make a positive contribution to its surroundings. It was acknowledged that there was considerable local support for the proposal, albeit base predominately on non-planning related grounds.

Decision

To agreed to uphold the review request, and grant planning permission for the following reason:

The proposed dwellinghouse by means of its scale, form and design is compatible with its countryside location and positively contributes to its village setting. The individual design of the proposed building is of merit to justify the demolition of the existing building on the site and to provide a strong built form on the edge of the settlement.

subject to the following conditions:-

1. Development shall not begin until details of a scheme of hard and soft landscaping has been submitted to and approved in writing by the planning authority. Details of the scheme shall include:
 - i existing and finished ground levels and floor levels for all buildings, open space and access tracks in relation to a fixed datum;
 - ii existing trees, landscaping features and vegetation to be retained; removed, protected during development and in the case of damage, restored;
 - iii boundary planting along the external boundaries of the application site;
 - iv location and design of any proposed walls, fences and gates, including those surrounding bin stores or any other ancillary structures;
 - v schedule of plants to comprise species, plant sizes and proposed numbers/density;
 - vi programme for completion and subsequent maintenance of the boundary planting. The boundary planting shall be completed prior to the house being occupied. Any tree felling or vegetation removal proposed as part of the landscaping scheme shall take place out with the bird breeding season (March-August);
 - vii drainage details and sustainable urban drainage systems to manage water runoff; and
 - viii proposed driveway configuration and surfacing.

All hard and soft landscaping shall be carried out in accordance with the scheme approved in writing by the planning authority as the programme for completion and subsequent maintenance (vi). Thereafter any trees or shrubs removed, dying, becoming seriously diseased or damaged within five years of planting shall be replaced in the following planting season by trees/shrubs of a similar species to those originally required.

Reason: *To ensure the quality of the development is enhanced by landscaping to reflect its setting in accordance with policies RP7 and RP22 of the Midlothian Local Plan and national planning guidance and advice.*

2. Development shall not begin until samples of materials to be used on external surfaces of the buildings; hard ground cover surfaces; means of enclosure and ancillary structures have been submitted to and approved in writing by the planning authority. Development shall thereafter be carried out using the approved materials or such alternatives as may be agreed in writing with the planning authority.

Reason: To ensure the quality of the development is enhanced by the use of quality materials to reflect its setting in accordance with policies RP20 and RP22 of the Midlothian Local Plan and national planning guidance and advice.

3. Unless otherwise approved in writing by the Planning Authority the rooflights shall be installed so as to be flush with the plane of the roof.

Reason: In order to safeguard the visual amenity of the Fala Conservation Area.

4. Any noise associated with the air source heat pump shall comply with the product and installation standards for air source heat pumps specified in the Micro-generation Certification Scheme MCS 020(a).

Reason: To protect the residential amenity of surrounding properties.

Action

Head of Communities and Economy

The meeting terminated at 2.56pm.

Minute of Meeting



Local Review Body

| Date | Time | Venue |
|------------------|--------|--|
| 6 September 2016 | 2.00pm | Council Chambers, Midlothian House, Buccleuch Street, Dalkeith |

Present:

| | |
|---------------------------|--------------------|
| Councillor Bryant (Chair) | Councillor de Vink |
| Councillor Imrie | Councillor Rosie |
| | |

1 Apologies

Apologies received from Councillors Baxter, Beattie, Bennett, Constable, Milligan and Montgomery.

2 Order of Business

The order of business was confirmed as outlined in the agenda that had been previously circulated.

3 Declarations of interest

No declarations of interest were received.

4 Minutes of Previous Meetings

The Minutes of Meeting of 7 June 2016 were submitted and approved as a correct record.

5 Reports

| Agenda No | Report Title | Presented by: |
|-----------|-----------------------------------|----------------|
| 5.1 | Planning Law Clarification Report | Peter Arnsdorf |

Executive Summary of Report

With reference to paragraph 5.3 of the Minutes of the Planning Committee of 30 August 2016, there was submitted report, dated 30 August 2016, by the Director, Resources bringing to the Committee's attention a report, dated 23 August 2016 by the Head of Communities and Economy, providing advice on a number of points of Planning Law which directly impacted on the determination of planning applications and the consideration of 'Notices of Review' submitted to the Local Review Body (LRB).

Summary of Discussion

The LRB, having heard from the Planning Advisor, discussed the advice.

Decision

To note the report.

Action

Head of Communities and Economy

| Agenda No | Report Title | Presented by: |
|-----------|---|----------------|
| 5.2 | Decision Notice – Land West of Springfield House, Lasswade [15/00994/DPP] | Peter Arnsdorf |

Executive Summary of Report

With reference to paragraph 5.3 of the Minutes of 7 June 2016, there was submitted a copy of the Local Review Body decision notice dismissing a review request from APT Planning and Development, 6 High Street, West Linton, seeking on behalf of their client Mr J Lessels, a review of the decision of the Planning Authority to refuse planning permission (15/00994/DPP, refused on 17 February 2016) for the erection of 5 dwellinghouses; formation of access road and associated works at land west of Springfield House, Lasswade and upholding the decision to refuse planning permission.

Decision

To note the LRB decision notice.

| Agenda No | Report Title | Presented by: |
|-----------|---|----------------|
| 5.3 | Decision Notice – Land at Gourlaw Farm, Rosewell [15/00939/DPP] | Peter Arnsdorf |

Executive Summary of Report

With reference to paragraph 5.4 of the Minutes of 7 June 2016, there was submitted a copy of the Local Review Body decision notice upholding a review request from Format Design, 146 Duddingston Road West, Edinburgh, seeking on behalf of their client Ms L Sillars, a review of the decision of the Planning Authority to refuse planning permission (15/00939/DPP, refused on 29 January 2016) for the change of use of steading building to dog day care centre at Gourlaw Farm, Rosewell and granting planning permission subject to conditions.

Decision

To note the LRB decision notice.

| Agenda No | Report Title | Presented by: |
|-----------|--|----------------|
| 5.4 | Decision Notice – 1Galadale Drive, Newtongrange [16/00044/DPP] | Peter Arnsdorf |

Executive Summary of Report

With reference to paragraph 5.5 of the Minutes of 7 June 2016, there was submitted a copy of the Local Review Body decision notice upholding a review request from GSM Architecture, 36-12 Malbet Park, Edinburgh, seeking on behalf of their client Mr A Wilkie, a review of the decision of the Planning Authority to refuse planning permission (16/00044/DPP, refused on 14 March 2016) for the erection of extension at 1 Galadale Drive, Newtongrange and granting planning permission subject to conditions.

Decision

To note the LRB decision notice.

| Agenda No | Report Title | Presented by: |
|-----------|---|----------------|
| 5.5 | Decision Notice – Cherrytrees, Fala, Bonnyrigg [15/00995/DPP] | Peter Arnsdorf |

Executive Summary of Report

With reference to paragraph 5.6 of the Minutes of 7 June 2016, there was submitted a copy of the Local Review Body decision notice upholding a review request from Derek Scott Planning, 21 Lansdowne Crescent, Edinburgh, seeking on behalf of their clients Dr's C & V Rofe, a review of the decision of the Planning Authority to refuse planning permission (15/00995/DPP, refused on 22 February 2016) for the demolition of existing dwellinghouse and erection of replacement dwellinghouse, garage and associated works at Cherrytrees, Fala, Bonnyrigg and granting planning permission subject to conditions.

Decision

To note the LRB decision notice.

Eligibility to Participate in Debate

In considering the following items of business, only those LRB Members who had attended the site visits on 6 June 2016 participated in the review process, namely Councillors Bryant (Chair), de Vink, Imrie and Rosie.

| Agenda No | Report Title | Presented by: |
|-----------|---|----------------|
| 5.6 | Notice of Review Requests Considered for the First Time – (a) 47 Arthur View Terrace, Danderhall [16/00213/DPP] | Peter Arnsdorf |

Executive Summary of Report

There was submitted report, dated 30 August 2016, by the Head of Communities and Economy regarding an application from Mr A Anderson, 62 Donibristle Gardens, Dalgety Bay, Fife, seeking on behalf of his client Mr J Raeburn, a review of the decision of the Planning Authority to refuse planning permission (16/00213/DPP, refused on 27 April 2016) for the erection of a two storey and a single storey extension at 47 Arthur View Terrace, Danderhall.

Accompanying the Notice of Review Form and supporting statement, which were appended to the report, was a copy of the report of handling thereon, together with a copy of the decision notice.

The Local Review Body had made an accompanied visit to the site on Monday 5 September 2016.

In accordance with the procedures for the Local Review Body, the Planning Advisor gave a brief overview of the review hearing procedures and outlined the background to the case. He also explained that although the applicant and his agent had been informed of the date, time and venue for the Hearing, neither were currently present and the LRB may wish to consider continuing and determining the Review in their absence, and this was agreed.

Thereafter, an oral representation was received from the local authority Planning Officer; following which he responded to questions from members of the LRB.

Summary of Discussion

Having heard from the Planning Adviser, the LRB gave careful consideration to the merits of the case based on all the information provided both in writing and in person at the Hearing. In particular, the LRB discussed the potential impact that the proposed development was likely to have on the neighbouring properties.

Decision

To agreed to uphold the review request, and grant planning permission for the following reason:

The proposed extension by means of its scale, form and design is compatible with its location and the host building and will not have a significant impact on neighbouring and nearby properties.

subject to the following conditions:-

1. Unless otherwise approved in writing by the Planning Authority the 1.8m high fence indicated by a broken black line on the approved site plan, drawing no. SP 002, shall comprise a close boarded timber fence and shall be erected within three months of the rear extension being completed or brought in to use whichever is the earlier date and thereafter shall not be removed.

Reason: *In order to minimise overlooking and protect the privacy of the occupants of the adjoining property.*

Action

Head of Communities and Economy

| Agenda No | Report Title | Presented by: |
|-----------|--|----------------|
| 5.7 | (b) Lothian Cottage, Lothian Bridge, Dalkeith [16/00193/DPP] | Peter Arnsdorf |

Executive Summary of Report

There was submitted report, dated 30 August 2016, by the Head of Communities and Economy regarding an application from Cockburn's Consultants, 29 Ryehill Terrace, Edinburgh, seeking on behalf of their client Mr S Alexander, a review of the decision of the Planning Authority to refuse planning permission (16/00193/DPP, refused on 16 May 2016) for the erection of a two storey and a single storey extension at Lothian Cottage, Lothian Bridge, Dalkeith.

Accompanying the Notice of Review Form and supporting statement, which were appended to the report, was a copy of the report of handling thereon, together with a copy of the decision notice.

The Local Review Body had made an unaccompanied visit to the site on Monday 5 September 2016.

Summary of Discussion

Having heard from the Planning Adviser, the LRB then gave careful consideration to the merits of the case based on all the written information provided. In this particular instance, it was felt that on balance the individual circumstances of the application site meant that the proposed extension would be acceptable however, particular care require to be taken to ensure that the design and the materials used in construction were in keeping with the character of the existing property, and the suggested conditions should be adjusted to reflect this accordingly.

Decision

To agreed to uphold the review request, and grant planning permission for the following reason:

The proposed extension by means of its scale and compliance with the stated conditions is compatible with its location and the host building and will not have a significant impact on neighbouring and nearby properties.

subject to the following conditions:-

1. Development shall not begin until a scheme to deal with any contamination of the site and/or previous mineral workings has been submitted to and approved by the planning authority. The scheme shall contain details of the proposals to deal with any contamination and/or previous mineral workings and include:
 - i the nature, extent and types of contamination and/or previous mineral workings on the site;
 - ii measures to treat or remove contamination and/or previous mineral workings to ensure that the site is fit for the uses hereby approved, and that there is no risk to the wider environment from contamination and/or previous mineral workings originating within the site;
 - iii measures to deal with contamination and/or previous mineral workings encountered during construction work; and
 - iv the condition of the site on completion of the specified decontamination measures.

Before any part of the site is occupied for residential purposes, the measures to decontaminate the site shall be fully implemented as approved by the planning authority.

Reason: *To ensure that any contamination on the site is adequately identified and that appropriate decontamination measures are undertaken to mitigate the identified risk to site users and construction workers, built development on the site, landscaped areas, and the wider environment.*

2. Before the extension is occupied for residential purposes any remedial measures required in accordance with the scheme approved in terms of Condition 1 shall be completed.

Reason: *To ensure that the site is in a suitable condition for its proposed use for residential purposes given the industrial history of the site.*
3. The external walls and copes of the extension shall be finished in natural stone.
4. The size, colour, texture and coursing of the natural stone to be used on the external walls of the extension shall match those of the external walls of the original dwellinghouse.
5. Revised elevation drawings shall be submitted to the Planning Authority showing:
 - a) the design, size and surround details of the windows and doors, which shall match those of the original dwellinghouse; and
 - b) the provision of a chimney on the proposed gable feature to relate to the existing chimneys on the original dwellinghouse.

No work shall start on the extension until these details have been approved in writing by the Planning Authority. The proposed extension shall be constructed in accordance with the details hereby approved.

6. The slate on the roof of the extension shall match the size, colour and coursing of the slate on the roof of the original dwellinghouse.
7. Details of the design of the garage doors shall be submitted to the Planning Authority for written prior approval. The approved design shall be implemented and retained unless otherwise agreed in writing by the Planning Authority. The garage doors shall be of a form and design which complements the elevation of the extension and its relation to the original house.

Reason for conditions 3- 7: To safeguard the character of the house as extended and the visual amenity of the surrounding area.

8. Development shall not begin until a report/investigation on bat activity/presence is undertaken by a qualified ecologist and any mitigation measures identified implemented in accordance with details to be submitted and approved in writing by the planning authority. The update investigation shall be carried out within the 6 months prior to development commencing.

Reason: In the interests of safeguarding otter, barn owl, badger and bats in accordance with Policy RP13 of the Adopted Midlothian Local Plan and to ensure that an up to date understanding of these species on the site is available prior to development commencing.

9. Unless otherwise approved in writing by the Planning Authority the 1.8m high fence indicated by a broken black line on the approved site plan, drawing no. SP 002, shall comprise a close boarded timber fence and shall be erected within three months of the rear extension being completed or brought in to use whichever is the earlier date and thereafter shall not be removed.

Reason: In order to minimise overlooking and protect the privacy of the occupants of the adjoining property.

Action

Head of Communities and Economy

The meeting terminated at 2.56pm.

Minute of Meeting



Planning Committee

| Date | Time | Venue |
|-------------|--------|--|
| 31 May 2016 | 2.00pm | Council Chambers, Midlothian House, Buccleuch Street, Dalkeith |

Present:

| | |
|---------------------------|----------------------|
| Councillor Bryant (Chair) | Councillor Baxter |
| Councillor Beattie | Councillor Constable |
| Councillor Coventry | Councillor Imrie |
| Councillor Johnstone | Councillor Milligan |
| Councillor Muirhead | Councillor Parry |
| Councillor Pottinger | Councillor Rosie |
| Councillor Russell | Councillor Wallace |
| Councillor Young | |

1 Apologies

Apologies received from Councillors Bennett, de Vink and Montgomery

2 Order of Business

The order of business was confirmed as outlined in the agenda that had been previously circulated.

3 Declarations of interest

No declarations of interest were received.

4 Minutes of Previous Meetings

The Minutes of Meeting of 1 March 2016 were submitted and noted and the Minutes of Meeting of 19 April 2016 were submitted and approved as a correct record.

5 Reports

| Agenda No | Report Title | Presented by: |
|-----------|--|----------------|
| 5.1 | Proposed Revision of the Councils' Scheme of Delegation for the Determination of Planning Applications | Peter Arnsdorf |

Executive Summary of Report

There was submitted report, dated 24 May 2016, by the Head of Communities and Economy, seeking approval for an amended scheme of delegation for planning matters, under which specific types of planning applications were delegated to the appointed officer to determine.

The report explained that following a Planning Service Review the Development Management and Planning Policy and Environment teams had been conjoined into a single Planning team with a new structure being implemented from March 2016. As part of the new structure, roles and responsibilities and associated job titles had changed. As a consequence the approved scheme of delegation required to be updated to identify the correct appointed officers who were delegated to determine applications. The proposed updating of the scheme of delegation did not change which applications Elected Members delegate to officers to determine. Prior to the adoption of the amended scheme, the scheme required to be approved by the Scottish Ministers.

Decision

Having heard from the Planning Manager, the Committee agreed to refer the Scheme of Delegation to a Seminar of the Planning Committee.

Action

Head of Communities and Economy/Democratic and Document Services Manager

| Agenda No | Report Title | Presented by: |
|-----------|--|----------------|
| 5.2 | Major Developments: Applications Currently Being Assessed and Other Developments at Pre-Application Consultation Stage | Peter Arnsdorf |

Executive Summary of Report

There was submitted report, dated 24 May 2016 by the Head of Communities and Economy, updating the Committee on 'major' planning applications, formal pre-application consultations by prospective applicants and the expected programme of applications due for reporting.

Decision

The Committee, having heard from the Planning Manager, agreed:-

- (a) To note the current position in relation to major planning application proposals which were likely to be considered by the Committee in 2016; and
- (b) To note the updates for each of the applications.

Action

Head of Communities and Economy

| Agenda No | Report Title | Presented by: |
|-----------|--|----------------|
| 5.3 | Appeal and Local Review Body Decisions | Peter Arnsdorf |

Executive Summary of Report

There was submitted report, dated 24 May 2016, by the Head of Communities and Economy, detailing the notices of review determined by the Local Review Body (LRB) at its meeting in April 2016, and advising of the outcome of an appeal and claim for the award of expenses determined by Scottish Ministers.

The report advised that the appeal by Mr G Dean was against refusal of planning permission 15/00737/DPP (dated 2 September, refused by notice dated 8 December 2015) for the formation of a hot food takeaway and installation of a flue at 5 Staiside Court, Bonnyrigg. The Scottish Ministers had upheld the appeal and granted planning permission subject to conditions. A Claim for an Award of

Expenses was also submitted by Mr Dean in relation to the same planning application but this had been dismissed by the Scottish Ministers who had declined to make an award.

Summary of Discussion

Having heard from the Planning Manager who, along with the Head of Communities and Economy responded to Members questions, the Committee considered the potential implications of the Scottish Ministers decision in terms of the impact on the neighbouring Lasswade High School Centre, where the Council operated a policy promoting healthy life styles and healthy eating, in accordance with Scottish Ministers own policies on health living. Members also discussed whether local democracy was being undermined by such rulings and what additional actions could be taken to ensure corporate policy objectives were given appropriate weight when determining planning matters.

Decision

- (a) To note the decisions made by the Local Review Body at its meeting on 19 January 2016;
- (b) To note the outcome of the appeal determined by Scottish Ministers;
- (c) That the Head of Communities and Economy write to the Scottish Government's Chief Planner to seek advice on what further action could be taken by the Council to ensure that appropriate weight was given to corporate policies such as promoting healthy life styles and healthy eating when determining planning matters;
- (d) To explore further the introduction of Supplementary Guidance on hot food takeaways near to Schools;
- (e) To raise the matter with both COSLA and directly with the Scottish Ministers.

Action

Head of Communities and Economy

| Agenda No | Report Title | Presented by: |
|-----------|--|----------------|
| 5.4 | Enforcement Report – Formation of Dormers at 15 Dundas Street, Bonnyrigg | Peter Arnsdorf |

Executive Summary of Report

With reference to paragraph 6 of the Minutes of 17 November 2015, there was submitted report dated 24 May 2016, by the Head of Communities and Economy advising that the owners of 15 Dundas Street, having been issued with an

enforcement notice to secure the removal of two dormer windows which had been erected without the benefit of planning permission at that address, had appealed to Scottish Ministers. The Scottish Government Reporter had subsequently dismissed the appeal and as the works were retrospective the Reporter had given the applicant 9 months (until 10 June 2016) to remove them.

The report explained that the owners had not as yet complied with the enforcement notice and that approval was therefore sought to report the matter to the Procurator Fiscal as the next step in taking matters forward in relation to the breach in the event that the unauthorised works were not removed by the 10 June 2016 deadline.

Summary of Discussion

The Committee, having heard from the Planning Manager, who responded to Members questions, discussed the current position, noting that it was understood that a further application would be coming forward, although it was unclear at this stage if it was material different from that which had already be refused consent. Consideration was also given to the options detailed in the Head of Communities and Economy's report and the implications of reporting the matter to the Fiscal.

Thereafter, Councillor Johnstone, seconded by Councillor Coventry, moved that the owners had had sufficient time to comply with the enforcement order and that the matter should be reported to the Procurator Fiscal in line with the recommendation contained in the Head of Communities and Economy's report.

As an amendment, Councillor Young, seconded by Councillor Baxter, moved that the owners be given a further, and final, two months beyond the enforcement notice compliance date of 10 June 2016 to resolve the breach of planning control, after which, if they had still not complied, the matter be reported to the Fiscal in line with the recommendation contained in the Head of Communities and Economy's report.

As a second amendment, Councillor Milligan, seconded by Councillor Bryant, moved that consideration of the matter be continued in order to allow the further planning application to come forward and be considered.

In terms of Standing Order 11.3 (vii), the Chair directed that a first vote be taken for and against the second amendment to continue consideration of the matter and if this was carried that would be the end of the matter. If however it fell then a second vote be taken between the motion to report the matter to the Fiscal immediately following expiry of the compliance date and the first amendment to allow the owners a further two months before the matter was reported to the Fiscal.

Thereafter, on a first vote being taken, three Members voted for the second amendment and 12 against, which meant that the second amendment therefore fell.

On a second vote being taken, two Members voted for the motion and eleven for the amendment which accordingly became the decision of the meeting.

Decision

The Committee thereby agreed that the owners of 15 Dundas Street, Bonnyrigg be given a further, and final, two months beyond the enforcement notice compliance date of 10 June 2016 to resolve the breach of planning control, after which, if they had still failed to comply, the matter would be reported to the Procurator Fiscal in line with the recommendation contained in the Head of Communities and Economy's report.

Action

Head of Communities and Economy

Sederunt

Councillor Beattie left the meeting at the conclusion of the foregoing item of business, at 2.51pm

| Agenda No | Report Title | Presented by: |
|-----------|---|----------------|
| 5.6 | Pre-Application Consultation: Proposed Residential Development at the former Rosslynlee Hospital, Roslin (16/00266/PAC) and (16/00267/PAC). | Peter Arnsdorf |

Executive Summary of Report

There was submitted report, dated 12 April 2016, by the Head of Communities and Economy advising that a pre application consultation had been submitted regarding (i) a proposed residential development and complementary land uses at Rosslynlee Hospital, Roslin (16/00266/PAC); and, (ii) a proposed change of use, alterations, extensions and partial demolition of the former Rosslynlee Hospital and associated new build development with associated infrastructure (16/00267/PAC).

The report advised that in accordance with the pre application consultation procedures approved by the Committee at its meeting on 7 October 2014 (paragraph 3, Page 4-199 refers) the pre application consultation was being reported to Committee to enable Members to express a provisional view on the proposed major development. The report outlined the proposal, identified the key development plan policies and material considerations and stated a provisional without prejudice planning view regarding the principle of development for the Committee's consideration.

Summary of Discussion

Having heard from the Planning Manager, the Committee in discussing the proposals, acknowledged comments made regarding the need for the proposed development to be sympathetic to the setting and location and have regard to what was considered an attractive existing building.

Decision

- (a) Noted the provisional planning position set out in the report; and
- (b) Noted the comments made regarding the proposed development; and
- (c) Noted that the expression of a provisional view did not fetter the Committee in its consideration of any subsequent formal planning application.

Action

Head of Communities and Economy

| Agenda No | Report Title | Presented by: |
|-----------|--|----------------|
| 5.7 | Application For Planning Permission (15/00083/DPP) for the Erection of 33 Dwellinghouses and 12 Flatted Dwellings; Formation of Access Roads and Car Parking and Associated Works on Part of Site C and D, Land at Hopefield Farm, Bonnyrigg | Peter Arnsdorf |

Executive Summary of Report

With reference to paragraph 5.8 of the Minutes of 19 April 2016, there was submitted report, dated 24 May 2016, by the Head of Communities and Economy concerning the above application.

Summary of Discussion

Having heard from the Planning Manager, the Committee welcomed the positive response from the developers to the concerns that had been expressed at the previous meeting, and felt that on balance although a number of issues still remained to be finalised it was sufficient to allow the current application to proceed. It was also suggested that it would be helpful to keep Poltonhall Community Council advised of progress as they had been instrumental in highlighting a number of the issues.

Decision

That planning permission be granted for the following reason:

The proposed development site is identified as being part of the Council's safeguarded/committed housing land supply within the adopted Midlothian Local Plan 2008 and accords with development plan policies COMD1 and RP20. Furthermore, the development, subject to the recommended planning conditions, accords with good design principles and with Policies DP2, IMP1 and IMP2 of the adopted Midlothian Local Plan 2008. The presumption for development is not outweighed by any other material consideration.

subject to the following conditions:

1. Development shall not begin until details of a scheme of hard and soft landscaping has been submitted to and approved in writing by the planning authority. The scheme shall also cover the proposed open space to the west of the site, referred to as Landscape Zone 6: Western Finger in the approved Masterplan. Details of the scheme shall include:
 - i existing and finished ground levels and floor levels for all buildings, open space and roads in relation to a fixed datum;
 - ii existing trees, landscaping features and vegetation to be retained; removed, protected during development and in the case of damage, restored;
 - iii proposed new planting in communal areas, road verges and open space, including trees, shrubs, hedging, wildflowers and grassed areas;
 - iv location and design of any proposed walls, fences and gates, including those surrounding bin stores or any other ancillary structures;
 - v schedule of plants to comprise species, plant sizes and proposed numbers/density;
 - vi programme for completion to a specified standard and subsequent maintenance of all soft and hard landscaping. The landscaping in the open space shall be completed prior to the houses on adjoining plots being occupied;
 - vii drainage details, watercourse diversions, flood prevention measures and sustainable urban drainage systems to manage water runoff;
 - viii proposed car park configuration and surfacing;
 - ix proposed footpaths and cycle paths (designed to be unsuitable for motor bike use);
 - x proposed cycle parking facilities;
 - xi details of existing and proposed services; water, gas, electric and telephone; and
 - xii proposed area of improved quality.

All hard and soft landscaping shall be carried out in accordance with the scheme approved in writing by the planning authority as the programme for completion to a specified standard and subsequent maintenance (vi). Thereafter any trees or shrubs removed, dying, becoming seriously diseased or damaged within five years of planting shall be replaced in the following planting season by trees/shrubs of a similar species to those originally required.

Prior to this condition being discharged the finished standard of open space show be inspected and approved in writing by the planning authority.

Reason: *To ensure the quality of the development is enhanced by landscaping to reflect its setting in accordance with policies RP20 and DP2 of the Midlothian Local Plan and national planning guidance and advice.*

2. Development shall not begin until samples of materials to be used on external surfaces of the buildings; hard ground cover surfaces; means of enclosure and ancillary structures have been submitted to and approved in writing by the planning authority. An enhanced quality of materials shall be used in the area of improved quality. Development shall thereafter be carried out using the approved materials or such alternatives as may be agreed in writing with the planning authority.

Reason: *To ensure the quality of the development is enhanced by the use of quality materials to reflect its setting in accordance with policies RP20 and DP2 of the Midlothian Local Plan and national planning guidance and advice.*

3. Development shall not begin until details of the site access, roads, footpaths, cycle ways and transportation movements has been submitted to and approved in writing by the planning authority. Details of the scheme shall include:

- i existing and finished ground levels for all roads and cycle ways in relation to a fixed datum;
- ii proposed vehicular, cycle and pedestrian access;
- iii proposed roads (including turning facilities), footpaths and cycle ways;
- iv proposed visibility splays, traffic calming measures, lighting and signage;
- v proposed construction traffic access and haulage routes;
- vi proposed car parking arrangements;
- vii an internal road layout which facilitates service/emergency vehicles entering and leaving the site in a forward facing direction; and
- viii a programme for completion for the construction of access, roads, footpaths and cycle paths.

Development shall thereafter be carried out in accordance with the approved details or such alternatives as may be agreed in writing with the planning authority.

Reason: *To ensure the future users of the buildings, existing local residents and those visiting the development site during the construction process have safe and convenient access to and from the site.*

4. Details of how the trees proposed in hardstanding areas are to be accommodated shall be submitted for the prior approval of the planning authority. The details shall include soil volume per tree of between 11.8 cubic metres and 30 cubic metres depending on the size of the trees.

Reason: *In order for the trees to be retained as tree roots will conflict with hard surfaces in which they will be located.*

5. Where trees are shown in close proximity to services, including between plots 110 and 111 a root barrier shall be deployed.

Reason: *In order for the trees to be retained and mitigate conflict with the proposed services.*

6. Development shall not begin until details, including a timetable of implementation, of 'Percent for Art' have been submitted to and approved in writing by the planning authority. The 'Percent for Art' shall be implemented as per the approved details.

Reason: *To ensure the quality of the development is enhanced by the use of art to reflect its setting in accordance with policies IMP1 and DP2 of the Midlothian Local Plan and national planning guidance and advice.*

7. Development shall not begin until details, including a timetable of implementation, of high speed fibre broadband (or subsequent replacement internet connectivity technology) have been submitted to and approved in writing by the planning authority. The details shall include delivery of high speed fibre broadband prior to the occupation of each dwellinghouse. The delivery of high speed fibre broadband shall be implemented as per the approved details.

Reason: *To ensure the quality of the development is enhanced by the provision of appropriate digital infrastructure.*

| |
|---------------------------------|
| Action |
| Head of Communities and Economy |

The meeting terminated at 3.06pm.

Minute of Meeting



General Purposes Committee

| Date | Time | Venue |
|-------------|------|-----------------|
| 24 May 2016 | 2 pm | Council Chamber |

Present:

| | |
|------------------------------------|----------------------|
| Councillor Andrew Coventry (Chair) | Councillor Baxter |
| Councillor Bennett | Councillor Imrie |
| Councillor Johnstone | Councillor Milligan |
| Councillor Montgomery | Councillor Muirhead |
| Councillor Parry | Councillor Pottinger |
| Councillor Rosie | Councillor Russell |
| Councillor Wallace | Councillor Young |

In attendance:

| | |
|------------------|---------------------------------|
| Alan Turpie | Legal Services Manager |
| Inspector Smith | Police Scotland |
| Verona MacDonald | Democratic Services Team Leader |

1. Apologies

1.1 Apologies were received from Councillors Constable and de Vink.

2. Order of Business

2.1 The order of business was confirmed as outlined in the agenda circulated.

3. Declarations of interest

3.1 Declarations of interest were intimated by Councillor Wallace in respect of Item No. 5.2 and Councillor Muirhead in respect of Item No. 6.2.

4. Minutes of Previous Meetings

4.1 On the Motion of Councillor Pottinger, seconded by Councillor Wallace, the Minutes of Meeting of 23 February 2016 were approved as a correct record.

5. Reports

| Agenda No. | Report Title | Presented by: |
|------------|--|-------------------------------------|
| 5.1 | Civic Government (Scotland) Act 1982 – Procedure for Disposal of Applications for Licences – Report by Director, Resources | Alan Turpie, Legal Services Manager |

Outline of report and summary of discussion

There was submitted Report dated 10 May 2016, by the Director, Resources concerning the procedure for disposing of applications for licences in terms of the Civic Government (Scotland) Act 1982.

Decision

To note the terms of the Report.

Action

No action required.

Prior to consideration of the following item Councillor Wallace declared an interest and left the meeting.

| Report No. | Report Title | Presented by: |
|------------|--|-------------------------------------|
| 5.2 | Private Hire Car Licence – Request for Advertising – Report by Director, Resources | Alan Turpie, Legal Services Manager |

Outline of report and summary of discussion

Alan Turpie spoke to the terms of the Report and advised that it related to an application lodged by Mr J. Campbell to fix advertising to the front and rear doors of 3 private hire cars licensed in his name. It was noted that, at present, advertising is not permitted on Private Hire Cars without the prior written consent of the Council with all such requests passed to Police Scotland for consultation. In response, Inspector Smith, on behalf of the Police had commented as follows:-

“I also deal with Edinburgh and West Lothian who both have pre-booked stickers. Both myself and the Taxi Examination Centre are in total agreement that these are advantageous to the safety of the public and to assisting the identification of the vehicles. West Lothian use a rectangular sign to distinguish them from Edinburgh’s oval sign and both Councils allow a similar shaped sign on the back with the booking office company name and number.

The only problem I have with Mr Campbell’s signage is that it is too similar to Edinburgh’s and would cause problems in identification and make it easier for vehicles to illegally carry out work fully outwith their own Council areas (Edinburgh and Midlothian).

I would therefore suggest that Midlothian Council consider a design and shape”.

Thereafter, discussion took place with Councillor Montgomery emphasising the importance of having a different shape of sign from neighbouring Councils and Councillor Imrie seeking confirmation that magnetic signs would not be permitted.

Decision

- (a) grant Mr Campbell’s request to fix advertising signs on the front and rear passenger doors subject to a condition that the signage be rectangular in shape and not magnetic and;
- (b) instruct a Report on the possible introduction of appropriate signage as a condition of Private Hire Car Licences, for consideration by the Committee in August 2016

Action

Director, Resources

Prior to consideration of the following item Councillor Wallace returned to the meeting

Exclusion of Members of the Public

In view of the nature of the business to be transacted, the Committee agreed that the public be excluded from the meeting during discussion of the undernoted items, as contained in the Addendum hereto, as there might be disclosed exempt information as defined in paragraphs 3 and 14 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973:-

- 6.1 Application for a Private Hire Car Driver's Licence
- 6.2 Application for a Licence for Premises Used for the Booking of Hire Cars

The Meeting terminated at 2.25 pm.

Minute of Meeting



General Purposes Committee

| Date | Time | Venue |
|----------------|------|-----------------|
| 23 August 2016 | 2 pm | Council Chamber |

Present:

| | |
|------------------------------------|----------------------|
| Councillor Andrew Coventry (Chair) | Councillor Baxter |
| Councillor Bryant | Councillor Constable |
| Councillor de Vink | Councillor Johnstone |
| Councillor Milligan | Councillor Parry |
| Councillor Rosie | Councillor Young |

In attendance:

| | |
|------------------|---------------------------------|
| Alan Turpie | Legal Services Manager |
| Inspector Smith | Police Scotland |
| Sergeant Latto | Police Scotland |
| Verona MacDonald | Democratic Services Team Leader |

1. Apologies

1.1 Apologies were received from Councillors Bennett, Imrie, Montgomery, Muirhead, Pottinger, Russell and Wallace.

2. Order of Business

2.1 The order of business was confirmed as outlined in the agenda circulated.

3. Declarations of interest

3.1 Declarations of interest were intimated by Councillor Milligan in respect of Item No. 5.1.2 and 5.1.5 and; Councillor Johnstone in respect of Item No. 6.2.1

4. Minutes of Previous Meetings

4.1 On the Motion of Councillor Parry, seconded by Councillor Rosie, the Minutes of Meeting of 24 May 2016 were approved as a correct record.

5. Public Reports

It was noted that there were no public reports for consideration.

Exclusion of Members of the Public

In view of the nature of the business to be transacted, the Committee agreed that the public be excluded from the meeting during discussion of the undernoted items, as contained in the Addendum hereto, as there might be disclosed exempt information as defined in paragraphs 1, 2 and 14 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973:-

6.1 Civic Government (Scotland) Act 1982 – Procedure for Disposal of Applications for Licences – Report by Director, Resources

6.1.1 Application for a Window Cleaner’s Licence

6.1.2 Application for a Private Hire Car Licence

6.1.3 Application for a Private Hire Car Driver’s Licence

6.1.4 Application for a Private Hire Car Driver’s Licence

6.1.5 Application for a Private Hire Car Driver’s Licence

6.2 Housing (Scotland) Act 2006 – Procedure for Disposal of Applications For HMO Licences – Report by Director, Resources

6.2.1 Application for a licence for a house in multiple occupation – Inveravon House Hotel, Loanhead

The Meeting terminated at 3.50 pm (Councillor de Vink left the meeting at 3.30 pm).

MINUTES of MEETING of the MIDLOTHIAN COUNCIL PETITIONS

COMMITTEE held in the Council Chambers, Midlothian House, Buccleuch Street, Dalkeith, on Tuesday, 24 March 2015 at 10.30 am.

Present :- Councillors, Coventry (Chair), Baxter, Muirhead, Rosie and Russell

Apologies for Absence:- Councillor de Vink.

1 Declarations of Interest

There were no declarations of interest.

2 Procedure

The Committee noted the procedure to be followed in hearing petitions as approved by the Council on 25 September 2012 and amended by the Council on 5 November 2013.

3 Minutes

The Minutes of Meeting of 4 November 2014 were submitted and approved.

4 Petition: No. 15 and No.40 Bus Services

There was submitted report dated 27 October 2014, by the Director, Resources, incorporating:-

- (a) A petition from Mrs Emma Hutt, 8 Penicuik Road, Roslin, on behalf of residents of Roslin and Auchendinny calling upon the Council to to recommend to Lothian Buses to rescind their decision to alter the number 15 and 40 bus routes;
- (b) Comments on the issues raised in the petition from the Head of Commercial Operations;
- (c) Details of the revised bus services, which in effect was to withdraw the No.15 bus route from serving Roslin and Auchendinny and replace this with a revision to the route of the No.40 bus route. The new service would operate half hourly.

The Committee then heard from Mrs Hutt in support of the petition. In particular she drew attention to:-

- 408 people had subscribed to the petition, which reflected the depth of feeling in the Roslin and Auchendinny communities;
- In order to travel into Edinburgh, where many Roslin and Auchendinny commuters worked, it would be necessary to travel via the No.40 bus service to Penicuik in order to connect with the No.15 bus service. This added to the journey times faced by commuters and involved additional

cost , which therefore placed an additional financial burden on those who were reliant on the existing services;

- A housing development consisting of 120 houses had recently been constructed in Auchendinny and had been marketed on the basis of existing bus services.
- The direct link to Morningside and the West end of Princes Street, Edinburgh, where a number of commuters were employed or required to make use of services, was removed by the revised services, as was the direct link to the Straiton Retail Park; Asda Store and IKEA;
- The petitioners understood that from Lothian buses that the decision to alter the bus routes had, in part, been a response by them to complaints from residents of Penicuik about the length of journey times;and
- The effect of the decision of Lothian buses would be to increase the numbers of car journeys , contrary to accepted public policy.

The Head of Commercial Operations advised that, whilst Lothian Buses were obliged to follow a consultation process in respect of route changes etc, this did not permit the Council to object to any such proposal nor did the Council have the power to veto any such proposal. The decision made by Lothian Buses was purely a commercial decision .

Thereafter, both the Petitioner and the Head of Commercial Operations were questioned by Elected members

Decision

- (a) To refer the petition to Lothian Buses and to ask them to review the situation particularly having regard to the needs of the communities of Roslin and Auchendinny; and
- (b) To instruct the Head of Commercial Operations to review the bus interchange provision within the locale with a view to ameliorating the effects of the changes in the No.15 and No.40 bus routes on the residents of Roslin and Auchendinny.

(Action: Head of Commercial Operations).

The meeting terminated at 11.10 am.



Motion to Midlothian Council

SKY LANTERNS/CHINESE LANTERNS

The National Farmers Union Scotland represents over 8,500 farmers and crofters from across Scotland, and is seeking Council support to improve the safety in the countryside.

Sky lanterns, also known as Chinese lanterns, can cause untold harm and damage not only to the environment, but also to animals and can cause fires on farms and crofts too.

To date, eight local authorities in Scotland have banned the use of sky lanterns and or helium balloon release on council-owned land, and the National Farmers Union Scotland are working to urge other councils to follow suit and help to make farms, crofts, and wider countryside safer.

The lanterns are constructed from paper with a wire or wooden frame and contain a lighted candle. Whilst seemingly innocent as they are released they can pose a fire hazard to stacks of straw, woodland and farm buildings and amount to litter when they return to the ground. If they land within livestock fields, or amongst crops grown for livestock feed, the wires risk being ingested by livestock and have been seen to cause great harm and suffering to animals.

Given the damage that Chinese lanterns can cause to the environment, property and animals, National Farmers Union Scotland would like to see greater public awareness of these risks. The Union believes that it is the responsibility of councils, to publicly recognise these risks by banning the use of Sky Lanterns on council owned property and at council run events.

On behalf of the National Farmers Union Scotland, we ask Midlothian Council to follow the example of other councils within Scotland and take similar measures to demonstrate and also take responsibility towards the environment, property and animal welfare seriously by supporting a ban of sky lanterns within our area.

Proposed by

[Redacted signature]

Seconded by

[Redacted signature]

Labour Group



**Midlothian Council
8 November 2016**

Notice of Motion

The recent escalation of anti social behaviour issues in the centre of Dalkeith, where large groups of youths have caused significant distress to residents and damage to business premises, cannot be tolerated.

From this and recent incidents in other communities across Midlothian it is clear that the police locally are struggling to cope with the increasing demands placed upon them.

Council believes that the cuts to the funding for the CAT teams in this year's budget is making police response to such incidents, and their ability to proactively target youth disorder, more difficult and that this will only get worse when the full cuts to the CAT teams come into force in April.

Council therefore agrees to withdraw the plans to remove funding for the CAT teams planned for April 2017 and to restore funding for the cuts already made.

Moved:



Councillor Margot Russell

Seconded:



Councillor Jim Muirhead

Review of United Kingdom Parliament Constituencies in Scotland by the Boundary Commission for Scotland

Report by Kenneth Lawrie, Chief Executive

1 Purpose of Report

The Boundary Commission for Scotland published its 'Initial Proposals' for UK Parliamentary Constituencies in Scotland on 20 October 2016 for a twelve week public consultation period lasting until 11 January 2017.

2 Background

2.1 The Proposals are for the 59 current constituencies covering Scotland to reduce to 53.

2.2 Apart from the island constituencies of Orkney and Shetland which will not be subject to change the remaining 51 constituencies must:

- each have a quota of between 71,031 and 78,507 electors (except where a constituency is larger than 12,000 square kilometres when it may have fewer than 71,031 electors); and
- not exceed the maximum permitted area of 13,000 square kilometres.

2.3 In Midlothian the proposal is for the current UK Midlothian Parliamentary Constituency (which is currently co-terminus with the local government area) to be expanded southwards into the Scottish Borders Council area to include Ward 1 – Tweeddale West and part of Ward 2 Tweeddale East.

The new constituency would be named 'Midlothian and Peebles County Constituency' with an electorate of 76,208 (as at 1 December 2015 as specified by legislation). Maps showing this 'Initial Proposal' are attached as shown at **Appendix 1** hereto.

2.4 The complete sets of consultation documents are available for public inspection at Midlothian House Reception and also in Libraries at The Penicuik Centre, The Lasswade Centre, Gorebridge, Loanhead and Mayfield. They can also be accessed at:

www.bcomm-scotland.independent.gov.uk

In/

In addition to written responses to the consultation being submitted direct to the Boundary Commission arrangements have been made for a public meeting to be held at the Apex Waterloo Hotel, 23-27 Waterloo Place, Edinburgh on Wednesday 7 December 2016. The geographic focus for this meeting is Clackmannanshire, City of Edinburgh, East Lothian, Falkirk, Midlothian, Scottish Borders, Stirling and West Lothian.

Report Implications

3.1 Resource

Not applicable

3.2 Risk

Not applicable.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

3.4 Key Priorities within the Single Midlothian Plan

Not applicable.

3.5 Impact on Performance and Outcomes

Not applicable.

3.6 Adopting a Preventative Approach

Not applicable

3.7 Involving Communities and Other Stakeholders

This is part of a statutory review procedure for which the Boundary Commission for Scotland places great emphasis in maintaining public confidence in the process. The first stage is a 12 week public consultation procedure which includes public hearings at 5 locations around Scotland.

3.10 Ensuring Equalities

This is being carried out by the Boundary Commission for Scotland in terms of the statutory procedures for the Review.

3.11 Supporting Sustainable Development

There are no sustainability issues arising from this report.

3.12 IT Issues

Not applicable.

4 Recommendation

Midlothian Council is invited to respond to the 'Initial Proposals' of the Boundary Commission for Scotland in its 2018 Review of Parliamentary Constituencies.

20 October 2016

Report Contact: Allan R Brown, Elections Officer

Tel No: 0131 271 3255

allan.brown@midlothian.gov.uk

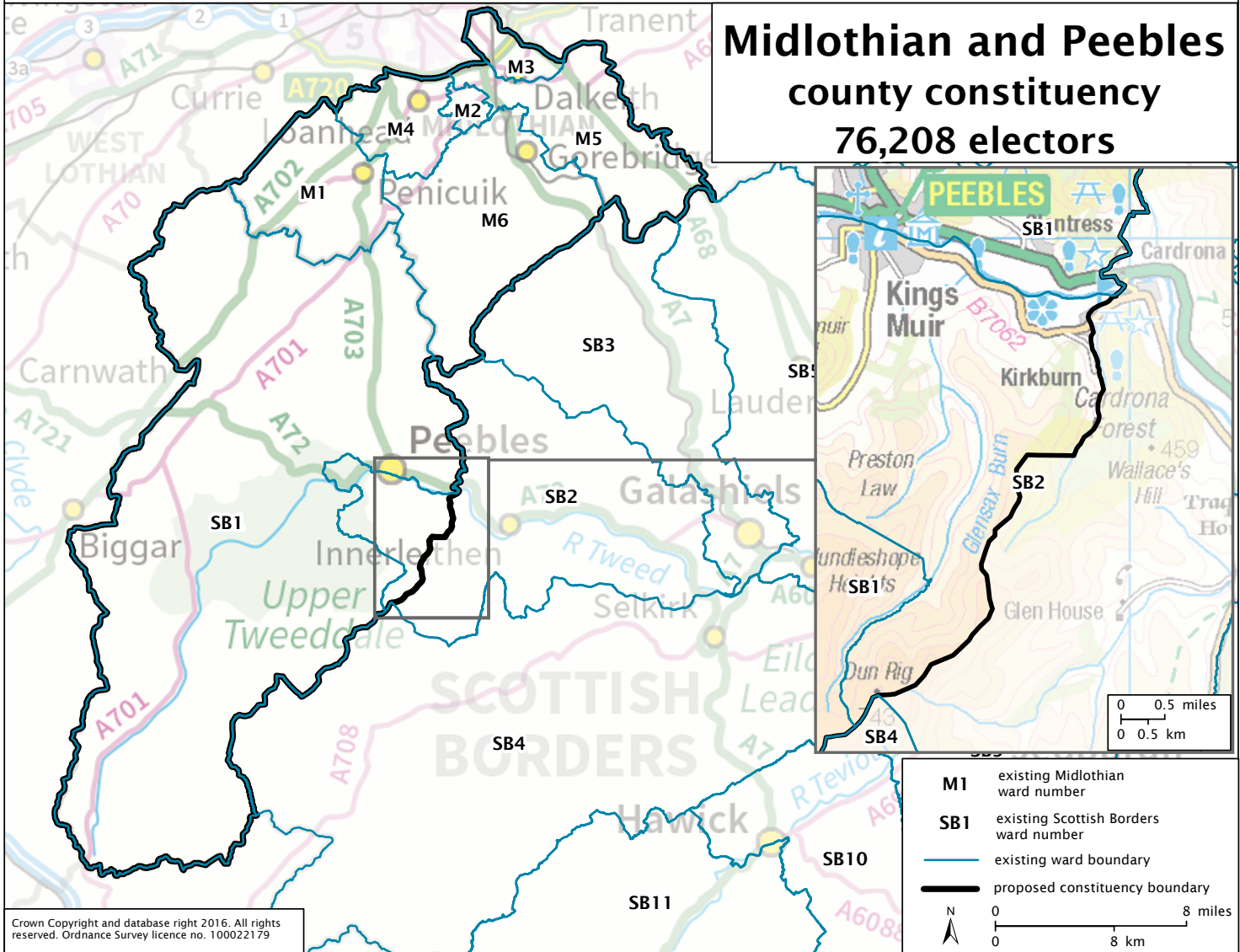
Background Papers:

- Boundary Commission for Scotland 2018 Review of Parliamentary Constituencies – Public Consultation - Initial Proposals

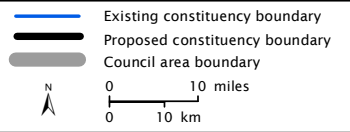
Boundary Commission for Scotland
PUBLIC CONSULTATION Item 8.3

2018 Review of UK Parliament Constituencies - Initial Proposals

**Midlothian and Peebles
 county constituency**
76,208 electors



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We are undertaking a 12 week period of public consultation on our proposed UK Parliament constituencies in Scotland.

- UK Parliament constituencies are being reduced from 650 to 600.
- Scotland will have 53 in place of the current 59 constituencies.
- 2 Scottish island constituencies are set as Na h- Eileanan Siar and Orkney and Shetland.
- Constituencies must have between 71,031 - 78,507 electors, unless they are larger than 12,000 km² when they can have fewer electors.
- A constituency must be no larger than 13,000 km².
- The legislation governing this review is the Parliamentary Constituencies Act 1986 (as amended).

The proposed constituency boundary follows ward boundaries in Midlothian and Scottish Borders council areas with one exception: Scottish Borders ward 2 (Tweeddale East), where the boundary follows a community council area boundary.

Tell us what you think of our proposals by 11 January 2017.

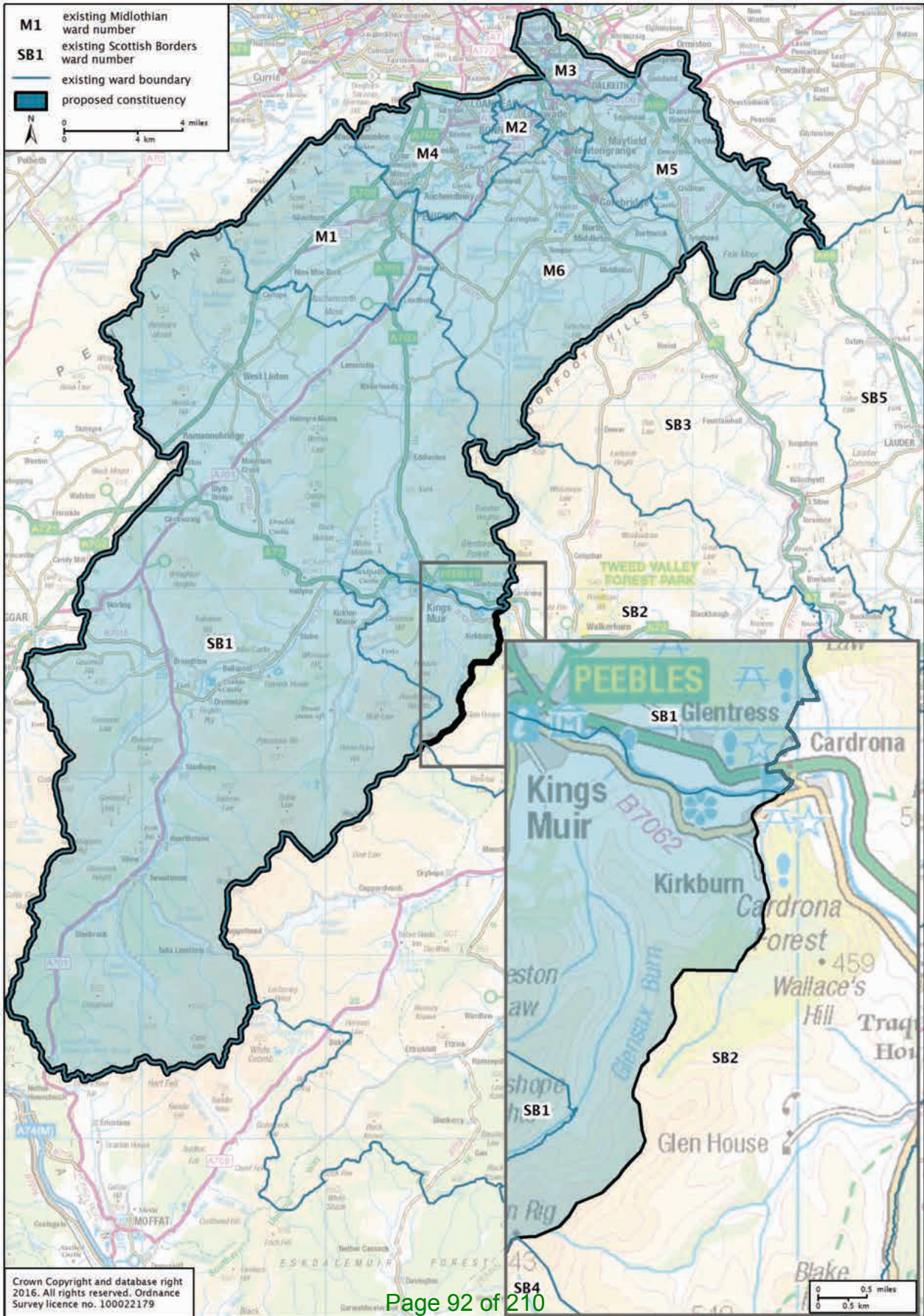
You can do this via -
 consultation portal: www.bcs2018.org.uk
 email: bcsc@scottishboundaries.gov.uk
 address: Boundary Commission for Scotland,
 Thistle House, 91 Haymarket Terrace,
 Edinburgh, EH12 5HD

Further information is available on our website
www.bcomm-scotland.independent.gov.uk

Midlothian and Peebles county constituency

76,208 electors

The proposed constituency boundary follows ward boundaries in Midlothian and Scottish Borders council areas with one exception: Scottish Borders ward 2 (Tweeddale East), where the boundary follows a community council area boundary.



'TO FOLLOW' report insert

Financial Strategy 2017-2018 to 2021-2022 – Report by Head of Finance and
Integrated Service Support

Financial Monitoring 2016/17 – General Fund Revenue

Report by Gary Fairley, Head of Finance and Integrated Service Support

1 Purpose of Report

The purpose of this report is to provide Council with information on performance against revenue budget in 2016/17 and details of the material variances.

2 Background

2.1 Budget Performance

The detailed budget performance figures shown in appendix 1 result in a net overspend of £1.496 million which is 0.74% of the revised budget for the year. This is a deterioration of £0.938 million on the quarter 1 position reported to Council on 27th September.

The main areas of variance are outlined below:

Pressures

- Demand led pressures in Adult Social Care, particularly the Community Care Resource Panel and in Home Care packages. They are currently projected to overspend by £1.727 million which is £0.976 million more than reported at quarter 1. The increasing projection is related to new pressures across the remit of the panel. Projections of spend in this area can be very volatile given the fluidity of demand and potential high value of individual packages of care;
- Running costs for Care Homes for Older people of £0.227 million;
- Slippage in the opening of Pentland House which has put additional pressure on Bed and Breakfast budgets for Homeless clients. An overspend of £0.390 million is currently projected;
- Loan charges are currently projected to be £0.283 million over budget due to less slippage in the General Services Capital Plan than anticipated;
- Achievement of Council Transformation Targets for procurement savings and for tactical reductions in contracted hours has slipped and is projected to overspend by £0.300 million.

Favourable Movements

- Demand for Residential and Day Care placements for children is lower than budgeted and some high value placements are now being provided in a different way. Spend in this area is now projected to be £1.003 million less than the budget of £3.900 million but is very volatile in its nature;
- A continued growth of properties in Midlothian will generate an improvement on budget of £0.500 million for Council Tax Income.

Detailed information on material variances is contained in appendix 2 which identifies each variance, explains why it happened, outlines what action is being taken to control variances and details the impact of that action.

2.2 Council Transformation Programme

Council approved utilisation of £8.018 million of General Fund Reserve to fund costs associated with the ongoing transformation programme.

At the report date £3.265 million of this has been applied with future commitments of £0.453 million identified for 2017/18 and 2018/19. This leaves £4.300 million as uncommitted.

2.3 General Fund Reserve

The projected balance on the General Fund as at 31 March 2017 is as follows:

| | £ million | £ million |
|--|-----------|---------------|
| Reserve as at 1 April 2016 | | 24.625 |
| Less earmarked reserves utilised in 2016/17 | | (5.947) |
| General Reserve at 1 April 2016 | | 18.678 |
| <i>Planned movements in reserves</i> | | |
| Planned Utilisation | (2.668) | |
| Supplementary Estimates | (0.473) | |
| Council Transformation Programme Costs | (0.315) | |
| One-off costs of VSER | (0.042) | |
| Other | (0.012) | |
| | | (3.510) |
| Overspend per appendix 1 | | (1.496) |
| General Fund Balance at 31 March 2017 | | 13.672 |

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

| | £ million |
|--|---------------|
| General Fund Balance at 31 March 2017 | 13.672 |
| <i>Earmarked for specific purposes</i> | |
| Approved contingency level of General Fund Reserve | (8.000) |
| Budgets earmarked for Council Transformation | (4.300) |
| Borders Rail Economic Development Opportunities | (0.027) |
| Available General Reserve at 31 March 2017 | 1.345 |

The uncommitted General Fund Reserve at 31 March 2017 is £9.325 million of which £8 million is earmarked as a contingency in the context of the continuing challenging financial outlook, the uncertainty associated with future years grant settlements, pay awards, the economic impact of Brexit and also the potential costs to come from the historic child abuse enquiry. This leaves the remaining £1.325 million as uncommitted.

3 Report Implications

3.1 Resource

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

3.2 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 minimises 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 remedial action is taken where possible. The primary purpose of this report is to provide information on historic performance, however the material variances detailed in appendix 2 highlight that the financial management and budgetary control arrangements require continual review and enhancement if financial risk is to be effectively mitigated.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

3.4 Impact on Performance and Outcomes

The decisions taken to balance the budget will have fundamental implications for service performance and outcomes. The Council's Transformation Programme aims to minimise the impact on priority services.

3.5 Adopting a Preventative Approach

The proposals in this report do not directly impact on the adoption of a preventative approach.

3.6 Involving Communities and Other Stakeholders

No consultation was required.

3.7 Ensuring Equalities

There are no equality implications arising directly from this report.

3.8 Supporting Sustainable Development

There are no sustainability issues arising from this report.

3.9 IT Issues

There are no IT implications arising from this report.

4 Recommendations

It is recommended that Council note the contents of this report and consider the financial position in the context of the Financial Strategy for 2017/18 to 2021/22.

13th October 2016

Report Contact:

David Gladwin Tel No 0131 271 3113

E mail david.gladwin@midlothian.gov.uk

Background Papers:

GENERAL FUND OVERVIEW 2016/17

| Function | Revised Budget £ | Outturn £ | (Underspend) / Overspend £ |
|---|------------------------|--------------------|----------------------------------|
| Management | 1,634,196 | 1,634,196 | 0 |
| <u>Education Communities and Economy</u> | | | |
| Childrens Services | 15,556,928 | 14,657,928 | (899,000) |
| Communities and Economy | 4,620,133 | 4,810,133 | 190,000 |
| Education | 83,372,587 | 83,482,587 | 110,000 |
| <u>Health and Social Care</u> | | | |
| Adult Social Care | 38,526,505 | 40,014,505 | 1,488,000 |
| Customer and Housing Services | 12,208,117 | 12,247,117 | 39,000 |
| <u>Resources</u> | | | |
| Commercial Services | 16,159,892 | 16,200,892 | 41,000 |
| Finance and Integrated Service Support | 12,394,783 | 12,641,783 | 247,000 |
| Properties and Facilities Management | 13,604,559 | 13,638,559 | 34,000 |
| Lothian Valuation Joint Board | 555,551 | 555,551 | 0 |
| Central Costs | 1,946,196 | 2,109,196 | 163,000 |
| Non Distributable Costs | 1,338,436 | 1,338,436 | 0 |
| GENERAL FUND SERVICES NET EXPENDITURE | 201,917,884 | 203,330,884 | 1,413,000 |
| Loan Charges | 6,582,639 | 6,865,639 | 283,000 |
| Investment Income | (300,475) | (300,475) | 0 |
| Council Transformation Programme savings target | (2,104,873) | (1,804,873) | 300,000 |
| Allocations to HRA, Capital Account etc. | (4,781,596) | (4,781,596) | 0 |
| | 201,313,579 | 203,309,579 | 1,996,000 |
| less Funding: | | | |
| Scottish Government Grant | 151,516,000 | 151,516,000 | 0 |
| Council Tax | 40,600,000 | 41,100,000 | (500,000) |
| Utilisation of Reserves | 9,197,579 | 10,693,579 | 1,496,000 |

Financial Monitoring 2016/17 – General Fund Revenue – Material VariancesEducation, Communities and EconomyChildren's Services

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional information / Action taken |
|---|--|-------------------|-------------------|---|
| Employee performance factor | Non achievement of performance factor offset by some part vacant posts. | 181 | 181 | |
| Supernumerary staff within the practice teams | High levels of demand are currently being experienced requiring the use of supernumerary agency staff. | 94 | 94 | Service Management will review the need for these posts on a regular basis. A new service structure will be implemented in December 2016. |
| Other non-material variances | Miscellaneous over and underspends covering the remaining areas of the Children's Services budget. | 3 | 3 | No impact on frontline service. |
| Gross Overspend | | 278 | 278 | |
| <i>Offset by:</i> | | | | |
| Residential and Day Education Placements | The requirement for residential placements is lower than anticipated and provided for in the budget. Demand for new placements was low for the first half of the 2016 calendar year. | (912) | (1,003) | This represents a 26% underspend on the Multi Agency Resource Group budget of £3.9 million. The group continue to challenge new demand to keep costs under control and has recently been successful in its work to progress children in secure placements to allow them to move to other forms of care. |
| Family Placements | Slippage in plans for the usage of additional Scottish Government Grant. | (174) | (174) | The service is developing plans to utilise this funding. This will take place alongside the implementation of the new service structure during the course of 2016/17. |
| Net Underspend | | (808) | (899) | |

Communities and Economy

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional information / Action taken |
|------------------------------|---|-------------------|-------------------|---|
| Building Standards Income | There was an artificially high level of income received in 2015/16 as a result of changes to Building Regulations in October 2015. This created a high level of application activity before the new regulations came into force. As a result the numbers and related fee income of warrants in 2016/17 are lower than budgeted. | 84 | 84 | The income received for Building Warrants is highly variable and is influenced by the timings of building works. |
| Planning Income | Applications for planning consent are lower than budgeted. | 64 | 64 | The income received for planning applications is highly variable and is influenced by the timing of major developments. |
| Landlord Registration income | Fewer registrations are due to be renewed in 2016/17 than budgeted. | 25 | 25 | Registrations run in a three year cycle. |
| Other non-material variances | Miscellaneous over and underspends covering the remaining areas of the Communities and Economy budget. | 17 | 17 | No impact on frontline service. |
| Gross Overspend | | 190 | 190 | |

Education

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional information / Action taken |
|--|--|-------------------|-------------------|---------------------------------------|
| Lifelong Learning and Employability Income | The Skill Development Scotland Employability Fund has been reduced nationally by 40%. As a consequence Midlothian's funding was significantly reduced for 2016/17. | 167 | 167 | |
| Vacancies and Performance Factor | Non achievement of employee performance factor. | 36 | 36 | |
| Gross Overspend | | 203 | 203 | |
| <i>Offset by:</i> | | | | |
| PPP Contracts | Insurance costs are lower than provided for in the | (67) | (67) | Windfall Income. |

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional information / Action taken |
|------------------------------|--|-------------------|-------------------|---|
| | contract which leads to a refund from the contractor. Contractual refund of funding paid to cover reparation of malicious damage that was not utilised. | (17) | (17) | This will be addressed in the 2017/18 budget setting process. |
| Other non-material variances | Miscellaneous over and underspends covering the remaining areas of the Education Service budget. | (9) | (9) | No impact on frontline service. |
| Net Overspend | | 110 | 110 | |

Health and Social Care

Adult Social Care

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional information / Action taken |
|---|--|-------------------|-------------------|--|
| Community Care Resource Panel | Assessed needs are currently more than budgeted. The budget is £30 million, demand led and subject to demographic pressures. Individual packages of care sometimes in excess of £100k per annum and as a consequence projections in this area can be volatile. | 497 | 1,453 | An underlying over-commitment of around £900k at the start of the financial year has been partially addressed through the review of high cost packages. The increasing projection in 2016/17 is due to a combination of demand led pressures covering Physical Disabilities, Learning Disabilities, Older People and Mental Health. A review team is in place and has begun work to review existing packages of care with a view to reducing the existing level of commitments whilst still meeting critical and substantial need and also keeping in year spend within budget. At this stage it is too early to factor in any reductions arising from the review. |
| Home Care / Midlothian Enhanced Rapid Response and Intervention Team (MERRIT) | Additional employee costs due to the volume of care packages being provided. | 254 | 274 | The service continues to prioritise hospital discharges. There are currently some additional complexities associated with moving packages of care to external providers. |

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional information / Action taken |
|--|---|-------------------|-------------------|---|
| Care Homes for Older People | Projected overspend on running costs, including cleaning materials and first aid supplies, at both Highbank and Newbyres. | 108 | 83 | Additional supply costs associated with increased complexity of residents. A review of budgets is now underway. |
| | Projected overspend on staffing costs to cover gaps in the rota. | 120 | 144 | Sickness absence levels at Highbank have been high particularly at the start of the financial year. Managers are working closely with HR to address this issue and some improvements have been seen. Plans are underway to recruit to the locum bureau to ensure that when extra staff are required this can be done in the most cost effective manner. |
| Gross Overspend | | 979 | 1,954 | |
| <i>Offset by:</i> | | | | |
| Public Protection | Scottish Government funding provided specifically for Adult Support and Protection requirements. Some spend relevant to this funding is in the form of care packages and is met from the Resource Panel budget. | (150) | (140) | No impact on frontline service but underspend offsets care and support costs related to protection issues. |
| Learning and Development | Spend continues to be constrained to counter pressures elsewhere in the service. | (128) | (102) | No impact on frontline service and offsets cost of essential cover for front-line staff with mandatory training requirements. |
| Joint Equipment Store and Aids and Adaptations | Demand is currently less than budgeted but spend level tends to vary over the course of the year. | (79) | (124) | No impact on frontline service. |
| Other non-material variances | Miscellaneous over and underspends covering the remaining areas of the Adult Social Care budget. | (44) | (100) | No impact on frontline service. |
| Net Overspend | | 578 | 1,488 | |

Customer and Housing Services

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional information / Action taken |
|-------------------------------------|---|-------------------|-------------------|---|
| Homelessness accommodation | Specialist treatment required in the conversion works to re-use Pentland House has led to delays in the project, with completion now targeted for 1 st April 2017. The saving against the Bed and Breakfast budget will therefore not be made. | 229 | 390 | The budget provided for an average 82 B and B places per week until 1 st August 2016 and 36 spaces thereafter once Pentland House was available for use. Average occupancy is currently 85 places. |
| Other non material variances | Miscellaneous over and underspends covering the remaining areas of the Customer and Housing Services. | 13 | 11 | No impact on frontline service. |
| Gross Overspend | | 242 | 401 | |
| <i>Offset by:</i> | | | | |
| Housing Benefit Subsidy | It is anticipated that income will be higher than budgeted for. | (193) | (163) | The 2016/17 budget was set based on the experience of previous years. However, in 2016/17 the subsidy receivable is now anticipated to be higher. |
| Customer Services Staffing | Customer Services is currently under review so current vacancies are being held until the review runs its course. | (123) | (131) | It is anticipated that vacancies will be filled once the review reaches its later stages. |
| Revenues Service Vacancies | Vacancies in the Revenues Processing Team that were unfilled for a period or remain unfilled in addition to some maternity savings. | (43) | (68) | No impact on frontline service. |
| Net Overspend / (Underspend) | | (117) | 39 | |

Resources

Commercial Services

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional information / Action taken |
|------------------------------|---|-------------------|-------------------|--|
| Waste Disposal Charges | Movement in tonnage and price. | 119 | 119 | Market conditions in the recycling market have resulted in issues with disposing of recycle. A report to Council on 9 th February 2016 covered this in more detail and efforts continue to resolve the situation. This is partly offset by lower than anticipated residual tonnages in the early part of the year. |
| Burials Income | Income from the Burials Service is lower than the original year to date forecast. | 90 | 71 | The number of burials varies throughout the year. |
| Zero Waste | Procurement and transition costs for the Zero Waste project exceeds the remaining budget | 0 | 33 | An update report is scheduled for November. |
| Taxi-cards | The taxi-card scheme was closed to new entrants in 2015/16 but usage by remaining participants is higher than budgeted. | 26 | 26 | |
| Gross Overspend | | 235 | 249 | |
| <i>Offset by:</i> | | | | |
| Street Lighting Electricity | Spend is lower than at the same point last year. | 0 | (82) | Conversion to LED lighting leads to lower consumption but this is offset by growth from new Housing Developments. |
| Staff Vacancies | Vacancies across the service have exceeded the performance factor. | (76) | (52) | This predominantly relates to Waste Services due to changes in the service provided and delays in recruiting to new posts. |
| Fuel Costs | Waste Services vehicles have lower fuel usage than was anticipated when setting the budget. | (68) | (68) | This will be reflected in future years budgets. |
| Other non-material variances | Miscellaneous variances covering the remaining areas of the service. | 16 | (6) | No impact on frontline service. |
| Net Overspend | | 107 | 41 | |

Finance and Integrated Service Support

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional information / Action taken |
|-------------------------|---|-------------------|-------------------|--|
| Mi-Future | The costs of staff in SWITCH during the year are projected to exceed budget. | 130 | 133 | 6 months budget is moved to Switch with displaced employees. The Mi-Future team continues to work towards a satisfactory resolution for each employee in SWITCH and when compared to severance costs SWITCH remains a cost effective solution. As at 30 th September 2016 there were 16 people in SWITCH on placements, some of whom are funded by services. |
| Central Postages | The volume and cost of postages exceeds budget of £122k. | 49 | 45 | Despite changing suppliers and securing better prices the volume and mix of postages continues to exceed budget. Work continues to address this by reducing postage volumes, avoiding all unnecessary postage costs and maximising compliance with contractual requirements. |
| Photocopying | Costs associated with the new centralised Council wide contract are greater than estimated due to higher than anticipated volume of use. The budget is £129k. | 33 | 33 | A review of activity is underway with the aim of minimising volumes and reducing reliance on paper in accordance with EWiM principles. |
| Bank Charges | The shift towards electronic payments has led to increased transaction costs. | 24 | 23 | A review of bank charges is underway with the aim of negotiating lower rates with service providers. |
| Occupational Health | A change to the external provider has resulted in an unexpected cost. The budget is £86k. | 15 | 13 | The previous provider was very competitive but is no longer operating. Budgets for future years will be revised to incorporate the new terms. |
| Gross Overspend | | 251 | 247 | |

Properties and Facilities Management

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional information / Action taken |
|--|--|-------------------|-------------------|--|
| Energy Costs | The price mix between standing charges and for consumption has changed for electricity supply. | 0 | 41 | Standing charges have increased. |
| Loanhead Leisure Centre – loss of income | Loanhead Leisure Centre will close temporarily in January 2017 before re-opening as part of the new Loanhead Community Hub in August 2017. | 34 | 38 | Work is ongoing to identify alternative locations for various activities and classes currently held at the centre. |
| Gross Overspend | | 34 | 79 | |
| <i>Offset by:</i> | | | | |
| Catering Staffing | Difficulty recruiting to vacant posts. | (30) | (45) | Efforts continue to recruit to vacant posts targeting entry level applicants where appropriate. |
| Net Overspend | | 4 | 34 | |

Other

| Description of Variance | Reason for Variance | Quarter 1 £000 | Quarter 2 £000 | Additional Information / Action taken |
|--------------------------------------|--|-------------------|-------------------|--|
| Loan Charges | The 2016/17 budget provided for planned slippage in the General Services Capital Plan. To date slippage has been less than planned. | 283 | 283 | |
| Central Costs | Insurance costs – an increase in the likely settlement costs of existing claims. | 112 | 163 | Detail of these claims is being reviewed and any mitigating action required will be put in place. A review of likely settlement costs since quarter 1 gave rise to increased exposure to one high value claim. |
| Transformation Savings - Procurement | A target of £350k for procurement savings was set for 2015/16 which mainly reflected slippage in targeted savings for previous years. It is projected that £200k of this will be achieved. | 150 | 150 | Procurement plans are currently being refreshed and this may identify further savings in 2016/17. Contract savings have been made or are planned for 2016/17 which impact on the Capital Account and the Housing Revenue Account. |

| | | | | |
|--|---|-------|-------|--|
| Transformation Savings – Tactical Reductions in contracted hours | The target of £150k will not been achieved in 2016/17 | 150 | 150 | Progress in taking forward a voluntary reduction in hours initiative and promoting flexible retirement options have been delayed because of the focus on low pay. Work in the remainder of the year is expected to deliver a part year saving. |
| Council Tax Income | A continued growth in Band D equivalents results in a higher than budgeted Council Tax yield. | (452) | (500) | The continued growth in Band D equivalents will be factored into Council Tax income budgets for future years. |

Treasury Management Mid-Year Review Report 2016/17

Report by Gary Fairley, Head of Finance and Integrated Service Support

1 Purpose of Report

The purpose of this report is to inform members of the Treasury Management activity undertaken during the first half of 2016/17, the forecast activity for the second half of 2016/17, and update the Prudential Indicators for 2016/17.

2 Background

Council, on 08 March 2016, approved the Treasury Management and Annual Investment Strategy Statement for the financial year 2016/17.

3 Economic update for first half of 2016/17

The key points from economic activity in the first half of 2016/17 are as follows:-

- The referendum vote for Brexit in June has seen a reduction in borrowing rates whereby Public Works Loan Board (PWLB) long-term loan rates dropped to around the 2.00% mark during mid-summer;
- The bank of England, on 4th August 2016, cut the Bank of England Base Rate from 0.50% to 0.25% with both new fixed term and variable rate investment opportunities broadly reducing in line with this 25bps reduction;
- Borrowing rate forecasts over the short-medium term have been adjusted in light of the economic outlook and show a gradual rise from current levels, with projected longer-term interest rates forecast to rise to c. 2.50% for by June 2019;
- At the time of writing, current forecasts for Bank Base Rate include a further cut to 0.10% in November this year and a first increase from this level in May 2018, back to 0.25%;
- The forecast for Consumer Price Inflation shows a sharp rise to around 2.40% for 2018 and 2019.

An economic update for the first part of the 2016/17 financial year is included as Appendix 1. PWLB borrowing rates for the first half of the year are outlined in Appendix 2.

4. Treasury Activity during first half of 2016/17

The main points arising from treasury activity in the year to 07 October 2016 were:-

- Long-term borrowing of £20.000 million was sourced:-
 - £10.000 million maturity loan drawn on 04 July 2016 at an interest rate of 2.32% for a 49 year tenor; and
 - £10.000 million maturity loan drawn on 08 July 2016 at an interest rate of 2.28% for a 46.5 year tenor;

The borrowing was sourced from PWLB, taking advantage of the Council's certainty rate discount of 0.20% from the standard PWLB rates and the historically low borrowing rate environment;
- Long term borrowing of £2.090 million matured, this being £2.000 million PWLB maturities, £0.061 million Salix maturities and £0.029 million PWLB Annuities;
- A £10.000 million deposit was placed with a German bank, Heleba¹, on 04 April 2016, for a fixed term of 1 year, at 0.94%, continuing the policy of cash backing reserves, whilst adding value to the portfolio with minimal risk.
- The average interest rate earned on external investments was 0.82%, exceeding the benchmark rate of 0.52%.

The Council's loan and investment portfolio as at 07 October 2016 is shown in tables 1 and 2 below (position at 31 March 2016 also shown for comparison):-

Table 1: Council's Loan Portfolio at 31 March 2016 and 07 October 2016

| Loan Type | 31 March 2016 | | 07 October 2016 | |
|--|---------------------------------|-----------------------|---------------------------------|-------------------------|
| | Principal Outstanding £000's | Weighted Average Rate | Principal Outstanding £000's | Weighted Average Rate % |
| PWLB Annuity | 768 | 8.90% | 754 | 8.90% |
| PWLB Maturity | 179,224 | 4.01% | 197,224 | 3.77% |
| LOBO | 20,000 | 4.51% | 20,000 | 4.51% |
| Temporary Market Loans | 36,880 | 0.48% | 35,000 | 0.25% |
| Other Loans | 400 | 0.00% | 357 | 0.00% |
| Total Loans | 237,272 | 3.51% | 253,335 | 3.35% |
| Underlying Borrowing Requirement* | 254,024 | | 262,718 | |
| Internal Borrowing | 16,752 | | 9,383 | |

* *The Underlying Borrowing Requirement is the Capital Financing Requirement excluding the "Public Private Finance" (PPP) Contract Liabilities*

¹ Landesbank Hessen-Thueringen Girozentrale, domiciled in Germany

Table 2: Council's Investment Portfolio at 31 March 2016 and 07 October 2016

| Investment Type | 31 March 2016 | | 07 October 2016 | |
|--------------------------|---------------------------------|-----------------------|---------------------------------|-------------------------|
| | Principal Outstanding £000's | Weighted Average Rate | Principal Outstanding £000's | Weighted Average Rate % |
| Money Market Funds | 13,355 | 0.50% | 8,153 | 0.42% |
| Bank Notice Accounts | 24,985 | 1.03% | 24,985 | 0.78% |
| Bank Fixed Term Deposits | 30,000 | 0.87% | 50,000 | 0.84% |
| Total Investments | 68,340 | 0.86% | 83,138 | 0.78% |

5. Expected Treasury Activity during second half of 2016/17

Borrowing

It is expected that further long-term borrowing will be undertaken in the latter half of 2016/17, given both (a) the historically low interest rate environment and (b) the capital expenditure forecasts for 2016/17 presented to Council elsewhere on today's agenda (and summarised in Section 6 below).

Consideration will also continue to be given as to whether borrowing now (for capital expenditure in 2017/18 or beyond) to secure historically low PWLB rates offers value compared with forward interest rate projections. Equally, consideration will continue to be given as to whether any forward borrowing opportunities offer value (this would allow the Council to secure loans now at an agreed rate, to be drawn down at later dates when interest rates are forecast to be significantly higher. This would eliminate the majority of the cost of carry).

Appendix 3 provides forecasts for interest rates from the Council's Treasury Management advisor, Capita.

As with all long-term borrowing decisions, an option appraisal will be undertaken prior to executing any loan transaction, to ensure that any loans taken offer best value to the Council.

Investments

As noted in Section 3 and detailed in Appendix 1, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.25% Bank Rate, with a further cut in Bank Base Rate to 0.10% in November expected to reduce investment returns further. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis together with other risks which could impact on the creditworthiness of banks prompts a low risk strategy. Given this risk environment, investment returns are likely to remain low.

£40.000 million of the Council's investments are held in fixed term deposits which mature in late March / early April 2017 and £24.985 million in bank notice accounts (with the notice period equating to

broadly 6 months). Given the current low interest rate environment and the expected further reduction in Bank Base Rate, it is proposed that Council officers, in conjunction with Capita Asset Services, continue to review the range of investment options available to the Council within its stated investment policy in order to select only the most creditworthy counterparties to ensure the security of Council funds, and from that list select the range of investment products that offer best value to the Council's investment portfolio.

Expected Loan & Investment Portfolio at 31 March 2017

Taking all of the above into account, the expected loan and investment portfolio at 31 March 2017 is shown in Tables 7 and 8 below:-

Table 7: Council's forecast Loan Portfolio at 31 March 2017

| Loan Type | 31 March 2017 | |
|---|---------------------------------|-----------------------|
| | Principal Outstanding £000's | Weighted Average Rate |
| PWLB Annuity | 739 | 8.90% |
| PWLB Maturity | 208,482 | 3.70% |
| LOBO | 20,000 | 4.51% |
| Temporary Market Loans | 40,170 | 0.25% |
| Other Loans | 337 | 0.00% |
| Total Loans | 269,728 | 3.26% |
| | | |
| Underlying Borrowing Requirement | 287,493 | |
| Internal Borrowing | 17,765 | |

Table 8: Council's forecast Investment Portfolio at 31 March 2017

| Investment Type | 31 March 2017 | |
|--------------------------|---------------------------------|-----------------------|
| | Principal Outstanding £000's | Weighted Average Rate |
| Money Market Funds | 5,000 | 0.25% |
| Bank Notice Accounts | 24,985 | 0.63% |
| Bank Fixed Term Deposits | 40,000 | 0.69% |
| Total Investments | 69,985 | 0.64% |

6. Prudential Indicators 2016/17

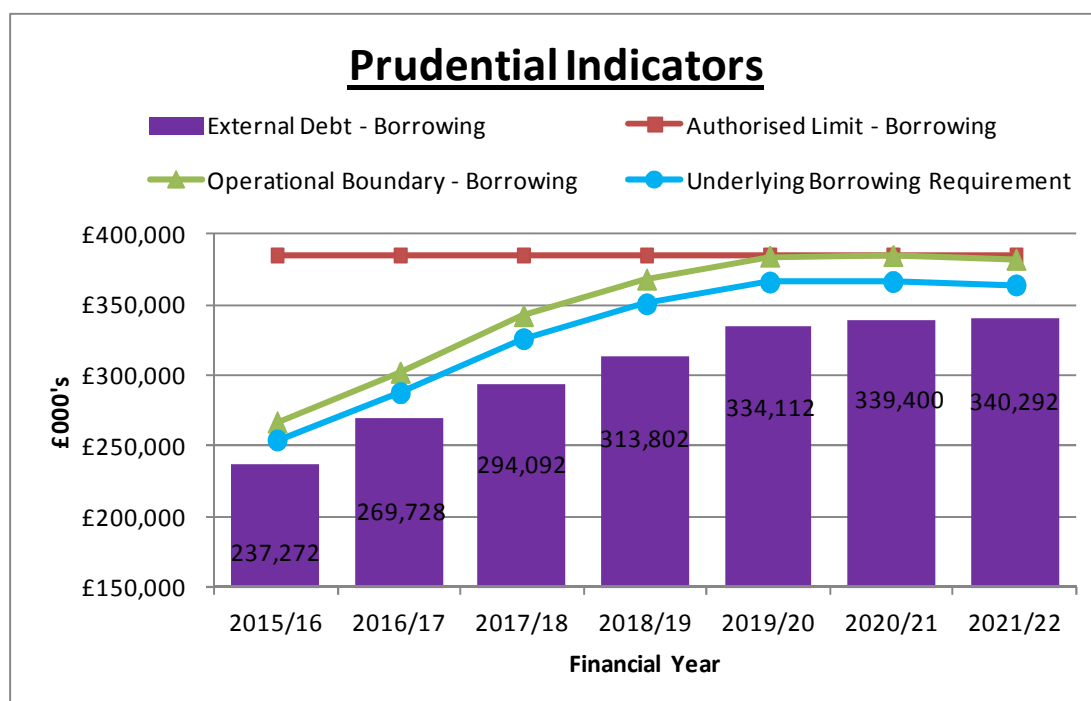
The following prudential indicators have been refreshed from those reported to Council on 08 March 2016 in the original Treasury Management and Annual Investment Strategy Statement 2016/17, based on the actual outturn for 2015/16 and the Council's Capital Plans for 2016/17 to 2021/22, and are shown in Table 9 and in graphical form below (see also Appendix 4):-

Table 9: Prudential Indicators 2016/17 – Mid Year Update

| Indicator | 2016/17 Original Estimate £000's | 2016/17 Current Position £000's | 2016/17 Revised Estimate £000's |
|---|---|--|--|
| 2016/17 Capital Expenditure | 72,501 | 18,145 | 59,118 |
| 2016/17 Required Borrowing | 59,341 | 12,060 | 40,714 |
| 2016/17 Underlying Borrowing Requirement* | 310,697 | 262,718 | 287,493 |
| 2016/17 Gross External Borrowing | 285,736 | 253,335 | 269,728 |
| | | | |
| Operational Boundary – Borrowing | 310,727 | 275,854 | 301,868 |
| Authorised Limit – Borrowing | 334,260 | 384,844 | 384,844 |
| | | | |
| 2016/17 Capital Financing Requirement** | 365,699 | 318,340 | 342,495 |

* Excludes "On balance sheet" PPP schemes.

** Includes "On balance sheet" PPP schemes.



The **Capital Financing Requirement (CFR)** denotes the Council's underlying need to borrow for capital purposes. The CFR includes borrowing arising as a result of the Council's Capital Plans, plus the long-term liability arising from the Council's two PPP contracts. The Underlying Borrowing Requirement strips out the latter of these (long-term liability arising from the two PPP contracts) from the CFR.

The **Authorised Limit for Borrowing** represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It is the expected maximum borrowing need with some headroom for unexpected movements. This was recommended to be £334.260 million in the Treasury Strategy report presented to Council on 08 March 2016 and subsequently agreed by Council.

Rather than restrict external borrowing in the remainder of 2016/17 to:-

- the expected Underlying Borrowing Requirement for this year (£287.493 million); or
- the Authorised Limit for Borrowing of £334.260 million approved by Council on 08 March 2016;

it is proposed that permission be granted to borrow up to the authorised limit for borrowing of £384.844 million (as shown in the table below), if market conditions supported this action. This would have the effect of securing lower costs for future years but care would be taken to ensure that the cost of carry from borrowing early is minimized and that the maturity structure of all debt is sufficiently robust to ensure that the CFR at 31 March 2022 remains achievable.

Table 10: Authorised Limit for Borrowing: Calculation

| Indicator | 2016/17 Original Estimate £000's | 2016/17 Revised Estimate £000's |
|---|---|--|
| CFR – General Services (31 March 2021) | 121,652 | 129,163 |
| CFR – HRA (31 March 2021) | 202,464 | 236,914 |
| Unrealised Capital Receipts & Developer Contributions 2016/17 | 2,084 | 4,708 |
| Forecast level of Capital Receipts & Developer Contributions 2016/17 to 2020/21 | 8,060 | 14,059 |
| Proposed Authorised Limit | 334,260 | 384,844 |

7 Report Implications

7.1 Resource

Expenditure from Treasury Management activity i.e. loan charges, is reported in quarterly financial positions to Council, with Quarter 2 monitoring reflected in the Financial Monitoring 2016/17 – General Fund Revenue report elsewhere on today's agenda.

7.2 Risk

As the Council follows the requirements of the CIPFA Code of Practice for Treasury Management, and the Prudential Code, there is a reduced level of risks involved in Treasury Management activities. Those risks that do exist are further controlled through written Treasury Management Practices which define the responsibilities of all staff involved and these have recently been reviewed and updated.

7.3 Single Midlothian Plan and Business Transformation

Themes addresses in this report:-

- Community safety
- Adult health, care and housing

- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

7.4 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 investment. This in turn helps to ensure that the Council's capital expenditure is sustainable in revenue terms.

7.5 Adopting a Preventative Approach

The proposals in this report do not directly impact on the adoption of a preventative approach.

7.6 Involving Communities and Other Stakeholders

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

7.7 Ensuring Equalities

There are no equality issues arising from this report.

7.8 Supporting Sustainable Development

There are no sustainability issues arising from this report.

7.9 Digital Issues

There are no Digital Services implications arising from this report.

8 Summary

Treasury Management activity during the year to 07 October 2016 has been effective in minimising borrowing costs and maximising investment income within the parameters set by the strategy for the year.

Further long-term borrowing is forecast for the remainder of 2016/17, reflective of the General Services and HRA capital plans reported elsewhere on today's agenda.

The investment climate remains challenging given the low interest rate environment and creditworthiness concerns. Officers will continue to review the investment opportunities available to the Council.

The Prudential Indicators have been updated to reflect current capital expenditure and income projections and the extension of the General Services Capital Plan to 2021/22.

9 Recommendations

It is recommended that Council:-

- a) Note the report and the treasury activity undertaken in the period to 07 October 2016, as outlined in Section 4;
- b) Note the forecast activity during the second-half of the year as outlined in Section 5;
- c) Approve the revisions to the Prudential Indicators in Section 6 of this report.

25 October 2016

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Appendices

Appendix 1: Economic Update for first part of 2016/17 financial year

Appendix 2: PWLB Borrowing Rates 1 April 2016 to 30 September 2016

Appendix 3: Capita Asset Services Interest Rate Forecasts

Appendix 4: Prudential Indicators Detail

Appendix 1: Economic Update for first part of 2016/17 financial year

UK

UK Gross Domestic Product (GDP) growth rates in 2013 of 2.2% and 2.9% in 2014 were strong but 2015 was disappointing at 1.8%, though it still remained one of the leading rates among the G7 countries. Growth improved in quarter 4 of 2015 from +0.4% to 0.7% but fell back to +0.4% (2.0% y/y) in quarter 1 of 2016 before bouncing back again to +0.7% (2.1% y/y) in quarter 2. During most of 2015, the economy had faced headwinds for exporters from the appreciation during the year of sterling against the Euro, and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme. The referendum vote for Brexit in June this year delivered an immediate shock fall in confidence indicators and business surveys, pointing to an impending sharp slowdown in the economy. However, subsequent surveys have shown a sharp recovery in confidence and business surveys, though it is generally expected that although the economy will now avoid flat lining, growth will be weak through the second half of 2016 and in 2017.

The Bank of England meeting on August 4th addressed this expected slowdown in growth by a package of measures including a cut in Bank Rate from 0.50% to 0.25%. The Inflation Report included an unchanged forecast for growth for 2016 of 2.0% but cut the forecast for 2017 from 2.3% to just 0.8%. The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. He also warned that the Bank could not do all the heavy lifting and suggested that the Government will need to help growth by increasing investment expenditure and possibly by using fiscal policy tools (taxation). The new Chancellor Phillip Hammond announced after the referendum result, that the target of achieving a budget surplus in 2020 will be eased in the Autumn Statement on November 23.

The Inflation Report also included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. CPI has started rising during 2016 as the falls in the price of oil and food twelve months ago fall out of the calculation during the year and, in addition, the post referendum 10% fall in the value of sterling on a trade weighted basis is likely to result in a 3% increase in CPI over a time period of 3-4 years. However, the MPC is expected to look thorough a one off upward blip from this devaluation of sterling in order to support economic growth, especially if pay increases continue to remain subdued and therefore pose little danger of stoking core inflationary price pressures within the UK economy.

US

The American economy had a patchy 2015 with sharp swings in the growth rate leaving the overall growth for the year at 2.4%. Quarter 1 of 2016 disappointed at +0.8% on an annualised basis while quarter 2 improved, but only to a lacklustre +1.4%. However, forward indicators are pointing towards a pickup in growth in the rest of 2016. The Fed. embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene and then the Brexit vote, have caused a delay in the timing of the second increase which is now strongly expected in December this year.

Eurozone

In the Eurozone, the European Central Bank (ECB) commenced in March 2015 its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected Eurozone countries at a rate of €60bn per month; this was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December and March meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. These measures have struggled to make a significant impact in boosting economic growth and in helping inflation to rise from around zero towards the target of 2%. GDP growth rose by 0.6% in quarter 1 2016 (1.7% y/y) but slowed to +0.3% (+1.6% y/y) in quarter 2. This has added to comments from many forecasters that central banks around the world are running out of ammunition to stimulate economic growth and to boost inflation. They stress that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand in their economies and economic growth.

Rest of World

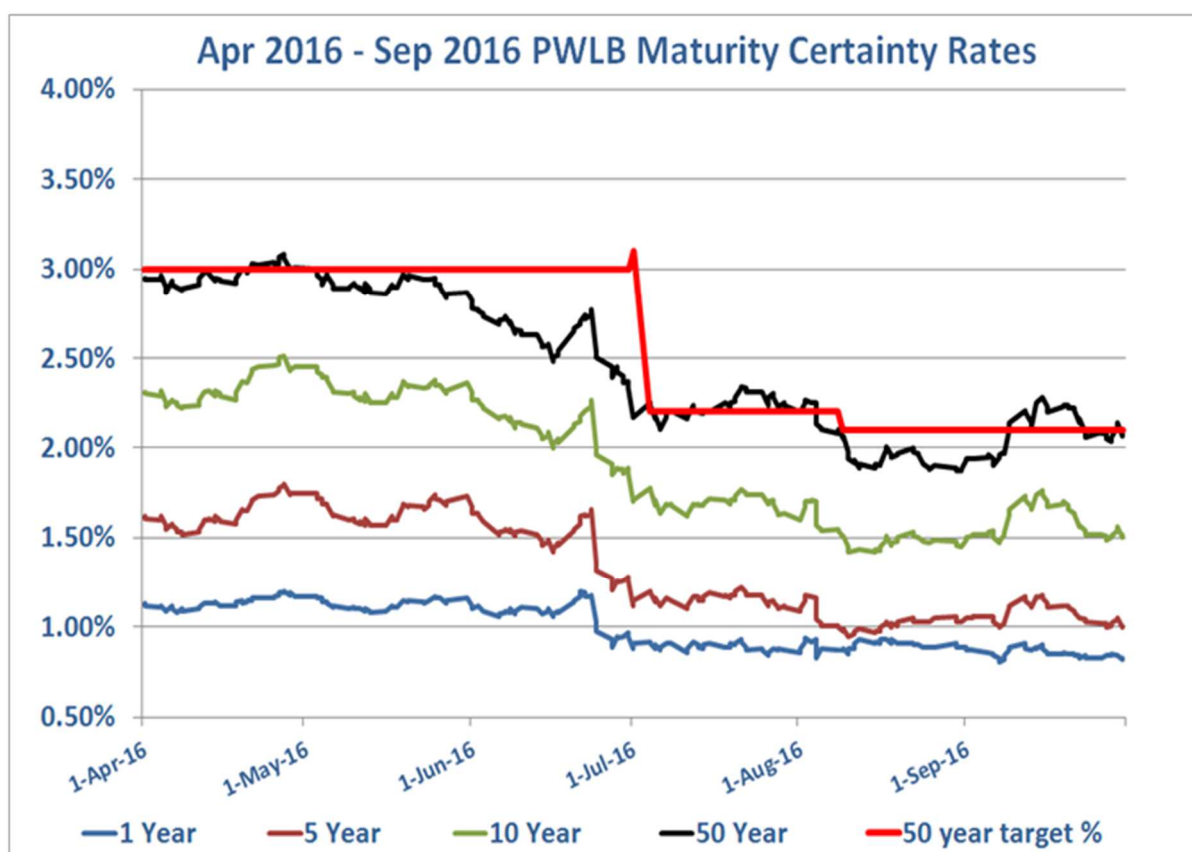
Japan is still bogged down in anaemic growth and making little progress on fundamental reform of the economy while Chinese economic growth has been weakening and medium term risks have been increasing.

Appendix 2: PWLB Borrowing Rates 1 April 2016 to 30 September 2016

The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date:

PWLB certainty rates 1 April 2016 to 30TH September 2016

| | 1 Year | 5 Year | 10 Year | 25 Year | 50 Year |
|---------|------------|------------|------------|------------|------------|
| 1/4/16 | 1.13% | 1.62% | 2.31% | 3.14% | 2.95% |
| 30/9/16 | 0.83% | 1.01% | 1.52% | 2.27% | 2.10% |
| Low | 0.81% | 0.95% | 1.42% | 2.08% | 1.87% |
| Date | 07/09/2016 | 10/08/2016 | 10/08/2016 | 12/08/2016 | 30/08/2016 |
| High | 1.20% | 1.80% | 2.51% | 3.28% | 3.08% |
| Date | 27/04/2016 | 27/04/2016 | 27/04/2016 | 27/04/2016 | 27/04/2016 |
| Average | 0.99% | 1.33% | 1.92% | 2.69% | 2.46% |



Appendix 3: Capita Asset Services Interest Rate Forecasts

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

| | Dec-16 | Mar-17 | Jun-17 | Sep-17 | Dec-17 | Mar-18 | Jun-18 | Sep-18 | Dec-18 | Mar-19 | Jun-19 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank rate | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% | 0.25% | 0.25% | 0.25% | 0.25% | 0.50% |
| 5yr PWLB rate | 1.00% | 1.00% | 1.10% | 1.10% | 1.10% | 1.10% | 1.20% | 1.20% | 1.20% | 1.20% | 1.30% |
| 10yr PWLB rate | 1.50% | 1.50% | 1.60% | 1.60% | 1.60% | 1.60% | 1.70% | 1.70% | 1.70% | 1.70% | 1.80% |
| 25yr PWLB rate | 2.30% | 2.30% | 2.40% | 2.40% | 2.40% | 2.40% | 2.50% | 2.50% | 2.50% | 2.50% | 2.60% |
| 50yr PWLB rate | 2.10% | 2.10% | 2.20% | 2.20% | 2.20% | 2.20% | 2.30% | 2.30% | 2.30% | 2.30% | 2.40% |

Capita Asset Services undertook a quarterly review of its interest rate forecasts after the MPC meeting of 4th August cut Bank Rate to 0.25% and gave forward guidance that it expected to cut Bank Rate again to near zero before the year end. The above forecast therefore includes a further cut to 0.10% in November this year and a first increase in May 2018, to 0.25%, but no further increase to 0.50% until a year later. Mark Carney has repeatedly stated that increases in Bank Rate will be slow and gradual after they do start. The MPC is concerned about the impact of increases on many heavily indebted consumers, especially when the growth in average disposable income is still weak and could well turn negative when inflation rises during the next two years to exceed average pay increases.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities. However, we have been experiencing exceptional levels of volatility in financial markets which have caused significant swings in PWLB rates. Our PWLB rate forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The overall balance of risks to economic recovery in the UK remains to the downside. Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Monetary policy action reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some major developed economies, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure;
- Weak capitalisation of some European banks;
- A resurgence of the Eurozone sovereign debt crisis;
- Geopolitical risks in Europe, the Middle East and Asia, increasing safe haven flows;
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed. rate increases, causing a further flight to safe havens (bonds);
- UK economic growth and increases in inflation are weaker than we currently anticipate;

- Weak growth or recession in the UK's main trading partners - the EU and US.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities;
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Appendix 4 Prudential Indicators Detail

Prudential Indicator for Capital Expenditure

The table below shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the budget:-

| Capital Expenditure by Service | 2016/17 Original Estimate £000's | Current Position £000's | 2016/17 Revised Estimate £000's |
|---------------------------------------|---|--------------------------------|--|
| Resources | 6,178 | 1,364 | 12,661 |
| Education, Community & Economy | 22,342 | 10,104 | 23,273 |
| Health & Social Care | 105 | 26 | 407 |
| Council Transformation | 87 | (14) | 328 |
| Unallocated | 976 | 0 | 0 |
| HRA | 42,813 | 6,665 | 22,449 |
| Total | 72,501 | 18,145 | 59,118 |

Forecast levels of capital expenditure on:-

- Resources has increased compared to budget, with the inclusion of approved budgets for the following projects: Stobhill Depot Replacement, SWAN programme, Digital Services Requirements for the new GoreGlen & Bilston Primaries, Straiton Bing Site Investigation and Mayfield Park Amenities; together with a £4.556 million rephasing of budgets from 2015/16 / 2017/18 to/from 2016/17;
- Education, Community & Economy has increased by £0.931 million with the inclusion of approved budgets for the following projects: Inspiring Learning Spaces and the Borders Rail Economic Development Projects, and an acceleration in the forecast level of spend for the Paradykes & Roslin Primary School projects;
- Health & Social Care has increased by £0.302 million to reflect the approval of the Homecare budget and the rephasing of spend for the Assistive Technology project;
- Council Transformation has increased by £0.241 million to reflect rephasing of project spend from 2015/16 to 2016/17;
- HRA has decreased by £20.364 million to reflect the rephasing of the Phase II and III programmes.

Prudential Indicator for the Financing of the Capital Programme & Borrowing

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (principal repayments). This direct borrowing need is also supplemented by maturing debt and other treasury requirements.

| Capital Financing | 2016/17 Original Estimate £000's | Current Position £000's | 2016/17 Revised Estimate £000's |
|----------------------------------|---|--|--|
| Total Capital Expenditure | 72,501 | 18,145 | 59,118 |
| Capital Grants | 8,222 | 3,793 | 8,428 |
| Capital Receipts | 1,148 | 1,962 | 2,155 |
| Capital Reserves | 0 | 0 | 0 |
| Developer Contributions | 3,265 | 497 | 5,012 |
| Other Contributions | 526 | (167) | 2,809 |
| Total Financing | 13,160 | 6,085 | 18,403 |
| Borrowing Required | 59,341 | 12,060 | 40,714 |

Total expected financing has increased from £13.160 million to £18.403 million, reflecting:-

- An increase in the forecast level of capital receipts applied to the HRA capital plan;
- an increase in the forecast level of developer contributions that can be applied to finance the capital plan;
- an increase in the level of “other contributions”, reflecting the application of the insurance receipt for Hopefield, the funding from NHS Lothian for the Paradykes project and the funding from Scottish Futures Trust for the Inspiring Learning Spaces project.

General Services Capital Plan 2016/17

Report by Gary Fairley, Head of Finance and Integrated Service Support

1 Purpose of Report

The purpose of this report is to provide Council with information on the projected performance of the General Services Capital Plan against budget for 2016/17.

2. Background

2.1 2016/17 Budget

The Quarter 1 monitoring position for the General Services Capital Plan for 2016/17 was presented to Council on 27 September 2016 and, after accounting for known rephasing of projects, budgeted for expenditure of £35.954 million and funding of £13.995 million, therefore giving a budgeted in-year borrowing requirement of £21.959 million.

2.2 Adjustments to 2016/17 Budget

Expenditure

The budgeted expenditure of £35.954 million, as reported at Quarter 1, has been adjusted as outlined in Tables 1, 2 and 3 below:-

Table 1: New Projects already approved

| Project | Description of amendment to budget | Previous Budget £000's | Revised Budget £000's | Budget Movement £000's |
|--|---|-----------------------------------|----------------------------------|-----------------------------------|
| Borders Rail – Economic Development Projects | Central budget for capital works associated with economic development of the Borders Rail line. | 0 | 250 | +250 |
| Total | | 0 | 250 | +250 |

Table 2: New Projects for approval

| Project | Description of amendment to budget | Previous Budget £000's | Revised Budget £000's | Budget Movement £000's |
|---|---|-------------------------------|------------------------------|-------------------------------|
| Inspiring Learning Spaces | Improvements to Learning Spaces across 20 primary school. Fully funded by Scottish Futures Trust. | 0 | 310 | +310 |
| Digital Services for GoreGlen & Bilston Primary Schools | Inclusion of Digital Services equipment and infrastructure for the new GoreGlen and Bilston Primary Schools | 0 | 174 | +174 |
| Mayfield Park Amenities | New play area and improvements to the existing amenity of Mayfield Park. Part funded by the Central Scotland Green Network and the Suez Communities Trust | 0 | 81 | +81 |
| Total | | 0 | 565 | +565 |

Table 3: Rephasing of project budget

| Project | Description of amendment to budget | Previous Budget £000's | Revised Budget £000's | Budget Movement £000's |
|---------------------------------------|---|-------------------------------|------------------------------|-------------------------------|
| Paradykes & Roslin Primary Schools | Acceleration of build from both contractors | 11,743 | 11,974 | +231 |
| Vehicle & Plant Replacement Programme | Additional vehicles requiring replacement in 2016/17 | 1,492 | 1,512 | +20 |
| Homecare | The phasing of the project has been rebalanced, with the mobile element pushed forward to 2017-18 | 110 | 35 | -75 |
| Lasswade High School MUGA | Anticipated underspend against project budget | 577 | 479 | -98 |
| Member's Environmental Improvements | Revised profile of spend based on in-year spend to date | 280 | 140 | -140 |
| Bilston & GoreGlen Primary Schools | Revised cashflows for remainder of project life | 8,276 | 8,104 | -172 |
| Other | Minor variances | 2,458 | 2,527 | +69 |
| Total | | 24,936 | 24,771 | -165 |

This therefore gives a revised budgeted expenditure of £36.605 million for 2016/17.

Funding

In line with this, the budgeted level of funding available to finance the plan has also been adjusted from the Q1 budgeted funding of £13.995 million to £13.898 million, to reflect:-

- An increase of £0.366 million in Other Contributions, reflecting the £0.310 million award from Scottish Government towards Inspiring Learning Spaces and the two £0.028 million contributions from Central Scotland Green Network and the Suez Communities Trust towards the Mayfield Park project.
- The rephasing of £0.462 million in Early Year's Childcare grant into 2017/18.

Borrowing

The budgeted level of borrowing reported at Quarter 1 was £21.959 million. Based on the rephased expenditure and funding levels outlined above, the rephased budgeted borrowing required has increased to £22.707 million.

2.3 Quarter 2 Projected Performance against Budget

Expenditure

Expenditure to 11 September 2016 is £11.480 million with a projected expenditure outturn of £36.669 million. At this stage it is anticipated that budgets for the projects detailed in Appendix 1 will be fully spent in the current year with the following exceptions:-

Table 4: Adjustment to expenditure budget of projects

| Item | Description | Projected (Underspend)/ Overspend £000's |
|---|---|--|
| Waste Service Review Collection Vehicles | Additional costs due to price inflation on purchase costs | +64 |
| Total | | +64 |

It is therefore expected that there will be a net overspend against budget for the year of £0.064 million.

Funding

Funding received to 11 September 2016 is £3.359 million with a projected total funding available to finance the capital plan in 2016/17 of £13.898 million, in line with the rephased budget.

Borrowing

The rephased budgeted level of borrowing for 2016/17 was £22.707 million. Based on the revised expenditure and funding levels as

outlined above, the projected estimate of the level of borrowing required to fund the investment identified in Appendix 1 is £22.770 million, an increase of £0.064 million. The impact of this on the Council's borrowing costs is reflected in the Financial Monitoring 2016/17 – General Fund Revenue report elsewhere on today's agenda.

2.4 Overall Position 2016/17

Based on the above, the projected performance against budget for 2016/17 is shown in the table below:-

| Item | 2016/17 Budget At Q1 £000's | Rephased 2016/17 Budget At Q2 £000's | Actual To 11/09/16 £000's | 2016/17 Projected Outturn £000's | 2016/17 Variance £000's | 2016/17 Carry Forward £000's |
|--------------------|-----------------------------|--------------------------------------|---------------------------|----------------------------------|-------------------------|------------------------------|
| Expenditure | 35,954 | 36,605 | 11,480 | 36,669 | 64 | 234 |
| Funding | 13,995 | 13,898 | 3,359 | 13,898 | 0 | |
| Borrowing Required | 21,960 | 22,707 | 8,121 | 22,770 | 64 | |

3. Capital Fund

The Capital Fund at the start of the 2016/17 financial year was £15,378 million. Capital Receipts of £7.318 million are forecast to be received in 2016/17 (£0.224 million to 11/09/2016), and will be transferred to the capital fund. This will increase the balance in the Capital Fund to £22.696 million. Council, on 27 September 2016, approved the medium to long-term strategy for the Capital Fund, specifically, to maintain the current arrangements for crediting all capital receipts for the disposal of assets to the Capital Fund, and for £12.000 million to be earmarked from the Capital Fund for the Edinburgh and South East Scotland City Region Deal.

4. Report Implications

4.1 Resource

The borrowing required to finance the planned investment in 2016/17 is projected to be £22.770 million. The loan charges associated with this borrowing are reported to Council in the Financial Monitoring 2016/17 – General Fund Revenue report presented elsewhere on today's agenda.

4.2 Risk

The inherent risk in the Capital Plan is that projects will cost more than estimated thus resulting in additional borrowing. The monitoring procedures ensure that significant variations are reported at an early stage so that remedial action can be taken to mitigate this risk.

There is also a risk that the wrong projects are prioritised, however there is an additional risk that the revenue budget cannot afford the level of borrowing currently reflected.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

4.4 Impact on Performance and Outcome

There are no issues arising directly from this report.

4.5 Adopting a Preventative Approach

There are no issues arising directly from this report

4.6 Involving Communities and Other Stakeholders

No external consultation has taken place on this report.

4.7 Ensuring Equalities

There are no equalities issues arising directly from this report.

4.8 Supporting Sustainable Development

There are no sustainability issues arising directly from this report.

4.9 IT Issues

There are no IT implications arising from this report.

5 Recommendations

Council is asked to:

- a) Note the General Services Capital Plan Quarter 2 monitoring position for 2016/17;
- b) Approve the following projects as outlined in Table 2 in Section 2.2 to be added to the General Services Capital Plan: (a) Inspiring Learning Spaces, (b) GoreGlen & Bilston Primary Schools Digital Services, and (c) Mayfield Park Amenities.

Date 25 October 2016

Report Contact:

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Background Papers:

Appendix 1 – Detailed General Services Capital Plan Expenditure 2016/17

Appendix 1

Detailed General Services Capital Plan Expenditure 2016/17

| | Rephased | | 2016/17 Actual | 2016/17 Forecast | 2016/17 Variance | 2016/17 Carry |
|--|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|
| | 2016/17 Budget | 2016/17 Budget | | | | |
| GENERAL SERVICES CAPITAL PLAN | Budget | Budget | Actual | Forecast | Variance | Carry |
| 2016/17 Q2 MONITORING | Q1 | Q2 | to P6 | Outturn Q2 | Q2 | Forward Q2 |
| | £000's | £000's | £000's | £000's | £000's | £000's |
| RESOURCES | | | | | | |
| Customer Services | | | | | | |
| Front Office - Device & Interactive Asset Upgrades | 481 | 481 | 163 | 481 | 0 | 0 |
| Back Office - Anti Virus Upgrades | 0 | 0 | 0 | 0 | 0 | 0 |
| Back Office - Server Replacement | 26 | 26 | 194 | 26 | 0 | 0 |
| Back Office - UPS Devices | 1 | 1 | 1 | 1 | 0 | 0 |
| Network Enterprise - Network Connection | 0 | 0 | 0 | 0 | 0 | 0 |
| Network Enterprise - Network Assets (Power & Data) | 157 | 157 | 8 | 157 | 0 | 0 |
| IGS - Compliance - Data Encryption | 0 | 0 | 0 | 0 | 0 | 0 |
| IGS - Compliance - PCI | 39 | 39 | 0 | 39 | 0 | 0 |
| Disaster Recovery | 0 | 0 | 0 | 0 | 0 | 0 |
| Service Desk - ITMIS Service Improvement | 150 | 150 | 32 | 150 | 0 | 0 |
| Committee Management System | 3 | 3 | 0 | 3 | 0 | 0 |
| Paperless Meetings | 16 | 16 | 0 | 16 | 0 | 0 |
| Business Application Upgrades inc. mobile working | 139 | 139 | 0 | 139 | 0 | 0 |
| Interactive White Board Replacement | 813 | 813 | 0 | 813 | 0 | 0 |
| SWAN Programme | 208 | 208 | 0 | 208 | 0 | 0 |
| New GoreGlen & Bilston | | 174 | 0 | 174 | 0 | 0 |
| Commercial Operations | | | | | | |
| Street Lighting Upgrades | 728 | 728 | 135 | 728 | 0 | 0 |
| Street Lighting LED Upgrade (Salix Funded) | 0 | 0 | 0 | 0 | 0 | 0 |
| Footway & Footpath Network Upgrades | 1,122 | 1,122 | 354 | 1,122 | 0 | 0 |
| Road Upgrades | 1,524 | 1,524 | 354 | 1,524 | 0 | 0 |
| Millerhill Access Road / Site Services | 0 | 0 | -237 | 0 | 0 | 0 |
| Zero Waste Capital Contribution | 0 | 0 | 0 | 0 | 0 | 0 |
| Cycling, Walking & Safer Streets Projects | 189 | 189 | 79 | 189 | 0 | 0 |
| Ironmills Park Steps | 185 | 185 | 0 | 185 | 0 | 0 |
| Emily Bing | 13 | 13 | 0 | 13 | 0 | 0 |
| New recycling facility - Penicuik | 281 | 281 | 11 | 281 | 0 | 0 |
| Waste Collection Vehicles | 140 | 140 | 0 | 204 | 64 | 0 |
| Food Waste Collection | 0 | 0 | 0 | 0 | 0 | 0 |
| Vehicle & Plant Replacement Programme | 1,492 | 1,512 | 208 | 1,512 | 0 | -20 |
| Electric Vehicles - Powerpoint Installation | 73 | 73 | 0 | 73 | 0 | 0 |
| Install Geogrid - Barleyknowe Lane | 68 | 68 | 17 | 68 | 0 | 0 |
| Loanhead Memorial Park | 5 | 5 | 3 | 5 | 0 | 0 |
| 20mph Limits | 12 | 12 | 0 | 12 | 0 | 0 |
| Vogrie Car Parking Barriers | 33 | 33 | 0 | 33 | 0 | 0 |
| Webcasting Council, Cabinet & Committee Meetings | 0 | 0 | 0 | 0 | 0 | 0 |
| Mayfield Park Amenities | 0 | 81 | 0 | 81 | 0 | 0 |
| Property & Facilities | | | | | | |
| Stobhill Depot Upgrade | 569 | 569 | 1 | 569 | 0 | 0 |
| Stobhill Depot Replacement | 1,631 | 1,631 | 0 | 1,631 | 0 | 0 |
| Straiton Bing Site Investigation | | 70 | 0 | 70 | 0 | -70 |
| Property Upgrades inc. Lighting/Lightning | 1,866 | 1,866 | 39 | 1,866 | 0 | 0 |
| Purchase of 7 Eskdail Court, Dalkeith | 285 | 285 | 0 | 285 | 0 | 0 |
| Primary 1-3 Free School Meals | 3 | 3 | 0 | 3 | 0 | 0 |
| TOTAL RESOURCES | 12,251 | 12,597 | 1,364 | 12,661 | 64 | -90 |

| | Rephased | | Rephased | | | |
|--|---------------|---------------|---------------|---------------|-----------|------------|
| | 2016/17 | 2016/17 | 2016/17 | 2016/17 | 2016/17 | 2016/17 |
| | Budget | Budget | Actual | Forecast | Variance | Carry |
| EDUCATION, COMMUNITY AND ECONOMY | Q1 | Q2 | to P6 | Outturn Q2 | Q2 | Forward Q2 |
| Early Years | £000's | £000's | £000's | £000's | £000's | £000's |
| Woodburn Family Learning Centre | 180 | 180 | 11 | 180 | 0 | 0 |
| Gorebridge Development Trust (EYG Funded) | 100 | 100 | 0 | 100 | 0 | 0 |
| Gorebridge Development Trust | 116 | 116 | 0 | 116 | 0 | 0 |
| Gorebridge Development Trust (EYG Funded) | 70 | 70 | 0 | 70 | 0 | 0 |
| Further Early Years Provisions | 0 | 0 | 0 | 0 | 0 | 0 |
| Primary | | | | | | |
| New Bilston Primary | 3,573 | 3,459 | 2,976 | 3,459 | 0 | 114 |
| New Gorebridge North Primary | 4,703 | 4,645 | 4,205 | 4,645 | 0 | 58 |
| Cornbank Primary Extension | 19 | 19 | 0 | 19 | 0 | 0 |
| St Andrews Primary Extension | -18 | -18 | 0 | -18 | 0 | 0 |
| Newtongrange Primary Extension | 20 | 20 | 0 | 20 | 0 | 0 |
| Paradykes & Roslin Primaries Preparatory Works | 436 | 436 | 183 | 436 | 0 | 0 |
| Paradykes Primary Replacement | 8,500 | 8,661 | 1,584 | 8,661 | 0 | -161 |
| Roslin Primary Replacement | 3,243 | 3,313 | 867 | 3,313 | 0 | -70 |
| Former Hopefield Primary School | 500 | 500 | 0 | 500 | 0 | 0 |
| Inspiring Learning Spaces | 0 | 310 | 0 | 310 | 0 | 0 |
| Secondary | | | | | | |
| Lasswade High School inc. 2nd MUGA | 577 | 479 | 247 | 479 | 0 | 98 |
| Newbattle High School Preparatory Works | 395 | 395 | 5 | 395 | 0 | 0 |
| Newbattle High School - Future Extension | 0 | 0 | 0 | 0 | 0 | 0 |
| General | | | | | | |
| Online Payments for Schools | 45 | 45 | 0 | 45 | 0 | 0 |
| Bright Sparks | 0 | 0 | 0 | 0 | 0 | 0 |
| PPP1 Land Acquisition | 27 | 27 | 0 | 27 | 0 | 0 |
| Children and Families | | | | | | |
| Planning & Development | | | | | | |
| Environmental Improvements | 280 | 140 | 22 | 140 | 0 | 140 |
| Borders Rail - Economic Development Projects | 0 | 250 | 0 | 250 | 0 | 0 |
| Property Asset Management System | 6 | 6 | 4 | 6 | 0 | 0 |
| East High Street Public Realm & Burns Monument | 120 | 120 | 1 | 120 | 0 | 0 |
| TOTAL EDUCATION, COMMUNITY AND ECONOMY | 22,892 | 23,273 | 10,104 | 23,273 | 0 | 179 |
| HEALTH AND SOCIAL CARE | | | | | | |
| Adult & Social Care | | | | | | |
| Assistive Technology | 355 | 355 | 26 | 355 | 0 | 0 |
| Travelling Peoples Site Upgrade | 17 | 17 | 0 | 17 | 0 | 0 |
| Homecare | 110 | 35 | 0 | 35 | 0 | 75 |
| Customer & Housing Services | | | | | | |
| TOTAL HEALTH AND SOCIAL CARE | 482 | 407 | 26 | 407 | 0 | 75 |
| COUNCIL TRANSFORMATION | | | | | | |
| Purchase to Pay | 21 | 21 | 0 | 21 | 0 | 0 |
| EDRMS | 0 | 0 | 0 | 0 | 0 | 0 |
| EWiM | 0 | 0 | 0 | 0 | 0 | 0 |
| EWiM Phase 2 | 0 | 0 | -97 | 0 | 0 | 0 |
| Online Housing Applications | 27 | 27 | 0 | 27 | 0 | 0 |
| Corporate Telephony Services Upgrade | 9 | 9 | 0 | 9 | 0 | 0 |
| EWiM - Buccleuch House Ground Floor | 33 | 33 | 0 | 33 | 0 | 0 |
| Website Upgrade | 239 | 239 | 83 | 239 | 0 | 0 |
| City Deal | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL COUNCIL TRANSFORMATION | 328 | 328 | -14 | 328 | 0 | 0 |
| GENERAL SERVICES CAPITAL PLAN TOTAL | 35,953 | 36,605 | 11,480 | 36,669 | 64 | 164 |

Housing Revenue Account Revenue Budget and Capital Plan 2016/17

Report by Gary Fairley, Head of Finance and Integrated Service Support

1 Purpose of Report

The purpose of this report is to provide Council with a summary of expenditure and income to 23rd September 2016 for the Capital Plan and a projected outturn for both the Housing Revenue Account and Capital Plan for 2016/17.

2 Background

2.1 Capital Plan 2016/17

The revision of the Capital Plan reported to Council on 27th September 2016 allowed for investment of £22.449 million in 2016/17 as shown in Appendix 1. At this stage there are no material variances to be reported for 2016/17.

2.2 Revenue Account 2016/17

Since the revision of the Revenue Budget reported to Council on 27th September 2016 an underspend of £0.290 million is projected for 2016/17 which is shown in Appendix 2.

The underspend is primarily due to delays in the refurbishment of Pentland House, due to additional repair works taking longer than anticipated, this will result in a saving of £0.256 million for Housing Support and Caretaker costs, offset by shortfall in rental charge of £0.118 million.

These delays will also result in a shortfall in Service charge income of £0.035 million, however this is offset by additional Service Charge income from Private Registered Social Landlord properties not budgeted for resulting in additional income of £0.100 million.

The cost of borrowing will also be reduced by £0.043 million due to favourable interest rates on long-term borrowing.

The HRA reserve balance is projected to be £29.207 million at 31st March 2017. The longer term financial projections demonstrate that the majority of this will be required to finance existing investment commitments to 2030/31.

3 Report Implications

3.1 Resource

There are no direct resource implications arising from this report.

3.2 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.

Whilst the HRA reserve balance is projected to be £29.207 million at 31 March 2017, the longer term financial projections demonstrate that the majority of this will be required to finance existing investment commitments.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

3.4 Impact on Performance and Outcomes

This report links to the Corporate Priority 1a. "Provide quality, affordable housing including increasing homelessness accommodation".

3.5 Adopting a Preventative Approach

There are no issues arising directly from this report.

3.6 Involving Communities and Other Stakeholders

No external consultation has taken place on this report.

3.7 Ensuring Equalities

There are no equality issues arising directly from this report.

3.8 Supporting Sustainable Development

There are no sustainability issues arising from this report.

3.9 IT Issues

There are no IT issues arising directly from this report.

4 Summary

The summarised financial performance for 2016/17 is:

- Capital Expenditure is anticipated to be £22.449 million for the year;
- A net undersend of £0.290 million is projected on the Revenue Account;
- The HRA reserve at 31st March 2016 is projected to be £29.207 million.

5 Recommendations

Council is recommended to note the contents of this report.

Date 10th October 2016

Report Contact:

Name Lisa Young Tel No 0131-271-3111

lisa.young@midlothian.gov.uk

Background Papers: HRA Capital Plan and Revenue Budget

HOUSING REVENUE ACCOUNT CAPITAL PLAN 2016/17

| | Revised Budget | Actuals to Date | Projected Outturn | Variation (Under)/Over |
|--------------------------------|-----------------------|------------------------|--------------------------|-------------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| FUNDING | | | | |
| Net Receipts from Sales | 2,155 | 1,962 | 2,155 | 0 |
| Grants | | | | |
| -Incentivising New Build | 764 | 764 | 764 | 0 |
| -Mortgage to Rent | 168 | 0 | 168 | 0 |
| -Buy Backs Funding | 300 | 0 | 300 | 0 |
| Council Tax on Second Homes | 118 | 0 | 118 | 0 |
| Developer Contributions | 1,000 | 0 | 1,000 | 0 |
| Borrowing Required | 17,944 | 3,939 | 17,944 | 0 |
| TOTAL AVAILABLE FUNDING | 22,449 | 6,665 | 22,449 | 0 |

| APPROVED EXPENDITURE | £'000 | £'000 | £'000 | £'000 |
|---|---------------|--------------|---------------|--------------|
| New Build Houses Phase 1 | 162 | (124) | 162 | 0 |
| New Build Houses Phase 2 | 13,019 | 3,694 | 13,019 | 0 |
| Buy Backs | 1,603 | 657 | 1,603 | 0 |
| Aids & Adaptations | 300 | 125 | 300 | 0 |
| Energy Assistance | 1,000 | 82 | 1,000 | 0 |
| Homelessness - Mortgage to Rent | 303 | 0 | 303 | 0 |
| Homelessness - Pentland House Refurbishment | 472 | 26 | 472 | 0 |
| Homelessness - Midfield House Refurbishment | 39 | 8 | 39 | 0 |
| Environmental Works - McNeill Terrace | 0 | (27) | 0 | 0 |
| Scottish Housing Quality Standard | | | | |
| -Upgrade Central Heating Systems | 650 | 247 | 650 | 0 |
| -Kitchen Replacement Programme | 201 | 29 | 201 | 0 |
| -Sanitary Ware Replacement Programme | 950 | 292 | 950 | 0 |
| -SHQS Repairs | 3,750 | 1,656 | 3,750 | 0 |
| Total Expenditure | 22,449 | 6,665 | 22,449 | 0 |

MIDLOTHIAN COUNCIL

HOUSING REVENUE ACCOUNT 2016/17

Appendix 2

| | Revised Budget | Projected Outturn | Variation (Under)/Over |
|--------------------------------------|---------------------------|------------------------------|-----------------------------------|
| Average No of Houses | 6,864 | 6,864 | 0 |
| | £000's | £000's | £000's |
| Repairs and Maintenance | | | |
| Decant/Compensation | 5,400 | 5,391 | (9) |
| General Repairs | 40 | 40 | 0 |
| Grounds Maintenance | 574 | 574 | 0 |
| | 6,014 | 6,005 | (9) |
| Administration and Management | 4,842 | 4,842 | 0 |
| Loan Charges | 8,649 | 8,606 | (43) |
| Other Expenses | 2,488 | 2,232 | (256) |
| TOTAL EXPENDITURE | 21,993 | 21,685 | (308) |
| Rents | | | |
| Houses | 24,882 | 24,764 | 118 |
| Garages | 529 | 529 | 0 |
| Others | 586 | 686 | (100) |
| TOTAL RENTS | 25,997 | 25,979 | 18 |
| NET EXPENDITURE/(INCOME) | (4,004) | (4,294) | (290) |
| BALANCE BROUGHT FORWARD | (24,913) | (24,913) | 0 |
| BALANCE CARRIED FORWARD | (28,917) | (29,207) | (290) |

Impact of Exiting the European Union

Report by Kenneth Lawrie, Chief Executive

1.0 Purpose of Report

This report sets out an initial assessment of the impact on Midlothian of the decision to leave the European Union. The impact can be considered under a number of separate headings amongst which are EU funding, broader economic impacts, societal, environmental and regulatory issues. This report concentrates primarily on the loss of European Union grant aid, leaving some of the wider questions of economic and social policy impact for a later stage when it is clearer what the new relationship with the European Union will be.

2.0 Background

2.1 It is inevitable following the referendum in June that there is considerable uncertainty at this stage about the full impacts and consequences of leaving the European Union. Much of the focus to date has been on the potential economic impacts including growth rates, currency fluctuations, future investment streams, employment and inflation. The degree to which the UK has access to the Single Market following its departure from the EU will have a significant influence on these issues. In parallel with this, there is of course the matter of migration, how this will be managed in the future and the impact that will have on skills, employment and the demand for public services.

The EU also has considerable regulatory influence in relation to environmental issues such as landfill, waste water and energy efficiency directives, with associated tariffs and funding, and also rules around procurement and state aid. The negotiations relating to all of these issues following the triggering of Article 50 will be complex and detailed and significant uncertainty is likely to continue for some time to come. The priority for the Council is to plan for this changing landscape as the future position clarifies, assembling relevant data and evidence and using this as appropriate to lobby in respect of any particular identified interests either on its own part or through COSLA.

2.2 The most immediately identifiable impact of exiting the EU for Midlothian will be in respect of EU funding streams. The use of EU funding in Midlothian is broken into two broad types; funds administered by the Council or where the Council provides match funding itself, and funds flowing into the area associated with nationally operated schemes such as agricultural subsidies. The first type of funding can be easily quantified, the second only estimated, as data is not available at the Midlothian level.

2.3 Council EU operated programmes

European Social Fund

The current programme is operational up to December 2018, with costs allowed until June 2019 for evaluation. Within Midlothian there are two main elements as follows:

ESF Midlothian Employment Pipeline Programme

This has a total budget to deliver all 10 projects of just over £1m, of which 40% is ESF grant (£407,000) and 60% is match funding from partner organisations delivering Midlothian Employment Pipeline objectives. £31,000 of the match funding is provided directly by Midlothian Council.

It is anticipated that there will be 900 beneficiaries over 28 months through the 10 projects that will target key beneficiary groups resident within Midlothian. The projects are:

- Project 1 - Supporting young people with chaotic lifestyles and multiple barriers -Total Cost £270,000.
- Project 2 - Engaging and supporting adults with learning, physical and mental health barriers to employment -Total Cost £120,000.
- Project 3 - Support veterans and extended families into next steps, employment and in-work support – Total Cost £180,000.
- Project 4 - Tailored support for adults and youths on the autistic spectrum - Total Cost £120,000.
- Project 5 - Barrier free fund including childcare Total Cost £51,600.
- Project 6 - Supported vocational learning including basic, certificated and intensive employability support for those involved in the criminal justice system - Total Cost £60,000.
- Project 7 - Supported vocational learning including basic, certificated and intensive employability support for those who have experienced problems with substance misuse. Total Cost £60,000.
- Project 8 - Targeted support for parents/carers. Total Cost £90,000.
- Project 9 - Adults accredited learning opportunities, Sector Specific qualifications –.Total Cost £1,514.
- Project 10- Basic certificated Literary and numeracy provision. Total Cost £50,000.

The management costs for the project are £14,685.

Projects 1 through to 8 have been put out to tender, and 6 tenders have been selected with 2 being re-tendered. Projects 9 and 10 have been allocated in house to the council. Midlothian Council has to this date not drawn down any of the ESF Structural Funds to support the above projects. There is no draft or future funding plans in place to sustain these projects beyond the current ESF Funding period of 2016-2020 and no post 2020 funding has been confirmed.

ESF Poverty and Social Inclusion Fund - This is a strand of work linked to the local employability pipeline clients with over £200,000 ESF funding sought over the same period. It is intended that there will be 500 beneficiaries over a 28 month period. Funding for this has just been confirmed allowing tendering work to be undertaken.

European Regional Development Fund (ERDF) - Aside from Leader, Midlothian Council does not directly manage any projects that have been ERDF funded, however it is a partner in wider funds that benefit the area including Business Gateway Plus, Business Loans Scotland and the East of Scotland Investment Fund. An outline of each of these funds is set out below.

East of Scotland Investment Fund (ESIF) – Midlothian Council invested £300,000 in this fund. This was topped up with bank funding and matched 40% through ERDF to provide a total pot of just over £500,000. This fund has now closed but some businesses which have received funding are still paying back their loans.

Business Loans Scotland – The balance from ESIF is being transferred into this new pan Scotland loan fund. The size of the fund will be £525,000 which includes £157,500 (30%) from ERDF.

Business Gateway – As part of the East of Scotland consortium managed by West Lothian Council, Midlothian is set to benefit from Business Gateway Plus2 funding running to Dec 2018 amounting to £511,000 of which some £204,000 (40%) will come from ERDF.

LEADER - Midlothian operationally manages a programme run jointly with East Lothian Council. The budget for the LEADER Programme is just under £3.5m. With a maximum of 25% of this allocated towards administering the programme, Midlothian based projects might expect to receive over £1.3m on the basis of a 50/50 split with East Lothian based projects.

This programme has been suspended to new bids beyond November 2016, pending a review by Scottish Government. There is at this point no clarity about when it will be reopened. No bids have been submitted to Leader from Midlothian for the November funding round.

2.4 Other EU funds applicable to the Midlothian area.

There is no breakdown to a Midlothian level of the following funds provided by EU. Whilst Midlothian is a small Council area of a mixed urban and rural nature, it is clear that local rural businesses, from farming to food production, environmental improvement/ protection and forestry here in Midlothian will be affected by the ending of these funds, depending on what may be put in place to replace them.

European Agricultural Fund for Rural Development - EAFRD

The European Agricultural Fund for Rural Development (EAFRD) is part of a suite of funding opportunities available for agricultural and rural businesses. It is part of the wider Rural Development Programme which will also run from 2014-2020. There are two elements to this fund as follows:

Pillar 1 - Direct farm subsidy payments – The Scotland-wide budget is nearly £3billion over the 6 years of the programme.

Pillar 2 Forestry Grant Scheme – The Scotland-wide budgets is £7.875m and covers the following aspects:

- the creation of new woodlands, contributing towards the Scottish Government target of 10,000 hectares of new woodlands per year; and
- the sustainable management of existing woodlands.

Agri-environment Climate Scheme - The budget for this programme is just under £11m. It promotes land management practices which protect and enhance Scotland's natural heritage, improve water quality, manage flood risk and mitigate and adapt to climate change. For example, funding will help to:

- Deliver the 2020 Challenge for Scotland's Biodiversity supporting appropriate management of protected nature sites.
- Contribute to Scotland's world-leading climate change targets.
- Preserve the historic environment.
- Improve public access.

There are a number of other smaller scale funds relating to agriculture, landscape, environment and the rural economy, including the Environmental Co-operative Action Fund (£300,000), the Beef Efficiency Scheme (£1.4m) and the New Entrants Support Scotland fund (£625,000).

In addition in respect of Food Processing, Marketing and Co-operation, there is a Scotland wide budget of £2.2m to support the Scottish food and drink processing sector in line with the Good Food Nation vision, the National Performance Framework and the Programme for Government and Economic Strategy.

Broadband

There is a Scotland-wide budget of £281,250 to help communities across rural Scotland to co-ordinate demand for broadband access by joining together with other community groups to deliver a broadband solution for their area.

2.5 Wider Implications

A range of organisations including the National Farmers Union, COSLA, the Fraser of Allander Institute, the Institute for Fiscal Studies, the Federation for Small Business, the Institute of Directors and a range of academic and economic research bodies have produced overviews of the potential impact of leaving the EU. Accepting that the terms of any new relationship are as yet unknown, with few exceptions there is consensus that the current period of uncertainty is having, and will continue to have, a negative impact on the prospects for the UK economy. The decision about the UK's relationship with the Single Market will be the key factor in bringing this period of uncertainty to a close.

- 2.6** Immediate currency exchange impacts so far have seen the value of the Pound drop against the Dollar and the Euro by a significant amount. Whilst this will make the UK a cheaper destination for tourism, and exports of UK produced and sourced goods cheaper, it also means imported goods are rising in cost, leading to inflationary pressures especially on items such as imported food and agricultural supplies.
- 2.7** Capital investment through the UK National Infrastructure Delivery Plan is committed to deliver over 600 projects by 2020/21 costing a total of £420bn, of which £100bn is to be Government-funded. The remainder is to be provided by private investment and EU investment. Whilst the decision to leave the EU will not directly impact on the UK Government's commitment to invest £100bn in the plan, the decision does introduce uncertainty around the feasibility of securing the full balancing figure of £320bn which may affect capital projects in Scotland.

It is unclear as yet whether this will also be a factor in the Barnett formula calculations in future years.

- 2.8** The UK receives a net surplus of EU research and student mobility funding. The goal of the funding programme is to produce world-class science and to remove the barriers to innovation and make it easier for the public and private sectors to work together and deliver innovation. The UK has received £1.8bn of funding over the last two years and total investment was expected to reach £10.4bn by 2020, according to European Commission figures. Of the £1.8bn grant, the bulk is directed to higher education institutions, £257m to SMEs that undertake research, £115mn to non-SME businesses and £270m to research organisations. Locally, Edinburgh based universities and research companies received £256m of this EU funding.
- 2.9** Some global financial institutions base themselves in Edinburgh in part to access the wider EU market through what is termed 'passporting'. This means that any financial services firm that is authorised to conduct business in a European Economic Area (EEA) state is entitled to carry on permitted activities in any other EEA state. The nature of the UK's relationship with the EU Single Market will influence the future investment decisions of such companies with consequences for the City of Edinburgh and the wider regional economy.
- 2.10** On 20 July 2016 the EU tabled a package of proposals for climate and energy to progress the transition to a low carbon economy and fully implement the 2030 Climate and Energy Framework. There are three elements: legally binding emission targets for non-Emission Trading Scheme (ETS) sectors, new rules for land use and a strategy for low emission mobility. Covering approximately 45% of the EU's emissions, the ETS puts an overall emissions cap on high polluting industries, and then allocates carbon allowances which companies can trade. This will concern Scottish Local Government regardless of the status of relations between Scotland and the EU. The First Minister has announced that there will be new Scottish legislation on climate change. Despite the EU/UK Referendum result, it is anticipated that the UK Government will also remain coordinated with EU climate and energy action.

3.0 Report Implications

3.1 Resource

The UK Government has made a commitment to the continuation of the operation of all EU funds until 2020, including providing matching funding allocations through the block grant to Scotland but has made no commitment to support for these areas of activity from UK Treasury funding beyond that date. The Scottish Government, through its Standing Council of Experts, is working on a spectrum of options, relating to the single market, the free movement of labour, workers' rights and various funding and security arrangements. The implications of these considerations are not yet known. As the position clarifies with regard to future funding arrangements, the Council will need to consider the impact on Midlothian and what actions or lobbying it may wish to undertake as a result of that to support investment in Midlothian.

3.2 Risk

There is a significant risk to the Midlothian area of loss of external funds currently supporting employment, business development, and agricultural activities.

The suspension of bids to the LEADER programme is of particular concern as there are a significant number of bids in preparation.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

3.4 Key Priorities within the Single Midlothian Plan

The SMP commits Midlothian to closing the gap in economic circumstances between residents in the area, and between Midlothian and the rest of Scotland. Loss of EU funds is potentially a major setback to achieving this goal, depending on what alternative arrangements are brought forward over time by the UK and Scottish Governments.

3.5 Impact on Performance and Outcomes

As the current programmes will continue to operate, no immediate impact is expected; however planning will be required to address the potential loss of significant external funds from 2020.

3.6 Adopting a Preventative Approach

Existing EU funds support the preventative approach in various ways. ESF funds are preventive of long term unemployment and ERDF funds support business sustainability and growth. The EAFRD funds play an important role in sustaining agricultural and food industries.

3.7 Involving Communities and Other Stakeholders

This report is simply an initial analysis of some of the potential impacts on Midlothian of the UK leaving the EU, but as the position clarifies, there may be a role for the Council in supporting organisations, businesses and communities through the changes in funding, regulation or other issues that may follow.

3.8 Ensuring Equalities

The loss of ESF employability programmes will have a direct negative impact on disadvantaged local residents if there is not a replacement of these funds from other UK or Scottish sources. More generally, the Council will need to consider the impacts on the communities of Midlothian as the details of the new post EU arrangements are clarified.

3.9 Supporting Sustainable Development

The loss of EAFRD in particular will impact negatively on the sustainability of the local environment if there is not a replacement of these funds from other UK or Scottish sources. Again, this is a matter that the Council will need to keep under review.

3.10 IT Issues

None specifically.

4.0 Recommendations

Council is recommended to:

- (i) Note this initial analysis of the potential impacts on Midlothian of the UK leaving the European Union.
- (ii) Note the need for the Council to continue to monitor the impact on Midlothian as the future position clarifies, assembling relevant data and evidence and using this as appropriate to lobby the UK and/or Scottish Governments in respect of any particular identified interests either on its own part or through COSLA.
- (iii) Request further reports to Council as appropriate in due course.

1 November 2016

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Background Papers: none

Report of the Chief Social Work Officer 2015-16**Report by Alison White, Chief Social Work Officer****1 Purpose of Report**

To provide Council with the annual report of the Chief Social Work Officer (CSWO) on the statutory work undertaken on the Council's behalf. The report also provides Council with an overview of regulation and inspection, workforce issues and significant social policy themes current over the past year.

2 Background

- 2.1** The requirement that every local authority should have a professionally qualified Chief Social Work Officer is contained within Section 45 of the Local Government (Scotland) Act 1994. The particular qualifications are set down in regulations. This is one of a number of officers, roles or duties with which local authorities have to comply. The role replaced the requirement in Section 3 of the Social Work (Scotland) Act 1968 for each Local Authority to appoint a Director of Social Work.

National guidance on the role of the Chief Social Work Officer was issued in January 2009.

The attached report provides information on activity and performance within the key areas of responsibility of the Chief Social Work Officer.

3 Report Implications**3.1 Resource**

There are no resource implications arising from this report.

3.2 Risk

Following the disaggregation of the Social Work Division arrangements were put in place to ensure that robust mechanisms to enable the CSWO to retain an overview of all social work services undertaken including those outwith the Division in which the postholder is located. This includes membership of the Children's Services Executive Group, receiving regular performance management reports relating to the delivery of key outcome measures and the provision of advice and professional support to Children's Services Management Team. Discussions are already underway nationally to ensure that the planned integration of health and social care takes cognisance of the role of the CSWO and that mechanisms are in place to support the discharge of its functions in any new integrated service arrangements.

3.3 Policy

Strategy

This report focuses on the delivery of statutory functions rather than strategic development of social work services. There are, however, clear links to business transformation and partnership arrangements in so much as the integrity of the CSWO has been safeguarded and designed into organisational change.

Consultation

No consultation has been undertaken in the production of this report.

Equalities

This report focuses on performance against statutory functions in 2015/16. As this is reflecting on work already completed which was subject to EQIA at the time of agreeing the work no additional impact assessment is required at this time.

Sustainability

The central issue of sustainability relates to the need to maintain a coherent process of governance by the CSWO.

3.4 IT Issues

There are no specific IT issues arising from this report.

4 Summary

This report explains the background to the accompanying Annual Report by the Chief Social Work Officer.

5 Recommendations

Council is asked to:-

- 1 agree the Chief Social Work Officer's Annual Report for 2015-16; and
- 2 agree that the Chief Social Work Officer should place a copy of the annual report on the Council website.

17 October 2016

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Background Papers: Appendix 1: Chief Social Work Officer Annual Report 2015-16



Chief Social Work Officer Report 2015-16

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Midlothian Council

Midlothian is a small local authority area adjoining Edinburgh's southern boundary, framed by the Pentland Hills in the West and the Moorfoot Hills of the Scottish Borders in the South. Most of Midlothian's population of 84,700 resides in or around the main towns of Penicuik; Bonnyrigg; Loanhead; Dalkeith; Newtongrange and Gorebridge. The southern half of the authority is predominantly rural, with a small population spread among a number of villages and farm settlements.

Some parts of Midlothian have seen increasing levels of economic deprivation with the associated social and health issues. This has become worse as a result of the economic downturn that began in 2009. Deprivation is most acute in the communities of Gorebridge, Mayfield & Easthouses and Dalkeith & Woodburn. The community planning partnership has determined to target these three areas to more effectively address inequalities. There are also smaller pockets of deprivation within many of Midlothian's communities and in all communities there are households on low incomes, often combined with other issues such as disability; age; mental health; substance misuse; lone parenting or caring responsibilities.

Midlothian's population is growing. The most recent population projection predicts a population of 91,000 by 2035 (previously predicted as 76,000 by 2030). The 60+ age groups are growing in comparison with the rest of the population. Midlothian now has more pensioners than children. This is likely to have major implications for public services and for the local labour market.

Midlothian's current population is characterised by large young and retired segments, with the latter growing rapidly and becoming predominantly female as it ages. The impact of new-build family housing will tend to increase the younger and working age population. Taken together, this may mean radical change in the nature and volume of service demand.

1 Summary Reflections - Key challenges and developments during the past year;

In seeking to **strengthen community services** and support people to manage independently for longer a number of new service initiatives commenced. In the field of substance misuse significant steps were taken towards shifting the emphasis of services towards recovery, with the emergence of the Recovery Cafe in Dalkeith; the creation of a Recovery College; and the development of Peer Support. A major review of services for people with a sensory impairment was launched in October in response to the new national strategy, 'See Hear'. Similarly work is at an early stage to strengthen local services to people with autism in response to the Government's new national strategy. A local telehealthcare strategy was developed including a bid for a share of the new £10m national fund. The care at home services were re-commissioned in December 2014 with requirements built in to the tender to encourage greater staff retention. Supporting family carers remains a high priority and the service has worked closely with local Carers' organisations to try to ensure a smooth transition in relation to the new charging arrangements under Self-Directed Support.

Alongside these community-based developments services for **people with more intensive needs** are also being strengthened. Council approved funding for a 12

place complex care unit for people with learning disability whilst Highbank's capacity to provide short term care was increased. Other developments of direct interest to Adult Care include the redesign of acute mental health services in the Royal Edinburgh and a full review of the potential expansion of outpatient and rehabilitation services in the Community Hospital.

Key Challenges for Year Ahead

The fundamental aim of the Service is to commission and provide the best quality services for citizens of Midlothian. To achieve this aim there are a number of key service objectives described below which will help the move towards meeting more effectively the social, economic, health and care needs of the community.

1. Achieving service and business improvements identified through external inspection reports, internal audits, self-assessment analyses, 'Best Value Reviews' and feedback from users and carers.
2. Responding to recent legislation including full implementation of changes in relation to Integration of Health and Social Care; Self-Directed Care, Children and Young People Act and the UK Welfare Reform, alongside forthcoming legislation in relation to Carers. The Service must respond to national strategies including *See Hear* (sensory impairment), *Keys to Life* (learning disability), the *Scottish Strategy for Autism*.
3. Ensuring effective protection of children and adults at risk including those in transition from school to adult life-working in collaboration with Partners. This entails embedding our Public Protection arrangements to support a whole lifespan approach. It also provides the opportunity to embed 'trauma' informed practice.
4. Ensuring that services for older people are sustainable and able to respond to the rapidly ageing population and growing numbers of people with dementia.
5. Ensuring services are managed within agreed, increasingly tight budgets to meet growing demand and complexity of need through increased targeting to those in greatest need; maximum efficiency through service reviews; and developing partnership working with neighbouring LAs and other agencies.
6. Working closely with the statutory partners, the voluntary and private sector to deliver community planning outcomes in tackling inequalities, applying the three key approaches of prevention, coproduction and local access.
7. Ensuring services improve and change through clear strategic planning and direction and are supported by robust performance management frameworks and a strong performance improvement culture.
8. Managing the programme of delivery, service redesign and retendering.
9. Ensuring leadership capabilities and workforce capacity continue to develop in a coherent planned way to meet changing needs of our citizens. This will involve workforce planning across all sectors and the delivery of the learning and development strategy

10. Strengthening the joint delivery of health and care services. In particular this will entail examining opportunities to integrate services in both substance misuse and mental health including the development of recovery hubs.

11. Continuing discussions about the move to Community Planning Partnerships assuming responsibility for community justice in a way which is coherent with health and social care integration but also retains a firm focus upon reducing reoffending.

12. Ensuring that the service can meet the needs of children and young people locally.

These objectives will be pursued within the new context of integration with an increasing emphasis on promoting prevention and recovery, on addressing health inequalities and working more effectively at a local level with users, carers, the third sector and private providers.

Looking ahead to 2016-17 sees a range of major changes. The Children and Young People (Scotland) Act 2014 is a significant shift in supporting children and young people up to the age of 21 especially alongside the embedding of outcomes-focused work led by the development work of Self Directed Support. The innovative work undertaken in the field of dementia as a national demonstrator site will continue. A new national strategy for sensory impairment will lead to a greater focus on how best to meet the needs of people with sight or hearing impairment. New legislation to strengthen the rights of informal carers will ensure that there is no let-up locally to improve the support systems for carers.

2 Partnership Structures/Governance Arrangements

This past year was a challenging and yet also a very exciting period for Midlothian Social Care Services. The establishment of the new integrated health and social care arrangements entailed a great deal of preparatory work in terms of new governance arrangements and strategic planning intentions. A new governing body, the Midlothian Integration Joint Board, took up its new responsibilities in June 2015. Alongside this major organisational change, the service also began to embed the delivery of self-directed support, a major cultural shift taking place across Scotland in the delivery of care and support with the emphasis on service users designing and controlling their care arrangements. The other major focus this year has been on planning for the implementation of the Children and Young People's Act.

The role of CSWO passed to Alison White, Head of Adult Social Care on 1st April 2014. In her role as CSWO she is a member of the Integration Joint Board, the Critical Services Oversight Group and the Public Protection Committee. The post holder currently has direct line management responsibility for all Adult Social Work services and Criminal Justice Social Work. The CSWO meets regularly with the Head of Children's service to discuss any issues or areas of service development. A Changing Lives Overview Group involving managers from across adult, children and criminal justice social work service area meets quarterly with a focus on cross-cutting social work issues including learning and development. Further management changes, as a result of integration are expected in June 2016.

Public sector partners have agreed to use the Single Midlothian Plan as the strategic context for their service planning in the area and a Chief Finance Officers' Group has been established, to align budgets with priorities and support the planning cycle. Within the community planning structure the 'Getting it Right for Every Midlothian Child' Board has responsibility for the overview of integrated children's services plan. Criminal Justice and Public Protection issues are monitored through the 'Safer Communities Board' and all other Adult Social Care issues are progressed and monitored through the 'Adult Health and Care Group'.

As the Integration agenda progresses the Joint Senior Health and Social Care management team is now co-located within Fairfield House in Dalkeith and regular Joint Management Team meetings ensure closer alignment of working practices. Work is underway to more closely align management responsibilities to ensure truly integrated teams. Close consideration is being given to ensure appropriate professional support and supervision is maintained through this period.

There has been significant progress in developing user and carer involvement with public sector partners working closely together.

3 Social Service Delivery Landscape

Despite the recession there have been significant house building developments in most of Midlothian's communities. The new railway will make the area even more attractive to commuters to Edinburgh.

As stated earlier the population is ageing with the proportion of older people likely to increase significantly over the next twenty years. By 2035 the number of people over 75 years will double whilst there will be almost 3 times as many people over 85 years-approximately 4,300, the vast majority of whom will remain living in their own homes.

While employment rates are above the Scottish average, 12.5% of the Midlothian population has a lower income than the national average-and poorer health is consistently associated with poverty. The economic downturn has had a particularly adverse effect on areas already suffering deprivation including parts of Gorebridge, Woodburn and Dalkeith.

Health inequalities are experienced in pockets in all parts of Midlothian often associated with age, disability, poor mental health and caring responsibilities. As is the case throughout Scotland death rates have been falling for many years. However there is scope for us to do much more in Midlothian.

The increasing numbers of very old people in our communities is an indication of improving health; people are living longer. However it is important they are helped to stay in good health. With increasing age comes the likelihood of suffering long-term conditions and requiring more frequent support from the health service and from social care services. If we do not place more effective emphasis on supporting people to stay well physically and mentally, and to recover from ill-health then demands for services will be unsustainable; without changing our approach we will, for instance, have to provide 300 more care home places over the next 20 years in Midlothian at an annual cost of £6m. Similar growth would be required in hospitals at a time when public finances continue to shrink.

While the creation of the new Health and Social Care Partnership focuses upon better joined-up working between health and social care, we know from many previous consultations with older people and people with disabilities and children and young people, that other services are vital to their wellbeing. These include access to financial advice, support to find employment, access to good information through libraries and access to leisure and recreation.

Alongside this multiagency approach, the increasing emphasis which is being placed on stronger communities and on prevention and early intervention requires a stronger partnership with voluntary organisations and we are working with Midlothian Voluntary Action and the Volunteer Centre to find ways of working more effectively together.

There is a need to retain strong links between Adult and Children's Services. There are many areas of common interest. Children cared for by people with learning disabilities, mental health needs or substance misuse may need additional support. We are particularly concerned to strengthen support for young carers. And it is very important that we continue to develop more effective transition arrangements for children moving into adult care services.

The issue of substance misuse can be an emotive one-there is a tendency in the public mind to consider the problem as one which is self-inflicted and not fully appreciate the difficulties people have in dealing with their dependency.

The impact of substance misuse is also not just on the individual but on their family and wider society. For instance 1500 children are estimated to live in households in Midlothian where one or both parents have some level of problematic alcohol abuse. The problem affects the quality of life and, eventually, the physical wellbeing of the individual; results in family breakdown; affects the sense of community and public safety; leads to crime etc. In 2015 there were 14 alcohol related deaths down 1 from the previous year. Midlothian residents accounted for 472 hospital discharges in 2014. There are also approximately 920 people known to have problem drug use in Midlothian- the impact on the user and their families can be equally devastating to the effects of alcohol misuse. In 2015 there were 6 drug related deaths down 1 from 2014. There were 78 drug related hospital discharges, 37 of these related to the misuse of opioids.

The challenges described can only be met by a fully-equipped and motivated workforce. We will also need to develop a greater sense of all staff across the different sectors working together as part of a whole, joined-up system. This will involve training and support as we move towards new models of care. It will also require effective recruitment and retention policies; in areas such as home care we have an ageing staff group whilst in social care services generally there is a need to improve our retention of staff as high turnover is both wasteful of resources and disruptive to service users.

The increasing emphasis on self-management and self-directed support will require a cultural shift by us all towards a greater sense of working in partnership with service users. The increased priority to be given to recovery will entail staff developing stronger motivational skills to work with people who may not have a lot of

optimism about their future with the conditions they are trying to deal with, be they drug dependence, mental illness or cancer.

4 Finance

Locally the Council has, and continues to face severe reductions in its overall budget but has sought to protect social care budgets from the level of cuts required in other services. There is no doubt over the next few years that health and social care services will need to manage with reduced budgets, despite the ageing population and increased public expectations about service quality and accessibility.

During the period 2015-16 Children and Families budget increased from £14,949,765 to £15,463,760; an increase of £513,995. Demands on the Multi-Agency Resource Group (MARG) budget led to a requirement to increase the budget by £463,511 -. The Adult Care budget has increased from £36,802,996 to £36,938,932; an increase of £135,936. This includes provision for demographic and other budget pressures, some of which is being funded by new Scottish Government Social Care funding amounting to £3.6m, which is reflected as additional income in the budget. This funding is being used both to fund demographic and pay pressures such as the requirement to pay the Living Wage to care workers, and also, where the funding allows, for service developments aimed at ensuring future sustainability of services.

Many changes in the delivery of community care services have been implemented which, as well as improving quality of life, will undoubtedly have resulted in savings albeit these have been difficult to quantify because they have been implemented as part of a whole system redesign. Since 2007 a total of £5m plus has been saved through a combination of service redesign and re-commissioning. One example of such a change has been the increasing use of technology to monitor and ensure an early response to incidents of older people falling or wandering. This programme of transformation has been undertaken in an evolutionary manner which has entailed developing a culture of internal challenge to seek to deliver better quality services at lower cost. Transformation has included commissioning, service redesign, externalisation and internal reorganisation.

This transformation programme is a continuous one rather than a structured time-limited project. Critical to success has been a culture which encourages constant exploration and evaluation of costs and benefits throughout the service with an unrelenting focus on the delivery of outcomes. (This approach does not always sit easily with the necessity for robust financial planning, to provide, from the outset, firm commitments to specific savings targets to ensure the Council has a very clear plan for financial sustainability over the coming years.)

The service transformation programme in Community Care and Children's Services continues. There is a particular focus on learning disability services including, developing more efficient approaches to the delivery of care and, in the longer term, creating a local and more cost-effective service for people with complex care needs, with the objective of saving £500,000 per annum.

The integration agenda with the health service may also create new opportunities for more efficient and effective working although realistically this is more likely to enable

the sustainability of health and care services in the face of dramatically increasing demographic pressures.

Finally the application of the principles of prevention, local access to services and coproduction along with greater priority on addressing health inequalities, will in time, reduce reliance on public services. However this can only be managed on the basis of a commitment to this vision of public service delivery and realistically cannot be relied upon in the short-term as a solution to the shortfall in public service funding.

5 Service Quality and Performance

Service performance is reported quarterly through performance reports. Performance information is also included in the “Midlothian News” (e.g. annual performance supplement in the Autumn). Quarterly performance reports can be found online at: <http://www.midlothian.gov.uk/performance> Copies of “Midlothian News” can also be found on the Council website / intranet.

Adult Services: The role of quality assurance officer was created to monitor and review both in- house and commissioned services. This is in addition to the input of the lead officers for contracts and individual service reviews which continue to be led by social work staff. The QAO’s works closely alongside the Care Inspectorate, sharing information to ensure people’s outcomes are being met effectively. The creation of the Care Home Liaison Nurse role has enhanced capacity to both monitor and support appropriate care in all of the care homes locally. A Commissioning and Contracts group evaluates and monitors all contracts and oversees the commissioning of social care services across both adult and children’s services.

There were also significant shifts in emphasis regarding the key principles underpinning the delivery of social care services. There has been an increasing emphasis on preventing ill-health and contributing to the reduction of health inequalities in Midlothian. There is also a greater expectation that people should be supported to maximise their independence and their recovery be it from substance misuse, physical or mental ill-health, disability or involvement in the criminal justice system.

Older People

Older peoples’ services in the last year have seen a range of developments and managed many challenges. The developments have included the ongoing expansion of intermediate care services which includes a range of resources from the hospital at home team providing 10 virtual beds at any one time and the service operating now 7 days a week and into the evenings. Highbank Intermediate Care Home continues to provide excellent residential intermediate care receiving grade 5s from the Care Inspectorate at its last inspection. This is a great achievement given the complexity of cases the staff manage along with around 600 admissions in the last calendar year. MERRIT have increased Occupational Therapy resource and have been developing a dementia pathway with the Scottish Ambulance Service. Also a falls strategy has been developed and implemented. Day Care has been undergoing a transformation, with the voluntary organisation day care services requiring to be registered. Two of these now have their registration with the other service developing a more community based hub model. The Hospital In-Reach team has also expanded gaining a Community Care Assistant and an In Reach nurse that assists

with identifying people earlier to be discharged from hospital with intermediate care. The joint dementia service has continued to be strengthened with a permanent team leader and a dedicated project officer for 8 Pillars model. (The 8 Pillars model is currently being evaluated nationally). This is in addition to a fourth social worker which will assist in developing a model to manage crisis and emergency situations for people with dementia and their families with GPs able to directly refer into the service.

There is a steady increase in referrals for older people's services which proves to present challenges with resources and capacity within services. Care at Home is a service that requires continual monitoring and investment to ensure that clients receive good quality care at home. This can be challenging when there are people needing to be discharged from hospital and there is a lack of paid carer capacity in the community. This is in addition to those already living at home who need increased support to remain living safely in their own home. Quality Assurance plays a key role in ensuring quality of care is monitored and followed up with providers of care at home services. The Integrated Care Fund has enabled older peoples' services to develop alternative and innovative projects such as the *House of Care Wellbeing Service*, support for carers with flexible breaks; and a range of social supports across Midlothian. These include enabling access to 200 plus clubs and activities that run on a monthly basis within Midlothian through the Red Cross to reduce the impact of social isolation.

Extra Care Housing continues to provide enhanced support to allow people to remain in their own home for longer. Working continues with providers such as registered Social Landlords to expand the provision of Extra Care Housing within Midlothian. As a result of increased support for people in their own homes individuals moving into a care home setting are frailer with increased needs. The Care Home Team Manager provides support to care homes alongside the quality assurance officer who will provide a key role in monitoring the quality of care.

Following consultation events over the last three years a new strategy and action plan for 2015 – 2018 was published in the autumn 2015.

The key performance data include:

- Reducing reliance on long stay hospital provision with 53 less beds than in 2007.
- Reducing reliance on care home provision for older people with 385 places in April 2015 compared to 477 in 2007 despite the aging population.
- Reduced number of patients whose discharge from hospital has been delayed. There were 66 over 6 weeks in 2003, 12 over 4 weeks in 2014/15 and 64 over 2 weeks.
- Reduction in length of stay in care home from 2.2 years to just over a year, the current average is 1.64 years
- Percentage of people over 65 with intensive support packages, figure for 2014/15 is 38.8%

Physical Disability

A consultation event held in June 2015 informed the creation of the 2015-18 Physical Disability Action Plan. This prioritises the work of the Joint Physical Disability

Planning Group, ensuring that Midlothian residents living with and affected by physical disabilities, have full access to a wide range of improved services and support, facilitating independent living and improving health and wellbeing.

A Sensory Impairment sub-group has also prepared an action plan to implement locally, the Scottish Government's See Hear sensory impairment strategy. The main focus of this is to raise awareness amongst professionals and within the general public, to increase preventative measures to identify and treat vision / hearing loss thus improving the health and wellbeing of individuals. There is also a drive to provide services and support within Midlothian rather than requiring people to travel into Edinburgh.

Learning Disability

The key themes overseen by the Learning Disability Joint Strategy Group are those of developing and creating local capacity so that people can live in their own home and receive person-centred support to achieve the outcomes that are important to them.

These are being achieved by:

- Developing appropriate living environments based on research and best practice, including 12 local authority properties designed specifically for people with a Learning Disability and Complex Needs in Penicuik, and the re-commissioning of support services for people in Eskbank.
- Enhancing local expertise in supporting people with Complex Needs using opportunities created by the redevelopment of Royal Edinburgh Hospital and the integration of Learning Disability services. This is complemented by partnership with specialist Learning Disability Support organisations.
- A move to local management and alignment of the broad range of Learning Disability Health and Social Care services.
- Explicitly designed pathways towards more independent forms of care in Midlothian communities.
- Continuation of projects to tackle Health Inequality including the training programme for support workers, development of a Games Based Learning Platform to support people to access Internet and Social Media more safely, promotion of the Making Choices Keeping Safe Guidance, and Health Promotion forums such as the Learning Disability Health Fair.
- Development of a broader range of respite and short break options.
- A review of the range of Day Opportunities including the development of neighbourhood networks to increase the opportunity for people to develop skills, interests and relationships in their local community.

Mental Health

2015-16 saw the beginning of the transition to more local responsibility and control of the Mental Health strategy from the previous Lothian-wide approach.

There were long waiting lists locally for psychological therapies and social prescribing alternatives have been developed to assist those waiting and to divert people at an earlier stage/ intervention. Work has also been undertaken to create stronger links between Mental Health and Substance Misuse services through a number of initiatives, aiming to co-locate both services and develop a recovery hub.

People affected by Drug and Alcohol Misuse

Substance Misuse and Mental Health staff members have continued to meet during 2015/16 to discuss ways to improve our response to individuals with a dual diagnosis. Health professionals from mental health and substance misuse services now attend each other's allocation meetings in an effort to reduce the risk of people falling between services and working relationships have improved. Plans are now being drawn up for mental health, substance misuse and criminal justice staff to be co-located in a new recovery hub.

Children & Families

Over the course of 2015 in to 2016, senior managers in Midlothian Children's Services have been engaged in reviewing the existing organisational structure with a view to designing a more effective and efficient service. Central to this revised design is "early engagement" and ensuring that service users get the right support at the right time whilst balancing this approach with the need to meet the demand for urgent and high level support.

The following narrative provides an overview of key work streams within Children's Services over the past year:

Early Intervention:

Family Support Team Leaders in partnership with Head Teachers have developed well-being meetings. These meetings are designed to support the "named person" in addressing well-being concerns at an early stage. Work is ongoing to introduce a similar meeting for children aged 0-5, however the biggest challenge in moving this forward relates to the chronic shortage of Health Visitors in Midlothian. We recognise that these meetings in their current format require to be refined; nevertheless we know that this approach has re-directed children and families who would otherwise have been referred to Children's Services.

Family Support Team Leaders remain committed to building capacity within communities and liaising with third sector agencies. Strong links with faith groups have been established and the recent introduction of Safe Families for Children in Midlothian strengthens the range of supports offered to families at an early stage.

Looked After Children:

| May 2016 | Number | Monthly Change | Quarterly Change | Annual Change | Rate per 1000* | Scotland Rate per 1000* |
|------------------|--------|----------------|------------------|---------------|----------------|-------------------------|
| At Home | 43 | 1 | 3 | -19 | 2.3 | 3.8 |
| Foster Care | 108 | 1 | -1 | 2 | 5.9 | 5.6 |
| Kinship Care | 84 | 2 | 7 | -2 | 4.6 | 4.0 |
| Residential Care | 26 | -5 | -5 | -2 | 1.4 | 1.5 |
| Total | 261 | -1 | 4 | -21 | 14.2 | 14.9 |

rate per 1,000 0-17: 2013 Mid Year Population Estimates

The number of Midlothian Looked After Children has remained constant this year. 84% of those children and young people are placed away from home in foster care; formal kinship care or residential care.

The permanence agenda has progressed significantly in Midlothian. The Permanence Policy and flowchart were launched in February 2015 and the service has recently signed up to the PACE programme.

Corporate Parenting:

Midlothian had an existing Corporate Parent Board committed to co-operating and working together to promote the well-being of looked after children and care leavers; and to improve and achieve the best possible outcomes for some of the most vulnerable children and young people in Midlothian.

In line with the introduction of Part 9 (Corporate Parenting) of the Children and Young People (Scotland) Act 2014, Midlothian's Champions Board (formerly the Corporate Parent Board) has evolved to incorporate a wider range of partners and agencies from across the Community Planning Partnership, this includes elected members. A 3 year Corporate Parenting Strategy and Plan has been developed for 2016-19.

Significantly, the Champions Board provides an opportunity for looked after young people and their advocates to directly influence and inform the future of children's services; young people were involved in the Children's Services Review.

Furthermore, Midlothian was awarded £193,380.34 by The Life Changes Trust to further develop capacity within our young champions and complement the 3 year Corporate Parent Strategy and Action Plan.

Throughcare and Aftercare:

Parts 10 and 11 of the Children and Young People (Scotland) Act 2014, has been a key driver in developing the Children's Services Review and have also influenced a number of local service developments. The team includes professionals from other agencies; health, housing, etc and this has enabled a more joined up approach to working with young people.

The service continues to provide support to a wider range of care leavers and, in line with the introduction of the Children and Young People's Act has extended the age range supported from 21 to 26 – thus allowing a young person to request an assessment of eligible needs up to their 26th birthday.

Family Placement Team:

Adoption and Permanence: The impact of the local 'Framework for Permanence' had led to a reduction in the 'drift' experienced by children awaiting permanence. Midlothian Council was selected to become a test site by the Permanence and Care Excellence (PACE) programme because we had already begun to address delay. The need to recruit local foster carers continues to be a high priority.

Kinship: To meet the demands and legislative requirements of the Children & Young People (Scotland) Act 2014 dedicated part time Team Leader with two part time social workers have been appointed to work with all Kinship Carers within Midlothian. The Kinship Care strategy includes a learning and development programme, support for kinship carers; having a consistent assessment framework, and work with partner agencies in supporting children who are looked after in kinship care.

Fostering: The recruitment of local foster carers remains a high priority. The issues concerning a national shortage of foster carers are well documented. We have reviewed how to recruit and train carers as well pilot other approaches to processes; preparation work, initial responses, home study to approval. Communication methods including the use of social media have been reviewed and updated. The Care Inspectorate visited the Fostering & Adoption Teams in November 2015 and issued good reports in both service areas.

Hawthorn Children's Centre

The Centre is part of the Early Years work stream and worked hard to refocus efforts on early learning and developing a family centre approach. The Centre works in partnership with a number of agencies health, education, 3rd sector as well as children and families. In line with our prevention and early intervention approach protection the Centre works closely with local nurseries to support children and families who are unable to get a nursery placement within their local nursery. This transition towards a more universal approach fits with the new Family Centre way of working.

Midlothian Residential Services

Midlothian Residential Services have recently undergone a review to ensure the service meets the requirements of the new Children and Young People's Act 2014. We continue to use the preventative outreach service for children who are 'on the edge' of care as well as having reconfigured a care home to support young people transitioning the care system into adulthood.

The Residential Inspection feedback from their inspection visit in October/November 2015 received four Very Goods for Quality of Care, Quality of Environment, Quality of Staffing and Quality of Management & Leadership.

Positive Destinations:

Partnership work continues to improve post-school destinations for all school leavers, with specific consideration being given to vulnerable young people, including looked after children. The approach is focusing on developing key employability skills and improving employability pathways.

Self Directed Support

The focus of the work related to Self Directed Support in Midlothian has been on embedding the requirements of this legislation into business as usual activities. Individuals are increasingly choosing different ways of receiving their support and

using direct payments and Option 2 to increase the control they have over their support.

Particular attention has been on continuing to embed the personal outcomes approach to assessment in all social work practice. In adult social work and social care this approach is resulting in an increased amount of creativity and innovation around how support is provided and more 'non traditional' support packages being put in place. Work is being undertaken on back office and finance processes to ensure these processes support this flexibility in the provision of support. Within statutory (section 22) children and families social work, a personal outcomes approach to assessment is being rolled out following a successful pilot which demonstrated this approach resulted in more collaborative assessments and improved outcomes for children and young people. The roll out will give particular regard to ensuring the assessment focus on personal outcomes whilst also recognising and responding appropriately to risk.

Work has commenced with staff responsible for planning services to ensure the values and principle of Self-Directed Support are embedded in the overall planning and commissioning process. Again a business as usual approach is being taken to ensure SDS is not seen as something different, but integrated into all planning and commissioning activity.

6 Delivery of Statutory Functions

I. Public Protection

In recognition of the significant overlaps between different areas of Public Protection, the East and Midlothian Public Protection Office was created, East Lothian and Midlothian Public Protection Team was established in March 2014. This team includes officers from adult support and protection, child protection, and the domestic abuse service. This team is co-located with the local Police Scotland Public Protection Unit and Midlothian and East Lothian Drug and Alcohol Partnership. The primary aim of the team is to work in a more integrated way to strengthen practice across the whole public protection arena.

Committee structures were also streamlined and East Lothian and Midlothian Public Protection Committee (EMPPC) was established in July 2014 incorporating the duties and functions of the Adult Protection Committee, Child Protection Committee, Offender Management Committee and Violence Against Women Partnership and to ensure robust links with Midlothian and East Lothian Drug and Alcohol Partnership (MELDAP). This was the first such committee in Scotland to be established in this way. In terms of governance, East Lothian and Midlothian Public Protection Committee reports directly to East Lothian and Midlothian Critical Services Oversight Group, comprising of Chief Officers of all constituent agencies.

The East and Midlothian Public Protection Committee is the key strategic group dealing with public protection matters across East Lothian and Midlothian and includes representatives from key partners (Social Work, Police Scotland, NHS Lothian, Education, Housing, 3rd sector etc). The committee reports to senior officers through the East Lothian and Midlothian Critical Services Oversight Group.

All Public Protection activity takes place within two axes:

Preventative ↔ Reactive

Individual ↔ Community engagement

Activities include Community and Agency staff awareness-raising, education and risk management initiatives, specific initiatives to address identified harm to groups – e.g. financial harm, sexual exploitation, and investigation and protection planning. The Public Protection Office is well placed at the hub in the centre of the spectrum of activity having an overview and offering support and guidance towards a more holistic approach.

Some of the main benefits and impacts have been identified such as:

- Taking a “Lifespan” approach to protection issues
- Putting the person at the centre of the process and looking at the situation with a wider lens
- Shared staff capacity resulting in a broader more flexible base
- Less duplication of effort
- More effective and efficient processes
- Reduction in overall costs

Some of the lessons learned in the process include recognising the shared aims of all key partner agencies which are; to keep people safe; and the importance of shared learning across all disciplines. Controversies around information sharing and confidentiality have lessened as relationships have developed and trust has grown, and we believe collaborative leadership has enabled Public Protection to become more holistic, both for the service user and organisationally.

People do not neatly fit into one category and issues like Domestic Abuse and Alcohol and Drug Misuse are common themes with many of the service users. Bringing together the individual partnerships into one Public Protection Committee across two local authorities has streamlined processes considerably and the group now demonstrates a significant level of trust and integrity. An example of this is senior officers chairing case reviews for the other local authority.

II. Child Protection:

The number of children subject to child protection plans in Midlothian has remained consistently below the national average over the past year. We believe that our commitment to early engagement and assessment has contributed to the significant reduction in children being subject to child protection plans.

The national risk assessment framework has recently been embedded into practice with the anticipation that this will improve risk assessments/analysis. In partnership with the Public Protection Office, a Vulnerable Young Person’s Protocol has been developed and a Problematic Risk Taking Behaviour Policy is being created.

III. Secure Accommodation and Emergency Transfers:

The service's use of secure accommodation remains relatively low with only 3 young people being placed in secure accommodation over the past year, one through court and two through the Chief Social Work Officer (CSWO)/Children's Hearing decisions. There was no requirement for the CSWO to authorise an emergency transfer.

IV. Significant Case Reviews:

Within Midlothian there is one significant case review ongoing within Children's Services.

V. Criminal Justice

- New Structure for Community Justice: The Criminal Justice (Scotland) Bill was passed on 11th February 2016. Midlothian Council is now in a 'shadow' year prior to the disestablishment of the CJAs on 1st April 2017. From November 2015 the previous Safer Communities Board has become the Safer Communities and Shadow Community Justice Partnership, with the shadow arrangements set to continue until April 2017. The first meeting of this new partnership took place in November 2015 and signed off the Midlothian Community Justice Transition Plan. This plan sets out the activities leading to the new community justice structure but the Scottish Government has yet to publish final versions of the National Strategy and National Performance Framework for Community Justice.

Funding has been received from the Scottish Government to support the transition to the new structure. Within Midlothian the majority of the funding has been used towards staffing costs and the Midlothian Community Justice Partnership has recruited a Planning Officer who is the strategic lead for the transition and shadowing processes and a Community Justice Partnership Analyst to develop community justice profiling for the Partnership.

The main achievements in 2015/16 were as follows:

- Creation of a new partnership structure and governance arrangements. This new structure is based on established partnership working and will build on and enhance existing structures.
- The local Community Justice Partnership Working Group have held discussions regarding future priority areas and identified seven key areas that require work on creating local strategic assessment profiles. The seven areas are:
 - Housing
 - Mental Health
 - Health
 - Positive Attitudes
 - Positive Relationships
 - Substance Misuse
 - Employability, Education and training
- Completion of first drafts of the seven strategic assessment profiles.

- Completion of analysis of the Midlothian LS/CMI data which is a comprehensive general offending risk/needs assessment and case management planning tool which is used to aid decisions on the level of focus and intervention required.
- Ongoing analysis of Police Scotland data on offending in Midlothian
- Completion of a gap analysis for each of the seven areas identified as requiring strategic assessment profiles

The next phase is to consult with stakeholders and local communities and create a Community Justice Action Plan, which will inform the first Midlothian Community Justice Outcomes Improvement Plan. This plan will be submitted to Community Justice Scotland, the new national body, in March 2017.

- MAPPA: The national Joint Thematic Review of MAPPA took place during 2015 and a national report was published in November. The feedback to the SOG area (Lothian and Borders) was very positive and noted very strong partnership working relationships. The MAPPA extension to High-risk violent offenders was introduced nationally on 31st March 2016.

There have been six Level 3 discussions during 2015/16, all relating to one individual who is currently in the open estate.

- Spring: The Spring Service, for women with multiple and complex needs, continues to expand. A part-time Team Leader for Spring began her post in September 2015 and funding has now been secured for a Spring social worker. In relation to the Team Leader post a significant part of this role has been to build working relationships with existing services, to increase appropriate referrals to the service and next step options for women ready to move on. More consistent referral procedures have been developed and awareness of the service has increased significantly, as evidenced in an increase in the number of referrals received in recent months (16 between November 2015 and March 2016).

There is a lot of support for the Spring project from partner agencies including the Joint Mental Health Team, Women's Aid and offender support services including Shine and Lifeline.

Spring is a valuable service which is in a unique position to provide a holistic approach to engaging disadvantaged and socially isolated women. Although there are other groups offering programmes focused on managing emotions and behaviour, developing positive coping strategies and building self esteem and confidence, Spring offers a full day group, which provides an opportunity to reflect on information gained from the morning session and for support to be accessed there and then if needed. Women speak positively about the more informal lunchtime, as an opportunity to build relationships and provide and receive support from participants and staff. The afternoon sessions are also an opportunity to increase education around health and wellbeing and also promote access to existing community resources.

7 User and Carer Empowerment

Carers: A new Midlothian Carers' Strategy is being developed, which will persist in pursuing both nationally and locally identified aims and pursue the vision of ensuring that carers are valued as equal partners, feel supported to effectively manage their caring role and are able to have a life outside of caring. The Strategy will aim to address the needs and issues faced by Adult and Young Carers, and will be responsive to the duties and responsibilities established within the newly passed Carers (Scotland) Act (2016). In addition to this, feedback from carers' reference groups such as Midlothian Carers Strategic Planning Group and Carers Action Midlothian will assist in understanding and responding to local need through service planning and delivery. This year local carers became established in significant Carer Member roles within the Integration Joint Board and Midlothian Strategic Planning Group; contributing to the shaping of strategic planning and delivery of services. Midlothian carers' services continue to be innovative and aspirational; hosting both national and local pilot projects to improve access to services and the lives of carers, e.g. local pilot project to support carers accessing GP services; national pilot providing advocacy support to carers involved with welfare benefit PIP assessments; local projects providing/supporting surgeries hosted within other projects.

Community Engagement: In addition to specific consultation exercises a great deal of planning and service development is routinely undertaken in partnership with users and carers and other stakeholders. Users and carers are represented on the joint planning groups. A survey of social work Users and Carers is undertaken annually to evaluate feedback on service quality and impact. The annual service survey allows us to track how well our services are meeting the needs of the people of Midlothian and where we need to focus in the coming years. All of the strategies within Midlothian have had active involvement of service users and carers to ensure that all services are developed to meet local need.

As part of the move towards integration a full review was undertaken of the local approach to user/carers engagement. This work was supported by the national Scottish Health Council service and resulted in an action plan to strengthen local arrangements.

Children and Families The service is committed to improving how service users are involved in the development of the service. A multi-agency participation advisory group has been established to improve the standard and co-ordination of Participation Activity which targets children and young people internal and external to the service. The group will agree a shared approach through the development of a participation strategy and an annual participation programme. The anticipated outputs are:

- Future service and team plans based on what service users are telling us.
- High quality information available to children and families
- Participation groups that are well supported by professionals and well attended by service users.
- Teams consulting service users on service improvement projects.
- Improved involvement by services users in day to day service delivery.
- Involvement of Midlothian Youth Parliament to assist Children and Families engage with young people 12 - 25

Criminal Justice Social Work The team has also worked hard to consult with service users and beneficiaries about the services provided. All service users are interviewed at the end of every order or licence and asked a series of questions about their experience of the service and the outcomes in relation to their lifestyle, behaviour and attitudes. In addition to this a feedback form is provided to all beneficiaries of Unpaid Work to gather information about their experience of the work being carried out and their satisfaction with the end result. An interactive facility has also been created on the Council's website to enable members of the public to suggest ideas for Unpaid Work projects, provide feedback on existing projects and request information about how offenders are supervised in the community.

Complaints Whilst complaints remain low they are a useful tool to monitor performance and look for cross-cutting issues and themes. A common theme of complaints throughout the year centred on communication. This included the lack of/ or poor communication, but was often how people perceived what was being said. Feedback from line managers to staff involved was a common outcome and more widely this is being addressed through group supervision and team meetings. User and carer involvement in the development of learning and development courses will also help address this shortcoming.

8 Workforce Planning/Development

The turnover of staff and restructuring of services including the integration of health and social care continues to present a range of challenges and opportunities to the Learning and Development Team. These have been managed through a varied range of means and measures:

- Collaborative approaches to workforce development, cross-sector workforce development strategies/activity
- SVQ Assessment Centre working across Adult Services, Children Services and Education to provide SVQs for all SSSC registered staff – extended to include Learning Assistants and Senior Childcare Development Workers – with flexibility to deliver SVQs to Healthcare staff if required
- Membership of the Lothian Health & Social Care Learning & Development Collaborative to discuss learning & development approaches to the integration agenda
- Development and joint appointment between Adult Services, Children's Services and Education of Team Teach Advanced Trainer (re: working with potential violence and aggression)
- Working with all Service Managers where re-structuring of managerial responsibilities has led to more cross-discipline supervision responsibilities
- Overview of workforce development actions – key challenges and achievements including progress with registration of the workforce and support for CPD

The restructuring of services and turnover of staff has required the continual provision of our SVQs and PDAs to ensure that the registration of the workforce is a matter of priority.

Our achievements in relation to staff registration are:

- 1) Children & Families Centre – 90% (not including Education staff)
- 2) Residential Services (Young People) – 95%
- 3) Learning Disability Services - 85% (Staff are currently not required to be registered, apart from the manager)
- 4) Community Access Team (LD) - 95% (Staff are currently not required to be registered, apart from the manager)
- 5) Care At Home – 95%
- 6) Rapid Response Team 95%
- 7) Care Home (1) – 95%
- 8) Care home (2) – 95%
- 9) Extra Care Housing – 85%

Newly Qualified Social Workers (NQSWS) – NQSWS across Adult Services, Children's Services and Criminal Justice Services are supported through a 6-weekly reflective practice group in order to discuss the challenges of practice in their first year of professional practice. The Heads of Service continue to support NQSWS through the provision of a day per month for reflective writing for their PRTL. Our achievement is that all NQSWS in Midlothian Council achieve their PRTL on their first submission.

Other learning and development opportunities that have been offered to staff include:

- Practice development and support for Social Care workers and Social Workers
- Outcomes-focused assessment and SDS, in both Adult Services and Children's Services
- Effective Practice course (7-day) for Children & Families with Child Care Consultant Sally Wassell
- Direct Work with Vulnerable Children – skills based workshops
- Court Witness Skills – skills based workshops
- Dementia – Skilled Level (PEF) – implementation of training for Care At Home and Care Home staff
- Occupational Risk Assessment training for OTs
- Practice sessions for working with situations of potential violence and aggression (Team Teach – Adults and Children's)
- Continuation of Social Work traineeships for Social Care staff who have completed the 1st 2 Stages of the Open University BA (Hons) Social Work (Scotland)
- Continuation of Social Work placements being offered to Universities and opportunities for Link Workers and Practice Teachers

Postgraduate opportunities for staff were taken up in the following way: PG Certificate in Child Welfare & Protection (3), PG Certificate in Adult Services, Support & Protection (1), PG Certificate in Social Work Practice Education (1), and PG Certificate in Management & Leadership in Social Services (2 Team Leaders, Adults, and 2 Team Leaders, Children's),

Use of technology and other innovative approaches to support learning

The implementation of a digital learning strategy has started within Health & Social Care. A blended approach to learning – with an e-learning module addressing theory followed by practical face-to-face training – is being planned, with mandatory training being a priority. The challenges are to ensure accessibility for staff with no office base, no work email address and limited access to computers. A survey of staff member's digital competence and access to computers was undertaken in early 2016. This confirmed the challenges of implementation of e-learning; additionally there are challenges due to the patchy nature of Wi-Fi access across Midlothian. The levels of confidence and access to computer technology are extremely variable within the Health & Social Care staff group. The challenges are being addressed through small group implementation of e-learning, alongside skill development.

Within Children's Services a variety of training is offered with the expectation that staff either offer a development day to share their learning with other team members or write an update for the monthly newsletter.

One social work assistant has been offered the opportunity of a traineeship to become a social worker. In addition two workers from the service are about to return as fully qualified social workers following their final placement. 1 staff member has successfully completed the PG Management & Leadership Course at Stirling University and 3 staff members are about to complete the PG Child Welfare and Protection Course at Stirling University.

Children's Services and the voluntary sector have secured funding from the Scottish Government to send 20 workers on Family Systemic Training Foundation Level training which commences September 2016. Two social workers undertook the joint investigative interview training between April 2015 and April 2016. We have one social worker undertaking the training in August 2016.

A range of training is offered via the Public Protection Officer such as awareness raising re the PREVENT strategy, Child Protection Levels 1 & 2, and Violence against women and children.

Workforce Planning

Workforce Planning is an essential element of the Midlothian Health and Social Care Partnership Strategic plan. Understanding the nature of the current workforce in Social Care allows for accurate and appropriate future planning for the Integration landscape.

Midlothian Council Adult Social Care Workforce Plan 2016 – 17 has highlighted a number of key challenges for the future, linked to demographics, qualification and career opportunities in Social Care. The age profile of the current workforce – the majority are over the age of 45 years - reflects a significant loss of skill and expertise in the next 10 years: succession planning for key management posts demands investment in potential managers, through leadership development opportunities: recruitment to Mental Health Officer posts needs to be creative and responsive to increasing demand on what are currently limited services.

The Midlothian Integration Strategic plan lays out the scenario for the future shape of health and social care services. The challenges can only be met by having in place a fully equipped and motivated workforce, where all staff members across the different sectors are working together as part of a whole, joined up system. This will involve learning and development opportunities and support as we move towards new changing models of health and social care and the need for different approaches and flexible skill sets.

The increasing emphasis on self management and self directed support will require a cultural shift by us all towards a greater sense of working in partnership with service users.

Ensuring the recruitment and retention of a skilled committed workforce is critical to the successful delivery of social care services. Work will continue on the organisational development programme for integration while plans are well developed for the establishment of a Midlothian Council SVQ centre. There remains a continuing need to reduce the costs and impact on service delivery of staff absence rates.

A Health and Social Care Academy has been set up to promote career opportunities in Social Care, particularly in frontline Care and Support work. The pan-Lothian Learning and Development Collaborative is addressing the need for a hub of flexible practitioners within the Health and Social Care pool of employees.

Work progresses on the Integration Workforce plan with investment at a local level and a pan-Lothian level with key partners, including the Third and Independent Sectors and. The ambition is to have a Workforce in place which will provide a flexible person-centred response, making the best use of the knowledge and skills of the agencies within the partnerships.

9 Improvement Approaches and examples/case studies of improvement activities

Two of the principles endorsed by the public in the council engagement process as appropriate ways for local public services to develop were-

i. Preventative Intervention

The term prevention as used here refers to the ways in which public services, including the voluntary sector (and citizens), can act now to prevent increased need for public services in future by helping people to retain their independence in the face of age, ill health, disability or other challenges; or to achieve self-supporting life circumstances requiring no or minimal public support when faced with difficulties such as poverty, unemployment, crime, domestic violence, child abuse or addiction. Current examples include the shift from providing residential care of older people to maintaining people's independence living in their own homes using new technology (telecare); supporting parents in their children's early years through the work of Sure Start Midlothian active schools and ageing well programmes to increase physical activity and reduce the health problems associated with inactive lifestyles; a healthy reading scheme to support patients' self help (reducing repeat visits to GPs).

Building communities capacity to manage their own affairs and co-production of public services with service users and communities

There are examples across all service areas of co-assessing, co-designing, co-commissioning and co-delivery of service provision. E.g.-designing with service users and their families and carers the services for adults with learning disabilities who attended a Resource Centre to support their wish to be included in the wider community and to choose activities they want to take part in.

ii. Outcome-Focused Services

Significant strides have been made over the last few years to provide more outcome focused services and reconfigure services in a number of areas, including the whole system transformation of services for older people and the work as a national Dementia Demonstrator Site. Improvements in the use of 'Talking Points' across both health and social care, and the implementation of 'self-directed care', will enhance outcomes focused approaches by enabling people across all client groups to take greater control and responsibility for their own care arrangements.

Over the next 3-5 years we will work towards delivering the following outcomes:

- Enhance support system for carers
- Promote independence for people with disabilities
- Ensuring fewer people are affected by drug and alcohol misuse
- Enhance services to promote mental health and wellbeing
- Enhance quality and capacity of services to support people in their own homes
- Enhance social inclusive and personalised service
- Enhance financial inclusion of people with community care need

The achievement of these outcomes are addressed at a strategic level by developed development of joint plans by client group specific planning groups which report to the Adult Health and Care Community Planning thematic group. These documents have been developed in conjunction with the various agencies operating in Midlothian, users and carers and informed by national and local priorities It should be noted that a number of the Adult Health and Care priorities have direct links with priorities of other community planning thematic groups. These interdependencies have been highlighted in the Single Plan action plan. The drive to transform public services through enhanced partnership working, expanding community and voluntary sector capacity and enhancing the provision of preventative services and early intervention across all services continues to be of significant importance to this thematic area. Strengthening the working arrangements across the community planning thematic groups will be key to achieving the outcomes above and addressing cross cutting areas such as hate crime, employment and adult support and protection.

Application of the Integrated Care Fund: This past year saw the last year of the Change Fund which helped establish a range of community based services with a particular emphasis on addressing social isolation. Those services which have clearly demonstrated an impact on reshaping services for older people will continue to be financed through the new Integrated Care Fund. This new fund will also enable service developments for younger people with long term health conditions. In recognition of the growing numbers of people with co-morbidity i.e. living with two or

more long term conditions additional funding is being sought from Scottish Government to pilot the *House of Care* approach whilst Midlothian has now been included in the Transforming Care after Treatment programme for supporting people with cancer. The local emphasis on supporting people with dementia has been maintained by Midlothian.

Technology: Telecare offers a wide range of devices to support people stay safely in their own homes. As well as a basic service to summon assistance used by some 1900 people in Midlothian, a range of devices are used to monitor when someone with dementia may have wandered from their home at night, when someone who is frail has not got out of bed in the morning indicating a possible health problem or a falls monitor to summon support in walking for someone who is unsteady on their feet. A Telehealthcare Strategy Manager has been appointed to help develop the use of technology to help manage health conditions such as diabetes and dementia and support the move to greater de-hospitalisation. He is also assessing with specialist companies, the possible use of smart technology (phones/tablets) to help family members share information with one another, and as appropriate, with health and care staff, about the person for whom they are caring for which may enable us to pick up some possible deterioration at an earlier stage.

Community Payback Order Annual Report 2015/16

Report by Eibhlin McHugh Joint Director

1 Purpose of Report

The purpose of this report is to provide a context for the Community Payback Order (CPO) Annual Report 2015/16 which is attached below.

2 Background

Section 227ZM of the Criminal (Procedure) Scotland Act 1995 imposes a duty on local authorities to submit an annual report on the operation of the Community Payback Orders (CPOs) to Scottish Ministers. Circular LJ/02/2013, which was issued to local authorities on 23 September 2013, explained that local authorities would be expected to fulfil this requirement in two ways:

- by continuing to submit statistics for each financial year to the Scottish Government on the operation of community sentences in their areas; and
- in addition to these statistics, by providing a narrative account of the implementation and operation of the CPO in the financial year to which the statistics refer.

This is the fourth CPO Annual Report provided for Scottish Ministers since CPOs were introduced in February 2011. The Scottish Government provided a template for the report prior to the compilation of the 2012/13 report and confirmed that the same template was to be used for subsequent reports. The template focuses on Unpaid Work to a greater extent than other aspects of CPOs.

3 Report Implications

3.1 The report includes extensive feedback from service users (individuals subject to CPOs) and from the beneficiaries of Unpaid Work projects. The Criminal Justice team, now in conjunction with Community Justice staff members, are very keen to consult with communities as fully as possible about Unpaid Work and other aspects of Community Justice. In 2014/15 Midlothian Criminal Justice Team set up an interactive facility on the Council website where members of the public can suggest ideas for Unpaid Work projects, comment on completed or ongoing projects and ask any questions about how service users are supervised on CPOs. Suggestions have been forthcoming for Unpaid Work projects that the team take on where possible and appropriate. Briefing sessions to other community groups and elected members have also generated referrals.

3.2 As can be seen from the report, feedback from service users and beneficiaries is generally positive. The Unpaid Work team has increased the number of individual placements over the past year. Team members have also focused on increasing the number of projects and placements where service users have face to face contact with the beneficiaries of the work they have carried out. The work done by individuals on Unpaid Work on large projects, such as in the country parks, is very much appreciated by the forest rangers. However staff members are keen to maximise the number of projects and placements where the person on the order can directly appreciate the positive impact of the work they carry out. This is more meaningful for clients and beneficiaries and therefore more likely to change attitudes.

3.3 The Criminal Justice team continues to look at ways to communicate to the public the challenging work that clients undertake when on a CPO with a supervision requirement. This would previously have been known as a Probation Order. There is often an impression that if an individual does not receive a custodial sentence they do not have to face up to the consequences of their behaviour. In fact Criminal Justice social workers spend much of their working lives assessing and managing risk and delivering offence-focused interventions to their clients. The impact of offending behaviour on victims and encouraging individuals to confront the issues that have led to them becoming involved in offending in the first place are key components of supervision. Individuals subject to CPOs who have committed sexual or domestic abuse offences are usually required to undertake lengthy and challenging programmes that combine group and individual components.

3.4 The new structure for Community Justice in Scotland is now looming ever closer, with CJAs being disestablished in March 2017, and a major consultation exercise is currently underway in Midlothian. A questionnaire, including an easy read version, has been issued as widely as possible, including on social media. The survey asks respondents for their views on the priority issues relating to offending and reoffending in Midlothian. The survey was launched in August and closed on 16th October 2016. The results are being analysed by the Community Justice Partnership Planning Officer. Midlothian Community Safety and Justice Partnership will take the results into account when creating the Community Justice Outcomes Improvement Plan which will be submitted to the new national body, Community Justice Scotland, at the end of March 2017. This further consultation activity will help the planning of unpaid work projects to be more community focused.

3.5 The Community Safety and Justice partnership hopes that the new structure, and the requirements for community consultation inherent in it, will reinvigorate conversations about offending behaviour and the responses to it in Midlothian. In the past year the partnership has created local profiles and gap analyses of the 9 priorities identified by the Scottish Government as most associated with criminality. This will help to prioritise resources going forward.

4.1 Resource

There are no resource implications from this report. Criminal Justice Social Work continues to be paid for by ring-fenced Section 27 funding that comes from the Scottish Government through the Community Justice Authorities. A

new funding formula will be introduced when the new structure is established in April 2017. Although the detail of the Section 27 allocation for 2017/18 is not yet known, assurances have been made by the Scottish Government that Midlothian's funding will not reduce.

Over the past two years every local authority has received an extra £50,000 per annum to help with the transition to the new structure. It is expected that this will also be made available for 2017/18. It is not clear what will happen after that and this is an area of some concern, given the performance reporting requirements in the new structure.

4.2 Risk

There is no risk implication deriving from this report.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ✓ Community safety
- ✓ Adult health, care and housing
- ✓ Getting it right for every Midlothian child
- ✓ Improving opportunities in Midlothian

4.4 Key Priorities within the Single Midlothian Plan

This report is relevant to the following priorities:

- Reduce anti-social behaviour
- Reduce re-offending
- Reduce violent crime
- Violence Against Women
- Crimes of Dishonesty
- Protecting Midlothian's Children
- Protecting Adults at Risk
- Community Involvement in Setting and Delivering Community Safety Outcomes

4.5 Impact on Performance and Outcomes

The Criminal Justice team in Midlothian performs well in relation to National Outcomes and Standards for Criminal Justice Social Work and significantly contributes to safer communities in Midlothian. The team works closely with partners such as police, particularly in managing individuals assessed as at risk of causing significant harm and Midlothian Criminal Justice social workers are perceived by other agencies as being strongly committed to partnership working.

4.6 Adopting a Preventative Approach

The Criminal Justice team works to prevent re-offending but only becomes involved once an individual has offended. One exception to this is the "Spring" service for women with multiple and complex needs, where women at risk of offending are eligible as well as women already involved in the Criminal Justice system.

4.7 Involving Communities and Other Stakeholders

The CPO Annual Report is to a large extent based on feedback from communities and other stakeholders, particularly in relation to Unpaid Work. However the current wide-ranging consultation exercise as part of the transition to the new structure will enhance our ability to take the community's views into account when planning and delivering services.

4.8 Ensuring Equalities

The Criminal Justice team set up the "Spring" service in 2014 as a result of recommendations in the Commission for Women Offenders report (April 2012) that women in the Criminal Justice system cannot be expected to engage successfully with services set up originally for male offenders including community disposals such as CPOs.

4.9 Supporting Sustainable Development

No implications.

4.10 IT Issues

No implications.

5 Recommendations

It is recommended that Council notes the contents of the Community Payback Order Annual Report 2015/216.

Date: 13th October 2016

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Background Papers:



COMMUNITY PAYBACK ORDER ANNUAL REPORT

FINANCIAL YEAR: 2015/2016

LOCAL AUTHORITY: Midlothian Council

Types of unpaid work projects and activities which have been carried out; the total number of unpaid work hours completed during the year; and information and examples that help to demonstrate how communities benefit from unpaid work.

In 2015/16 A total of 18097 hours of unpaid work was completed by 250 clients, over 279 orders.

Types of unpaid work projects carried out by Midlothian unpaid work team in the year 2015/16 include;

- Landscaping
- Removing fly tipping and undertaking a waste amnesty
- Litter picking
- Improvements to school/ nursery playgrounds and to community facilities
- Painting and Decorating
- Gardening
- Constructing garden furniture in our workshop
- Personal placements in local charities
- Recycling projects producing outdoor and garden materials and furnishing
- Helping increase the safety of victims of domestic violence and stalking

Landscaping

Landscaping was carried out by the unpaid work team in various locations and for numerous organisations including:

- Public parks and walkways in Midlothian. This involved partnership working between the Countryside Rangers and the unpaid work team. Tasks completed included the maintenance of walkways in Vogrie Park, Gore Glen, Burghlee Park, Nine Mile Burn and Roslin Glen. We have also assisted with the construction of a roundabout to help the flow of traffic within the country park.
- Fence repairs, reinstatement of subsided land, pruning and general tidying up of public parks and walkways.
- We continue to work in partnership with Newbattle Abbey College who provide a rural skills taster course for clients on CPOs every quarter. CPO service users have done a significant amount of gardening and landscaping work in the grounds of the college, including the maintenance of a community garden that is used by local schools and other community groups.

Fly Tipping/ Waste Amnesty

A need was identified by the local fire service and Midlothian's Community Safety partnership to reduce the number of unsanctioned bonfires in the county to help protect the community and especially youths who may become involved in fire-raising around 5th November. A waste amnesty was agreed where for a week prior to Bonfire Night the unpaid work team, working in association with partner agencies, collected and disposed of flammable materials that had been dumped in areas of waste or common ground or that had been abandoned in stairways. The team collected from 60 locations and this work contributed towards a reduction in call outs to the fire brigade on 5th November and the following weekend, 5th November falling on a Thursday last year.

Fly tipping continues to be an ongoing problem in the rural areas of Midlothian as well as occasionally on common ground in local housing estates. We receive referrals from community councils and other council departments and have developed close relationships with community partners to identify and respond quickly to new incidents.

Litter Picking

Midlothian unpaid work team carries out regular litter picking projects in Midlothian at the request of various Community Councils and voluntary groups. Rather than simply clearing the area we work alongside members of the community, enabling the community to maintain their local environment with our assistance.

Improvements to School Playgrounds and Community Facilities

The unpaid work team have been involved with various secondary and primary schools as well as nursery and Midlothian Sure Start centres undertaking a range of work including:

- The construction of raised flower beds, bird boxes and playground furniture.
- Removal and disposal of waste.
- The construction of seated areas.
- Improving access to community facilities for disabled people.
- Regular grass cutting and maintenance at local playgroups and nurseries
- Creating eco friendly sensory gardens for children to play in.
- Cutting back overgrown trees.
- Painting the interior and exterior of schools and buildings used by community groups.

Painting and Decorating

Painting projects have been carried out for community organisations including a local charity, nursery, and community centre. We have worked alongside colleagues in the Community Mental Health Team to renovate and decorate clients' homes to support the individual's rehabilitation and also ensure that they meet the requirements of occupancy agreements.

Gardening

We continue to undertake gardening projects for vulnerable people in the community including the elderly and those affected by disability. This has helped beneficiaries access and make full use of their gardens. For some beneficiaries we have ensured that their tenancies are not at risk when due to health problems they have been unable to maintain their garden to an acceptable standard. We have also developed gardens for local nurseries and schools to enable children to play in a safe environment and learn new skills through growing their own fruit and vegetables in the raised beds that we have created.

Constructing Garden Furniture

Midlothian's unpaid work team have constructed garden furniture that is requested by community organisations. The furniture is built to a high standard and costs to the beneficiary are kept to a minimum with beneficiaries paying only for the cost of the materials. We have produced furniture for schools, community groups, sports facilities and public parks.

Garden Furniture which is built by the unpaid work team includes:

- Garden benches
- Memorial benches
- Picnic tables [large and small]
- Love seats
- Bird tables
- Wishing wells.
- Sand pits
- Bird boxes

Personal Placements with Local Charities

We continue to develop opportunities for service users to use their time and skills to complete their unpaid work on placement with local charities and community groups. This provides an opportunity for individual clients to carry out work that benefits the charity as well as the wider community. It assists service users to make connections with their local communities and learn new skills. Often clients remain involved in a voluntary capacity with the charity once their CPO has ended. Our placements include local charity shops, a furniture recycling project, a charity supporting ex-service personnel, a community food growing project, a food bank, sports organisations and a lunch club for older people.

Recycling projects producing outdoor and garden materials and furnishing

The team is continuing to develop relationships with local firms where we can recycle items like pallets, leftover materials, tyres and other things that otherwise would have been disposed of. We have been able to use materials like tyres to build fun planters that look like cartoon characters including Olaf (from the film Frozen) and Minions. We have used wood that would have been thrown away to construct garden furniture for a local nursery. Wood donated by a tree surgeon was used to create chairs and tables for a school. We are continuing to develop and expand this aspect of the service and are currently working on a cycle track at a primary school made from recycled tyres.

Helping increase the safety of victims of domestic violence and stalking

In the past year we have developed closer links with the local MARAC and agencies supporting victims of domestic abuse and stalking. We have worked with these agencies to complete projects that assist in increasing women's safety. Examples of work have included: cutting back a garden to reduce places where a stalker could hide, erecting fencing round a garden to provide a safe and secure area for the family, and helping a victim and her family move to new accommodation.

Quotes from people on CPOs and beneficiaries about the impact of the unpaid work on them and/or the community.

Feedback from Service Users

In total we had 250 clients undertake a total of 279 Orders in the year 2015/16. This resulted in 18097 hours of unpaid work being completed to the benefit of the local community. At the end of each order clients are asked to complete an exit questionnaire. Some of the key findings from these questionnaires are:

- 94.5% of clients felt they had made “payback” to the community through their placements which is a 1.5% increase from last year.
- 64% felt that that they had gained new skills during their order which is an 11% increase from the previous year.
- 87% of client’s felt that their attitude towards offending had improved during the course of their order.
- 99% of clients felt they were treated with respect.

Quotes from service users in relation to impact on likelihood of offending:

- ‘I would like it noted that everyone during my order gave me fantastic support and guidance. This has helped me to be in a better place, situation and a better person. I won’t be offending again.’
- ‘I am going to make it one of my goals, not to get another order.’
- ‘I have enjoyed how it went; it has given me a positive attitude towards my future.’

Quotes from service users about the benefits of their Unpaid Work requirement:

- ‘I have learned to use machinery that I had not used before. This will help me get a job.’
- ‘I learned new skills at the rural skills course and am now confident gardening.’
- ‘I have learned joinery skills from supervisors and other people.’
- ‘I have better communication skills with working with members of the public and working as part of a team to achieve our goal.’
- ‘I improved my people skills working with drug users. It felt that I was able to help them.’
- ‘I learnt basic joinery, carving and painting skills.’
- ‘I now have a certificate in first aid.’
- ‘It helped me get into a routine.’
- ‘The fact that I was treated with respect by all staff made the order bearable.’
- ‘We always worked hard no matter what we were doing.’
- ‘I helped to make various items for the community, which gave me job satisfaction.’

Quotes from service users about what they see as the benefits to the community of their Unpaid Work:

- ‘I took part in work that improved the community.’
- ‘Things I have made have been used throughout the community.’
- ‘We have combined skills and strengths which have resulted in us producing some good work for nurseries and charities.’
- ‘We have helped nurseries who do not have much money by building things for their playgrounds.’
- ‘All the staff have been good with me. I am happy I have been able to help the Community. I learned new skills.’
- ‘I have helped people with needs and kept nature walks tidy and looking respectable.’
- ‘My time spent cleaning & tidying paths and other activities carried out made Midlothian a cleaner and tidier place.’
- ‘The best thing was helping people with no money, getting things done.’
- ‘Great staff – fantastic service making benches and items for a kids’ nursery.’

Feedback from Beneficiaries

We gather feedback from beneficiaries, both individuals and community groups through asking them to complete and return a feedback questionnaire. Of the feedback received 94.5% of respondents described the quality of the work as excellent with 5.5% describing it as good.

Quotes from beneficiaries about Unpaid Work carried out:

- ‘The team were nice, friendly and very helpful’ (individual beneficiary).
- ‘After a cut in funding this year the team’s ability to recycle material has really benefited our service users’ (Community Centre).
- ‘It was worth the wait as the garden looks good now and is easy for me to access’ (individual beneficiary).
- ‘Service was delivered as promised and on time’ (individual beneficiary).
- ‘The team worked well together, were helpful and considerate of those around them. They were positive and pleasant when in contact with our service users’ (day care centre for the older people).
- ‘If we were paying for the assistance provided it would have used up our limited financial resources. Being flexible with us helped minimise the disruption to our service users’ (community centre).
- ‘Friendly and approachable’ (Residential Children’s Service).
- ‘They did a very good job and I could not have managed without them’ (individual beneficiary).
- ‘The team completed the work with no fuss and done everything that was needed’ (victim of crime).
- ‘All work was completed quickly and efficiently. The whole team were exceptionally respectful and they helped to enhance the school and therefore all pupils benefited from this service’ (primary school).

Suggestions from beneficiaries:

- 'I am looking forward to seeing if the team could become involved in community projects to support individual unpaid carers to support tasks that allow carers to do things at home e.g.: erecting sheds, laying slabs to give access to gardens, putting furniture together so carers can pursue hobbies at home' (community group).
- 'Increase public awareness so victims and communities know that your service is available to them' (individual beneficiary).
- 'Develop more opportunities to help single parents and OAPs' (individual beneficiary).

Types of "other activity" carried out as part of the unpaid work or other activity requirement.

The take up of the other activity in Midlothian remained low during the 2014/15 financial year and during the 2015/16 we have sought to develop the opportunities available for clients. Current activities include:

- A Rural Skills taster course that was developed in partnership with Newbattle Abbey College. The course is delivered quarterly over a 5 day period and lasts for 30 hours. This partnership has been running now for five years and during the past year we have had 19 individuals successfully complete the course. In this financial year we developed the course further to include an Adult Achievement Award from the Scottish Qualification Authority. The two clients who completed this extended version of the course were amongst the first in the country to receive this award and met with Alasdair Allan MSP when he visited Newbattle Abbey College.
- The Spring service works with women who are involved in or at risk of becoming involved in offending behaviour. The opportunity to attend is made available to all women on CPOs. Spring provides a holistic service to women and focuses on mental health, experiences of victimisation, self-esteem and substance misuse as well as on reducing the likelihood of offending.
- Venture Trust have continued to offer their "Wild Living – Chance for Change" personal development course to clients subject to Unpaid Work. We have had several young people attend this programme as part of the "other activity".
- We are keen to help clients make contacts with local services so that support can be maintained when their orders have ended. Referrals to services dealing with substance misuse has allowed clients to initially use their "other activity" allowance of hours towards establishing contact with agencies including MELD, the Substance Misuse Service, ELCA and Transitions. These services then continue to support clients after their orders have been completed.
- Also available to our service users are literacy and numeracy courses which are delivered on a regular basis by MALANI, Midlothian Council's adult literacy and numeracy project.

- Clients have also been able to attend training courses to assist them gain employment, dependent on eligibility for funding through their ILA (Individual Learning Account). This has allowed clients to complete training on Health and Safety related issues and obtain the Health and Safety certificates needed for work on building sites, such as CSCS cards. Clients have also been able to gain their forklift truck driving licence.
- In partnership with the British Heart Foundation we have delivered numerous emergency first aid courses. Clients are trained to recognise the signs and symptoms of heart attacks and strokes and learn how to deliver basic first aid in emergency situations.

Activities carried out to consult prescribed persons and organisations, pursuant to section 227ZL of the 1995 Act, and wider communities on the nature of unpaid work and other activities and how the consultation results helped determine which projects were undertaken.

We have undertaken a number of consultation activities since April 2015:

- Having set up an interactive facility on the Midlothian Council website during 2014 we have been receiving referrals directly from members of the public.
- We have visited Community Councils and met with local councillors; this has resulted in several referrals for projects being made to our team. A presentation was also given at two Community Justice events.
- We have been an active member of the Community Safety Delivery Group which has helped us work with partner organisations to the benefit of the community. An example of this work is the waste amnesty that took place before Bonfire Night in November 2015.
- We attended the Midfest Family Fun Day for the second year running to publicise our service and engage with the public about projects they would like our unpaid work team to take on. This has resulted in a number of new referrals from those who previously did not know our service existed. At this event we sought the public's views about unpaid work and 81% of respondents felt that the team should be helping the victims of crime. We had already started to develop this area of work, undertaking projects to support the victims of domestic abuse. To further increase our support for victims we have engaged with tenant participation officers and community link workers to identify projects within areas experiencing high levels of crime and anti-social behaviour, with a view to improving the general environment for residents. We have undertaken a mapping exercise to identify the top three areas in Midlothian affected by crime and disorder and are proactively contacting community groups and organisations in these areas to increase the volume of work we undertake there.
- As part of the redesign of Community Justice we are currently carrying out an extensive engagement and consultation exercise with organisations, members of the public, service users, victims and witnesses of crime. As part of the engagement process we are asking for suggestions for work that the unpaid work team could undertake. Once the survey results are analysed we will incorporate the suggestions received into our future plans including the Midlothian Outcomes, Performance and Improvement Framework.

Use by the courts of CPO requirements other than unpaid work, for example what, and in what way, different requirements are being used for those whose offending is driven by drug, alcohol and mental health issues; or how requirements such as programme or conduct are being used to address offending behaviour.

In 2015/16 the use of CPO requirements were as follows:

| | |
|--|-----|
| <i>Alcohol</i> | 2 |
| <i>Compensation</i> | 2 |
| <i>Conduct</i> | 6 |
| <i>Programme</i> | 6 |
| <i>Restriction</i> | 0 |
| <i>Unpaid work</i> | 179 |
| <i>Supervision</i> | 74 |
| <i>Unpaid work as the only requirement</i> | 142 |
| <i>Supervision as the only requirement</i> | 40 |
| <i>Unpaid work and supervision</i> | 37 |
| <i>Total number of CPOs made</i> | 219 |

Unpaid work remains the most commonly used CPO requirement with a 15.7% increase in its use as the sole requirement of a CPO compared to 2014/15. 37 CPOs were made with conditions of both supervision and unpaid work. The number of CPOs made with supervision as the sole requirement has decreased by 9% with 40 such orders compared to 44 the previous year.

Courts have continued to increase the use of the conduct requirement; with a 50% increase from 4 in 2014/2015 to 6 in 2015/16. The conduct requirement continues to be used to prohibit clients from a course of action such as contacting a named person, accessing the internet or having contact with persons under the age of 17. It is also used a means of requiring individuals to do something, for example engaging with a service such as with alcohol counselling or attending a women's service.

This year has seen a decrease in the use of compensation as a requirement, down from 6 to 2. This requirement tends to be imposed in instances where supervision has not been recommended. If a client is not making the required payments we are instructing them to contact the Fines Section at Edinburgh Sheriff Court to have their case reviewed or alternatively breach action may be taken if appropriate.

The use of the programme requirement has also seen a decrease with there being 13 fewer such requirements made this year. A factor relating to this decrease is the roll out of the Moving Forward: Making Changes programme which is not deemed suitable for offenders assessed as low risk. Within Midlothian a programme requirement is required for inclusion in: Venture Trust, the Caledonian programme and Moving Forward: Making Changes.

Any other relevant information. This might include details of work which is carried out with people on CPOs to address their offending behaviour but which does not fall into the category of a specific requirement.

The Criminal Justice Team in Midlothian work closely with staff from other agencies including. These include:

- Adults and Community Care
- Police Scotland
- Community Safety
- Housing and Homelessness teams
- Substance Misuse services
- Children and Families social work
- Health Inequalities
- Mental Health services, including SOLS
- Lifelong Learning team

For women placed on a CPO, with a condition of supervision, engagement with the Spring service continues to be an integral part of the case management plan. Where appropriate attendance at Spring can be considered as part of the 'other activity' of a CPO with unpaid work. Referral to the Willow Service in Edinburgh is also an option for women with complex psychological problems and this would be decided after ongoing assessment from Criminal Justice social workers and/or staff at the Spring Service.

When working with service users on CPOs social workers use a number of interventions to support the process of change and to manage the risk of re-offending and harm. Examples of the types of interventions used within Midlothian are as follows:

Domestic Abuse offences

The Caledonian System provides a combined response to men's abuse of their partners and ex-partners comprising of a programme of work for men convicted of domestic abuse related offences and a support service for women, children and families affected by these offences. The system also includes inter-agency protocols for joint working.

The East and Midlothian Public Protection Team was established in March 2014 and brings together Lead Officers and staff involved in Adult Support and Protection, Child Protection and Violence Against Women and Girls. Also co-located in the team are Midlothian and East Lothian Drug and Alcohol Partnership (MELDAP) staff and the 'J' Division Police Public Protection Unit. The MARAC Co-ordinator is also part of this team. The MARAC process allows information to be shared about victims of domestic abuse assessed as being at a high risk of harm and Criminal Justice social work representatives attend MARAC meetings.

Sexual Offending

The Community Intervention Service for Sex offenders (CISSO) provides support and consultation in our work with those convicted of a sexual offence. They deliver the accredited programme for sexual offenders: Moving Forward Making Changes (MFMC). If a client is assessed as suitable for inclusion in Moving Forward Making Changes they will complete the pre-group work on a 1:1 or 2:1 basis with the local Criminal Justice team before undertaking the groupwork programme in Edinburgh.

There is also a Learning Disability Service delivered in conjunction with the Royal Edinburgh Hospital and CISSO and includes a group work programme.

The Sexual Offender Liaison Service (SOLS) team is based in the Orchard Clinic at the Royal Edinburgh Hospital and provides an invaluable consultation and assessment resource to Criminal Justice services across the NHS Lothian region.

General Offending

When working with service users convicted of general offences the main focus of supervision is to reduce the risk of re-offending and harm through providing the individual with the opportunity to engage in a process of change. At the pre-sentence stage, if recommending supervision as part of a CPO, criminal justice social workers outline provisional actions plans for promoting positive change and increasing desistance. LS/CMI provides a more detailed framework of assessment leading to a individualised case management plans which seeks to target the identified risks and needs.

The following agencies/teams have supported the delivery of interventions as part of CPOs:

- Mid and East Lothian Drugs (MELD, which also works with individuals who have alcohol issues)
- Edinburgh and Lothian Counselling Service for Alcohol (ELCA)
- The Venture Trust
- The Edinburgh and Midlothian Offender Recovery Service (for substance misuse assistance in custody, arrest referral and voluntary throughcare)
- The Orchard Centre (for mental health issues)
- The local NHS Lothian Substance Misuse Service

- Substance misuse social work staff
- Midlothian Young People's Advice Service (MYPAS, for sexual health and substance misuse issues)
- The Willow Centre
- Spring Service
- The Sexual Offender Liaison Service (SOLS)
- Fairbridge/Prince's Trust
- Midlothian Adult Literacy and Numeracy (MALANI)
- Places for People (for tenancy support)
- The Joint Mental Health Team
- Recovery College (Transitions)
- Lifelong Learning
- SHINE mentoring service
- Number 6 (Autism support)

Any issues affecting access to services which are provided by other partners (e.g. drug and alcohol services) and, where such issues have been identified, what work is underway to resolve them?

Although we are fortunate in Midlothian to have Gateway Clinics to enable rapid access to substance misuse services, there is no doubt that the 23% reduction in ADP budgets will have an impact on the services available, particularly from 2017-18 and beyond. MELD normally employs a Criminal Justice worker but this post has been left unfilled for several months since the previous potholder left, due to uncertainties about funding, which is via MELDAP. Previously CJ social workers were able to make direct referrals to this worker so the current situation does affect access to services. MELD continues to provide support to the Spring service although the future of this support is unclear.

Also the Community Health Improvement Service (CHIT) currently provides a Health and Well Being session to Spring service users every fortnight and extended health checks for the Spring women and also anyone on a court order who wants one. CHIT funding has recently been secured until the end of March 2017 but there is no guarantee of funding after that. This is unfortunate as one of the priority areas for CHIT is people involved in the Criminal Justice system.

Access to psychological therapies is difficult with very long waiting lists: this is a problem in many parts of Scotland. We now have an Access service for individuals with common mental health problems that works in a similar way to the Gateway Clinics. However if someone needs psychological therapy, rather than other forms of support, the wait will still be a long one. Fortunately we have access to the SOLS service for high risk offenders, mainly sexual offenders but SOLS has also agreed to offer a service to help CJ social work with the supervision of violent offenders managed under the MAPPA extension.

COMPLETED BY: Margaret Brewer

DATE: 12th October 2016

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Alison White

Chief Social Work Officer

13th October 2016

Extra Care Housing

Report by Eibhlin McHugh, Joint Director, Health and Social Care

1. Purpose of the Report

- 1.1 The purpose of this report is to seek agreement to the development of extra care housing provision including through the Phase 3 Housing Programme.

2. Background

Key Objective of Integration

- 2.1 The integration of health and social care was considered essential to accelerate the redesign of services to ensure their long term financial sustainability. In particular there is a requirement to shift investment towards community based services to reduce the reliance on hospital and care home provision. The context of challenging public finances and the projections about an ageing population led to the Government legislating to ensure these changes are put into effect.

Key Role of Housing

- 2.2 Although Housing is not formally included in the Integration arrangements it has long been acknowledged that suitable housing is critical to effective delivery of care in the community. This is reflected in the specific requirement to publish a Housing Contribution Statement in conjunction with the IJB Strategic Plan. The Chief Officer is also the Director of Housing Services while both the Council Housing Service and the local Registered Social Landlords (RSLs) are represented on the Strategic Planning Group.

Housing Strategies to Deliver Community Care

- 2.3 **Housing:** Sheltered, retirement, amenity and wheelchair accessible housing provide accommodation suitable for people who have some degree of disability or frailty. There are now 6 Sheltered Housing Schemes for older people in Midlothian with some RSLs having redesigned their services and removed the provision of on site support.
- 2.4 **Adaptations:** Many people prefer if possible to remain in their own homes and communities as their needs change. Each year in the region of £1.2m is spent on adapting Council, Private Sector and RSL houses to enable people to continue to manage as independently as possible. New build standards help to reduce the adaptations required in more modern housing.

- 2.5 Dementia Friendly Housing:** Midlothian has, for a number of years, been a test site for the national dementia strategies. A recent focus of this work has been to find ways of improving housing for people with dementia. One approach has been to develop guidance for housing design for designers, builders and property owners. Another is to provide training and resource material for both housing maintenance staff and for relatives.
- 2.6 New Technology:** Technology offers many more opportunities to help people live safely in their own homes. These range from wander-alerts to monitor if someone with dementia has left their house in the evening to automatic lights and safety shut off switches if gas or taps are left on. There is likely to be a growth in the application of technologies to help monitor issues such as sleep patterns and management of medication.

Housing Developments in Midlothian

- 2.7 Cowan Court:** Midlothian Council agreed to build an extra care housing facility, primarily for older people, in Penicuik in part to replace Pentland House Care Home. Cowan Court Penicuik opened in 2013 and was funded through a combination of the Housing Revenue Account and the Capital Programme. It was built to high design standards and has been the subject of considerable interest from elsewhere in Scotland. What distinguishes extra care housing from residential care is that everyone has their own tenancy with kitchen and bathroom facilities enabling people to be as independent as they can be with support from their families. A staff team is based there but the provision of care varies according to individual need.
- 2.8 Complex Care:** Midlothian Council is currently building 12 new homes to meet the needs of people with complex learning disabilities. This will enable people to live in a homely setting and within Midlothian rather than having to move to specialist facilities further afield.
- 2.9 Gore Avenue:** As part of the programme to rebuild housing in Newbyres approximately 12 homes, previously referred to as SMART housing, will provide the opportunity to develop extra care housing in Gorebridge with the possibility of links to Newbyres Care Home nearby. Two of these properties will be purpose built for bariatric use.

Extra Care Housing Strategy

- 2.10 Sheltered Housing:** The demand for traditional sheltered housing is reducing and some RSLs such as Bield Housing Association are reshaping the services provided. There is the opportunity to redesign some schemes to provide extra care housing; Trust Housing have already done so in Loanhead and discussions are actively taking place with all RSLs active in Midlothian. Castlerock Edinvar has now committed to remodel Salisbury View in Mayfield with the adaptation of the building now complete.

- 2.11 Wheelchair Accessible:** There are four wheelchair accessible housing schemes in Midlothian located in Bonnyrigg, Danderhall, Easthouses and Newtongrange. These may lend themselves to some remodelling providing extra care on a core and cluster basis. Potentially this could provide more accessible and consistent care whilst creating efficiencies through a reduction in travel time for care workers. An analysis of current levels of need and care provision is being undertaken for each of these sites.
- 2.12 Council New Build:** The planned Phase 3 Council Housing Programme provides an opportunity to extend the availability of extra care housing elsewhere in Midlothian. In particular Dalkeith and Bonnyrigg are the major population centres without such a facility in relation to older people. The Cowan Court complex is a large provision with 36 flats and communal facilities. To replicate this model will be dependent upon both the availability of land and on funds for communal facilities which would need to come through the Capital Programme. Alongside this, there is the opportunity to take advantage of the Phase 3 Programme to ensure that there is sufficient housing provision for people with both physical and learning disabilities.
- 2.13 New Build-Other Providers:** There has been a tentative expression of interest from a Registered Social Landlord to develop new-build extra care housing. There is also the possibility of the private sector developing extra care housing but that is dependent on their market analysis about potential demand.

3. Report Implications

3.1 Resource

Care costs will be funded through diverting existing care at home and care home budgets. The Business Case for Cowan Court was predicated on calculations that the financial model for extra care housing was more economical than the cost of care home provision.

The capital costs will depend on the model and size of new provision. Housing build costs could be covered through the Housing Revenue Account but the provision of communal facilities would require funding through the Capital Programme.

3.2 Risk

Failure to invest in extra care housing would give rise to a significant risk in being able to meet the needs of a rapidly ageing population. A continued reliance on residential care would be counter to both national policy and local public expectations and would also give rise to serious cost pressures

3.3 Key Priorities within the Single Midlothian Plan

- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian

- Sustainable growth
 Business transformation and Best Value

3.4 Impact on Performance and Outcomes

Extra care housing will both support increased independence and yet enable people to feel safer with direct access to support services.

3.5 Adopting a Preventative Approach

Enabling people with long term health conditions to plan ahead and move to extra care housing will increase their capacity to remain independent.

3.6 Involving Communities and Other Stakeholders

This report has been discussed with key staff in Housing.

3.7 Ensuring Equalities

There are no immediate equalities implications arising from this report. However the expansion of extra care housing will make it more accessible to older people who wish to remain in their own communities.

3.8 Supporting Sustainable Development

Not applicable.

3.9 IT Issues

There are no IT issues arising from this report.

4 Recommendation

Council is recommended to:

- i. Note the range of developments in housing which support the health and care agenda
- ii. Agree in principle to the proposal to include extra care housing in the Phase 3 Housing Programme
- iii. Agree in principle to the objective of providing some form of extra care housing for older people in all communities in Midlothian.

Date: 10/10/ 2016

Report Contact

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**East Lothian and Midlothian Public Protection Committee Annual Report
2015/16****Report by: Alison White Head of Adult Social Care; Chief Social Work
Officer****1 Purpose of Report**

This report is to introduce the East Lothian and Midlothian Public Protection Committee annual report 2015/16 thereby informing Council of its progress in that time.

2 Background

- 2.1** The East Lothian and Midlothian Public Protection Committee (EMPPC) is the key strategic group dealing with public protection matters across East Lothian and Midlothian and includes representatives from key partners (e.g. Social Work, Police Scotland, NHS Lothian, Education, Housing, 3rd Sector etc). The committee reports to senior officers through the East Lothian and Midlothian Critical Services Oversight Group. It remains committed to an outcome focused approach to supporting and protecting adults and children who may be at risk of harm, based on an understanding of need gained from evaluation activity.
- 2.2** There are two sub-groups which support EMPPC with this approach, one of which focuses on Performance and Quality Improvement across all areas.
- 2.3** The Learning and Practice Development sub-group, oversees the development and delivery of the EMPPC Learning and Development Strategy. During 2015/16 we carried out a service review of the training and development function within the team and have introduced a new role of Public Protection Learning and Development Co-ordinator to lead the implementation of the Learning and Development strategy. Page 20-21 of the report details the training activity over the year 2015/16.
- 2.4** The East Lothian and Midlothian Public Protection Team support the work of the EMPPC and is based in the East Lothian and Midlothian Public Protection Office (EMPPO) in the Brunton Hall, Musselburgh. It includes officers from adult support and protection, child protection and the domestic abuse service and is co-located with the local Police Scotland Public Protection Unit and Midlothian and East Lothian Drug and Alcohol Partnership. The primary aim of the team is to work in a more integrated way to strengthen practice across the whole public protection arena.

3 Report Implications

3.1 Resource

The key driver for the service continues to be ensuring sustainable services and streamlining future provision by sharing staff capacity and knowledge wherever possible. All posts in the team are joint posts across both council areas.

3.2 Risk

The Public Protection service contributes to addressing corporate risk that the councils and their partners would be unable to maintain or improve the quality and standard of public protection work due to increased complexities and depleting resources thus leaving service users in Midlothian at risk of harm.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

3.4 Impact on Performance and Outcomes

The EMPPC developed a Performance Framework which was implemented from 1st April 2015, providing its reporting framework for self-evaluation, audit and scrutiny. This framework was reviewed in January 2016, and an amended version implemented for 2016/17. During this time, Lead Officers worked closely with operational teams to ensure the performance framework and improvement plans are embedded within practice.

3.5 Adopting a Preventative Approach

It is increasingly clear that the reality for most of our service users is that their needs usually span more than one category of Public Protection i.e. many children on the child protection register have substance misusing parents or domestic abuse as a “cause for concern”. This evidence-led model links to the prevention aspect of single outcome agreements.

3.6 Involving Communities and Other Stakeholders

East and Midlothian Public Protection Committee remains committed to involving communities and other stakeholders wherever possible, although this can prove a challenge in this area of work.

3.7 Ensuring Equalities

An Equalities Impact Assessment is not currently required as no policy or people changes have been identified. This will be undertaken in line with streamlining operational practice.

3.8 Supporting Sustainable Development

Multi-agency staff are based in a co-located hub and opportunities are sought to streamline services with less meetings and consequently less travel between bases.

3.9 IT Issues

This report does not highlight any IT issues.

4 Summary

4.1 This is the second annual report of the East Lothian and Midlothian Public Protection Committee (EMPPC) and it provides an opportunity to reflect and take stock of our activities and our achievements within this complex area of service.

4.2 People do not neatly fit into one category and issues like domestic abuse and substance misuse are common themes with many of the service users with whom we work. Bringing together the individual partnerships into one Public Protection Committee across two local authorities has streamlined processes considerably and now demonstrates a significant level of trust and integrity for example, senior officers chairing case reviews for the other local authority.

5 Recommendations

Council is asked to:

- Note the report and the progress made by the East and Midlothian Public Protection Committee during 2015/16.

Date 8 November 2016

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Background Papers:

East Lothian and Midlothian Public Protection Committee Annual Report 2015/16

Scottish Social Security Consultation Response

Report by Dr Mary Smith, Director, Education, Communities and Economy

1 Purpose of Report

To provide Council with the background to the Scottish Government's initial consultation on proposed Scottish social security legislation, and to ask that it notes the attached response submitted by the community planning partnership, to meet the deadline of 28 October 2016.

2 Background

2.1 A New Future for Social Security in Scotland was published in March 2016. In that paper, the Scottish Government made a commitment to work with people across Scotland to determine how best to use the new social security powers which will be devolved by the Scotland Act 2016.

2.2 The proportion of the Scottish social security budget that will devolve to Scotland amounts to £2.7 billion or 15% of the total £17.5 billion spent from this budget here every year.

2.3 The Scottish Government proposes to:

- Draw up a 'claimant's charter' embedding core principles of dignity and respect for the individual and an initial presumption of the validity of claims.
- Increase Carer's Allowance to the level of Jobseekers Allowance, and replace Sure Start Maternity Grants with a new, expanded Best Start Grant.
- Establish a Scottish approach to social security matters such as helping to ensure that the user's experience reflects the core principles, reviewing and appealing decisions and taking care of each individual's information and personal data.
- Establish a new Scottish Social Security Agency that will work alongside the Department for Work and Pensions.

2.3.1 Powers are being devolved over the following benefits:

- Ill Health and Disability Benefits which means - Disability Living Allowance (DLA), Personal Independence Payments (PIP), Attendance Allowance (AA).
- Severe Disablement Allowance (SDA) and Industrial Injuries Disablement Benefit (IIDB).
- Carer's Allowance.
- Sure Start Maternity Grants (to be replaced by a Best Start Grant).
- Funeral Payments.
- Winter Fuel and Cold Weather Payments.
- Discretionary Housing Payments.
- Some powers in relation to Universal Credit (i.e. to split payments between household members).

- 2.3.2 The Scottish Government also proposes to use its new powers in order to introduce a new job grant for young people, who have been unemployed for more than 6 months, and who are entering the labour market.
- 2.3.3 Given the complexities resulting from the introduction of a parallel benefits system operated by a separately managed agency in Scotland alongside the DWP; the Scottish Government has stated that it intends to work closely with the publicly funded advice sector, including Councils, to assess its current capacity and capability and identify strengths, weaknesses, opportunities and key risks.

3 Report Implications

3.1 Resource

Whilst the impact of a parallel benefits system cannot at this stage be calculated in any detail it is clear that there will be a higher level of demand for advice and support to claimants making claims to both DWP and the proposed new SSA. The provision of high quality and accurate advice and support will remain an essential requirement.

3.2 Risk

There are significant potential improvements to life circumstances of residents of Midlothian from the new benefits, flexibilities and core principles proposed in the consultation. It is disappointing that the questions posed in this consultation make little or no reference to existing Scottish services and policies in the areas to be devolved. Only in relation to Cold Weather and Winter Fuel payments does there appear to be consideration of existing policies on fuel poverty and how some synergy might be achieved.

Scotland will receive these additional powers against a background of existing and further reductions in the scope and size of social security budgets which will inevitably constrain the extent to which Scotland can develop its own system.

There is a risk that by focusing on building a new 'Scottish' bureaucracy to deliver these services, the opportunity is missed to develop real synergies with existing devolved services in a way that simplifies access, strengthens outcomes and provides more local and personalised services.

There are clearly challenges in Scotland's ability to pursue its own direction in how it treats people with disabilities and chronic ill health. This is particularly since the move to Personal Independence Payments (PIP) along with the intention to reduce expenditure by 20%, is likely to be largely complete in Scotland by the time transfer of responsibility occurs. Because of the budget size it is unlikely that the Scottish budget will be able to meet this shortfall.

There is a risk that as there is no mention of existing support to carers in Scotland and the discussions under way in relation to the Carers Bill, an opportunity will be missed to invest more in supporting carers.

UK Government has, as part of its welfare cuts, made a serious of changes to eligibility to support with housing costs. It is now intending to freeze Local Housing Allowance. While it is may be desirable for Scotland to either reverse or vary recent changes when the Scottish Parliament receives the appropriate powers, the risk is that it is likely, given the tight fiscal framework, that Scotland will be constrained in how it uses any such powers.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

3.4 Key Priorities within the Single Midlothian Plan

The reduction of inequalities in Health, Learning and Economic Circumstances are the top priorities for the Single Midlothian Plan. Social Security reform is a major factor in all these.

3.5 Impact on Performance and Outcomes

It is too early to define this other than to note that a doubling of national (UK and Scotland) agencies administering benefits will demand greater advice and support for clients.

3.6 Adopting a Preventative Approach

The increase in support proposed in the consultation will directly prevent aspects of poverty currently increasing as a result of the UK Welfare Reform Act.

3.7 Involving Communities and Other Stakeholders

This is a Scottish consultation to which the CPP is responding, including the views of Council services involved in direct delivery of advice and support to current claimants. The attached response is the result of wide stakeholder engagement led by the Midlothian Financial Inclusion Network, in which the Council is a partner.

3.8 Ensuring Equalities/ Supporting Sustainable Development

The intention of the Scottish Government proposals are to reduce inequality, and they have carried out an EQIA. As this report deals with the consultation response, rather than a policy or strategy, there is not yet a requirement for an Integrated Impact assessment.

3.9 IT Issues

There are no IT issues.

4 Recommendations

Council is requested to note the attached partnership response.

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Background Papers: CPP response to Social Security Act consultation

