

Special Meeting of Midlothian Council

Date	Time	Venue
10 October 2017	12noon	Council Chambers, Midlothian House, Buccleuch Street, Dalkeith

Present:

Provost Montgomery	Depute Provost Russell
Councillor Milligan – Council Leader	Councillor Muirhead – Depute Council
	Leader
Councillor Cassidy	Councillor Curran
Councillor Hackett	Councillor Imrie
Councillor Lay-Douglas	Councillor McCall
Councillor Munro	Councillor Parry
Councillor Smaill	Councillor Winchester

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

Victor Bourne	

In attendance:

1. Apologies

1.1 The Clerk confirmed that apologies had been received from Councillors Hardie, Baird, Johnstone and Alexander.

2. Order of Business

- 2.1 The Clerk confirmed that the order of business was as outlined in the agenda that had been circulated.
- 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.
- 4. Minutes of Previous Meetings
- 4.1 No previous minutes were submitted to this special meeting of Midlothian Council for approval or noting

5. Reports

Report No.	Report Title	Presented by:
5.1	Financial Strategy 2018-19 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 Council with an update on the Financial Strategy encompassing the years 2018/19 to 2021/22.

It included:-

- An assessment of future years Scottish Government Grant;
- Budget projections for 2018/19 to 2021/22;
- A sensitivity analysis reflecting the potential impact of different pay and grant settlement scenarios years;
- Details of the arrangements for the delegation of resources to the Midlothian Integration Joint Board;
- Details of the Change Programme aimed at addressing the projected budget shortfalls;
- An update on Reserves.

The Council heard from the Council Leader who confirmed that the proposals that were included in the reports related to the suggestions from Council Officers as to where potential changes could be made in relation to how the Council operates to meet the financial challenge. The Council Leader emphasised the severity of the position and confirmed that he had arranged to meet the Finance Minister on the 2 November to put forward the case for Midlothian as the fastest growing local authority in Scotland and as such to receive an enhanced settlement from the Scottish Government. Councillor Milligan further emphasised the importance of the consultation exercise with Midlothian's communities and the Council staff. In conclusion the Leader moved the recommendations contained within the report.

The Council then heard from Councillor Winchester who moved the Conservative additional proposals in relation to the financial challenge which were circulated to members and included as appendix 1 to the minute. In conclusion Councillor Winchester confirmed that she had asked Officers to cost the proposals and moved that once this was done they were included in the consultation exercise.

Councillor Cassidy then sought clarification in relation to the consultation process which was provided by the Chief Executive who confirmed that the consultation would build on the Shaping our Future exercise. The Chief Executive further confirmed that work was under way to pull together a series of meetings with key stakeholders and partners in relation to the proposals.

Councillor McCall asked for confirmation in relation to how employees of the Council would be involved in the consultation process and further whether employees were able to speak to Councillors in relation to their own concerns. The Provost confirmed this view that staff should be able to approach Councillors. The Chief Executive further confirmed that staff have the support of their managers and senior managers and further confirmed that there was nothing to prevent staff from speaking to Councillors.

The Council then heard from Councillor Parry who emphasised the importance of gaining meaningful feedback in relation to the proposals from Midlothian's communities and further sought clarification in relation to the consultation process. In conclusion Councillor Parry sought confirmation as to when the budget would be set. The Head of Finance and Integrated Service Support confirmed that the governance timetable was included within the body of the report. The Chief Executive confirmed the aim to bring the outcome of the consultation for consideration by the Council at the full meeting in December 2017, however the Chief Executive further confirmed the importance of having an open process due to the nature of the challenge which would go beyond the budget setting process for the coming financial year. In conclusion, Councillor Parry expressed concern in relation to the impact of the cuts would have to the communities of Midlothian.

Councillor Muirhead was then heard confirming that if there were items within the proposals that were not agreeable then an alternative item with the same level of savings attached would need to be found to replace such items. Further Councillor Muirhead highlighted the savings that were already part of the transformation programme including the assumed savings as a result of the proposed closure of a number of community facilities and the potential impact to the budget of these proposals.

Following further contributions from Councillors Winchester, Smaill and Parry, the Council Leader summed up the recommendations that were being put forward including a request to the Chief Executive that there was a central place to record the feedback in relation to the proposals so as that all Councillors could be made aware of the responses. In conclusion the Leader suggested that the Council accept the recommendations in the report including the request to Officers to cost and assess the proposals from the Conservative

Group which would then be brought to the Business Transformation Steering Group for debate in the fullness of time.

The Provost then requested that, in the absence of any dissent to the Leader's proposal that the Council accept the recommendations including the Conservative Group's proposals for review which the Council then formally approved.

Decision

The Council agreed to:

- a) Note the position in respect of the Scottish Government Grant Settlement as set out in section 2 of the report;
- Note the current projected cost of services, key assumptions and resultant budget shortfalls as set out in section 3 of the report and endorse the key assumptions on which the budget projections are based;
- Note the continuing uncertainties and the potential impact as outlined in the differing scenarios as set out in section 6 of the report;
- d) Note the ongoing work to support the development the Midlothian Integrated Joint Board's own Financial Plans;
- e) Note the operational savings set out in appendix 2 of the report;
- Note the impact of the proposed Change Programme and projected future years Council Tax increases and the impact on the Financial Strategy as set out in table 9 of the report;
- g) Agree to proceed to engage with the community on the budget and change programme set out in appendix 1 of the report through Shaping our Future, the consultation strand of the Delivering Excellence framework;
- Note that there continues to be engagement with the recognised Trade Unions on the Council's financial position and service challenges;
- i) Note the governance arrangements and timetable set out in section 9 of the report;
- Note that after incorporating the emerging Change Programme the indications are that there would still be a budget gap of £0.383 million for 2018/19 rising to £8.043 million by 2021/21, though these are heavily dependent on the assumptions detailed in the report;
- k) Note the severity of the financial challenge and also the risks as set out in section 12.2 of the report.
- I) Note that a further report will be presented to Council in December 2017.

m) The Conservative Group proposals be costed and assessed by Officers before progressing to the Business Transformation Steering Group.

Action

Head of Finance and Integrated Service Support

Report No.	Report Title	Presented by:
5.2	Workforce Strategy	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 Council with a draft of the first Council Workforce Strategy, the purpose of which is to ensure that Midlothian Council continues to have a workforce that is able to deliver positive outcomes for the people of Midlothian. The report set out an approach to supporting, developing and reshaping the workforce now and in the future in response to changes whether as a consequence of national or local issues.

The Council Leader moved two additional recommendations to those set out in the report as follows:

(f) No agency staff, unless absolutely essential to be used and immediately remove agency staff where possible; and

(g) Look to guarantee an invitation of support and training in areas of growth for staff who are displaced.

The Council then heard from Councillor Winchester who requested the Chief Executive review the sickness absence rate within the Council to which the Chief Executive confirmed that work was ongoing in relation to managing sickness absence across the Council.

Councillor Parry was then heard expressing concern in relation to the process and confirmed her view that it was vital that the Council understood the impact of the strategy from the workers perspective.

Councillor Smaill then sought information in relation to the Investing in our Workforce strategy which was responded to by the Head of Finance and Integrated Service Support and the Director, Resources with a commitment to report to Council in relation to the impact of the strategy.

Following a contribution from Councillor Hackett, the Council heard from Councillor Parry who moved that recommendation c in the report was updated to state:

'Maintain a commitment of avoiding compulsory redundancies'

This motion was seconded by Councillor McCall.

Following further contributions from the Head of Finance and Integrated Service Support and the Council Leader, the Council voted on the motions.

Three Councillors voted in favour of the SNP Amendment and eleven Councillors voted in favour of the Amendment put forward by the Administration which thereby became the decision of the Council.

Decision
The Council agreed to:
 a) Note the draft corporate workforce strategy which will be finalised over the autumn of 2017 and which is anticipated to be presented to Council for final approval in December 2017.
 b) Note that the workforce strategy will be supported by a detailed workforce plan and eight service specific workforce plans:
 Maintain a commitment of avoiding compulsory redundancies, and approve the revision of the Policy for Organisation Change and Organisational Restructure Policy so as to ensure the Council fulfils its statutory obligations and is able to effectively manage it workforce requirements;
 d) Endorse the implementation of an immediate recruitment freeze as detailed in section 2.3 of this report;
 e) Note the commitment to consult the recognised Trade Unions on the development and implementation of the finalised workforce strategy;
 f) Not employ agency staff, unless absolutely essential to be used and immediately remove agency staff where possible; and
 g) Look to guarantee an interview with support and training in areas of growth for staff who are displaced.

Action

Head of Finance and Integrated Service Support