

Corporate Solutions will “deliver forward looking services fit for a modern 21st Century organisation and put the citizen at the centre of service redesign”.

Corporate Solutions encompasses Human Resources, Digital, Customer Engagement, Legal & Governance, Corporate Resources, Transformation PMO and Continuous Improvement.

Corporate Solutions supports the whole Council delivering services to internal and external stakeholders, playing a key role in the delivery of the Council’s Medium Term Financial Strategy and ensuring organisational compliance, developing the workforce, and advancing transformation.

Transformation and opportunities

Transformation Blueprint (2023-2028)

We are committed to building on the learning and new ways of working that were adopted during the pandemic and renewing our focus on delivering our key priorities at the most local level possible. Rooted in the creation of a wellbeing economy, the vision of the 5-year Transformation Blueprint focuses on reducing inequalities at the same time as looking after the health of our planet.

Specifically, we have three main aims:

- Individuals and communities have improved health and learning outcomes.
- No child or household live in poverty.
- Significant progress is made towards net zero carbon emissions by 2030.

The pandemic has accelerated the financial challenges that we are facing. Reprioritisation and redesign are crucial to balancing the financial position, as well as preparing for further challenges, continued growth, and unknown changes that we will face.

The Blueprint sets out key areas of concern that need to be addressed over the next five years. We will continue to work to address the inequalities that our communities face, respond to the demands of being the fastest growing local authority in Scotland, and delivering our vision of being a great, green place to grow.

Transformation Blueprint Objectives

1. Support the Council to address the 5-year funding gap outlined in the Medium Term Financial Strategy (MTFS)
2. Follow the Money to ensure that the services we commission, contracts we manage and digital solutions we use deliver value for money.
3. Develop an organisational workforce that is flexible ensuring that all staff have the necessary skills to work effectively supported by digital technologies that fit for a 21st century workforce.
4. Design a workplace for the future delivering services in a holistic and integrated way.
5. Drive forward multi-agency transformation to deliver systems-level change resulting in joined-up service delivery which improve outcomes.

The Council's transformation blueprint provides the framework for opportunities to change the way services are improved and delivered to be more efficient. Corporate Solutions has a particular focus on delivering digital first approaches, embedding automation to improve customer access to services and hybrid working.

Customer Engagement

Aligned to the Transformation Blueprint, priorities for 2023/24, key work streams below:

Short term:

- Continued rollout and implementation of Customer Service Platform
- Reviewing service delivery all across Contact Centre teams
- Increased use of eBooks
- Active promotion of library space, for Council and partner services, and enable out of hours access for communities

Medium term:

- Rollout of the Hub & Spoke model with libraries providing and facilitating increased local service provision
- Customer Engagement Strategy development including revised communications and engagement plan

Long term:

- Increase income within Registrars through alternative ceremony offer
- Community and school library redesign; including the mobile library service

Key achievements this quarter:

Library services

This quarter Library Services were awarded the SLIC Library Service Excellence Award for activities that put our communities at the heart of the service. The service has risen to the challenges of a rapidly changing community, creating a series of events and services that respond to the needs to the community, particularly in response to the Cost of Living Crisis. The judges commended the service for these activities and joined up thinking they represent. They also saw a great range of cultural events which have been rewarded by significant increases in library visits and materials issues compared to that of the previous year.

Book Week Scotland took place in November and 66 events were held across our libraries including Bookbug sessions, author visits, workshops, crafting, school visits and Bookbug bag gifting sessions. Almost 2,300 people attended which was a great turn out for what was a very wet Book Week Scotland. A bookmark design competition was run in partnership with Midlothian primary schools with almost 300 entries having been submitted.

The pop-up Post Office in Newtongrange Library extended its opening hours in October increasing the service provision to the local community.

Working in partnership with other services including Communities, Lifelong Learning and Employability, Citizens Advice Bureau, Social Security Scotland and Into Work, a number of workshops and drop-in sessions were held in our Warm and Well Hubs providing advice on benefits, employability support, household budgeting and Cost of Living support and advice.

Our library services continue to transform and thrive in responding to the needs of our communities. There has been a 17% increase in total library visits compared to the same period last year with a 22% increase in physical library visits which demonstrates the impact of our Warm and Well Hubs and other support services and initiatives provided to our communities.

Channel shift

Channel shift work continues with the introduction of short term lets and assisted bin collection requests online this quarter. Several other service requests are in test phase and due to go live which are focused around waste services. Data shows a 10% reduction in call volumes this quarter compared to the same period last year and a 40% increase in contact received digitally by email. Overall, customer contact volumes remain consistent over the year to date. Call abandonment rate has remained consistent this year with a 6% abandonment rate for Q3 compared to 9% in Q4. This abandonment rate calculates the total number of calls that come into the call queue and then leave the queue. There is no ability to analyse why calls are abandoned - callers may choose to hang up because they would rather not wait, or they have called at an inopportune time. Front-end messages are updated on contact centre lines to provide information to the customer waiting, for example, if a whole street of bins had been missed, this would be reflected in the front- end message. Lines also have messages directing people online to carry out transactional activity.

Stage 1 complaint responses across Corporate Solutions are off target. As part of the implementation of the new online complaints portal, there has been an increase in stage 1 complaints received through this self-service option. However, some of these are service requests and not complaints, and work is ongoing to better signpost customers to service requests options where that is more appropriate. This volume, coupled with the Festive shut down has contributed to a slower response time for stage 1 complaints.

Communications and promotion

Our communication and marketing team continue to support services across the Council by promoting key initiatives on our social media platforms, news releases, website and community radio channel. Successes this quarter include:

Promotion to encourage participation of the Midlothian Outdoor Festival through a dedicated communications campaign. This includes a new Council website page signposting customers to online booking, media releases, brochure and posters and promotion across our social media platforms. The best performing Facebook post reaching 7,604 news feeds and 406 engagements. The best performing Twitter post reaching 2,123 impressions and 85 engagements.

Communications support to encourage participation in events as part of Challenge Poverty Week in October through a media release relaunching the warm and well hubs and a promotional video reaching 14,702 news feeds on Facebook and 2,399 impressions on Twitter. Various Facebook and Twitter posts encouraged people to attend events, visit the Cost of Living and our newly created Challenge Poverty webpages. The best performing Facebook post reached 5,252 news feeds and 3,833 Twitter impressions.

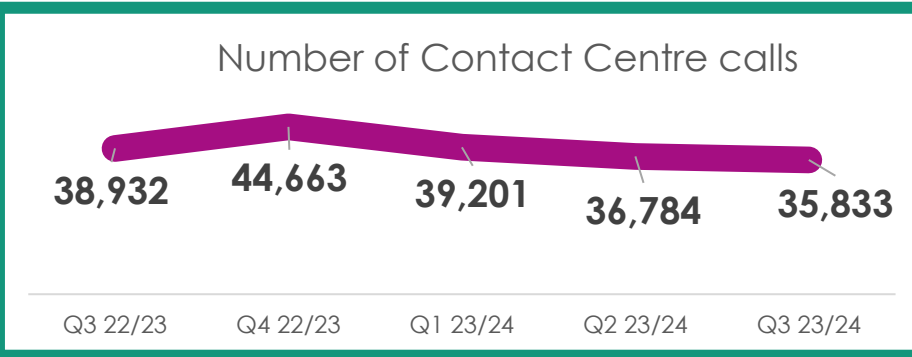
Communication to encourage the uptake of Bonfire Night Waste Amnesty contributed to a 21% increase in total uplifts from last year. 510 items were uplifted in total, removing potentially flammable waste from our communities most affected by nuisance fire-raising in the run up to Bonfire Night. A series of social media posts publicised the initiative and provided updates on slot availability. The best performing Facebook post reached 16,847 with an engagement rate of 7.75%, both considered higher than might be considered typical. Best performing Twitter post reached 1,986 impressions.

Activity to promote the uptake of the HSCP social care strategy survey, canvassing views of residents about future strategic priorities for Midlothian social care provision. A series of social media graphics were created in collaboration with HSCP project team and the HSCP Engagement officer, each formatted for use on different social media platforms. Combined Facebook posts reached 13,396 and combined Twitter impressions 6,936.

Communications to support the recruitment of more Shared Lives carers, focusing on short break services. Social media posts were created across all Council platforms publishing the work of the service and soliciting expressions of interest. The combined Facebook posts reaching 14,468 with an engagement rate of 4.66%. Interview footage was shot for inclusion in a new video providing information about the service, which will be released in Spring this year as well as work to update webpages for the service, and these will also be launched in Spring this year.

Customer Engagement – performance measures

Customer contact



74%
of calls in Q3
answered **within**
120 seconds

Social Media

21.5k Midlothian
Council Facebook
followers

17.9k @midgov
twitter followers

14.4% Customer
contact received **digitally**
(webform versus telephone)
from 10% in Q2

12,634

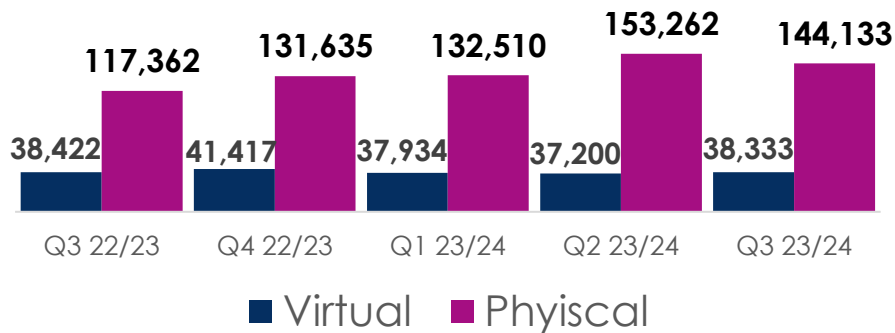
Email contact handled in
Q3 (decrease from 12,855 in Q2)

2,396

Contact Centre
Webforms received
(decrease from 2,588 in Q2)

Library services

Number of Library visits



1,483 Library events held in Q3

Number of Library memberships



1,031 Children's library initiatives taken place in Q3

599

Library customers supported with digital queries in Q3

Human Resources

To achieve the Council's strategic priorities, we recognise that people are our most important asset. Our workforce strategy highlights that we need to attract the best talent, grow our own talent ensuring there are clear progression pathways, ensure our workforce feel engaged, valued and motivated and importantly, empower our staff to enable them to reach their full potential.

Our workforce vision is to work as **One Council** using our knowledge, experiences and sense of shared endeavour to collaborate and think creatively and innovatively so that our people can deliver life-changing impacts for our communities. Our new ways of working mark a clear desire for cultural change and a shift towards a more agile and modern operating model.

Our workforce is key to the delivery of the Transformation Blueprint. In order to ensure a thriving workforce, key areas of focus for 2023/24 will be:

- Investment in Organisational Development through a focused programme of work
- Completion of workforce plans in all services, with a particular focus in high risk areas
- Rollout of the Wellbeing Strategy
- Delivery of the Recruitment and Retention Strategy

Key achievements this quarter:

Wellbeing

Work continues to develop the new Wellbeing Strategy which will focus on the financial, physical, and psychological wellbeing of our workforce and ensure employees have access to advice, guidance and initiatives which support their health and wellbeing.

In conjunction with Midlothian Voluntary Action's project MFIN and the cost of living agenda, HR and Communications staff were involved with promoting support available through partner agencies to combat the cost of living pressures currently being experienced by employees and friends and family living in Midlothian communities. This included awareness of supports for debt advice, energy costs, healthy eating and stress management.

The rolling programme of **Wellness@Midlothian** initiatives continues this quarter to ensure we are supporting the positive health and wellbeing of our staff. During October to December 2023, 20 wellbeing events were held internally and externally covering cost of living supports, wellbeing and mental health awareness and health checks. 147 staff attended various events organised in house. Events included staff engagement exercises held in Stobhill Depot and Bonnyrigg Garage to share employee wellbeing information and details of where to seek support on a large range of topics. Health checks were held across Midlothian Libraries and Schools. Further health checks are scheduled for Quarter 4 for Cherry Road Centre, Bonnyrigg Garage, Stobhill and Fushiebridge Depots. Capital Credit Union were on site at Loanhead Library to meet staff and provide advice on budgeting and saving with over 20 staff attending. 3 Health walks were held for staff from the Active Travel Team supported by the Sport and Leisure team and special offers for gym membership over the festive period were promoted to staff.

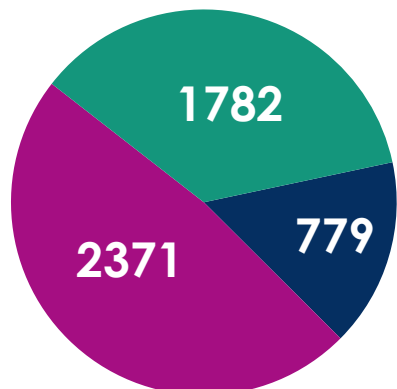
The HR team continue to focus on long term sickness absence which has resulted in progression of absence cases, capability hearings and return to work this quarter as well as the efficient management of employee relations cases to bring these to a conclusion.

21st century workforce - workforce strategy, recruitment and retention

Activity is ongoing to develop and implement the work streams under our workforce strategy, and progress Blueprint theme 2 '21st century workforce'. A consultation has taken place with the Trade Unions on what potential changes needs to take place in our policies for disciplinary, resolution, maximising attendance at work, performance improvement; and these will be included in the transformation workstream plan. A new Hybrid Working Policy was approved this quarter following engagement with Trade Unions and due for roll out and launch in quarter 4. The Leadership Forum programme for 2024 was approved and a new Management Forum focusing on practical management was proposed for launch this year.

Human Resources – performance measures

Workforce demographics



No. of staff by age group

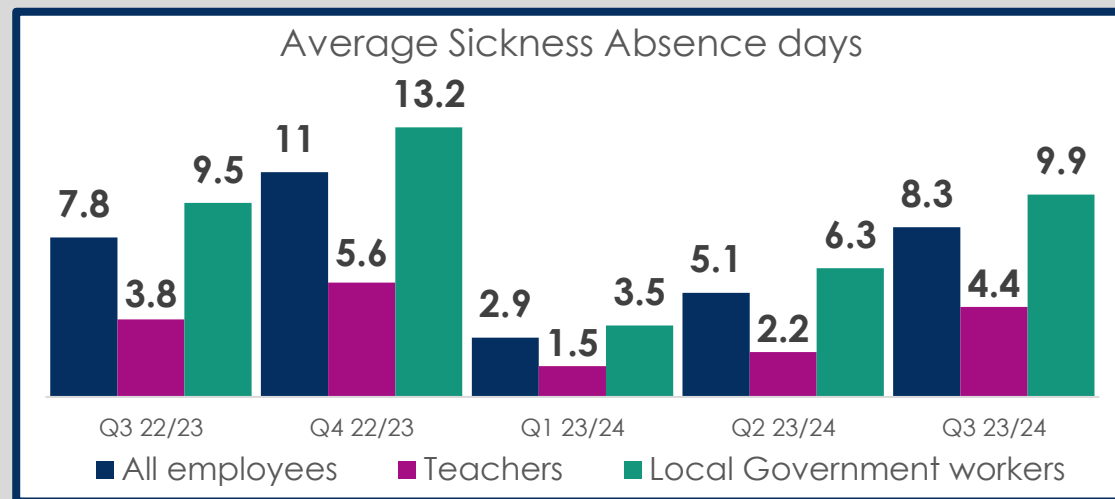
■ 16-30 ■ 31-50 ■ over 50

65%
of employees are
Midlothian Residents

1,190 (24%)
Employees with over
15 years of service

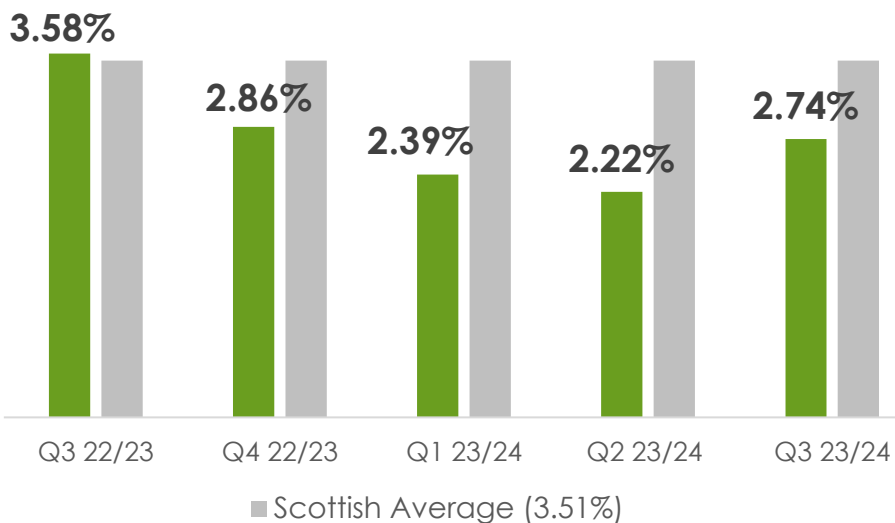
463
Leavers by Q3
(cumulative figure)

Employee Health and Wellbeing



119 female employees in top 5% (113 in Q2 23/24)

Gender pay gap between average hourly rate of pay for male and female (all employees)



167
Long term
absence
cases
ongoing

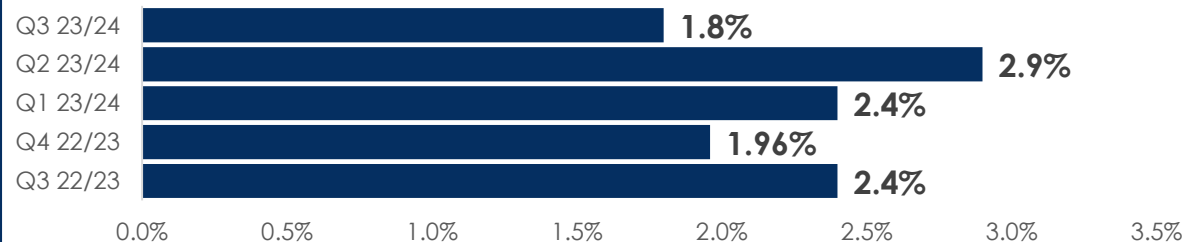
151
Occupational
Health referrals
via OHIO
(increase from
104 in Q2)

24
HR cases in
progress

205
Physiotherapy
referrals made
(decrease from
253 in Q2)

- **20** wellbeing events held this quarter with 147 attendees
- **803** employees accessing **mandatory eLearning courses**
- **1,181** employees accessing **non-mandatory eLearning courses**

% of staff turnover



Digital

Digital solutions underpin the Transformation Blueprint. Key work streams for 23/24 include:

- Review and refresh of the Council's Digital Strategy, including reprioritisation of projects to enable change and transformation
- Development of a Data Strategy and pilot projects such as the secure sharing and analysis of collective, operational level NHS & Council data
- Continued rollout of compliance and cyber security protective measures, including attainment of PSN and Cyber Essentials certification, and actioning any related recommendations
- Implementation of Microsoft O365 capabilities and applications to enable organisational efficiencies, collaboration and data driven decision making
- Delivering service improvements in frontline teams through projects such as digital transformation of Neighbourhood Services
- Continue the roll-out of the Customer Services Platform to promote channel shift
- Equipped for Learning: upgrade classroom Audio Visual estate with interactive smart screens and support the pilot of Virtual Class delivery
- Upgrading Call Centre digital infrastructure elements
- Refreshing / improving quality and coverage of corporate WiFi network
- Ensure all digital aspects of Council operations are well supported and operational

Key achievements this quarter:

Education and Equipped for Learning

As part of the equipped for learning project, 500 new Smart Screens have now been installed across the school estate. As well as providing a superior teaching and learning experience, the new panels reduce power consumption by 50%.

36 physical primary school servers were consolidated down to just 3 this quarter. This significantly reduces power requirements and CO2 emissions. This also allowed us to reduce the number of servers, thus reducing complexity and maintenance time of these systems.

Significant progress was made this quarter towards simplified meeting scheduling, enabling calendar visibility across Google and Microsoft accounts. This went live in January 2024.

Digital Systems and Infrastructure

- Roll out of Microsoft 365 across the whole corporate estate is now completed, enabling widescale collaboration and co-production. This has included:
 - Providing Council-wide training to corporate staff and Councillors, bringing the total to 3,568 attendees across 29 training sessions of 8 different courses.
 - Technical deployment of core Office 365 applications across the estate.
 - Improved collaboration and efficiencies now being realized in many ways across various areas of Council working.
 - Business Case for Phase 2 has been approved with phase 2 starting in December, focusing on user adoption, service-level workflow re-design, Sharepoint deployment, software rationalisation and data reporting and visualisation.

- Completion of a major upgrade to the Citrix platform, significantly enhancing security and efficiency. Citrix is used by approximately ¼ of corporate staff.

- Cloud First strategy continues with successful migration of several major business systems to the Cloud increasing resilience, simplifying maintenance reducing power consumption and CO2 emissions, and providing increased functionality. These include:
 - The Contact Centre's Netcall Liberty telephony management system
 - Capita One Housing system
 - Spydus, the new Library Management System

- Replacement, upgrade or removal of all Microsoft Windows 2012 Servers and upgrade to Commvault Backup System. This ensures that we do not have any old unsupported (and unsecure) server operating systems and hardware. Eight servers and four storage arrays replaced by four new servers. Again, reducing power, CO2, as well as increasing performance and reducing complexity.

- Computer Room AirCon - replacement of the ageing and unreliable air conditioning units in Fairfield and Midlothian House computer rooms, mitigating potential catastrophic impact should server room overheat. This again increases efficiencies by achieving reduced power and Co2 emissions.

Cyber Security

This quarter we were successful in managing and mitigating a major cyber incident. All systems and data were fully secured due to rapid response and multi-team effort during out-of-hours. A testament to the groundwork previously done to block, minimize and mitigate cyber attempts, as well as the dedication and professionalism of the digital services team.

In addition, various cyber security initiatives and events have taken place this quarter:

- **Conducted Phishing Exercises:** Designed and executed realistic phishing exercises to evaluate the resilience of the organisation against social engineering attacks.
- **Elected Member Cyber Security Presentation:** Successfully communicated key cyber security threats and mitigation to elected members, enhancing overall awareness.
- **Directorate specific Staff Security Presentation:** Successfully communicated security presentation to staff, ensuring a widespread understanding of cyber security risk and protective measures.
- **Setup PDNS (Protective DNS) for the Schools Network:** Implemented Protective DNS to strengthen the overall resilience of the schools' network against malicious attacks.
- **Supported the Implementation of Key Technical and Business Processes:** Collaborated with relevant teams to integrate security and compliance measures into new technologies and workflows, minimising potential risks e.g. Projects such as M365 and Google Workspace etc.

Digital – performance measures

Key Digital projects

100%

of Office 365 (phase 1)
project complete

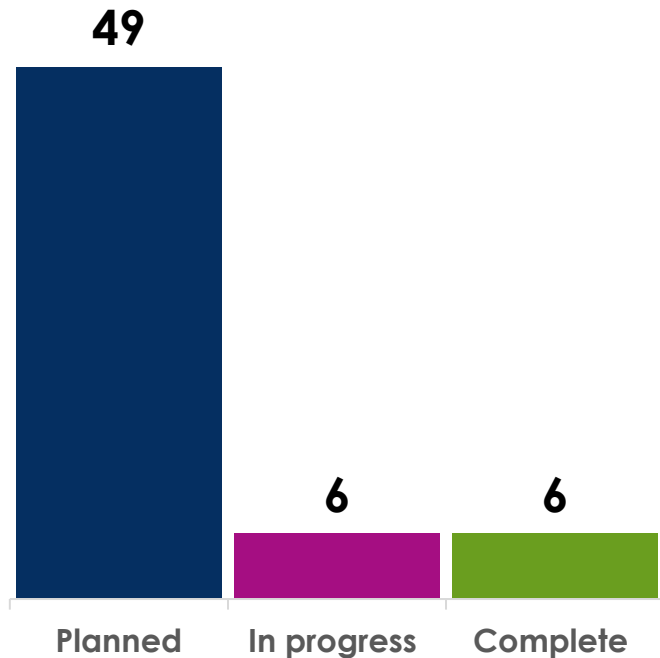
40%

of total CSP (IT foundation
and service modules)
complete

Equipped for Learning

318 panels (interactive smart boards) were upgraded across schools
this quarter.

Progress of total number of Customer Service
Platform modules

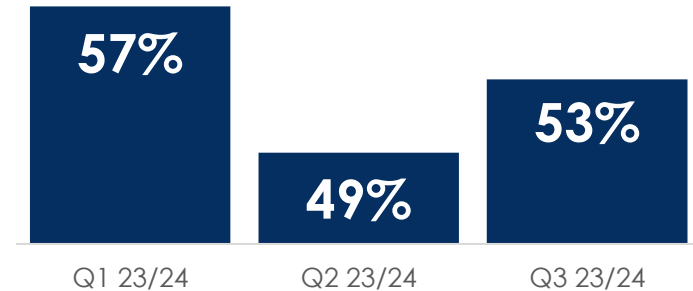


Service and Cyber security performance

232,593

Midlothian Council
Website visits this
quarter (decreased by
9,646 since Q2)

% of IT helpdesk incidents
complete within 48 hours



20% of cyber security
training complete

100%

of Cyber Essentials and PSN
implemented

Corporate Resources

Key priorities for the service in 2023/24

- Redesign of business processes to achieve efficiencies across all of Corporate Resources
- Making more use of current applications to enable self-service e.g. viewing Council Tax and rent accounts online
- Continued upgrade of applications

Key achievements this quarter:

Work continues for the rollout of invoice approval processes. Fushiebridge Depot, a high volume invoice service, was fully onboarded to invoice approval in Q2. This quarter work to onboard Fleet Services and expand invoice approval in Property Maintenance was fully implemented. Moving away from paper-based invoicing to invoice approval system management allows for a greater level of audit, performance management and data, leading to more up to date financial monitoring and real time reporting. The Business Applications Team continue to work with Scottish Government's e-commerce team on next steps for the e-invoicing programme and onboarding of suppliers to this service. 3 new suppliers onboarded this quarter.

The rate of invoices paid on time across the Council is 92.5% (target is 95%) for quarter 3. Over 64k invoices were paid in total and the average no of days an invoice was paid was 11.7 days. In addition, the team made 11,750 direct payments to bank accounts to cover Free School Meals during the holiday period, the Energy Bill Support Scheme, Ukrainian Host payments and Business Covid Recovery grants.

Business application upgrades were completed for Mosaic and Itrent and server migration and implementation of data encryption completed for Open Revenues. The Capita ONE housing system went live this quarter. Other activities included the replacement of 82 multi-functional devices and printers across our school estate and the completion of the replacement programme for vehicle trackers across the fleet, and a review of unused mobile phone connections with 387 disconnected in total.

Our Employment and Reward and Business Applications Team successfully implemented the Local Government Pay award and associated back dated payments.

The Revenues and Benefits team continue to support the cost of living crisis. Requests for crisis funding continue to remain consistently high, with 67% of the revised Scottish Welfare Fund (SWF) budget up to and including Q3 allocated. (114% of the original budget). 4,977 applications have been received for Crisis Grants this year (1,464 during Q3). 1,029 received for Community Care Grants (280 during Q3). This demonstrates the significant challenge faced by our communities. The successful recruitment of the Scottish Welfare Fund Assessors this quarter will not only allow the team to respond and address the current backlog of processing activities but also analyse the reasons for the high number of applications and refusals to identify preventative activity to mitigate people reaching this crisis point. This is identified as a key action in the Child Poverty Action Plan.

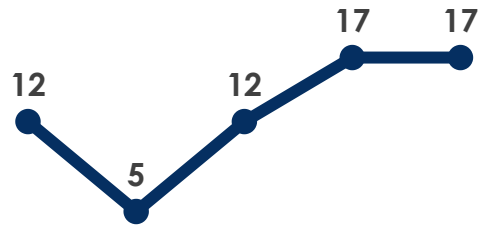
The percentage of current housing rent arrears sits at 13.61%, a slight increase from this period last year of 11.86%. In year Council Tax collected year to date is 77.1% showing a slight decrease from collection rates this time last year. There is no indication at this point that overall Council Tax collection across the year would not be achieved and end of year target therefore is expected to be made.

Corporate Resources – performance measures

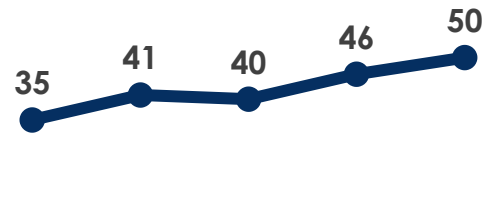
Revenues and Benefits

Average processing times (days)

Change of circumstances

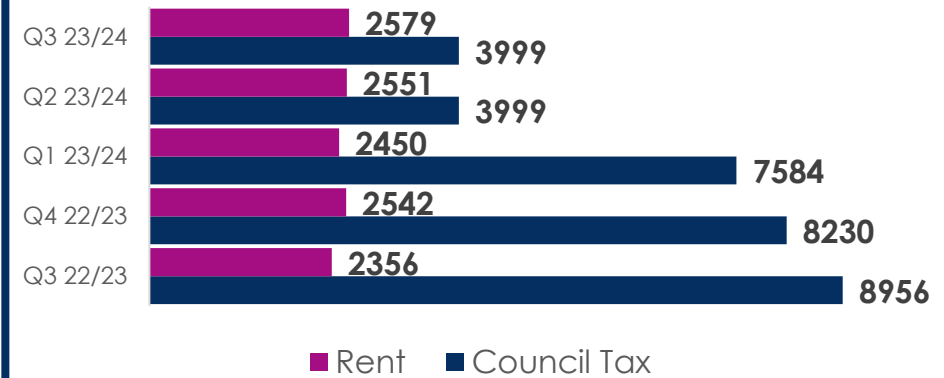


New claims



76.42% of Revenue and Benefits customers paying by **direct debit**

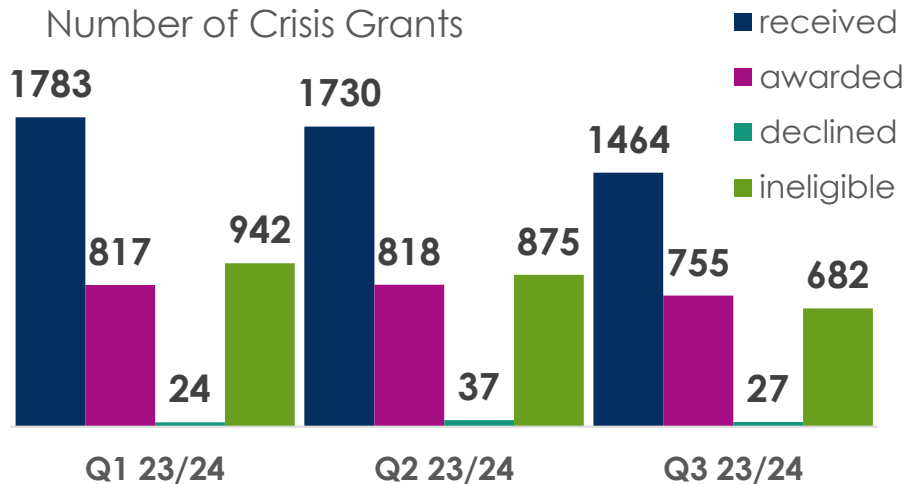
Number of online transactions



Scottish Welfare Fund

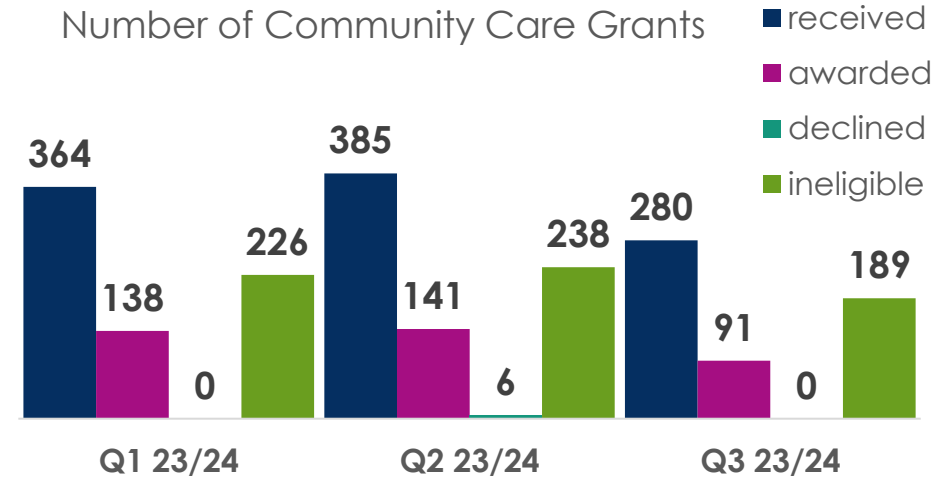
£263,586 granted from Scottish Welfare fund for **crisis grants** **£382,127** granted for **community care grants** up to Q3.

Number of Crisis Grants



67% of Scottish Welfare Fund budget spent this year.

Number of Community Care Grants



Grant applications deemed as ineligible are in general those that have exceeded the maximum amount of 3 applications in a year or customers who do not meet the set criteria for the award.

Legal and Governance

Key priorities for the service in 2023/24

- Delivery of the 2024 UK Government elections including voter Identity implementation
- Review of the Council's governance framework with revised Standing Orders and Associated Scheme(s)
- Implementation of the new Subject Access Request portal
- Development of the new Procurement Strategy, with a focus on social value, the introduction of a Council wide approach to Community Benefits, and an increased focus on local procurement
- Aligned to the Transformation Blueprint, undertake a review of Contract and Grant Management

Key achievements this quarter:

Legal Services

This quarter, Section 75 agreements were settled for Newtongrange for 1,000 homes, land in Dalkeith for 6 units and land in Gorebridge for 10 units. In addition, the team negotiated the purchase of 12 properties on the open market to support the Council's social housing programme, and the purchase of Millerhill Hub community facility from Shawfair LLP pursuant to Shawfair S75 Agreement. This involved agreeing additional transfer provisions for special district heating obligations, mutual car parking arrangements and special arrangements to take effect when the new (adjacent) retail unit is being constructed.

Additional Special needs tribunal work was brought in house and input was provided to the Mental Health Law Review consultation, as well as Court attendance to protect the Council's interests and to deliver suitable outcomes for children and vulnerable adults.

Procurement

An Interim Procurement Manager led the team last quarter with significant work undertaken including:

- An overhaul of the Contract Database
- Research and investigation into the use of a Concession contract, identifying and benchmarking of a suitable tender and preparation of all necessary tender documentation including suitable Terms and Conditions with support from legal services.
- The Council's standard Terms and Conditions for all other contracts have been updated with support from legal services.
- The procurement strategy peer review process has been streamlined to ensure audit trail and accountability.
- The Non-Competitive forms and templates have been reviewed and updated to ensure compliance with Regulations and Standing Orders.

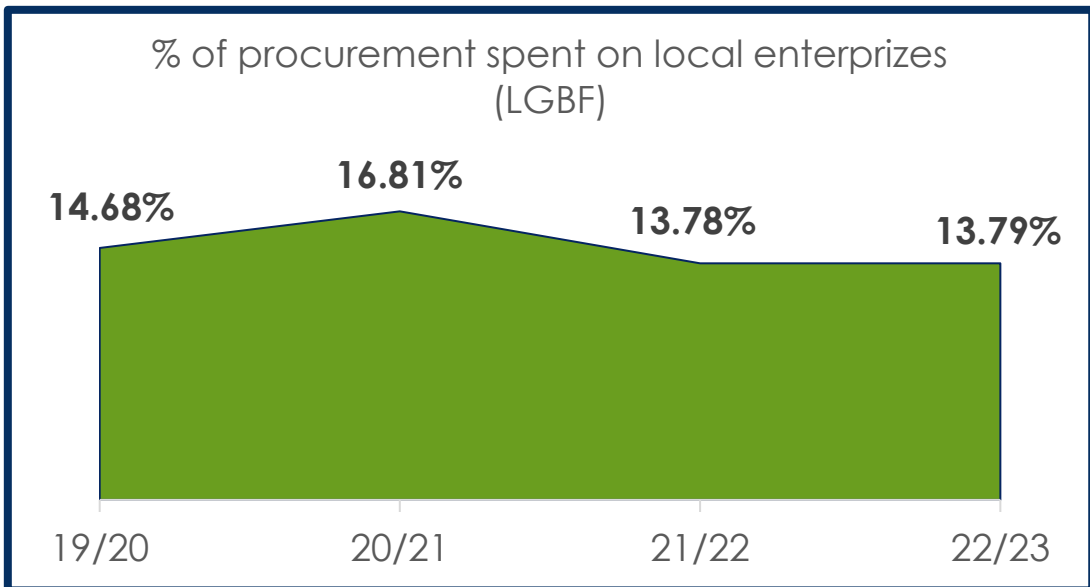
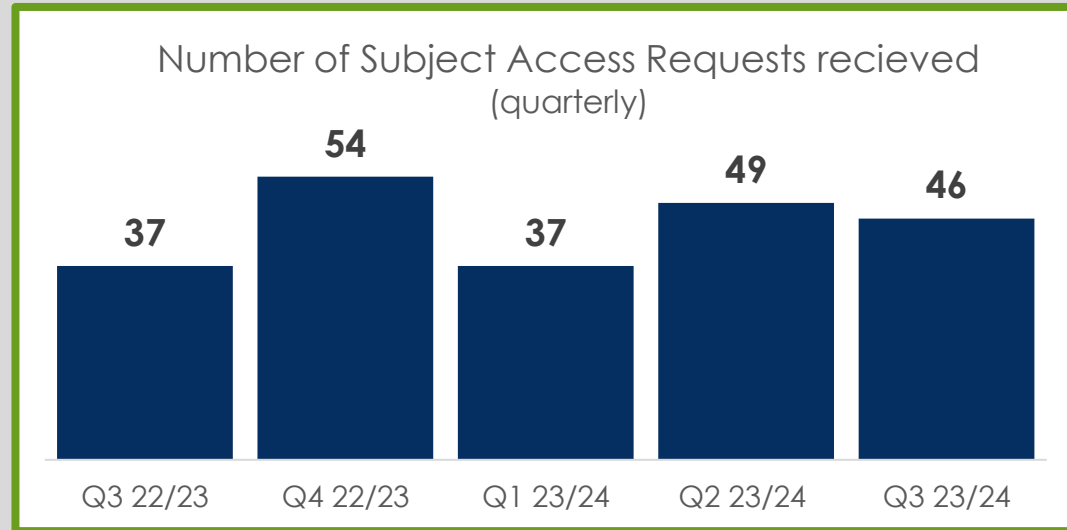
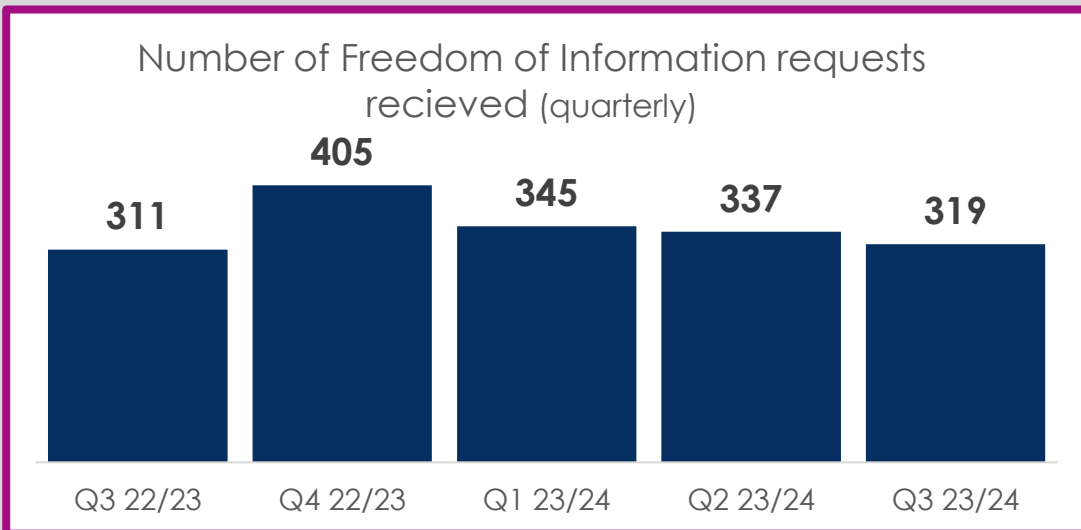
A short life working group has been established to review contracts within Health and Social Care including the appointment of a dedicated Procurement Officer. A programme of work is being delivered to bring all off-contract spend onto relevant frameworks. A key piece of work that has commenced with HSCP and Procurement is involvement in the development of the Scotland Excel (SXL) Care and Support Contract which SXL are retendering with a go live date of April 2024. This approach provides a route to compliant commissioning for almost £16.5m of social care expenditure. It is anticipated that this would reduce the resource that would need to be invested in commissioning and avoid costs associated with a recommissioning / tendering process and could potentially mitigate some of the inflationary budget risks associated with a recommissioning exercise.

Programmes of work like this are part of the Transformation Blueprint 'Follow the Money' theme, looking at commissioning, contracting and identifying savings and efficiencies that can be made across the organisation, particularly in high risk/high spend areas.

High value and complex contracts were awarded this quarter for the supply of fire doors, window cleaning services, supply of bulb and wildflower and purchase of A2D (Analogue to Digital) Telecare Equipment.

Legal and Governance – performance measures

Access to information



3 regulated procurement exercises undertaken this quarter

14 legal commercial transactions undertaken this quarter

Challenges and risks

Financial position

Council approved the 2023/24 budget at its meeting on 21 February 2023. Delivery is reliant on a combination of savings and service reductions and includes the use of retrospective service concession savings and earmarked Covid recovery reserves. Whilst the 2023/24 budget is agreed, the challenge remains to reach ongoing financial sustainability. Cost and income projections for future years will be embedded in the Council's Transformation Blueprint which contains a range of transformation themes to drive towards a position of financial sustainability, and close working continues with the Business Transformation Steering Group to respond to the challenges.

Financial Services continues to ensure the Council has robust financial management arrangements in place with a full suite of financial monitoring reports for quarter two 23/24, presented to Council in November 2023. The team continues to provide in-depth financial input to key revenues and capital projects embedded into the Medium Term Financial Strategy.

Growing Council

Scotland with an increase of 16.1%. The 2011 census data lists Midlothian as having a population of 83,187 which has risen to 96,600 in the 2022 census data. The level of growth is 2.3% higher than our previous calculation and is now 13.4% higher than the Scottish average of 2.7%.

In terms of households, Midlothian saw the highest percentage increase at 17.2% since the 2011 census. Population density in Midlothian is 273.1 residents per square kilometre compared to the Scottish average of 69.8. In addition, Midlothian has 10 data zones which fall into the most deprived areas.

This growth creates the opportunity to meet housing need with 25% of new homes being built in the affordable housing provision, in addition to the expansion in our Council house building. This construction directly supports employment and will see a steady increase in the value of Council Tax income received over time.

To ensure Midlothian is 'building back better', this investment is also creating new jobs, apprenticeship opportunities, opportunities for businesses and communities and families hardest hit by the impact of the pandemic. These new opportunities help lead the way towards a better future for Midlothian.

Midlothian's approved Capital Strategy sets out the infrastructure required to meet those demographic pressures and includes the financial contributions Midlothian will make to the Edinburgh and South East Scotland City Region Deal. Encompassing five main themes the City Region Deal will bring significant investment across the regions with total investment of circa £1.3 billion across:

- Data Driven Innovation: £751 million
- Integrated Regional Employability and Skills: £25 million
- Transport: £156 million
- Culture: £45 million
- Housing: £313 million

Through the Data Driven Innovation strand the Deal will leverage existing world-class research institutes and commercialisation facilities in order that Easter Bush becomes a global location of Agritech excellence. The Easter Bush project includes significant investment in transport infrastructure along the A701/2 transport corridor. In addition, by improving onsite infrastructure at Easter Bush and transport infrastructure, the University of Edinburgh expects commercial partners will be able to co-locate at scale to commercialise Agritech breakthroughs.

The Capital Investment Strategy sits centrally within the Council's future planning activities and in doing so has to reflect the demands of Council services to ensure positive outcomes are achieved in the right place, at the right time, for the maximum benefit to Midlothian. The extensive capital programme delivers new schools, a record investment in council housing, improved community infrastructure, investment in the local transport network and innovative developments such as the new low carbon heat network in Shawfair.

Economic pressures

Inflation, as well as rising energy costs, are affecting the construction industry in Scotland. The UK is experiencing unprecedented adverse market conditions, leading to significant rises in tender prices for a wide range of materials. There is evidence that inflation of between 10% and 15% beyond BCIS predictions is affecting projects. The pandemic has also accelerated financial challenges, and the growth from being the fastest growing local authority in Scotland places significant pressure on Midlothian to be able to deliver high quality services to its citizens.

In response to all these pressures, a range of reprioritisation activity is taking place, with a revised Capital Plan being considered by the cross-party Business Transformation Steering Group, and options to review what and how services are delivered as part of the savings measures to reduce the funding gap recommended to Council.

Cost of Living Crisis

Midlothian's citizens are facing significant financial challenges. The impact on households continues to be noted across the UK with 49% of adults reporting an increase in their cost of living in December 2023 ([Office for National Statistics; Francis-Devine et al, 2022](#)). The UK is currently facing an unprecedented wave of increasing prices, bills and tax challenges. The 41 year high inflation rate of 11.1% in October 2022 has been the main driver of the cost of living crisis which has outstripped wage and benefit increases. Recent data shows the annual inflation rate was 4.0% in December 2023, up slightly from 3.9% in November. The price rises continue to impact low-income households hardest as a larger proportion of their costs are on energy and food. The Resolution Foundation estimates that absolute poverty is set to rise in the short-run, from 17.2% in 2021-22 to 18.3% in 2023/24 (or an additional 800,000 people in poverty).

As our citizens feel the impact of the Cost of Living Crisis, they will seek additional support from public services; in particular local authorities. To respond to this emerging crisis, the Council established a Cost of Living Task Force last year, which is chaired by the Council Leader and meets regularly to coordinate mitigating activities.

National Care Service

The estimated funding gap for the next three financial years does not include the associated costs of the Scottish Government's National Care Services (Scotland) Bill. If enacted, the bill would have fundamental implications for the community and for Local Government itself. The wide reaching changes in the bill aim to deliver a National Care Service by the end of the parliamentary term, which will impact on all aspects of the work of the Corporate Solutions team, including financial implications, in both revenue and capital, our asset base, our workforce, governance and legal arrangements and our digital infrastructure and platforms. It will require an immediate focus for the foreseeable future, and this will inevitably have implications for other priority work at a time of continued resource constraint.

Risk

The Council's Strategic Risk Profile is presented retrospectively to Audit Committee quarterly. The most critical risks to the Council are Financial Sustainability, Climate Change and the Change Programme. Corporate Solutions is key to the delivery of mitigating actions to these risks; through strategic planning and driving forward transformation.

Pentana Performance Dashboard

A full review of quarterly performance data is available via Pentana (Browser login link - <https://midlothian.pentanarpm.uk/login>)

Quarter 3 - Corporate Solutions-

18

Quarterly Reporting Corporate Solutions PIs - On Target

9

Quarterly Reporting Corporate Solutions PIs - Off Target

70

Quarterly Reporting Corporate Solutions PIs - Data only

0

Quarterly Reporting Corporate Solutions PIs - Data not available

26

Quarterly Corporate Solutions All Service Risks

0

Quarterly Corporate Solutions High Service Risks

Quarterly Reporting Corporate Solutions PIs - Off Target

Code & Title	Gauge	Value	Target	Last Update	History
CORP.DIGITAL.11 % of IT helpdesk incidents complete within 48 hours		53%	60%	Q3 2023/24	
CORP.LEG.02 % of Freedom of Information requests complete within Statutory time...		79%	100%	Q3 2023/24	
CR.CC.4 % of contact centre calls abandoned (quarterly)		6%	5%	Q3 2023/24	
CSE.LPI.03 Average processing time for new claims (internally calculated) (quarterly)		50 days	25 days	Q3 2023/24	
CSE.LPI.04 Average processing time for change of circumstances (internally calculat...		17 days	8 days	Q3 2023/24	
CORPS.MPI.01 Performance against revenue budget		£26.910m	£26.355m	Q3 2023/24	
RHM.r.01.1 % of in-year Council Tax collected ytd (cumulative)		77.1%	95.2%	Q3 2023/24	
RHM.r.02.1 % of current Housing Rent arrears (total)		13.61%	7.5%	December 2023	
CORPS.SPSO.05.1 Percentage of complaints at stage 1 complete within 5 working ...		83.33%	95%	Q3 2023/24	

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