Notice of meeting and agenda

Midlothian Council

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

Date: Tuesday, 15 December 2015

Time: 14:00 - TBC

John Blair, Director, Resources

Contact:
Clerk Name: Kyle Clark-Hay
Clerk Telephone: 0131 270 5796
Clerk Email: Kyle.Clark-Hay@midlothian.gov.uk

Further Information:

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

Midlothian Council

Apologies

1   Welcome, introductions and apologies
Including the order of business and additional items of business notified to the Chair in advance.

Order of Business

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

Declarations of Interest

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.

Minutes

4a   Minutes of Meetings - For Approval

Note of meeting of Midlothian Council of 3 November 2015 (circulated) – submitted for approval as a correct record.

4b   Minutes of Meetings - For Noting and Consideration of any Recommendations

Meeting	Date of Meeting
Cabinet	6 October 2015
Planning Committee	25 August 2015
Planning Committee	15 September
General Purposes Committee	2015
	29 September
	2015
Local Review Body	20 October 2015
Performance, Review and Scrutiny Committee	20 October 2015
Audit Committee	29 September
Midlothian Safer Communities Board	2015
	18 August 2015

Questions to the Council Leader

Motions

6a   Fairtrade

6b   Sale of Fireworks

6c   34C Buccleuch St, Dalkeith

Reports

Private items
THE COUNCIL IS INVITED (A) TO CONSIDER RESOLVING TO DEAL WITH THE UNDERNOTED BUSINESS IN PRIVATE IN TERMS OF PARAGRAPHS 6,8,9 AND 11 OF PART 1 OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973 - THE RELEVANT REPORTS ARE THEREFORE NOT FOR PUBLICATION; AND (B) TO NOTE THAT NOTWITHSTANDING ANY SUCH RESOLUTION, INFORMATION MAY STILL REQUIRE TO BE RELEASED UNDER THE FREEDOM OF INFORMATION (SCOTLAND) ACT 2002 OR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.

Private Reports

25 Review of Local Government Pay and Grading
26 Shawfair Learning Community
27 Proposed Rosewell Community Hub
28 Purchase of 7 Eskdaill Court Dalkeith

Motion to Midlothian Council

That Midlothian Council renews it commitment to its ongoing support for the Fairtrade Foundation. We note that many other organisations and community groups, including schools in Midlothian, support the aims of the Fairtrade Foundation and this Council commits to further support and encourage these other groups with particular attention for the annual Fairtrade Fortnight, this year running from 29 February to 13 March.

Proposed by:
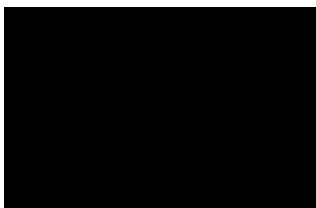
Councillor Lisa Beattie

Seconded by:
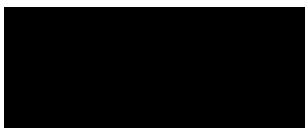
Councillor Ian Baxter

Midlothian Council Labour Group

Midlothian Council
15 December 2015

Notice of Motion

Public safety is a major responsibility for Local Authorities and the recent incident in Paris was a timely reminder of how vulnerable we all are to terrorism from whatever source.

As a Council we have an obligation to work with all in the public services to make our citizens feel safe and secure, and in this respect we agree the sale of fireworks to individuals needs to be looked at.

Midlothian Council agrees to create an all party working group, including representatives from Trading Standards, the Police and Fire Services to consider how to implement banning the sale of fireworks to individuals and to allow sales only to organised firework displays authorised and licensed by the Council.

This to include consideration of the introduction of a local by-law along the lines of the ban on drinking alcohol in public places.

Moved
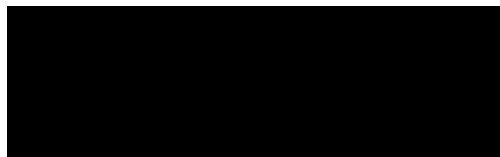
Councillor Adam Montgomery

Seconded

Councillor Russell Imrie

Midlothian Council
Labour Group

Midlothian Council
15 December 2015

Notice of Motion

The Council has submitted plans to Historic Scotland for the demolition of out buildings at 34C Buccleuch Street Dalkeith to allow parking for 24 cars. The two story non listed building is within a Dalkeith House and Park Conservation Area therefore consent is required from Historic Scotland.

This area of land had been identified as a possible development site for twelve one bed roomed studio houses in 2011. Council agrees to request that officers look again at providing single person accommodation on this site in the centre of Dalkeith, instead of staff parking.

Moved

COUNCILLOR MARGOT RUSSELL

Seconded

COUNCILLOR ALEX BENNETT

Financial Strategy 2016/17 to 2020/21- Update

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

1 Purpose of Report

This report provides Council with an update on the Financial Strategy 2016/17 to 2020/21 following publication of the UK Government's Spending Review on 25 November 2015.
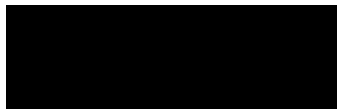
2 Background

The core objective of the Financial Strategy is to secure the Council's continued financial sustainability during what is expected to be an ongoing period of financial constraint coupled with increasing service demands and increasing customer expectations.

A report setting out the Financial Strategy for 2016/17 to 2020/21 was considered by Council on 22 September 2015 and the following recommendations approved.

   a) *Note the position in respect of the Scottish Government Grant Settlement as set out in section 2 and endorse the central planning assumption of "cash flat" settlements;*

   b) *Note the projected cost of services, key assumptions and resultant budget shortfalls as set out in section 3 and endorse the key assumptions on which the budget projections are based;*

   c) *Note the impact of the Spending Review timetable and that as a consequence Council is recommended to finalise the 2016/17 budget and set Council Tax early in 2016 once grant settlement figures are published;*

   d) *Note that budget projections make no provision for a Council Tax increase.*

   e) *Note the role the Delivering Excellence and Transformation Programme have means to identify options to address future years budget shortfalls;*

   f) *Note latest projections for the Transformation Programme and relevant impact of the Financial Strategy as set out in tables 3 and 4;*

   g) *Note that the projections indicate that a balanced budget is achievable for 2016/17 utilising reserves as previously agreed, but that there remains a projected budget gap of £23.344 million by 2020/21.*

3 Scottish Government Grant Settlement

As previously reported the most critical aspect of the projections set out in the Financial Strategy is the level of grant support Council can expect to secure from the Scottish Government.

Since the report to Council on 22 September 2015 the timetable for the Scottish Government's budget has become clearer. Scottish Government is expected to adopt a one year budget and grant settlement for 2016/17 and publish details of both on 16 December 2015. It is also currently anticipated that a three year budget and grant settlement will be adopted for 2017/18 to 2019/20, with details emerging in the autumn of 2016.

The Scottish Budget follows the UK Government's Spending Review published on 25 November 2015. This detailed the resources Scottish Government will receive for the period 2016/17 to 2019/20 as set out in table 1.

Table 1: Scottish Government share of UK Budget – 25 November 2015

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Scottish Budget	30,667	30,867	30,967	31,167

Source; H M Treasury Spending Review and Autumn Statement 2015, Table 2.18

In the lead up to the UK Government's Spending Review there were a number of comments made within the Scottish local government finance community which suggested that 2016/17 could see a particularly challenging settlement emerging for Councils with grant reductions of over 3% mooted. In addition there are suggestions that resources for care pressures may be increasingly channelled through Health Boards directly to the Integrated Joint Boards.

Arising from a report on the Spending Review to the COSLA Leaders meeting on 27 November 2015, Leaders agree the following motion;

> *"The level of gap in the Local Government Settlement currently advised to Local Government by Scottish Government is unacceptable. The Deputy First Minister must do all that he can to close the gap.*
>
> *Dialogue with Scottish Government should continue to explore the terms of any settlement and the steps which may be taken by Scottish Government and local government to attenuate the severe funding pressures to which Councils are subject, noting Scottish Government's account of its funding pressures.*
>
> *Local Government reaffirms its demand for a sanction free settlement which includes the removal of the council tax freeze and teacher numbers".*

COSLA Group Leaders and the President and Vice President have asked for a meeting with Government Ministers after 8 December 2015 with a Special Leaders meeting arranged for the afternoon of 16 December 2015.

The projections set out in the Financial Strategy report on 22 September 2015 report were predicated on the overall resources from Scottish Government to Councils remaining constant in cash terms (other than for additional sums for new legislative burdens). There is therefore a considerable risk that the settlement will provide less resource than previously predicted and as such the remaining budget gap for 2016/17 could be significantly higher that the £1.852 million reported on 22 September 2015.

To put the risk associated with the Grant Settlement into context, a 3% cash reduction in the revenue support grant element (i.e. excluding non domestic rates and loan charge support) would equate to a reduction in grant of approximately £3.300 million for 2016/17. All other things being equal this would increase the remaining budget gap for 2016/17 to over £5 million.

4   Council Tax

Whilst recognising the COSLA Leaders motion, the budget projections continue to be based on the expectation that the Council Tax freeze will continue for the life of the current Scottish Parliament. The prospect for later years is very much dependant on the next Scottish Government's response to the findings and recommendations of The Commission on Local Tax Reform.

5   Cost of Services

Work is continuing to complete the review of the base budget for 2016/17. The final base budget and updated projections for 2017/18 to 2020/21 will be incorporated in the Financial Strategy report to Council on 9 February 2016.

There are two national issues which have emerged since the September report which have a detrimental impact on the budget. Firstly the UK Government's Spending Review introduced an apprenticeship levy for large employers, equating to 0.5% of their payroll. Depending on the details of how the levy will operate it could have the potential to add a further £0.500 million per annum to the budget from 2017/18.

Secondly Scottish Government has decided to amend the Education Bill currently before Parliament to allow them to regulate for every primary school pupil to benefit from a minimum of 25 hours with teachers per week. Initial indications are that this will add a further £0.300 million to the budget in 2016/17 rising to £0.450 million thereafter.

6   Financial Strategy

6.1   Delivering Excellence

The Delivering Excellence framework approved by Council on 23 June 2015 supports the repositioning of services to ensure they have a greater emphasis on and achieve better outcomes for those most disadvantaged and vulnerable in the community. The framework focuses on reshaping service delivery as the most

sustainable way to address the financial and service challenges and maintain financial sustainability.

The framework sets out an approach that provides the means to:

- Realise savings of the scale and magnitude required and to continue to deliver high quality services by engaging staff, partners, stakeholders and citizens to determine the nature of service delivery, the level of service standards and the method of delivering these services;

- To perform successfully in this environment, the Council will require to forward plan for the period beyond known financial settlements, to prioritise the services to be delivered and to clearly identify those services which will no longer be funded or indeed provided or may be provided through alternative mechanisms or approaches; and

- To ensure that there is achievement of the outcomes and priorities of the Council and Community Planning Partners.

Actions which contribute to the Financial Strategy will be developed through the framework.

6.2   Transformation Programme

The position remains as previously reported.

6.3   Asset Management

The position remains as previously reported.

6.4   Procurement

The Contract Delivery Plan report elsewhere on today's agenda highlights the challenge associated with savings from second and third generation contracts. Accordingly no separate procurement savings targets are incorporated in the Financial Strategy.

6.5   Efficiency and Financial Discipline

In view of the emerging position with the grant settlement for 2016/17 the Chief Executive has asked each Director to bring forward savings options for consideration by the Senior Leadership Group early in January 2016.

6.6   Summary of Financial Strategy

The Financial Strategy Report to Council on 22 September 2015 reported a remaining budget gap for 2016/17 of £1.852 million, rising to £23.344 million in 2020/21 as set out in table 2 below.

Table 2: Financial Strategy 2016/17 to 2020/21 – 15 December 2015

	2016/17	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m	£m
Remaining Budget Gap	1.852	7.117	12.649	18.032	23.344

As set out in section three there is a considerable risk that the settlement will provide less resources than currently predicted and as such the remaining budget gap for 2016/17 could be significantly higher. The remaining budget gap will also be impacted on by the costs associated with the Apprenticeship Levy and the requirement to provide 25 hours of teacher time.

7   Governance and Timeline

Council has a duty as set out in Section 93 of the Local Government Finance Act 1992 (as amended) to set its Council Tax and a balanced budget for the following financial year commencing 1 April by 11 March. Accordingly Council agreed on 22 September 2015 to determine its 2016/17 budget and to set a Council Tax for 2016/17 at its meeting on 9 February 2016.

8   Focussing Resources to Key Priorities

The Financial Strategy is designed to ensure that available resources are as far as possible targeted on delivery of improved outcomes, particularly against the key priorities of Early Years, Positive Destinations and Economic Growth. The Midlothian Community Planning Partnership continues to work to prioritise the available resources towards the delivery of the partnerships key priorities.

The Financial Strategy sets out for partners the parameters the Council is working within and provides a means to better facilitate the sharing of budget and resource planning information. The Delivering Excellence framework has a key role in ensuring that resources are directed towards the priorities set out in the Midlothian Single Plan.

9   Reserves

The projected reserves position as at 31 March 2016 remains as previously reported.

10   Report Implications

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

10.2 Risk

Within any financial projections, there are a number of inherent assumptions in arriving at figures and budget provisions and therefore risks that may be faced if costs change or new pressures emerge. The following key risks and issues are highlighted in the context of this report:

- Decision by Scottish Government on future years grant settlements and grant distribution;
- Policy decisions by both UK and Scottish Governments and the resources provided to support these;
- Non-delivery or late delivery of planned savings, including those arising from reductions in the staffing establishment;
- Future years pay award settlements and the implications of the proposed National Living Wage;
- Impact of economic climate on range of factors including: inflation, interest rates, employment, tax and income levels, service demands;
- Cost pressures exceeding budget estimates;
- Impact of Welfare Reform and pension changes;
- The costs of implementation of national policies varying from the resources provided by government; and
- Capital investment requirements and associated cost.

The Financial Strategy aims to mitigate a number of these risks by setting out the key assumptions on which forward plans are based, and through the Delivering Excellence determining future saving proposals.

10.3 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

10.4 Impact on Performance and Outcomes

The Financial Strategy is central to the way Council allocates and uses its limited resources and as such has fundamental implications for service performance and outcomes. The budget projections indicate that in 2020/21 the Council will have available in the region of £200 million for the provision of services and the pursuit of key outcomes as set out in the Single Midlothian Plan.

10.5 Adopting a Preventative Approach

Whilst the proposals in this report do not directly impact on the adoption of a preventative approach, an effective Financial Strategy in turn allows resources to be prioritised to support prevention.

10.6 Involving Communities and Other Stakeholders

The Delivering Excellence framework approved by Council incorporated proposals for engagement and consultation on the service and financial challenges Council faces and the options which will emerge to address these.

In addition, there continues to be engagement with the recognised Trade Unions on the Council's financial position and service challenges.

10.7 Ensuring Equalities

There are no equality implications arising directly from this report. As part of the development of budget and service proposals Equality Impact Assessments will be prepared, evaluated and utilised to inform decisions.

An overarching equality impact assessment encompassing the revenue budget for 2016/17 will be prepared and incorporated in the report considered by Council when it sets the 2016/17 budget and Council Tax.

10.8 Supporting Sustainable Development

There are no direct sustainability issues arising from this report.

10.9 IT Issues

There are no direct IT implications arising from this report.

11 Summary

The report provides Council with an update on the Financial Strategy 2016/17 to 2020/21 following publication of the UK Government's Spending Review on 25 November 2015.

12 Recommendations

Council is recommended to:-

1) Note that Scottish Government will publish its 2016/17 budget together with Local Government Grant Settlement figures on 16 December 2015.

2) Note that a further report will be presented to Council on 9 February 2016 to allow Council to determine its 2016/17 budget and set Council Tax.

3) Otherwise note the report.

Date 07 December 2015

Report Contact:
Gary Fairley Tel No 0131 271 3110
gary.fairley@midlothian.gov.uk

Newbattle Centre European System of Accounts 2010 Update

Report by Garry Sheret, Head of Property and Facilities Management

1 Purpose of Report

The purpose of this report is to provide Council with a further update in relation to Scottish Futures Trust's (SFT) progress with resolving the technical accounting issue "European System of Accounts 2010 (ESA 10)" in relation to Newbattle High School.

The report provides an update regarding the final outcome of the Office of National Statistics (ONS) findings in relation to how the Hub Design, Build, Finance and Maintain (DBFM) projects require to be altered to bring them back within ESA 10 guidance.

2 Background

At its meeting on 23 June 2015 Council received a report updating Council on the ESA 10 situation in relation to Newbattle High School. The report was prepared following a briefing by SFT to Council officers in relation to the ESA 10 situation as they understood at that time.

The SFT briefing shared further information regarding the changes they believed would be required to the HubCo structure to remain in line with ESA 10 guidance following feedback on the Aberdeen Western Peripheral Route proposals.

SFT outlined a number of changes required to the legal and financial structure of these contracts to enable them to remain within the ESA 10 guidance.

3 Guidance and Direction

3.1 Office of National Statistics findings

ONS has confirmed that the policy proposals for Hub contracts put forward by SFT would be privately classified under ESA10 and current guidance. This means affected Hub Co projects can now proceed to financial close.

The Scottish Government has agreed to all the amendments required to deliver this vital classification judgement and reaffirmed commitment to all projects in the hub pipeline and their progress to financial close on this revised basis.

The amended contractual arrangements are based on the structure circulated by SFT over the summer and generally as detailed in the report to Council on 23 June 2015.

Some further essential amendments to the Hub model standard contract are required, including revisions to the profit sharing arrangements (to remove sharing and capping) and the refinancing provisions (to reduce the public sector share of any gains). Given the limited upside potential in the extant arrangements as procured, and the low probability of any substantial refinancing gains, these changes are not considered material and will be effected through the normal amendment process for the Hub standard contract. An amended version of the standard contract has been published by SFT.

It has been recognised that the time taken to resolve the ESA10 issue has resulted in several projects being delayed beyond the point in time that project costs were originally fixed and that elements of consequential costs may have been incurred. SFT has agreed with the Scottish Government that project funding should be appropriately updated.

3.2 SFT Direction to Council

SFT have written to Council Officials notifying the Council should now work with Hub Co to achieve financial close on Newbattle High School. SFT have offered their assistance in this matter.

Under direction from SFT Council had already started to make changes to the Hub DBFM structure in line with previous recommendations.

4. Report Implications

4.1 Construction Programme for Newbattle Centre project

Hub Co's current programme shows a 24 month construction duration. As a result of the ONS ruling SFT/Scottish Government require the Council and all of the other parties involved in the hub programme to make structural changes both in terms of the individual hub companies and in relation to the specific contracts for individual DBFM contract (which applies to Newbattle High School). This process is now underway. Council should be aware that the Hub programme covers all public sector areas and any structural changes will require to be agreed by all parties who have an interest within the hub programme both public and private side. It may take some time to obtain agreement from the various parties to implement the structural changes given the number of parties involved. There is also a risk that the Private Sector Partner may be unwilling to accept the changes that SFT/Scottish Government bring forward.

It is expected that Financial Close will be achieved by March 2016 with a start on site following that milestone. This will allow a completion of the Newbattle Centre for the summer of 2018.

4.2   Cost of the delay

SFT have confirmed that Council will be no worse off as a result of the ESA 10 delays. Dialogue with SFT regarding the compensatory inflationary adjustment has commenced.

4.3   Resource

Financial assessment of all costs can now be determined with the knowledge of a Spring 2016 start date. Officers will report back to Council with a further update which will outline the resource implications in more detail.

4.4   Risk

Public Sector control of the Special Purpose Vehicle (SPV)

The findings of the ONS report require structural changes to be made that will reduce public sector control of the SPV.

Programme

The conclusion of the ESA 10 position no longer delays the programme for delivery of Newbattle High School apart from the conclusion of the Financial Close stage and agreement the inflationary adjustments.

Inflation

The further delay caused by the ESA 10 situation means further inflation being applied to the project. Scottish Government has previously confirmed that the Council will be in a no worse off position as a result of the ESA 10 delays. Dialogue has commenced with SFT to ensure that this is secured.

5   Policy

5.1   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

5.1.1 Key Priorities within the Single Midlothian Plan

This project supports the provision of suitable infrastructure for the efficient and effective delivery of services to meet the full range of community needs. The co-location of facilities would ensure closer working relationships and assist in the delivery of strategic initiatives such as the Ageing Well, Getting it Right for Every Child (GIRFEC), Midlothian Active Choices and Get Going programmes.

5.2 Impact on Performance and Outcomes

This work is a part of the Single Midlothian Plan's key priority of Early Years, providing fit for purpose community schools to present every child with the opportunity to attend the school which serves their community and supports improvement in pupil attainment and achievement.

5.3 Adopting a Preventative Approach

Providing fit for purpose community schools to provide every child the opportunity to attend the school which serves their community supports the preventative approach by improving achievement and attainment of pupils and increasing their prospects of progressing onto positive destinations.

5.4 Involving Communities and Other Stakeholders

At this stage the information has been shared by SFT on the basis that it remains confidential. Once we have more definitive information regarding start and finish dates then the intention would be to make the general public aware of this from the earliest possible date.

5.5 Ensuring Equalities

An EQIA has been commenced which will be taken forward in parallel with the overall project design.

5.6 Supporting Sustainable Development

The proposals take into account the need to deliver fit for purpose, sustainable (for both now and the future) services including through the design and use of appropriate and sustainable facilities and infrastructure.

5.7 IT Issues

There are no IT implications resulting from this report.

6 Recommendations

It is recommended that Council:-

- Note the decision by Office of National Statistics and that SFT have advised to commence to Financial Close for the delivery of Newbattle High School.

- Note the potential resource implications and inflation risks associated with the delay incurred through the ESA10 situation and instruct the Director, Resources to recover from SFT/Scottish Government all additional costs as a result of the delays created by ESA 10.

- Instruct the Director, Resources to provide a further report to Council as soon as reasonably practical confirming the outcome of the Financial Close stage and resultant construction phase programme.

2 December 2015

Report Contact: Garry Sheret   Tel No: 0131 561 5249
E-mail: garry.sheret@midlothian.gov.uk
Background Papers:

Raising Attainment - Closing the Gap: Examination Attainment 2015

Report by Dr Grace Vickers – Head of Education

1   Purpose of Report

Further to the National Improvement Framework report which was presented to Council on 3 November 2015, the purpose of this report is to provide an overview of secondary school examination attainment in session 2014-15 using the new senior phase benchmarking attainment measures, called 'Insight'.

2.1   Background

In session 2013-14, the new senior phase benchmarking attainment measures, called 'Insight', were implemented replacing the former Standard tables and charts (STACS). The new measures provide a broader and deeper picture of how young people are progressing in our secondary schools and includes a wide range of new qualifications including vocational and wider achievement awards. The new measure also provides important data on the performance of young people in different contexts in order to help focus our improvement targets towards closing the attainment gap. The new measures report on the performance and progress of two main cohorts of students: the National Benchmarking measures report on the progress and performance of the summer leavers cohort from S4, S5 and S6 and the Local Benchmarking measures report on the progress and performance of the students who have continued their education in S4, S5 and S6. There are four Benchmarking Measures used to report on the progress and performance of students: Improving Attainment in Literacy and Numeracy; Increasing Post- School Participation; Improving Attainment for All; and Attainment versus Deprivation. To compliment the data provided by these Benchmarking Measures, Insight also provides Breadth and Depth Course measures which are used to provide data on the percentage of pupils gaining awards at specific levels by the end of each year stage. This data, when used in conjunction with the Benchmarking Measures, provides a richer picture of the progress and performance of Midlothian students.

2.2   Improving attainment in literacy and numeracy: the percentage of pupils attaining literacy and numeracy at SCQF level 4 and SCQF level 5:
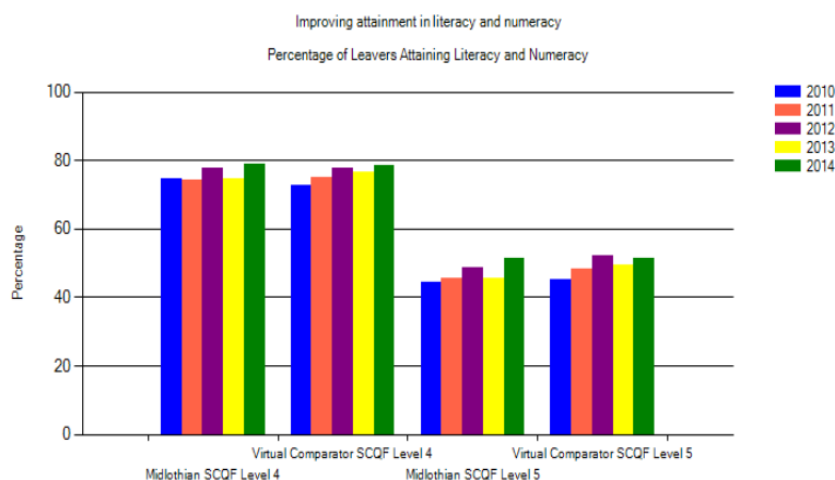
Improving attainment in literacy and numeracy

Percentage of Leavers Attaining Literacy and Numeracy

Year	Midlothian % Level 4	Virtual Comparator % Level 4	Midlothian % Level 5	Virtual Comparator % Level 5
2010	74.6	73	44.4	45
2011	74.35	75.06	45.69	48.47
2012	77.87	77.62	48.85	52.31
2013	74.62	76.66	45.52	49.66
2014	78.9	78.52	51.38	51.27

Figure 1: Improving attainment in literacy and numeracy (Source: Insight September 2015)

Figure 1 shows an improving pattern in literacy and numeracy at levels 4 and 5:

- Attainment in level 4 Literacy and Numeracy shows an improvement of 4.3% from 74.6% in 2010 to 78.9% in 2014. Attainment is 0.38% higher than the Virtual Comparator leavers group and 1.5% lower than the National leavers group.
- Attainment in level 5 Literacy and Numeracy shows an improvement of 7% from 44.4% in 2010 to 51.4% in 2014. Attainment is 0.11% higher than the Virtual Comparator leavers group and 4.3% lower than the National leavers group.

Next steps for improvement: To bring literacy and numeracy at levels 4 and 5 in line with national measures for all school leavers.

2.3   Increasing post-school participation: this measure shows the percentage of pupils either staying on at school or in a positive initial destination (approximately three months after leaving school):
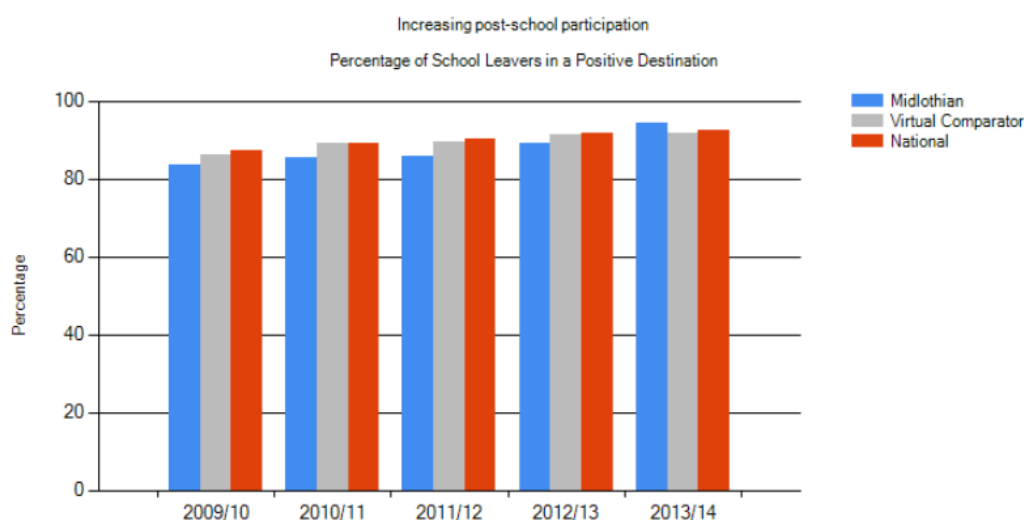
Year	Midlothian	Virtual Comparator	National
	% School Leavers	% School Leavers	% School Leavers
2009/10	83.6	86.3	87.2
2010/11	85.2	89.3	89.1
2011/12	85.8	89.6	90.1
2012/13	89.2	91.4	91.7
2013/14	94.2	91.6	92.6

Figure 2: Increasing post-school participation (Source: Insight September 2015)

Figure 2 shows significant progress has been secured in terms of improving positive destinations in Midlothian. Notable achievements are:

- The percentage of school leavers entering a positive destination has improved from 83.6% in 2009/10 to 94.2% in 2013/14.
- This compares positively with outcomes for the Virtual Comparator leaver cohort of 91.6% and National leaver cohort of 92.6%.
- No secondary school has less than 90% of leavers entering a positive destination.
- All schools have shown sustained improvement over the last 5 years.
- There are relatively high numbers of leavers going into employment 30% compared to a virtual comparator figure 22.5%. Whilst this is recognised as a success there is a need to further breakdown the employment destination to consider nature of employment, progression and salary opportunities.
- There are relatively lower numbers of leavers going into Higher Education 29% compared to the virtual comparator figure of 36%, this is linked to the attainment of Midlothian students by end of S5 which remains below the virtual average which is shown further in section 2.6 of this report.

Next steps for improvement: maintaining positive destinations remains an ongoing priority for the Council with a target of 95% set for School Leaver Destinations and 90% for the new Participation measures which includes young people 16-19 years.

2.4   Improving attainment for all: the average total tariff score of pupils based on the attainment of the lowest 20%, middle 60% and highest 20% by performance;

The selected year is **2014**

	Lowest 20%	Middle 60%	Highest 20%
Midlothian	146	710	1754
Virtual Comparator	139	727	1801
National	163	806	1818
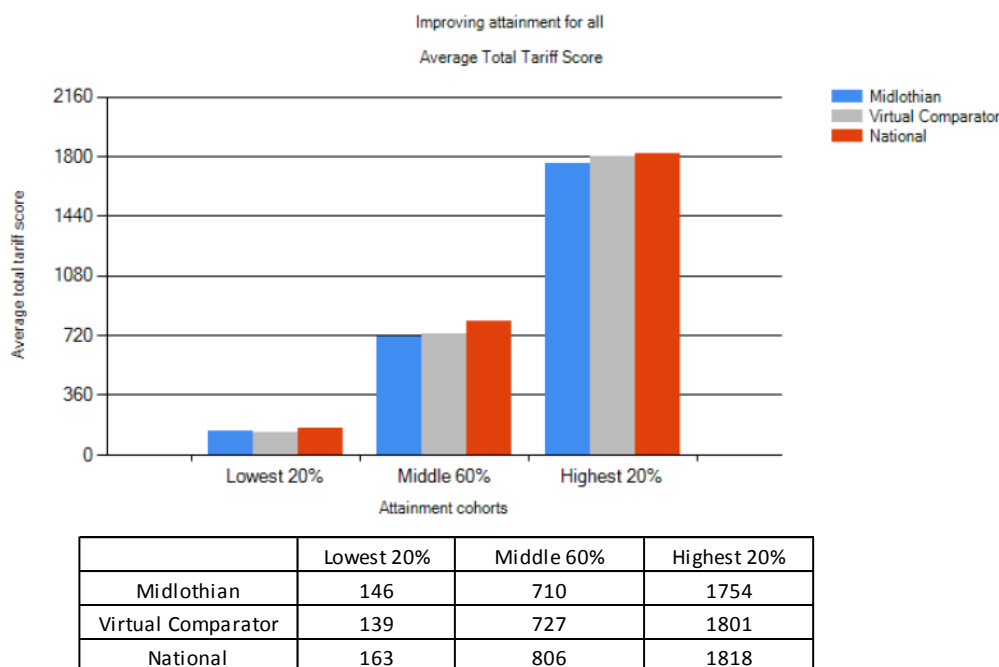
Figure 3: Improving Attainment for All (Source: Insight September 2015)

Figure 3 relates to Midlothian School leavers and the numbers shown in the table are total tariff points gained in Midlothian by the lowest performing 20%, the middle performing 60% and the highest performing 20%. The tariff points table is shown in Appendix 1 of this report. Each qualification attained by pupils is allocated a tariff score by the Scottish Qualifications Authority (SQA). The highest performing 20% of students attain higher tariff scores as they tend to stay on to S6, completing more courses, and passing courses at higher levels. Figure 3 shows the following for Midlothian:

- Total tariff scores for the lowest performing 20% of school leavers shows positive progression from 117 tariff points in 2009/10 to 146 tariff points in 2013/14 which is an improvement of 29 tariff points. Overall Midlothian exceeded the virtual comparator but remains 17 tariff points below the national data.
- Total tariff scores for the middle performing 60% of school leavers shows positive progression from 648 tariff points in 2009/10 to 710 tariff points in 2013/14, an improvement of 62 tariff points. Midlothian's performance is 17 tariff point less than the virtual comparator group and 96 tariff points less than the national leaver group.
- Total tariff scores for the highest performing 20% of school leavers shows positive progression from 1681 tariff points in 2009/10 to 1754 tariff points in 2013/14 an improvement of 73 tariff points. Midlothian's performance is 47 tariff point less than the virtual comparator group and 64 tariff points less than the national leaver group.

Next steps for Improvement: Using this new data, we aim to focus on closing the gap which has emerged for each cohort with a particular emphasis on the middle and highest performing leaver groups which show the largest gap between the virtual and the national comparator data.

2.5   Attainment versus deprivation: tacking disadvantaged by improving the attainment of lower attaining pupils relative to higher attaining pupils based on the average total tariff score of pupils, by decile, using the Scottish Index of Multiple Deprivation (SIMD):

The selected year is **2013/14**

Establishment	Year	SIMD 1	SIMD 2	SIMD 3	SIMD 4	SIMD 5	SIMD 6	SIMD 7	SIMD 8	SIMD 9	SIMD 10
Midlothian	2013/14	464	593	577	579	760	978	901	1046	815	1182
Virtual Comparator	2013/14	410	583	607	620	769	896	929	1056	908	1236
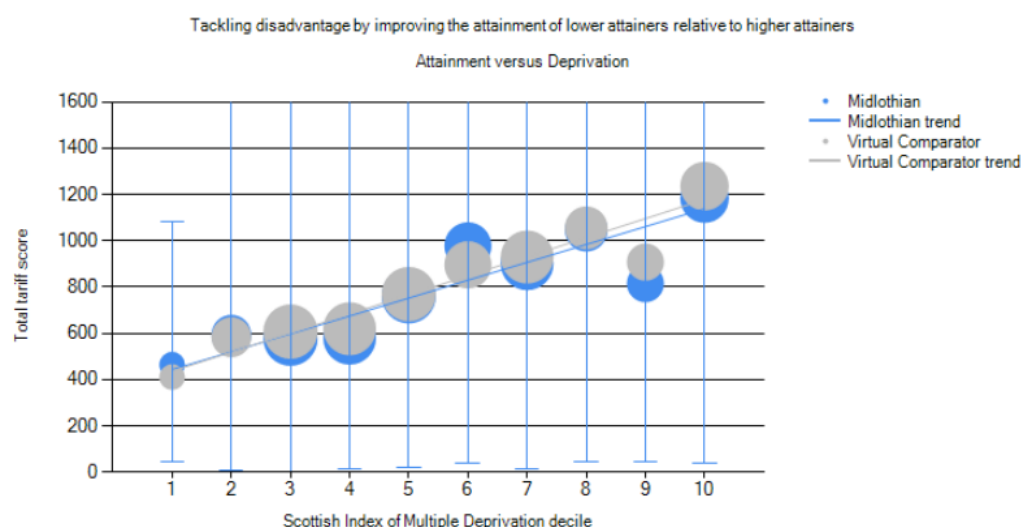
Figure 4: Attainment Versus Deprivation (Source: Insight September 2015)

Figure 4 presents the data for the Midlothian school leavers. The discs represent the relative performance of Midlothian school leavers in each SIMD decile compared to the virtual comparator group. The size of the disc gives a visual indication of the number of students in each decile. The gradient of the line indicates the relative level of attainment versus deprivation for Midlothian school leavers. In 2013/14 Decile 9 Midlothian school leavers performance was the poorest for the last 5 years and poorer than other similar students across the country. SIMD 4 is also significantly lower than the national average. In 2013/14, Decile 6 Midlothian leavers performance was the best for the last 5 years and better than other similar students across the country. On leaving the school system Midlothian students in Decile 1 have attained a tariff score which is much less than half of that attained by students in Decile 10. The data, in line with the virtual and the national trend, indicates that students from the least advantaged groups are leaving school earlier and as a result attaining fewer qualifications which limits their ability to access a sustainable positive destination. For this reason, Midlothian's priority remains to maintain students from the least advantaged backgrounds in mainstream education and training until the end of S6 by providing an educational experience which meets their needs and supports them to take positive next steps to a secure future.

Next steps for improvement:
- To continue to encourage students to stay on at school until the end of S6 in order to close the attainment versus deprivation gap.
- To continue to share best practice across the six Secondary Schools in order to ensure robust tracking and monitoring arrangements are in place to both support and challenge further improvements in attainment.

2.6 Breadth and Depth Measures:

To compliment the data provided by the Benchmarking Measures, Insight also provides course measures. In this report the Breadth and Depth Course measure is used to provide data on the percentage of pupils gaining awards at specific levels by the end of each year stage. This data, when used in conjunction with Benchmarking Measures, provides a richer picture of the progress and performance of Midlothian students. The Breadth and Depth measures provided in this report are similar to the tradition attainment measures as follows: percentage of pupils attaining five or more awards at SCQF level 3, level 4 and level 5 or better by the end of S4; percentage of pupils attaining one, three or five awards or more at SCQF level 6 or better; percentage of pupils attaining one, three or five or more awards at SCQF level 6 or better by the end of S6; and one or more awards at SCQF level 7 by the end of S6.

S4 Attainment

	Midlothian	Virtual Comparator	Midlothian	Virtual Comparator	Midlothian	Virtual comparator
Year	**5 @ Level 3**	**5 @ Level 3**	**5 @ Level 4**	**5 @ Level 4**	**5 @ Level 5**	**5 @ Level 5**
2011	89.5%	89.2%	76.9%	77.1%	30.0%	35.5%
2012	90.3%	91.0%	77.1%	79.5%	32.0%	35.6%
2013	90.3%	91.2%	79.0%	80.8%	32.4%	38.7%
2014	90.6%	85.8%	83.4%	80.9%	40.3%	42.3%
2015	88.1%	84.4%	83.6%	79.5%	38.3%	44.5%
3 yr avg	89.7%	87.1%	82.0%	80.4%	37.0%	41.8%
4 yr trend	-0.4%	-1.2%	1.7%	0.6%	2.1%	2.2%

Table 1: Breadth and Depth Measures by S4 stage based upon S4 - % candidates

(Source: Insight September 2015)

Table 1 shows an overall positive trend for levels 4 and 5. The trend for level 3 is negative for both Midlothian and the virtual comparator. Level 3 and level 4 is better than that for the virtual comparator cohort but we aim to ensure that the 4 year trend is positive for all measures. Despite making significant 5 year progress at level 5, this measure still remains below the virtual comparator.

S5 Attainment

Year	Midlothian	Virtual Comparator	Midlothian	Virtual Comparator	Midlothian	Virtual Comparator
	1 @ Level 6	1 @ Level 6	3 @ Level 6	3 @ Level 6	5 @ Level 6	5 @ Level 6
2011	42.2%	47.3%	24.2%	28.2%	8.8%	11.7%
2012	44.1%	50.9%	23.8%	31.1%	8.8%	13.6%
2013	45.5%	52.4%	26.6%	31.6%	10.1%	13.6%
2014	48.5%	56.9%	26.1%	36.4%	12.1%	18.4%
2015	55.3%	61.1%	34.2%	40.6%	17.0%	20.3%
3 yr avg	49.8%	56.8%	28.9%	36.2%	13.1%	17.4%
4 yr trend	3.3%	3.5%	2.5%	3.1%	2.1%	2.1%

Table 2: Breadth and Depth Measures by S5 stage based upon S4 - % candidates

(Source: Insight September 2015)

Table 2 shows a positive 4 year trend for all measures and attainment in 2015 examinations was the highest in Midlothian across all of these measures when compared with the data for the last 5 years:

- Over the past 5 years Midlothian schools have made significant progress in attainment in each of the measures shown in the table. Five awards at level 6 have improved from 8.8% in 2011 to 17% in 2015, an increase of 8.2%.
- Despite significant progress the measures remain below the virtual comparator cohort and secondary schools continue to focus on raising attainment by the end of S5.

S6 Attainment

Year	Midlothian	Virtual Comparator	Midlothian	Virtual Comparator	Midlothian	Virtual Comparator	Midlothian	Virtual Comparator
	1 @ Level 6	1 @ Level 6	3 @ Level 6	3 @ Level 6	5 @ Level 6	5 @ Level 6	1 @ Level 7	1 @ Level 7
2011	47.5%	53.0%	31.3%	39.0%	18.0%	25.5%	15.5%	17.0%
2012	49.7%	55.3%	32.5%	40.4%	20.4%	26.8%	15.8%	17.6%
2013	52.9%	58.2%	35.9%	43.4%	21.4%	30.1%	16.2%	19.0%
2014	50.7%	60.9%	36.3%	45.5%	26.2%	31.6%	16.9%	20.0%
2015	55.1%	63.6%	40.21%	48.3%	24.0%	34.1%	16.1%	21.8%
3 yr	52.9%	60.9%	37.5%	45.7%	23.9%	32.0%	16.4%	20.3%
4 yr trend	1.9%	2.7%	2.2%	2.3%	1.5%	2.2%	0.1%	1.2%

Table 3: Breadth and Depth Measures by S6 stage based upon S4 - % candidates

(Source: Insight September 2015)

Table 3 shows a positive four year trend across all measures. Attainment in 2015 was the highest over the last five years for attainment at one and three qualifications at level 6 by the end S6. Despite these significant improvements, attainment remains lower than the virtual comparator.

Next steps for Improvement:
- To continue to close the attainment versus deprivation gap by improving the attainment of 5 or more qualifications at level 3 by the end of S4
- To bring, in line with the virtual comparator, attainment at 5 or more at level 5 by the end of S4
- To bring, in line with the virtual comparator, attainment at all levels by the end of S5 and S6.

3   Report Implications

3.1   Resource
The Education Leadership Teams, all Head Teachers and staff are committed to closing the attainment gap and this will remain a key priority as we move forward.

3.2   Risk
Addressing Inequalities by closing the attainment gap is of significant importance in order to improve the life chances of children and young people in our care.

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
Girfec 5: Our people will be successful learners, confident individuals, effective contributors and responsible citizens.

3.5   Impact on Performance and Outcomes
To close the gap by improving 'attainment versus deprivation' and 'attainment for all' outcomes for children and young people.

3.6   Adopting a Preventative Approach
The Education (Scotland) Bill aims to take preventative action in order to close the attainment versus deprivation gap by implementing key policies and programmes which are designed to target support to children and young people from disadvantaged communities. This 2015 Attainment Report highlights our commitment to closing the attainment gap which compliments the strategies employed by Midlothian which were highlighted in the National Improvement Framework report which was presented to Council on 3 November 2015.

3.7   Involving Communities and Other Stakeholders
All Head Teachers update their Parent Councils on progress in terms of attainment and all schools publish their Standards and Quality reports for Parents and other stakeholders.

3.8   Ensuring Equalities
The recommendations is this report should continue to promote equity of attainment for disadvantaged children and support the steps being taken towards narrowing the attainment gap by imposing duties on education authorities and the Scottish Ministers in relation to reducing pupils' inequalities of educational outcome together with a duty to report on progress.

3.9 Supporting Sustainable Development

There are no impacts arising directly from this report

3.10 IT Issues

There are no IT issues identified arising directly from this report.

4 Recommendations

- To note the significant improvements in performance outlined in this report.
- To note the next steps for improvement outlined on pages 2, 3, 5, 6 and 8 of this report.
- To invite Secondary Head Teachers to outline their schools' progress in raising attainment and closing the attainment gap in an annual seminar with elected members in December each year prior to the attainment report being presented to Council, commencing in December 2016.
- To provide a report to Council in May and December each year outlining progress made in raising attainment and closing the attainment gap in Midlothian.

Date 19 November 2015

Report Contact:
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Appendix 1: Tariff Table

SCQF Level	Grade	SCQF Points	Tariff Score
7	A	32	480
	B	32	440
	C	32	400
	D	32	380
	Individual units	Varies	17/2*SCQF Points
6	A	24	204
	B	24	182
	C	24	160
	D	24	149
	Individual units	Varies	14/3*SCQF Points
5	A	24	84
	B	24	74
	C	24	64
	D	24	59
	Individual units	Varies	11/6*SCQF Points
4	Course – Pass	24	33
	Added value unit	6	15
	Individual units	Varies	1*SCQF Points
3	Total units	18	12
	Individual units	Varies	2/3*SCQF Points
2	Total units	18	6
	Individual units	Varies	1/3*SCQF Points
1	Individual units	6	1

Creating and Developing Positive Destination Posts for Adults and Young People within Midlothian Council

Report by Director, Education, Communities and Economy

1   Purpose of Report

The purpose of this report is to identify ways to increase employment opportunities within Midlothian Council for those who are unlikely to secure a positive destination.

2   Background

2.1   Midlothian Council currently has a small proportion of young people as employees, a higher than average number of young people in negative destinations and entry level posts which cannot be filled through internal and external advertising. Therefore this report explores and identifies a recruitment model to address this issue.

2.2   Options

2.3   The aim is to introduce a model which:

- creates a level playing field for young people applying for posts within the council.
- increase the number of young people who progress to employment with Midlothian Council, especially those at risk of a negative destination including those who are looked after or accommodated.

2.4   Any model chosen cannot unfairly advantage or disadvantage others who may wish to apply for posts. Ring fenced posts or creating a points system for those leaving school, care or college are not possible as they would be discriminatory and not stand up to scrutiny. In addition simply guaranteeing an interview through points or targeted interviewing would not necessarily achieve the desired objectives as the current strength based interview process for these posts disadvantage young people as it draws on previous experience which they do not have.

There is one approach which would allow targeted advertising due to the explicit funding criteria which is the 'Youth Employment Support Fund'; we were awarded a number of places which were co-funded and only open to a specific age group, although the number of opportunities through this fund was limited. This funding has changed to 'The Scotland Employer Recruitment Incentive, new rules have been developed and public sector employers are now not eligible to apply.

2.5 However it may be possible to increase the number of opportunities through implementation of the model below which would be cost neutral for the Council. This model would be for entry and other level posts and would enable the creation of Midlothian "Positive Destinations Posts" however the definition of "Positive Destination" in this instance would be wider and include long term unemployed, women returners and anyone seeking employment who had just finished education or a course of study.

Positive Destination Recruitment Model

Steps	Action
Step 1 Recruiting Managers	When a vacancy arises especially entry level posts consideration is given to creating a Positive Destination Post open to all adults and young people. However in the advert we would highlight that this post is especially suitable for school leavers, women returners and long term unemployed. This would go straight to external advert The recruiting manager would make a decision to convert their post to a positive destination post starting on a lesser salary and using the overall budget for the post to include training.
Step 2 Recruitment scrutiny and authorisation	The authorising post recruitment panel/DMT/CMT when reviewing all posts will consider if the post is suitable for conversion to a Positive Destination Post if the recruiting manager has not indicated this already.
Step 3 Post Advertised Externally	Publicity emphasises that these positive destination posts would be especially suitable for school leavers, women returners and long term unemployed. There would be a filtering question in the application process which would make anyone currently in full-time employment ineligible to apply.
Step 4 Additional Support for Candidates	Pre application and interview support offered by Lifelong Learning and Employability LLE
Step 5 Interview Process	A strength based interview will not be used instead a literacy and numeracy test would be given and a different interview

	format used aimed at finding out about the motivation, potential and attitude of the person.
Step 6 Ongoing support if successful.	The new member of staff in a positive destination post would have access to relevant certificated training and access to a work coach identified by the recruiting manager. Forums would be set up for the positive destination post holders to meet and support each other on a monthly/bi monthly basis supported by LLE.

In addition a strategic target could be set for every service to have a set number or % of vacancies offered as Positive Destination Posts, monitored through quarterly performance monitoring.

3 Report Implications

3.1 Resource

It would be important that the recruiting managers have researched the training options and financially recognised the changes needed within the conversion of the post to a lower paid Positive Destination Post with appropriate training. Resource implications need to be recognised for running forum support to candidates, development opportunities, giving advice to managers on suitable development schemes, and development of a robust Contracts of Commitment.

3.2 Risk

The conversion of the post could result in other staff having responsibility for some elements previously carried in the post.
Some mitigation of this effect with the use of Contracts of Committment that require two years of working in Midlothian to avoid payback of development costs by the employee. Reducing turnover and resource employed in filling future vacancies.

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

3.5 Impact on Performance and Outcomes

This approach will support adults and young people experiencing multiple barriers to employment to take their next steps, whilst addressing positive destinations.

3.5 Adopting a Preventative Approach

This approach will support young people to take their first steps and others to reengage with a chosen job/career pathway.

3.6 Involving Communities and Other Stakeholders

None

3.7 Ensuring Equalities

This approach is a proportional response to the Council's desire to offer Positive Destination opportunities whilst being open to all thus satisfying equalities legislation but reduces the barriers for those starting and returning to employment. An EQIA is attached.

3.8 Supporting Sustainable Development

Midlothian Council has previously accessed funding from European Social Fund and Scottish Government through the Youth Employment Scotland Fund (YES Fund). The YES Fund ended in June 2015 and has been superseded by The Scotland Employer Recruitment Incentive (SERI). Local Authorities are not eligible to draw down funding from this programme.

3.9 IT Issues
None

4 Summary

This report sets out a model for creating positive destination posts within the authority.

5 Recommendations

Council is recommended to:

- Approve the promotion and implementation of a systematic approach to the conversion of existing substantive posts to Positive Destination Posts taking into account the EQIA using divisional budgets.

- Agree that targets will be set by Heads of Service in relation to the number or percentage of Positive Destination vacancies in Midlothian Council to be converted on an annual basis.   These will be tracked through quarterly performance reporting

24 November 2015

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Catchment Review Programme

Report by Mary Smith, Director, Education, Communities and Economy

1.0   Purpose of Report

This report provides an update on the progress of the school catchment review programme as last reported to Council on 16 December 2014 and outlines the proposed next phases of the programme.

2.0   Background

In December 2014 Council approved eight recommendations:
(i)   statutory consultation to establish the catchment areas for the new non-denominational primary schools in Bilston and North Gorebridge;
(ii)   statutory consultation on the proposed changes to the school catchment areas of Loanhead and Paradykes Primary Schools;
(iii)   statutory consultation on the proposed changes to the school catchment areas of Newtongrange, Mayfield and Bonnyrigg Primary Schools;
(iv)   detailed feasibility studies looking at a range of options available to the Council to provide primary school capacity for the proposed growth in Bonnyrigg and Auchendinny;
(v)   a detailed feasibility study looking at a range of options available to the Council for Roman Catholic primary school provision in the Bonnyrigg/Rosewell area;
(vi)   a detailed feasibility study looking at a range of options for secondary school provision for Shawfair and the option of a '3 - 18 School';
(vii)   the identification of potential sites for secondary schools to serve Penicuik, the A701 corridor and Gorebridge, and preparation of detailed feasibility studies looking at the range of options available to the Council;
(viii) preparation of an updated School Estate Management Plan;

This report provides a progress update on these eight recommendations.

2.1   Recommendations (i) and (iii):
 (i) statutory consultation to establish the catchment areas for the new non-denominational primary schools in Bilston and North Gorebridge;
 (iii) statutory consultation on the proposed changes to the school catchment areas of Newtongrange, Mayfield and Bonnyrigg Primary Schools;

In August 2015 a statutory consultation was commenced on the proposals to establish the catchment area of the new primary school in North Gorebridge and adjust the catchment areas of Gorebridge and Stobhill Primary Schools, to adjust the catchment areas of Mayfield and Newtongrange Primary Schools and to relocate Newbattle High School to the replacement school site at Mayfield Road. The outcome of that consultation with recommendations to proceed with all proposals is presented in a separate report to Council today.

2.2   **Recommendation (ii):** statutory consultation on the proposed changes to the school catchment areas of Loanhead and Paradykes Primary Schools;

In September 2015 a statutory consultation was commenced on the proposals to establish the catchment area of the new Bilston Primary School and adjust the catchment areas of Roslin, Loanhead and Paradykes Primary Schools. This consultation closed in November, it is planned to publish the consultation report in early January and to bring a report to the next meeting of Council on 9 February 2015.

These two consultations complete the work identified in the next phase of the catchment review programme as outlined in last year's report namely:

Programme of School(s) Catchment Consultations
Catchment area for the new primary school at Bilston, opening August 2016
Catchment area for the new primary school at North Gorebridge, opening August 2016
Loanhead and Paradykes Primary Schools – School location, catchment boundaries and primary school provision for pupils arising from committed development sites
Newtongrange, Bonnyrigg and Mayfield Primary Schools – catchment boundaries and primary school provision for pupils arising from committed development sites at Cockpen Farm, Mayfield and Newtongrange

2.3   **Recommendations (iv) and (v):**
(iv) detailed feasibility studies looking at a range of options available to the Council to provide primary school capacity for the proposed growth in Bonnyrigg and Auchendinny;
(v) a detailed feasibility study looking at a range of options available to the Council for Roman Catholic primary school provision in the Bonnyrigg/Rosewell area;

Bonnyrigg/Lasswade/Rosewell
The Bonnyrigg/Lasswade area has 7,200 homes which are served by four non denominational primary schools, Burnbrae, Bonnyrigg, Hawthornden and Lasswade Primary Schools, and one denominational school, St Mary's Primary School. Rosewell has 760 homes which are served by Rosewell and St Matthew's Primary Schools.

	Total Properties in Catchment	Primary Pupils Residing in Catchment
Bonnyrigg	1,484	388
Burnbrae	1,428	357
Hawthornden	2,105	422
Lasswade	2,179	279
	7,196	1,446
Rosewell	763	152
	7,959	**1,598**

The proposed allocation of 1,100 houses for Bonnyrigg/Lasswade is spread across the town. Meeting the demand for primary school places from the allocated sites will require additional capacity to be provided, and various options have been considered and discussed with local members. The new housing will be delivered over an extended period, and the numbers of children arising from the new housing may change over this period making a final solution difficult to predict.

In November Council decided to build a primary school on former Hopefield Primary School site. Options for the use of this site include:
- a denominational school to serve Bonnyrigg/Lasswade/Rosewell;
- a non denominational school to provide additional capacity for Bonnyrigg/Lasswade;
- a primary school campus with a denominational stream and a non denominational stream.

Officers plan to undertake informal consultation during December with the communities of Bonnyrigg, Lasswade and Rosewell, as well as church representatives and other interested parties and to bring a paper to Council early in 2016 outlining the preferred use of the former Hopefield Primary School site and the implications that will have for future requirements for primary school provision in the area.

Auchendinny
The Local Development Plan contains a Settlement Statement for Penicuik/ Auchendinny which identifies the Auchendinny site capacity as 350 units, with 260 to be provided in the plan period up to 2024. The development will generate more pupils than Glencorse Primary School can accommodate. Extension of the school has been considered by the developers and concluded that it would not deliver an optimal solution. The preferred approach is the provision of a new single-stream primary school, and a site is identified which will allow the new school to relate well to both the new development and the likely wider school catchment.

The proposed new school at Auchendinny would replace Glencorse Primary School as well as provide for pupils arising from proposed housing development. The replacement of existing capacity at Glencorse Primary School would have financial implications for the council in finding its share of the required capital investment.

2.4 **Recommendation (vi):** a detailed feasibility study looking at a range of options for secondary school provision for Shawfair and the option of a '3 - 18 School';
The Shawfair development of 3,990 houses is planned to deliver a secondary school, two additional primary schools and extensions to Danderhall and St David's Primary School. In addition the Local Development Plan proposes housing development at Cauldcoats and Newton Farm, with provision for a primary school at each location and an extension to the secondary school.

The options for provision of education infrastructure to serve the Shawfair wider area is presented in a separate report to council today.

2.5 **Recommendation (vii):** the identification of potential sites for secondary schools to serve Penicuik, the A701 corridor and Gorebridge, and preparation of detailed feasibility studies looking at the range of options available to the Council;
Penicuik/A701 Corridor

Officers propose to consult communities on options for secondary schools to serve the A701 Corridor and Penicuik early in 2016 and to subsequently bring a paper to Council outlining the preferred approach.

It is proposed that, as part of this consultation, we investigate the 'centres of excellence' model in order to capitalise on the expertise in the sciences developed at the University of Edinburgh's Bush estate and to investigate the possibility of designating one of these secondary schools as a 'centre of excellence' in the sciences.

Gorebridge

Three potential sites for a secondary school to serve Gorebridge have been identified.

It is proposed as part of the long term planning for house building in the Gorebridge area that Council safeguards a preferred site for a secondary school so that it will be available for inclusion, if required, in the next Midlothian Local Development Plan. At this point the level of housing development should be sufficiently progressed and there should be sufficient evidence available of pupil support to attend local school so that consideration can be given to whether secondary pupil numbers are sufficient to make a secondary school sustainable and a new high school located in Gorebridge or its environs.

2.6   Recommendation (viii): preparation of an updated School Estate Management Plan The development of an updated School Estate Management Plan is being progressed and will be informed by Council's decisions in respect of a number of items referred to in this report as well as the strategy which Education adopts in relation to developing centres of excellence.

3.   Emerging Issues

3.1   Roman Catholic primary schools

Midlothian has seven denominational primary schools:
     St David's, 7 class school, serving Dalkeith and Danderhall
     St Luke's, 8 class school, serving Mayfield and Easthouses
     St Andrew's, 7 class school, serving Gorebridge and Newtongrange
     St Mary's, 10 class school, serving Bonnyrigg and Lasswade
     St Matthew's, 3 class school, serving Rosewell
     St Margaret's, 4 class school, serving Loanhead and Roslin
     Sacred Heart, 5 class school, serving Penicuik

Pupil Census 2015										
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**Total Roll**	**Capacity**	**Occupancy**
Sacred Heart	21	18	20	13	17	11	13	113	125	90%
St Andrew's	18	24	25	23	17	25	18	150	199	75%
St David's	29	27	30	31	29	29	29	204	214	95%
St Luke's	22	24	23	34	25	20	21	169	242	70%
St Margaret's	8	13	5	11	7	9	6	59	100	59%
St Mary's	20	21	14	23	19	21	17	135	263	51%
St Matthew's	6	5	5	1	6	2	1	26	75	35%
	124	132	122	136	120	117	105	467	538	87%

As a result of occupancy and capacity issues, we propose to undertake a consultation on the development of a strategy for denominational school provision across Midlothian.

3.2   Newtongrange Lawfield and Mayfield Primary Schools

There is a considerable amount of new housing development within the current catchment areas of Newtongrange Lawfield and Mayfield Primary Schools.

	Total Properties in Catchment 2014	Primary Pupils Residing in Catchment 2014	Planned Housing Development	Projected Total Houses
Lawfield	2,190	449	65	2,255
Mayfield	1,610	336	798	2,408
Newtongrange	2,337	429	255	2,592
	6,137	**1,214**	**1,118**	**7,255**

It had been planned that the housing developments in Easthouses would deliver an extension to Lawfield Primary School and those in Mayfield and Newtongrange would deliver a new primary school in South Mayfield. However development on the major Mayfield site has not commenced and shows no sign of doing so. Meantime smaller housing developments have been progressed and social housing developments have been completed with consequent impact on pupil numbers.

	Pupil Census 2015	**Pupil Projection 2020**	**School Capacity**
Lawfield	279	406	367
Mayfield	242	315	434
St Luke's	169	207	242
Newtongrange	368	397	414
	1,058	**1,325**	**1,457**

Newtongrange is operating at capacity while Lawfield is nearing capacity and Mayfield is under-occupied, but pupil numbers are growing rapidly. Additional primary school capacity is required across the 3 schools for the 350 pupils who will come from the planned housing development, including the major South Mayfield site. Without that major development site, additional primary school capacity is required for 220 pupils.

The review of the school catchment boundaries, reported to Council today, proposes rezoning a significant part of the planned new housing from Newtongrange to Mayfield Primary School. An examination is required of the options to provide primary school capacity for the housing sites in Mayfield which will come forward in the short to medium term. This could include extensions to Lawfield and Mayfield Primary Schools and/or identification of a site for a new primary school.

3.3 Dalkeith - Kings Park, Woodburn & St David's Primary Schools

Pupil Census 2015	P1	P2	P3	P4	P5	P6	P7	Total Roll	Capacity	Occupancy
Kings Park	73	73	62	67	64	77	59	**475**	505	94%
Woodburn	68	64	65	57	59	53	53	**419**	676	62%
St David's	29	27	30	31	29	29	29	**204**	214	95%
	170	164	157	155	152	159	141	**1,098**	1,395	79%

The level of housing development yet to be built in Dalkeith is estimated to generate a further 125 pupils for Kings Park, 200 pupils for Woodburn and 45 pupils for St David's. Kings Park is operating at capacity with 18 classes from August 2015, with no other spaces in the school suitable for use as additional classrooms. Woodburn is also operating 18 classes from August 2015, there are 4 additional built classes at Woodburn which are in the process of being made available for school use and alternative accommodation found for the current occupants. St David's is also operating at capacity.

	Total Properties in Catchment	Primary Pupils Residing in Catchment	Planned Housing Development	Projected Total Houses
Kings Park	3,175	376	449	3,624
Woodburn	3,024	578	1,090	4,114
	6,199	954	1,539	7,738

Additional school capacity will need to be provided either by way of extension to King's Park or to Woodburn or by providing a 3rd non denominational primary school to serve Dalkeith, for which a suitable site would need to be identified. A feasibility study looking at the range of options is required providing estimated costs of delivering the extensions or new school for each site and relative benefits, risks and timing of each option.

4 Report implications

4.1 Resource
Further resources will be required to undertake feasibility studies identified in this report funded from the budget allocated to the Delivering Excellence - Education Transformation Project.

4.2 Risk

a) House building in certain areas may be disrupted because of insufficient primary school provision to support the planned growth in housing.

b) Delays in decision making could affect parental choices, leading parents to make choices they otherwise would not have made, the consequences of which could be blamed on the Council.

c) Not progressing the catchment reviews increases the risk of a mismatch between existing school capacity and projected pupils from the catchments resulting in a funding requirement for additional capacity in some areas whilst existing capacity is underutilised

4.3 Policy

a) Strategy

The aim of this paper is in accordance with the corporate objective to provide suitable infrastructure for the efficient and effective delivery of services to meet the full range of community needs and with the directorate priority to provide increased access to educational facilities and resources through effective school estate asset management planning. It also supports the priority to improve the quality of learning and teaching, leading to raised levels of achievement and attainment.

b) Consultation

Consultation on various aspects of the paper has taken place with different stakeholders including councillors and officers. This report proposes further informal consultations with communities affected.

c) Equalities

This paper does not propose a new policy or changes to existing ones.

d) Sustainability

There are no sustainability issues relating to this report; however it underlines the necessity for a sustainable school estate strategy.

5 Recommendations

a) Note that statutory consultations have been completed.

b) Note that informal consultation is being undertaken on the use of the former Hopefield Primary School site to provide primary school capacity for the Bonnyrigg/Lasswade and Roswell areas and that a report on this matter will be brought to the next meeting of Council.

c) Note that informal consultation will be undertaken on the options for secondary schools to serve the A701 Corridor and Penicuik to include a 'centre for excellence' for Science and that a report on the way forward will be brought to Council in the course of 2016.

d) Approve the safeguarding of a site in Gorebridge to provide a location for a secondary school which can be included in the next Midlothian Local Development Plan.

e) Note that consultation will be undertaken on the development of a strategy for denominational school provision across Midlothian.

f) Approve detailed feasibility studies looking at a range of options available to the Council to provide primary school capacity in Mayfield and Dalkeith.

24 November 2015

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Appendix 1 Pupil Census 2015
Appendix 2 Midlothian Housing Development & School Estate

<div align="right">**Appendix 1**</div>

Pupil Census 2015

School Name	P1	P2	P3	P4	P5	P6	P7	Total Roll	Capacity	% Occupancy
Bonnyrigg Primary School	63	62	56	61	65	66	66	439	459	95.6%
Burnbrae Primary School	56	59	48	44	32	31	20	290	459	63.2%
Cornbank St James Primary School	36	25	30	47	38	26	30	232	342	67.8%
Cuiken Primary School	33	28	37	33	26	39	40	236	267	88.4%
Danderhall Primary School	36	40	34	27	41	34	41	253	317	79.8%
Glencorse Primary School	7	4	4	6	5		3	29	100	29.0%
Gorebridge Primary School	63	54	36	41	44	50	46	334	434	77.0%
Hawthornden Primary School	52	35	46	49	45	59	53	339	434	78.1%
King's Park Primary School	73	73	62	67	64	77	59	475	505	94.1%
Lasswade Primary School	57	49	55	51	63	63	56	394	434	90.8%
Lawfield Primary School	59	52	26	38	43	28	33	279	367	76.0%
Loanhead Primary School	22	26	26	26	30	33	27	190	217	87.6%
Mauricewood Primary School	39	50	50	57	50	44	40	330	484	68.2%
Mayfield Primary School	45	45	31	44	24	24	29	242	434	55.8%
Moorfoot Primary School	12	11	15	16	16	9	15	94	100	94.0%
Newtongrange Primary School	57	55	57	47	48	42	62	368	414	88.9%
Paradykes Primary School	39	30	45	32	46	27	38	257	342	75.1%
Rosewell Primary School	20	23	12	19	15	10	19	118	213	55.4%
Roslin Primary School	38	33	31	35	39	24	37	237	317	74.8%
Sacred Heart Primary School	21	18	20	13	17	11	13	113	125	90.4%
St Andrew's Primary School	18	24	25	23	17	25	18	150	199	75.4%
St David's Primary School	29	27	30	31	29	29	29	204	214	95.3%
St Luke's Primary School	22	24	23	34	25	20	21	169	242	69.8%
St Margaret's Primary School	8	13	5	11	7	9	6	59	100	59.0%
St Mary's Primary School	20	21	14	23	19	21	17	135	263	51.3%
St Matthew's Primary School	6	5	5	1	6	2	1	26	75	34.7%
Stobhill Primary School	29	30	25	30	23	25	22	184	242	76.0%
Strathesk Primary School	52	42	51	50	49	39	30	313	434	72.1%
Tynewater Primary School	29	21	21	28	21	23	17	160	242	66.1%
Woodburn Primary School	68	64	65	57	59	53	53	419	676	62.0%
	1,109	**1,043**	**985**	**1,041**	**1,006**	**943**	**941**	**7,068**	**9,451**	**74.8%**

Secondary			Student Stage breakdown							
School Name	S1	S2	S3	S4	S5	S6		Total Roll	Capacity	% Occupancy
Beeslack Community High School	123	105	120	138	113	99		698	860	81.2%
Dalkeith High School	111	149	156	151	157	114		838	1,050	79.8%
Lasswade High School	298	282	258	271	254	167		1,530	1,480	103.4%
Newbattle High School	150	152	164	185	148	66		865	1,050	82.4%
Penicuik High School	122	96	95	92	76	88		569	945	60.2%
St David's RC High School	103	82	100	121	101	99		606	945	64.1%
	907	**866**	**893**	**958**	**849**	**633**		**5,106**	**6,330**	**80.7%**
Special										
School Name										
Saltersgate School								117	124	94.4%
								12,291	**15,905**	**77.3%**

Midlothian Housing Development and the School Estate

The current distribution of housing stock across Midlothian's communities and primary school catchments along with the planned and proposed housing developments is shown in the table below.

Secondary School	Associated Primary School	Existing Housing	Planned Development	Proposed Development	Total Houses
Penicuik	Cornbank	1,037	100		1,137
	Cuiken	1,856	294		2,150
	Strathesk	2,454	67	32	2,553
		5,347	461	32	5,840
Beeslack	Glencorse	427	132	350	909
	Mauricewood	1,641	433		2,074
	Bilston	430	300	550	1,280
	Roslin	879	70	460	1,409
		3,377	935	1,360	5,672
Lasswade	Bonnyrigg	1,403	219	660	2,282
	Hawthornden	2,108			2,108
	Burnbrae	1,118	679	750	2,547
	Lasswade	2,203	0	71	2,274
	Loanhead	1,632	238	100	1,970
	Paradykes	1,500	0		1,500
	Rosewell	790	465	60	1,315
		10,754	1,601	1,641	13,996
Newbattle	Gorebridge x 2	2,254	1,053	78	3,385
	Redheugh		700	600	1,300
	Lawfield	2,069	263	60	2,392
	Mayfield	1,605	549		2,154
	Moorfoot	387	15		402
	Newtongrange	2,312	443		2,755
	Stobhill	853	164		1,017
		9,480	3,187	738	13,405
Dalkeith	Kings Park	3,168	465	100	3,733
	Tynewater	907	67		974
	Woodburn	2,643	952	95	3,690
		6,718	1,484	195	8,397
Shawfair	Danderhall	1,417	496		1,913
	Shawfair x 2		3,500		3,500
	Newton			700	700
		1,417	3,996	700	6,113
Midlothian Total Houses		**37,093**	**11,664**	**4,666**	**53,423**

Primary School Estate

The number of primary pupils generated from established housing across the county attending Midlothian non denominational schools equates to 180 pupils for every 1,000 houses. The number is higher for new housing, which is estimated to generate 280 primary pupils for every 1,000 houses.

Midlothian's preferred model of primary school provision is a two stream school, built with capacity to accommodate 60 pupils at every stage of Primary 1 to Primary 7, a total of 420 primary pupils. This indicates that a newly built community with 1,500 houses would require a two stream school, however to maintain full use of that school's capacity would require a community with over 2,000 houses.

The 2011 census reports that 9.8% of Midlothian's population identified themselves as Roman Catholic while the analysis of pupils attending Midlothian primary schools in 2014 shows that 11.9% choose to attend a denominational school. This equates to 37 denominational pupils for every 1,000 new houses and 24 denominational pupils for every 1,000 established houses.

Given the smaller pupil numbers a single stream model of primary school provision is considered here, built with capacity to accommodate 30 pupils at every stage of Primary 1 to Primary 7, a total of 210 primary pupils. A newly built community would need to have over 5,000 houses to require a single stream school, and to maintain full use of that school's capacity would require a community with over 8,000 houses.

Secondary School Estate

The numbers of secondary pupils generated from established housing across the county attending Midlothian non denominational schools equates to 130 pupils for every 1,000 houses. The number is higher for new housing, which we estimate generates 200 secondary pupils for every 1,000 houses. These numbers are based on experience to date and on the traditional delivery model for secondary curriculum, which may change as Curriculum for Excellence becomes more established.

Views from Midlothian's group of secondary school head teachers vary but there is universal agreement that, in the Midlothian context, schools below 750 pupils are undesirable due to the consequent restrictions in curricula choices, and overall sustainability. The group also felt there were benefits in larger schools being able to attract high calibre staff from a wider pool of candidates as a career pathway would lead to a bigger school with more responsibilities and opportunities. There was general agreement that an upper limit of about 1,800 pupils would achieve a reasonable balance. The 2013 Scottish School Estate Statistics show that only 1 out of 365 secondary schools has a roll over 1800 pupils.

Using these parameters indicates that for a Midlothian community to be able to sustain a secondary school with no less than 750 pupils, it should have at least 6,000 houses. It also indicates that a community with more than 13,000 houses is going to generate more pupils than would be seen as optimum for one secondary school.

Consultation on the Catchment Areas of Schools in the Newbattle Associated School Group

Report by Mary Smith, Director, Education, Communities and Economy

1   Purpose of Report

1.1   The purpose of this report is to seek the Council's approval to implement the proposed establishment of a new primary school at Whitehouse Way, Gorebridge and creation of its catchment area, changes to the catchment areas of Gorebridge, Stobhill, Mayfield and Newtongrange Primary Schools, and the relocation of Newbattle High School to the replacement school site at Mayfield Road. A copy of the consultation report is attached as Appendix 1 to this report. A copy of Education Scotland's report on the consultation is included in the consultation report. A file with copies of the representations made during the consultation has been placed in the Members' Library.

2   Background

2.1   In December 2014 officers obtained governance to undertake statutory consultation to establish the catchment area for a new non denominational primary school at North Gorebridge and on proposals to revise the catchment boundaries for Mayfield and Newtongrange Primary Schools. That consultation concluded in October 2015 and the consultation report was published on 23 November 2015 and is attached as Appendix 1 to this report.

2.2   There has been a period of 3 weeks for further consideration since the publication of the consultation report.

2.3   Early in the statutory consultation period it was brought to the Council's attention that the list of streets noted in the consultation document for inclusion in the proposed catchment area for the North Gorebridge Primary School included Glen View Walk and Glen View Place. These streets are in a different area of Gorebridge to the other Glen Views (Road, Crescent and Court) and will be remaining in the catchment area for the existing Gorebridge Primary School. The maps in the consultation document accurately reflected the intention. A revised consultation document was published online and the correction was explained at the public consultation sessions.

2.4   Overall the consultation was received positively by pupils, parents, school staff and the community. The relatively low turnout at the public consultation sessions and the small number of written responses reflects the broad acceptance of the proposals. Of the written responses, 62% of the comments across the four proposals were clear statements of support.

2.5　　Education Scotland has carried out an independent and impartial consideration of the Council's consultation proposal and published its report on 23 November 2015, which is included in the consultation report attached.

2.6　　The Education Scotland report summary states that the Council's proposals are of educational benefit in the long term and that the majority of stakeholders supported the proposals. It confirms that the proposals will help the Council secure best value by addressing capacity issues in the school estate; however it identifies three areas where the Council should give reassurance or clarity to parents and staff. These three areas are addressed in the final proposals presented to Council in this report.

2.7　　During the consultation representations were made about children who are already attending, or registering to attend, one of the Newbattle schools and will become out of catchment with the implementation of these proposals. There have also been representations about younger siblings who will attend the schools in future years. A number of parents have also raised concerns about the proposals to change catchment areas as children move from nursery to primary school.

2.8　　The Council wishes to reassure all pupils already attending a school whose house is moving from the catchment of one school to the catchment of another that they can remain at their current school. A letter was issued to all families affected by the new north Gorebridge catchment area clarifying and giving assurance in this matter.

2.9　　The transition arrangements the Council will put in place will minimise any such adverse effects. The Council will continue to prioritise the granting of placing requests for siblings of children already at a school. For pupils entering Primary 1 from August 2016 to 2018, the Council will prioritise the granting of placing requests for children who would have been in the catchment had it not been for the proposed changes. The Council will include enrolment at nursery when considering priority for pupils entering Primary 1 in August 2016 and 2017 for the schools affected by these proposals. Thereafter the Council will continue to support parental choice, where there are school spaces available, via normal placing request procedures.

2.10　Mayfield Primary School and St Luke's Primary School share a campus and certain facilities, such as the dining hall and playground. There are current challenges around the accommodation of all pupils at lunchtime, and concerns were raised around the impact on both these schools of the proposals. Work is ongoing to resolve the dining issue at St Luke's and Mayfield shared campus and, should a solution not be identified through this work, the council will ask for a feasibility study on how best to address this issue, for example building a new dining hall. Parents' views will be taken into account. The Midlothian Local Development Plan includes further housing development beside Mayfield and the provision of a new school to provide for this. Proposal 3 sets out a rezoning of catchment areas for this future housing development and will have no immediate impact on roll and capacity at Mayfield and St Luke's Primary Schools. Once building work has been

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scheduled an examination of the options to provide primary school capacity for these sites will be required.

2.11 Investment in Newtongrange Primary School has recently taken place, increasing capacity for nursery and Primary 1, and further extension of the school would be challenging and questionable while Mayfield remains under capacity. As mentioned above, changes between Newtongrange and Mayfield catchment areas are in respect of future housing development and will not affect the school in the short term. The Council will continue its ongoing work with the parent council, community council and the school to consider the school's needs, the likely impact of an increase in pupil numbers and the use of the contributions that housing developers are required to pay, to ensure that needs are met.

2.12 A common topic raised during the consultation was safe routes to schools. When detailed planning work is done for a new school the access routes using all modes of transport from the housing areas in the catchment are considered and the Policy and Road Safety Team creates a School Travel Plan with safe routes to school. Walking routes, cycle paths, roads, bus routes and parking are revised, where appropriate, with lowered speed limits, additional crossings and lighting etc. School Travel Plans for existing schools will be reviewed in light of the changes to catchment areas.

2.13 The proposed changes to the catchment areas of the Newbattle Associated School Group non-denominational primary schools and the relocation of Newbattle High School have been reviewed having regard to all relevant representations made and to Education Scotland's report. The proposals presented for approval in this report are:

1. From August 2016 establish the new primary school at Whitehouse Way, Gorebridge and create its catchment area to include areas at Gowkshill, Hunterfield, Barleyknowe, Glenview, Arniston and by the A7 as well as housing development sites h36 'North Gorebridge', h50 'Redheugh/Prestonholm', Hs7 'Redheugh West' and Hs8 'Stobhill Road'.

2. From August 2016 adjust the catchment boundary for Gorebridge Primary School to include the existing houses in the vicinity of Wilson Road, currently in the catchment of Stobhill Primary School.

3. From August 2016 transfer the area of housing development known as site h35 'Lingerwood' and the part of site h34 'East Newtongrange' which lies to the east of the dismantled railway to the catchment of Mayfield Primary School, currently in the catchment of Newtongrange Primary School.

4. When the replacement for Newbattle High School is ready for occupation, change the location and address of Newbattle High School to the replacement school site at Mayfield Road, Easthouses.

5. Apply transition arrangements to give consideration to enrolment at the associated nursery for those enrolling in Primary 1 in August 2016 and 2017.

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6. Apply transition arrangements for pupils entering Primary 1 from August 2016 to August 2018, where the Council will prioritise the granting of placing requests for children who would, except for the catchment changes, have been in catchment.

7. Give reassurance that all pupils already attending a school whose house is moving from the catchment of one school to the catchment of another can remain at their current school.

8. By August 2016 review School Travel Plans for existing schools in light of the changes to catchment areas and revise them where appropriate.

3 Report Implications

3.1 Resource

As this report considers matters in relation to catchment areas there are no direct financial implications, although there may be some costs incurred in implementing any changes that may be identified by the review of safe routes to school. Achieving better balance in occupancy rate across the primary schools in the Newbattle Associated School Group will help control the cost per pupil, improve school occupancy and minimise the investment required in additional school capacity for pupils arising from new housing development in the Newbattle area.

3.2 Risk

This report addresses the risk of some primary schools in the Newbattle Associated School Group having insufficient capacity to provide places for all catchment pupils as a result of the expansion of settlements as set out in the Local Development Plan, while other schools in the area have spare capacity. The new primary school at North Gorebridge and the changes to the catchment areas of the existing Gorebridge, Stobhill, Mayfield and Newtongrange Primary Schools will balance demand and capacity more evenly across the school estate.

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

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3.4 Impact on Performance and Outcomes

This work is a part of the programme to provide sufficient capacity at catchment schools to present every child with the opportunity to attend the school which serves their community, and supports improvement in pupil attainment and achievement.

3.5 Adopting a Preventative Approach

Providing sufficient capacity at catchment schools to give every child the opportunity to attend the school which serves their community supports the preventative approach by improving achievement and attainment of pupils and increasing their prospects of progressing on to positive destinations.

3.6 Involving Communities and Other Stakeholders

The consultation process has included consultation with parents, staff and pupils of the schools affected as well as trade union and community representatives.

3.7 Ensuring Equalities

This report proposes no change to policy affecting any equality groups. The proposals in the report are intended to improve the equality of access for all pupils to a place at their catchment school. New schools are built to the current Disability Discrimination Act standards, ensuring equality of access.

3.8 Supporting Sustainable Development

This paper takes into account the need to deliver an educational service across Midlothian which anticipates and acknowledges the needs and views of stakeholders.

3.9 IT Issues

As this report considers matters in relation to catchment areas there are no direct IT implications. The IT requirements of the new schools have been developed as part of the projects' specifications.

4 Recommendations

It is recommended that Council approve:

1. From August 2016 establish the new primary school at Whitehouse Way, Gorebridge and create its catchment area to include areas at Gowkshill, Hunterfield, Barleyknowe, Glenview, Arniston and by the A7 as well as housing development sites h36 'North Gorebridge', h50 'Redheugh/Prestonholm', Hs7 'Redheugh West' and Hs8 'Stobhill Road'.

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2. From August 2016 adjust the catchment boundary for Gorebridge Primary School to include the existing houses in the vicinity of Wilson Road, currently in the catchment of Stobhill Primary School.

3. From August 2016 transfer the area of housing development known as site h35 'Lingerwood' and the part of site h34 'East Newtongrange' which lies to the east of the dismantled railway to the catchment of Mayfield Primary School, currently in the catchment of Newtongrange Primary School.

4. When the replacement for Newbattle High School is ready for occupation, change the location and address of Newbattle High School to the replacement school site at Mayfield Road, Easthouses.

5. Apply transition arrangements to give consideration to enrolment at the associated nursery for those enrolling in Primary 1 in August 2016 and 2017.

6. Apply transition arrangements for pupils entering Primary 1 from August 2016 to August 2018, where the Council will prioritise the granting of placing requests for children who would, except for the catchment changes, have been in catchment.

7. Give reassurance that all pupils already attending a school whose house is moving from the catchment of one school to the catchment of another can remain at their current school.

8. By August 2016 review School Travel Plans for existing schools in light of the changes to catchment areas and revise them where appropriate.

Date   15 December 2015

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Consultation on

Catchment Areas of Schools in Newbattle Associated School Group

Consultation Report

23 November 2015

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Consultation Report

Proposed establishment of a new primary school at Whitehouse Way, Gorebridge and creation of its catchment area

Proposed revision of the catchment boundaries of:

Gorebridge Primary School
Stobhill Primary School
Mayfield Primary School
Newtongrange Primary School

Proposal to relocate Newbattle High School to the replacement school site at Mayfield Road.

Contents

1. Summary of the proposals

Midlothian Council has consulted on four proposals relating to the Newbattle Associated Schools Group.

Proposal 1: to establish a new primary school at Whitehouse Way, Gorebridge and create its catchment area;
Proposal 2: to adjust the catchment areas for Gorebridge and Stobhill Primary Schools;
Proposal 3: to adjust the catchment areas for Mayfield and Newtongrange Primary Schools;
Proposal 4: to relocate Newbattle High School to the replacement school site at Mayfield Road.

The Newbattle Associated School Group (ASG) consists of Newbattle High School with a 2014 pupil roll of 870 pupils and six non denominational primary schools totalling 1,435 pupils:

Primary School	Houses in Catchment	Pupils Resident	Current Class Capacity	Pupil Capacity	Pupil Roll Census 2014
Gorebridge	2,424	483	15 classes	459	313
Lawfield	2,190	443	13 classes	367	265
Mayfield	1,610	331	14 classes	434	227
Moorfoot	396	55	4 classes	100	97
Newtongrange	2,337	427	15 classes	414	355
Stobhill	913	215	8 classes	242	178
Total	**9,870**	**1,954**	**69 classes**	**2,016**	**1,435**

The Newbattle area also has two Roman Catholic primary schools: St Andrew's and St Luke's. St Luke's adjoins Mayfield Primary School and shares some facilities such as the dining hall and playground. As the following table shows, a significant number of pupils in the Newbattle area attend a Roman Catholic (RC) school or a school in another area.

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School Catchment	Pupils attending school in area	Pupils attending RC school	Pupils attending outwith area	Total
Gorebridge	352	101	30	483
Lawfield	291	91	61	443
Mayfield	200	111	20	331
Moorfoot	48	3	4	55
Newtongrange	329	31	67	427
Stobhill	181	27	7	215
Total	**1,401**	**364**	**189**	**1,954**

The Midlothian Local Plan contains provision for significant house building in the Newbattle area on the development sites detailed in the following table. For each existing primary school the projected pupil product from the house building will take the school roll above capacity, particularly Gorebridge Primary School.

Housing Developments	Catchment	Site Reference	Proposed Units	Primary Pupil Product
Robertson's Bank	Gorebridge	H9	55	17
Harvieston, Birkenside	Gorebridge	A	245	75
Newbyres	Gorebridge	B	76	23
North Gorebridge	Gorebridge	S	531	164
Vogrie Road ("Woodlands")	Gorebridge	W	90	28
Stobhill Road (Greenhall Centre)	Gorebridge	Hs8	80	25
Bryans, Easthouses	Lawfield	H4	65	20
North Mayfield	Lawfield	X	63	19
Dykeneuk, Mayfield	Mayfield	H7	50	15
South Mayfield	Mayfield	U	499	154
Borthwick Castle Road, North Middleton	Moorfoot	VH2	15	5
East Newtongrange	Newtongrange	Q	159	49
Lingerwood	Newtongrange	R	137	42
Cockpen Farm	Bonnyrigg/ Newtongrange	T	131	40
Stobhill / Mossend ('Arniston Vale')	Stobhill	V	211	65
			2,407	741

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Two new schools are planned for the Newbattle Associated School Group. A new non denominational primary school located at Whitehouse Way in North Gorebridge, and a replacement for Newbattle High School located at Mayfield Road, Easthouses. From August 2016 the Newbattle Associated School Group will include Newbattle High School, Gorebridge, Lawfield, Mayfield, Moorfoot, Newtongrange and Stobhill Primary Schools and the new primary school in North Gorebridge.

The new Gorebridge primary school is due to open in 2016 and in order to establish this new school with a sustainable pupil population, as well maintaining those of the existing Gorebridge and Stobhill Primary Schools, the Council proposed adjustment to the catchment areas of these primary schools.

The proposals meant:
- the residential areas at Gowkshill, Hunterfield, Barleyknowe, Glenview, Arniston and by the A7, as well as housing development sites h36 'North Gorebridge', h50 'Redheugh/Prestonholm', Hs7 'Redheugh West' and Hs8 'Stobhill Road' would move from the catchment of Gorebridge Primary School to form the catchment area of the new school
- the residential area in the vicinity of Wilson Road would transfer from the catchment of Stobhill Primary School into the catchment of Gorebridge Primary School

The Council also proposed to adjust the catchment areas of Mayfield and Newtongrange Primary Schools so that the pupil population, including the projected pupils from new housing likely to come forward in the next few years, will be distributed to make best use of the capacity available at these schools. The proposals would mean transferring from Newtongrange catchment to that of Mayfield the area of housing development known as site h35 'Lingerwood' and the part of site h34 'East Newtongrange' which lies to the east of the dismantled railway.

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2. Consultation Findings

2.1 Representations made on the proposal during the consultation period

2.1.1 Summary of written representations

In total 14 written representations were made on the proposals, including a response from the EIS. In summary:

Proposal 1
Establish the new primary school at Whitehouse Way, Gorebridge and create its catchment area to include areas at Gowkshill, Hunterfield, Barleyknowe, Glenview, Arniston and by the A7 as well as housing development sites h36 'North Gorebridge', h50 'Redheugh/Prestonholm', Hs7 'Redheugh West' and Hs8 'Stobhill Road'.

7 respondents made clear statements supporting the proposal, 4 did not comment on the proposal. Comments were:
- Siblings should be guaranteed a place at an affected primary school for at least seven years (this comment applied to proposals 1, 2 and 3).
- Agree more places are needed
- Need safe routes to school
- Glen View Place and Glen View Walk should not be included in the catchment
- House builder said [the respondent's] house would be in catchment for the new school, but it isn't
- Need decent road links and parking at the school

Proposal 2
Adjust the catchment boundary for Gorebridge Primary School to include the existing houses in the vicinity of Wilson Road, currently in the catchment of Stobhill Primary School.

4 respondents made clear statements supporting the proposal, 7 did not comment on the proposal. Comments were:
- Siblings should be guaranteed a place at an affected primary school for at least seven years (this comment applied to proposals 1, 2 and 3).
- The whole of Newbyres Crescent should be included in the catchment area for the existing Gorebridge Primary School.

Proposal 3
Transfer the area of housing development known as site h35 'Lingerwood' and the part of site h34 'East Newtongrange' which lies to the east of the dismantled railway to the catchment of Mayfield Primary School, currently in the catchment of Newtongrange Primary School.

3 respondents made clear statements supporting the proposal, 7 did not comment on the proposal. Comments were:

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- Siblings should be guaranteed a place at an affected primary school for at least seven years (this comment applied to proposals 1, 2 and 3).
- This proposal should be delayed until further information is available about future housing developments
- Concern regarding increasing roll at Mayfield will reduce rooms available for other purposes, e.g. IT and assisted learning.
- Potential negative impact on St Luke's Primary School for shared resources, e.g. dining hall (mentioned by two respondents)
- Would need some pupils to cross a busy road/need lower speed limit/crossings (mentioned by two respondents)
- Sufficient parking must be made available
- Concerned that Mayfield roll will exceed capacity
- Hills up from Newtongrange to Mayfield steep when walking
- Need to increase capacity at Mayfield nursery
- Too far to walk to Mayfield and difficult to provide safe route to school, should transfer pupils to a new school in this development.

Proposal 4

Relocate Newbattle High School to the replacement school site at Mayfield Road, Easthouses.

7 respondents made clear statements supporting the proposal, 4 did not comment on the proposal. Comments were:
- Should build closer to Gorebridge or a separate Gorebridge High School (three respondents)
- Library and leisure centre should remain
- Lower speed limit
- Sufficient parking and transport links must be made available

Additional comments

- New school will make my child's walk to school shorter and safer
- See need for additional school
- Should build new Mayfield Primary School
- Don't feel that school campuses are successful
- New primary should be called Arniston or Gowkshill
- Improve paths between areas and add crossings
- Concerned about future proposal to rezone from Mayfield to Newtongrange. Could all of development h37 go to one school.
- Hope Newtongrange primary gets further investment.
- Butlerfield/Cockpen area to new Redheugh school only if safe routes to school, too far and dangerous to go to north Gorebridge.
- Two smaller primaries should be built rather than having larger ones – one serving the area between Mayfield and Lawfield
- Smaller class sizes produce better outcomes
- The effect of the proposals on denominational schools should have been included

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- Lawfield Primary School should have been included in the catchment review

2.1.2 Summary of oral representations made at the public meetings held on 15th and 16th September 2015

- Queries regarding registration arrangements and whether pupils can remain in a school that they have started in before the catchment changes

- Concern regarding the current difficulties with dining arrangements at the shared Mayfield/St Luke's campus.

- Can Mayfield Primary School accommodate an increase from 11 to 14 classes?

- Will there be further development on the other side of the rail line to the H34 site?

- Why does the council not extend Newtongrange Primary, the maps show new housing in Newtongrange yet the children would attend Mayfield Primary? With the council's focus on sending children to their local school, why would this not happen?

- Families with children at denominational schools should have been consulted on these proposed changes as they impact on them.

- Why can the Mayfield and St Luke's campus not be upgraded when there was lots of talk of new schools being built in the area? There was also some confusion about accessing money for improvements to the school playground.

- What are the time scales for a new school to serve housing at Redheugh?

- Concerns about delays to the start of Newbattle High School, especially after consultation about closing community facilities.

- Concerns raised about facilities at St Luke's and Mayfield as research suggests new buildings have a positive impact on a child's learning.

- Concerns re: St Luke's playground and the lack of books.

2.1.3 Summary of oral representations made at the pupil consultations held on 1st, 6th and 7th of October 2015

- No issues regarding the planned catchment rezoning – only concern was around the perimeter fencing which is being erected around the Mayfield & St Luke's Campus. Concerns about the route to school, gates and access.

- Questioned if there would be a change to Stobhill Primary School (i.e. size/capacity).

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- Would current pupils who lived in the addresses which were moving into Gorebridge catchment stay at Stobhill or would they have to move to Gorebridge Primary School?

- Would the 'new' Newbattle have specialist facilities like the gymnastics provision at Lasswade High School?

- Discussion around the impact of more pupils coming into Stobhill on class sizes in the school, which at some stages are quite small.

- Would pupils have to move School if already there?

- Is the new railway affecting the safe routes to schools?

- In what style would the new schools be built i.e. like Lasswade High School?

- Would the pupils have an involvement in the naming of the new schools?

- What would the pricing of food/facilities be like in the new Newbattle i.e. school-v-community currently prices are different?

- Issues around the Crawlees road and its safety - no lighting, speed limit (60mph) – not safe to walk or cycle.

- Issues around lighting along 6th Street, Newtongrange (liney dyke).

- Employability within the area with the new railway and new housing, would this encourage development of local businesses and bring already established chains into the area (e.g. Lidl/Aldi)?

- Would there be more healthy choices for lunch at places outside the new Newbattle High School – not just pizza shops and chippies?

- Building plans for new Newbattle – where would access points be, bus routes and walking routes?

- Speed limit for the access road – Mayfield Road – currently 40mph, would this be reduced, would speed bumps be put in place or other traffic calming measures?

- Discussion regarding the re-direction of current walking routes to Newbattle High School to avoid the site of the new build.

2.2   Education Scotland Report Summary

The council's proposals are of educational benefit in the long term. They allow for children to attend their local catchment school whilst accommodating the increased numbers of children moving into the local area. The majority of stakeholders support the proposals. Proposals 1, 2 and 3 will help the council secure best value by addressing capacity issues in its school estate locally. In its final consultation report, the council needs to provide reassurance to parents living in the new catchment area who already have children at Gorebridge or Stobhill Primary Schools and also have younger children about future school choices. The council should also provide reassurance to the staff at Mayfield Primary School regarding levels

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of pupil support and work with them to ensure sufficiency of dining space to enable a high quality lunchtime experience for pupils within the shared campus. In its final consultation report, the council needs to give some indication about how it plans to work with the Newtongrange School Community to address any concerns over changes to catchment areas resulting from this proposal.

2.3   Correction to Proposal 1

The consultation document included a list of the streets to be incorporated into the catchment area for the new primary school at Whitehouse Way, Gorebridge under Proposal 1. This list included Glen View Road, Crescent, Court, Walk and Place. Glen View Walk and Place are situated in a different area of Gorebridge and will be remaining in the catchment area for the existing Gorebridge Primary School. While the street list was incorrect the maps accurately represented the intention behind the proposal. The accidental inclusion was brought to the Council's attention at an early stage and a revised consultation document was published online. In addition to this, the correction was explained at the start of the public consultation sessions.

The streets which will be included in the catchment for the new school and the amended catchments for Gorebridge, Stobhill, Mayfield and Newtongrange Primary School are listed in the Appendix – List of Existing Streets in the Proposed Catchment Areas.

2.4   Midlothian Council's response to representations made during the consultation period and to Education Scotland's report

Registration/enrolment
Concerns have been raised about children who are already attending, or registering to attend, one of the schools affected by the proposals and will become out of catchment when they are implemented, and about younger siblings who will attend the schools in future years. A number of parents have also raised concerns about the proposals to change catchment areas as children move from nursery to primary school. Similarly, Education Scotland requested that the Council provide reassurance to parents living in the new catchment area who already have children at Gorebridge or Stobhill Primary Schools and also have younger children about future school choices.

The Council wishes to reassure all pupils already attending a school whose house is moving from the catchment of one school to the catchment of another that they can remain at their current school. A letter was issued to all families affected by the new north Gorebridge catchment area clarifying and giving assurance in this matter.

The transition arrangements the Council will put in place will minimise adverse effects. The Council will continue to prioritise the granting of placing requests for siblings of children already at a school. For pupils entering Primary 1 from

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August 2016 to 2018, the Council will prioritise the granting of placing requests for children who would have been in the catchment had it not been for the changes. The Council will include enrolment at nursery when considering priority for pupils entering Primary 1 in August 2016 and 2017 for the schools affected by these proposals. Thereafter the Council will continue to support parental choice, where there are school spaces available, via normal placing request procedures.

Safe Routes to School
A common topic raised during the consultation was safe routes to schools. When detailed planning work is done for a new school the access routes using all modes of transport from the housing areas in the catchment are considered and the Policy and Road Safety Team creates a School Travel Plan with safe routes to school. Walking routes, cycle paths, roads, bus routes and parking are revised, where appropriate, with lowered speed limits, additional crossings and lighting etc. School Travel Plans for existing schools will be reviewed in light of the changes to catchment areas.

Mayfield and St Luke's Primary Schools
Concerns were raised about the capacity of Mayfield Primary School and nursery to accommodate the increased numbers of children and the affect this might have on St Luke's Primary School as the two schools are on the same campus and share some facilities. Suggestions included that this proposal be delayed until the housebuilding in the area has commenced, that the capacity of Mayfield Nursery be increased and that both Mayfield and St Luke's Primary Schools be replaced. Education Scotland advise that the council should also provide reassurance to the staff at Mayfield Primary School regarding levels of pupil support and work with them to ensure sufficiency of dining space to enable a high quality lunchtime experience for pupils within the shared campus.

The Midlothian Local Development Plan includes further housing development beside Mayfield and the provision of a new school to provide for this. Proposal 3 sets out a rezoning of catchment areas for this future housing development and will have no immediate impact on roll and capacity at Mayfield and St Luke's Primary Schools. Once building work has been scheduled an examination of the options to provide primary school capacity for these sites will be required.

Work is ongoing to resolve the dining issue at St Luke's and Mayfield shared campus and, should a solution not be identified through this work, the council will ask for a feasibility study on how best to address this issue, for example building a new dining hall. Parents' views will be taken into account.

Newtongrange and Mayfield Primary Schools
Feedback included questions around moving streets from Newtongrange to Mayfield Primary School catchment area and that investment should be put in to Newtongrange rather than doing this. It was also mentioned that it is a steep road to walk up for young children from Newtongrange to Mayfield. In addition to this, Education Scotland recommended that the Council give some indication about how it plans to work with the Newtongrange School Community to

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address any concerns over changes to catchment areas resulting from this proposal.

Investment in Newtongrange Primary School has recently taken place, increasing capacity for nursery and Primary 1, and further extension of the school would be challenging and questionable while Mayfield remains under capacity. As mentioned above, changes between Newtongrange and Mayfield catchment areas are in respect of future housing development and will not affect the school in the short term. The Council will continue its ongoing work with the parent council, community council and the school to consider the school's needs, the likely impact of an increase in pupil numbers and the use of the contributions that housing developers are required to pay, to ensure that needs are met.

Lawfield Primary Schools
Comments were received suggesting that a smaller primary school should be built between Mayfield and Lawfield Primary Schools, and that Lawfield Primary School should have been included in this review.

As mentioned earlier, a new school is planned for the housing development between Newtongrange and Mayfield. The housing development has been delayed by ground conditions that will take some time to resolve, when this building work commences the catchments of Newtongrange, Mayfield and Lawfield will be reviewed. Council officers are reviewing the house building currently taking place in the Lawfield catchment area and assessing its impact on the school roll.

Newbattle High School
Questions were received around the location of the new high school and whether it could be sited nearer to or in Gorebridge, plus queries over the delay to the commencement of construction of the new high school.

As part of the long term planning for house building in the Gorebridge area consideration will be given to whether a new high school should be located in Gorebridge or its environs, dependant on the level of development and pupil support to attend local school being sufficient to make the school sustainable.

The Council is unable to progress with the construction of the new Newbattle High School due to national issues regarding the classification of funding through the Scottish Futures Trust. This affects a number of projects across Scotland and is outwith the control of the Council. At this time it is not known when this will be resolved and in the meantime the Council is continuing to maintain the current building.

Other items
The Council is required to consult with pupils and pupils who may attend the schools affected by the proposals in the next 2 years. To this end, the consultation documents were distributed to all pupils at the primary schools affected, all children at all the nurseries at those primary schools and also to all children at all nurseries attached to denominational schools in the area.

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An implementation group is being set up to facilitate the opening of the new school in north Gorebridge and the remit for this group will include gathering views on a name for the school, including the views of pupils.

The division of Newbyres Crescent between Stobhill and Gorebridge catchment areas was queried, with the suggestion that the whole of it be included in the catchment for the existing Gorebridge Primary School. A number of options were considered when formulating proposal 2. The proposal as set out will balance the occupancy rates of both schools at around 82%, whereas including the whole of Newbyres Crescent and the properties in surrounding streets which would also be required to move would have resulted in an imbalance. Almost half of the pupils attending non-denominational primary schools from the streets that are proposed to transfer already attend Gorebridge Primary School as a result of placing requests.

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2.5 Statement of how Midlothian Council has reviewed the proposal having regard to any relevant representations made during the consultation period and to Education Scotland's report

The proposal to Council will be to implement, as set out in the consultation documents, the proposals to:

- establish a new primary school at Whitehouse Way, Gorebridge and create its catchment area
- change the catchment boundaries of Gorebridge Primary School and Stobhill Primary School
- transfer an area of housing development from the catchment area of Newtongrange Primary School to that of Mayfield Primary School

All with effect for primary pupil intake from August 2016, and to:

- relocate Newbattle High School to the replacement school site at Mayfield Road in due course.

In consideration of the representations made during the consultation and in Education Scotland's report, the proposals have been reviewed as follows:

- transition arrangements have been reviewed and will be extended to give consideration to attendance at the associated nursery for those enrolling in Primary 1 in August 2016 and 2017

- transition arrangements have been reviewed and will be extended for pupils entering Primary 1 from August 2016 to August 2018, as the Council will prioritise the granting of placing requests for children who would, except for the catchment changes, have been in catchment

- reassurances have been made that all pupils already attending a school whose house is moving from the catchment of one school to the catchment of another can remain at their current school

- the Council's Policy and Road Safety Team will review School Travel Plans for existing schools in light of the changes to catchment areas and revise them where appropriate

2.6 Time for further consideration

There will be a period of 3 weeks for further consideration before Council meets on 15 December 2015 to make a decision on whether to progress with the proposals, either in whole or in part.

Any further representations in respect of this report should be emailed to sandra.banks@midlothian.gov.uk by 14 December 2015.

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3. Report by Education Scotland addressing educational aspects of the following four proposals by Midlothian Council:

Proposal 1: To establish the catchment area of the new primary school at Whitehouse Way, Gorebridge.
Proposal 2: Make consequent adjustments to the catchment areas of Gorebridge and Stobhill Primary Schools.
Proposal 3: Transfer the areas of housing development which lie to the east of the dismantled railway from the catchment of Newtongrange Primary School to that of Mayfield Primary School.
Proposal 4: Relocate Newbattle High School to the replacement school site at Mayfield Road, Easthouses.

1.   Introduction

1.1   This report from Education Scotland has been prepared by HM Inspectors in accordance with the terms of the *Schools (Consultation) (Scotland) Act 2010* and the amendments contained in the *Children and Young People (Scotland) Act 2014*. The purpose of the report is to provide an independent and impartial consideration of Midlothian Council's four proposals as above. Section 2 of the report sets out brief details of the consultation process. Section 3 of the report sets out HM Inspectors' consideration of the educational aspects of the proposals, including significant views expressed by consultees. Section 4 summarises HM Inspectors' overall view of the proposals. Upon receipt of this report, the Act requires the council to consider it and then prepare its final consultation report. The council's final consultation report should include a copy of this report and must contain an explanation of how, in finalising the proposals, it has reviewed the initial proposals, including a summary of points raised during the consultation process and the council's response to them. The council has to publish its final consultation report three weeks before it takes its final decision. Where a council is proposing to close a school, it needs to follow all legislative obligations set out in the 2010 Act, including notifying Ministers within six working days of making its final decision and explaining to consultees the opportunity they have to make representations to Ministers.

1.2   HM Inspectors considered:

- the likely effects of the proposals for children and young people of Gorebridge, Stobhill, Newtongrange and Mayfield Primary Schools and Newbattle High School; any other users; children likely to become pupils within two years of the date of publication of the proposal papers; and other children and young people in the council area;

- any other likely effects of the proposals;

- how the council intends to minimise or avoid any adverse effects that may arise from the proposals; and

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- the educational benefits the council believes will result from implementation of the proposals, and the council's reasons for coming to these beliefs.

1.3   In preparing this report, HM Inspectors undertook the following activities:

- attendance at the public meeting held at Gorebridge Primary School on 15 September 2015 in connection with the council's proposals;

- consideration of all relevant documentation provided by the council in relation to the proposals, specifically the educational benefits statement and related consultation documents, written and oral submissions from parents and others;

- visits to the site of Gorebridge, Stobhill, Newtongrange and Mayfield Primary Schools and Newbattle High School, including discussion with relevant consultees.

2.   Consultation Process

2.1   Midlothian Council undertook the consultation on its proposals with reference to the *Schools (Consultation) (Scotland) Act 2010* and the amendments in the *Children and Young People (Scotland) Act 2014*.

2.2   The formal consultation ran from 26 August 2015 until 8 October 2015. During this period the council produced a further paper outlining more detail on the educational benefits of the four proposals. The proposal paper was made available in paper format at all affected schools and in local libraries. It was also posted on the council's website. Public meetings were held on 15 and 16 September 2015 with a total of sixteen members of the public in attendance. The council received 11 responses to an online survey and two written responses. Of these submissions, the majority were in favour of proposals 1, 2 and 4. Three of the 11 respondents were not in favour of proposal 3. Concerns raised related to Mayfield Primary School being over capacity, travel distance and possible impact on facilities shared with St Luke's Primary School. The council took appropriate steps to consult with children and young people. Children and young people were overall supportive of the four proposals.

2.3   The council received a written submission from the Midlothian branch of the Educational Institute of Scotland (EIS). The EIS welcomed the building of a new primary school at North Gorebridge and the planned replacement for Newbattle High School. However, it was not supportive of proposal 3 on the basis that increasing occupancy at Mayfield Primary School may have a detrimental impact on St Luke's Primary School with which it shares facilities.

3.   Educational Aspects of Proposal

3.1   The council has set out a reasonable case for the proposed catchment area for the new North Gorebridge Primary School and the proposed changes to the catchment areas of Gorebridge, Stobhill, Newtongrange and Mayfield Primary Schools. In arriving at its proposal it gave good consideration to the significant

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housing developments underway in the Gorebridge area and to ensure sufficient capacity for all Gorebridge children who wish to attend their local school. It also gave good consideration to current and planned occupancy at Newtongrange Primary School and Mayfield Primary School to make best use of available capacity. Proposals 1, 2 and 3 will help the council secure best value by addressing capacity issues in its school estate.

3.2   The council has set out a reasonable case for relocating Newbattle High School to the replacement school site. The replacement school will offer enhanced learning and recreational facilities and opportunities which will benefit both young people and the local community. Proposal 4 will help the council secure best value by addressing capacity issues in its school estate and by replacing a building whose current condition is rated as 'Condition D' with modern, purpose-built, sustainable accommodation and a rich digital learning environment.

3.3   Children from Gorebridge Primary School and Stobhill Primary School who met with HM Inspectors were supportive of proposals 1 and 2. They recognised the need for an additional primary school in Gorebridge to accommodate the increased numbers of children which new housing developments would bring. The new primary school and catchment area adjustments would alleviate pressure on their existing schools in terms of pupil numbers and demands on space. They also recognised that children in the new housing developments would have less distance to travel and could walk to school.

3.4   Children from Gorebridge Primary School and Stobhill Primary School are in support of proposal 4. They believe that the current Newbattle High School needs replacing. They are excited about having access to a new and accessible 21st Century secondary school which offers up-to-date learning and recreational facilities. As young people currently receive transport to Newbattle High School they see no difficulties regarding travel to and from the new school.

3.5   Teaching and support staff from both Gorebridge Primary School and Stobhill Primary School are supportive of proposals 1 and 2. They recognise the need for an additional primary school locally to accommodate the demand generated by the new housing developments. The number of children affected by the proposed catchment changes in both Gorebridge and Stobhill Primary Schools is minimal. Proposals 1 and 2 would relieve pressure on Gorebridge Primary School and Stobhill Primary School and improve opportunities for all children locally. Whilst the new school offered improved opportunities for children in the new housing developments, some slight concern was expressed about how parents from further afield might get their children to and from the new primary school.

3.6   Teaching and support staff from Gorebridge Primary School and Stobhill Primary School support proposal 4 to relocate Newbattle High School to a replacement site at Mayfield Road, Easthouses. They recognise the clear educational benefits which replacing the existing Newbattle High School with a modern, fit for purpose, well-resourced learning campus would bring. However, concerns were expressed about the capacity of the new building to fully accommodate children from all the Newbattle Associated School Group cluster primaries if the population continues to increase.

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3.7   A very small number of parents from Gorebridge Primary School met with HM Inspectors. They were supportive of proposals 1 and 2. They recognised the need for an additional primary school to accommodate increased demand. Parents who live in the new catchment area and who already have children at Gorebridge Primary School or Stobhill Primary School would benefit from further reassurance from the council that they are not required to move their children to the new primary school. Further clarification regarding the position of siblings being able to attend Gorebridge Primary School and Stobhill Primary School would also be beneficial. Parents support proposal 4 and recognise the benefits and opportunities a modern secondary facility would offer.

3.8   Midlothian Council's proposal 3 to adjust the Newtongrange Primary School and Mayfield Primary School catchment areas will address the anticipated over capacity issues within Newtongrange Primary School which may arise from the planned housing development on Lingerwood and East Newtongrange development sites.

3.9   Proposal 3 should help ensure that children living in the new housing developments are able to attend primary school with their peers from their new community. It will allow children from both Newtongrange and Mayfield Primary Schools to continue to benefit from the quality of nurturing learning experiences which children, families and staff believe both schools provide.

3.10   Parents of children at Newtongrange Primary School, who met with HM Inspectors, were satisfied overall with proposal 3. However, they expressed concern about proposed future changes to the school catchment area. They would value further discussion with Midlothian Council about the negative impact which they feel the future re-zoning of land, indicated in this proposal at Redheugh/Prestonholm, will have on their community. Pupils and staff at Newtongrange Primary School are happy with the proposal.

3.11   Staff at Mayfield Primary School who met with HM Inspectors, expressed some concern about the projected increase in size of their school roll as a result of proposal 3. Should the proposal go ahead, they would like to work with Midlothian Council to ensure they can maintain sufficient levels of pupil support. In addition, they feel the dining space, which is shared with St Luke's Primary School, is insufficient for increased pupil numbers. Children from Mayfield Primary School are happy with the proposal overall.

3.12   Staff, parents and young people from Newbattle High School who met with HM Inspectors were supportive of proposal 4 to relocate Newbattle High School to the replacement site at Mayfield Road, Easthouses. They could clearly articulate the benefits the replacement high school would offer and looked forward to having access to a modern 'fit for purpose' facility. The location of the new school meant minimal disruption for young people getting to and from the school. Public access to enhanced facilities will have a positive impact on the local community. Young people were particularly enthusiastic about the replacement school giving a positive impression to outsiders and in encouraging a strong sense of civic pride. They also thought the improved sports facilities would encourage more young people and adults to be physically active.

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4.   Summary

The council's proposals are of educational benefit in the long term. They allow for children to attend their local catchment school whilst accommodating the increased numbers of children moving into the local area. The majority of stakeholders support the proposals. Proposals 1, 2 and 3 will help the council secure best value by addressing capacity issues in its school estate locally. In its final consultation report, the council needs to provide reassurance to parents living in the new catchment area who already have children at Gorebridge or Stobhill Primary Schools and also have younger children about future school choices. The council should also provide reassurance to the staff at Mayfield Primary School regarding levels of pupil support and work with them to ensure sufficiency of dining space to enable a high quality lunchtime experience for pupils within the shared campus. In its final consultation report, the council needs to give some indication about how it plans to work with the Newtongrange School Community to address any concerns over changes to catchment areas resulting from this proposal.

HM Inspectors
Education Scotland
November 2015

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4.

4. Appendix – List of Existing Streets in the Proposed Catchment Areas

Gorebridge Primary School				
From	**To**	**Street**	**Locality**	**Town**
		Arniston Home Farm		Gorebridge
		Arniston House		Gorebridge
		Arniston Mains		Gorebridge
		Ashbank		Gorebridge
		Baker's Avenue		Gorebridge
2	54	Barleyknowe Crescent		Gorebridge
1	59	Barleyknowe Crescent		Gorebridge
		Barleyknowe Lane		Gorebridge
		Barleyknowe Place		Gorebridge
3	32	Barleyknowe Road		Gorebridge
80	114	Barleyknowe Road		Gorebridge
		Beech Avenue		Gorebridge
		Bellsmains		Gorebridge
		Birkenside		Gorebridge
		Brewer's Bush		Bonnyrigg
40	148	Burnside Road		Gorebridge
41	157	Burnside Road		Gorebridge
1	52	Carlowrie Place		Gorebridge
		Castle Avenue		Gorebridge
		Castle Place		Gorebridge
		Castle View		Gorebridge
		Deanbank Place		Gorebridge
		Emily Place		Gorebridge
		Galashiels Road		Gorebridge
		Glen View Place		Gorebridge

Gorebridge Primary School				
From	**To**	**Street**	**Locality**	**Town**
		Glen View Walk		Gorebridge
10	34	Gore Avenue		Gorebridge
36	42	Gore Avenue		Gorebridge
		Gore Glen		Gorebridge
		Greenhall Farm Avenue		Gorebridge
		Greenhall Farm Crescent		Gorebridge
		Greenhall Farm Parkway		Gorebridge
		Greenhall Farm Road		Gorebridge
		Harvieston Farm Road		Gorebridge
		Harvieston House Road		Gorebridge
		Harvieston Villas		Gorebridge
		Hunter Square		Gorebridge
		Hunterfield Road		Gorebridge
		Jacobsway		Gorebridge
		John Bernard Way		Gorebridge
		Jubilee Crescent		Gorebridge
		Juner Place		Gorebridge
		Kirkhill Court		Gorebridge
		Kirkhill Gardens		Gorebridge
		Kirkhill Hotel Road		Gorebridge
1	27	Lady Brae		Gorebridge
2	26	Lady Brae		Gorebridge
		Lady Emily Way		Gorebridge
		Louis Braille Way		Gorebridge
		Main Street		Gorebridge
		Millbank Grove		Gorebridge
		Millbank House Road		Gorebridge
		Moorfoot View		Gorebridge

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Gorebridge Primary School				
From	To	Street	Locality	Town
		Mosswood		Gorebridge
		Newbyres Avenue		Gorebridge
52	74	Newbyres Crescent		Gorebridge
117	151	Newbyres Crescent		Gorebridge
		Newbyres Gardens		Gorebridge
		Office Row		Gorebridge
		Park Avenue		Gorebridge
		Park Road		Gorebridge
		Parrotlane		Gorebridge
		Povert Road		Gorebridge
		Powdermill Brae		Gorebridge
		Private Road		Gorebridge
		River Gore Grove		Gorebridge
		River Gore Road		Gorebridge
		River Gore View		Gorebridge
		Robertson Bank		Gorebridge
		Rosebery Crescent		Gorebridge
		Springfield Place		Gorebridge
		Station Road		Gorebridge
27	99	Swan Crescent		Gorebridge
36	102	Swan Crescent		Gorebridge
		Victoria Street		Gorebridge
		Vogrie Road		Gorebridge
		Wilson Road		Gorebridge

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Mayfield Primary School				
From	To	Street	Locality	Town
		Attlee Crescent	Mayfield	Dalkeith
		Beechgrove Road	Mayfield	Dalkeith
		Bevan Road	Mayfield	Dalkeith
		Beveridge Avenue	Mayfield	Dalkeith
		Beveridge Close	Mayfield	Dalkeith
		Blackcot Avenue	Mayfield	Dalkeith
		Blackcot Drive	Mayfield	Dalkeith
		Blackcot Place	Mayfield	Dalkeith
		Blackcot Road	Mayfield	Dalkeith
54	96	Bogwood Road	Mayfield	Dalkeith
55	71	Bogwood Road	Mayfield	Dalkeith
		C49 - Mansfield Road		Dalkeith
		Camp Wood View	Mayfield	Dalkeith
		Chester Drive	Mayfield	Dalkeith
		Chester Square	Mayfield	Dalkeith
		Chester View	Mayfield	Dalkeith
		Cilliery House, Sycamore Crescent	Mayfield	Dalkeith
		Cook Crescent	Mayfield	Dalkeith
		Crawlees Road		Gorebridge
		Cushat Gardens	Mayfield	Dalkeith
		Dalton Court	Mayfield	Dalkeith
2	16	D'Arcy Road		Dalkeith
		Dougall Court	Mayfield	Dalkeith
		Dougall Place	Mayfield	Dalkeith
		Dougall Road	Mayfield	Dalkeith
		Dykeneuk		Gorebridge

Mayfield Primary School				
From	To	Street	Locality	Town
odd()		Eskview Road		Dalkeith
		Higginson Loan	Mayfield	Dalkeith
		Hill Place	Mayfield	Dalkeith
		Hughes Crescent	Mayfield	Dalkeith
		John Humble Street	Mayfield	Dalkeith
		Keir Hardie Drive	Mayfield	Dalkeith
1	11	Laurelbank Road	Mayfield	Dalkeith
2	20	Laurelbank Road	Mayfield	Dalkeith
		Lingerwood Farm	Newtongrange	Dalkeith
		Lingerwood Farm Cottages	Newtongrange	Dalkeith
		Mansfield	Easthouses	Dalkeith
		McKinnon Drive	Mayfield	Dalkeith
1	35	Oak Crescent		Dalkeith
2	40	Oak Crescent		Dalkeith
1	55	Oak Place		Dalkeith
2	4	Oak Place		Dalkeith
		Pinewood Place		Dalkeith
		Pinewood Road		Dalkeith
		Pinewood View		Dalkeith
		Poplar Street	Mayfield	Dalkeith
		Ramsay Crescent	Mayfield	Dalkeith
		Ramsay Walk	Mayfield	Dalkeith
		Robert Smillie Avenue	Mayfield	Dalkeith
		Ruskin Place		Dalkeith
		Saint Luke's Path		Dalkeith
		Saint Luke's Way		Dalkeith
		Steele Avenue	Mayfield	Dalkeith
		Stone Avenue	Mayfield	Dalkeith

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Mayfield Primary School				
From	To	Street	Locality	Town
		Stone Crescent	Mayfield	Dalkeith
		Stone Place	Mayfield	Dalkeith
		Sycamore Road	Mayfield	Dalkeith
		Watt Grove	Mayfield	Dalkeith
		Waverley Park	Mayfield	Dalkeith
		Waverley Street	Mayfield	Dalkeith
		Waverley Terrace	Mayfield	Dalkeith
		Westhouses Avenue	Mayfield	Dalkeith
		Westhouses Drive	Mayfield	Dalkeith
		Westhouses Road	Mayfield	Dalkeith
		Westhouses Street	Mayfield	Dalkeith
		Willow Road	Mayfield	Dalkeith

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Newtongrange Primary School				
From	To	Street	Locality	Town
		Abbey Grange	Newtongrange	Dalkeith
		Anderson Avenue	Newtongrange	Dalkeith
		Beechwood Park	Newtongrange	Dalkeith
		Big Brigs Way	Newtongrange	Dalkeith
		Bryans Avenue	Newtongrange	Dalkeith
		Bryans Road	Newtongrange	Dalkeith
		Butlerfield Distributor Road	Newtongrange	Dalkeith
		Butlerfield Industrial Estate		Bonnyrigg
		Colliery Crescent	Newtongrange	Dalkeith
		Colliery View	Newtongrange	Dalkeith
		Corrie Court	Newtongrange	Dalkeith
		Craigesk	Lothianbridge	Dalkeith
		Crawlees Cottages	Newtongrange	Dalkeith
3	14	Dalhousie Road	Newtongrange	Dalkeith
		Dean Park	Newtongrange	Dalkeith
		Dean Park Court	Newtongrange	Dalkeith
		Deanpark Place	Newtongrange	Dalkeith
		Eighth Street	Newtongrange	Dalkeith
		Eighth Street / Ninth Street (back Lanes)	Newtongrange	Dalkeith
		Ferguson Way	Newtongrange	Dalkeith
		Fifth Street	Newtongrange	Dalkeith
		First Street	Newtongrange	Dalkeith
		First Street / Second Street (back Lanes)	Newtongrange	Dalkeith
		Fourth Street	Newtongrange	Dalkeith
		Galadale	Newtongrange	Dalkeith
		Galadale Crescent	Newtongrange	Dalkeith
		Galadale Drive	Newtongrange	Dalkeith

Newtongrange Primary School				
From	To	Street	Locality	Town
		Gardiner Place	Newtongrange	Dalkeith
		Hamilton Crescent	Newtongrange	Dalkeith
		Jeanette Stewart Drive	Newtongrange	Dalkeith
		Jenks Loan	Newtongrange	Dalkeith
		Lady Road Place	Newtongrange	Dalkeith
		Lady Victoria Business Centre	Newtongrange	Dalkeith
		Lingerwood Cottages	Newtongrange	Dalkeith
		Lingerwood Road	Newtongrange	Dalkeith
		Lingerwood Road (back Lanes)	Newtongrange	Dalkeith
		Lingerwood Walk	Newtongrange	Dalkeith
		Lothian Terrace	Newtongrange	Dalkeith
		MacTaggart Loan	Newtongrange	Dalkeith
		Maesterton Place	Newtongrange	Dalkeith
		Main Street	Newtongrange	Dalkeith
		Mansfield Avenue	Newtongrange	Dalkeith
		Mansfield Place	Newtongrange	Dalkeith
		Mansfield Road	Newtongrange	Dalkeith
		Matthews Drive	Newtongrange	Dalkeith
		McCathie Drive	Newtongrange	Dalkeith
		McDiarmid Grove	Newtongrange	Dalkeith
		McGahey Court	Newtongrange	Dalkeith
		McLean Walk	Newtongrange	Dalkeith
		McTaggart Loan	Newtongrange	Dalkeith
		Mine Rescue Cottages	Newtongrange	Dalkeith
		Monkswood Road	Newtongrange	Dalkeith
		Morris Road	Newtongrange	Dalkeith
		Murderdean Road	Newtongrange	Dalkeith
		New Star Bank	Newtongrange	Dalkeith

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Newtongrange Primary School					Newtongrange Primary School				
From	To	Street	Locality	Town	From	To	Street	Locality	Town
1	26, 34	Newbattle Road	Newtongrange	Dalkeith			Tenth Street	Newtongrange	Dalkeith
		Newtongrange Place	Newtongrange	Dalkeith			The Beeches	Newtongrange	Dalkeith
		Ninth Street	Newtongrange	Dalkeith			The Saughs	Newtongrange	Dalkeith
		Old Star Park Pavillion	Newtongrange	Dalkeith			The Square	Newtongrange	Dalkeith
		Old Star Road	Newtongrange	Dalkeith			Third Street	Newtongrange	Dalkeith
		Park Road	Newtongrange	Dalkeith			Victoria Gardens	Newtongrange	Dalkeith
		Ramsay Cottages, Butlerfield		Bonnyrigg			Victoria Road	Newtongrange	Dalkeith
		Redmill Court	Newtongrange	Dalkeith			Watt Park	Newtongrange	Dalkeith
		Redwood Grove	Newtongrange	Dalkeith			Wester Suttieslea Bank	Newtongrange	Dalkeith
		Redwood Walk	Newtongrange	Dalkeith			Wester Suttieslea Gardens	Newtongrange	Dalkeith
		Reed Drive	Newtongrange	Dalkeith			Wester Suttieslea Grove	Newtongrange	Dalkeith
		Ross Place	Newtongrange	Dalkeith			Wester Suttieslea Loan	Newtongrange	Dalkeith
		Saughs Cottages	Newtongrange	Dalkeith			Wester Suttieslea Path	Newtongrange	Dalkeith
		Second Street	Newtongrange	Dalkeith			Wester Suttieslea Terrace	Newtongrange	Dalkeith
		Seventh Street	Newtongrange	Dalkeith					
		Sixth Street	Newtongrange	Dalkeith					
		St Anne's	Newtongrange	Dalkeith					
		St Davids	Newtongrange	Dalkeith					
		Station Road	Newtongrange	Dalkeith					
		Stevenson Lane	Newtongrange	Dalkeith					
		Suttieslea Crescent	Newtongrange	Dalkeith					
		Suttieslea Drive	Newtongrange	Dalkeith					
		Suttieslea Grove	Newtongrange	Dalkeith					
		Suttieslea Park	Newtongrange	Dalkeith					
		Suttieslea Place	Newtongrange	Dalkeith					
		Suttieslea Road	Newtongrange	Dalkeith					
		Suttieslea Terrace	Newtongrange	Dalkeith					
		Suttieslea Walk	Newtongrange	Dalkeith					

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North Gorebridge Primary School				
From	To	Street	Locality	Town
56	80	Barleyknowe Crescent		Gorebridge
61	121	Barleyknowe Crescent		Gorebridge
		Barleyknowe Gardens		Gorebridge
34	38	Barleyknowe Road		Gorebridge
		Barleyknowe Street		Gorebridge
		Barleyknowe Terrace		Gorebridge
		Clearburn Road		Gorebridge
		Dundas Gardens		Gorebridge
		Engine Road		Gorebridge
		Glen View Court		Gorebridge
		Glen View Crescent		Gorebridge
		Glen View Road		Gorebridge
		Glenesk	Dalhousie	Bonnyrigg
		Glenview Court		Gorebridge
		Glenview Crescent		Gorebridge
		Glenview Road		Gorebridge
		Gowkshill Farm		Gorebridge
		Greenhall Crescent		Gorebridge
		Greenhall Road		Gorebridge
		Hogarth Avenue		Gorebridge
		Hunterfield Park		Gorebridge
		Hunterfield Terrace		Gorebridge
		Kirkhill Terrace		Gorebridge
		Laundry Cottages		Gorebridge
		New Hunterfield		Gorebridge
		New Park Gardens		Gorebridge
		Newtonloan Court		Gorebridge

North Gorebridge Primary School				
From	To	Street	Locality	Town
		Newtonloan Toll		Gorebridge
		Park Hill		Gorebridge
		Pentland Avenue		Gorebridge
		Redheugh Loan		Gorebridge
		Saint Andrews Way		Gorebridge
		Stobhill Road	Gowkshill	Gorebridge
		The Avenue		Gorebridge
		The Crescent		Gorebridge
		Whitehouse Avenue		Gorebridge
		Whitehouse Court		Gorebridge
		Whitehouse Crescent		Gorebridge
		Whitehouse Gardens		Gorebridge
		Whitehouse Glebe		Gorebridge
		Whitehouse Grove		Gorebridge
		Whitehouse Loan		Gorebridge
		Whitehouse Path		Gorebridge
		Whitehouse Road		Gorebridge
		Whitehouse Way		Gorebridge
		Woodrow		Gorebridge

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Stobhill Primary School				
From	To	Street	Locality	Town
		Arnprior Road		Gorebridge
		B6372 From Newlandrig To U53		Gorebridge
116	166	Barleyknowe Road		Gorebridge
		Blinkbonny Farm		Gorebridge
		Bonnybank Court		Gorebridge
		Bonnybank Road		Gorebridge
		Braeside Road		Gorebridge
		Braeside Road North		Gorebridge
		Braeside Road South		Gorebridge
1	39	Burnside Road		Gorebridge
2	38	Burnside Road		Gorebridge
54	200	Carlowrie Place		Gorebridge
1	45	Gore Avenue		Gorebridge
		Hagbrae		Gorebridge
		Hillside Crescent North		Gorebridge
		Hillside Crescent South		Gorebridge
		Hunterfield Court		Gorebridge
8	40	Hunterfield Road		Gorebridge
28	40	Lady Brae		Gorebridge
29	73	Lady Brae		Gorebridge
		Lady Brae Place		Gorebridge
		Lower Bonnybank Road		Gorebridge
		McLean Place		Gorebridge
		Monteith House Farm		Gorebridge
		Mossend Farm		Gorebridge
		Mountskip Farm		Gorebridge

Stobhill Primary School				
From	To	Street	Locality	Town
		Mountskip Farm Road		Gorebridge
2	50	Newbyres Crescent		Gorebridge
67	115	Newbyres Crescent		Gorebridge
		Newlandburn Farm Road		Gorebridge
		Newlandburn House		Gorebridge
		Newlandrig		Gorebridge
		South Quarry Avenue		Gorebridge
		South Quarry Boulevard		Gorebridge
		South Quarry Brae		Gorebridge
		South Quarry Crescent		Gorebridge
		South Quarry Drive		Gorebridge
		South Quarry Gardens		Gorebridge
		South Quarry Mews		Gorebridge
		South Quarry Park		Gorebridge
		South Quarry Place		Gorebridge
		South Quarry Terrace		Gorebridge
		South Quarry View		Gorebridge
		South Quarry Walk		Gorebridge
		South Quarry Way		Gorebridge
		Stobhill Road		Gorebridge
1	25	Swan Crescent		Gorebridge
2	34	Swan Crescent		Gorebridge
		Vogrie Crescent South		Gorebridge
		Vogrie Place		Gorebridge

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Housing Revenue Account – Rent Setting Strategy 2016/17 – 2018/19

**Report by Eibhlin McHugh, Joint Director, Health and Social Care &
Gary Fairley, Head of Finance and Integrated Service Support**

1.   Purpose of the Report

1.1   This report proposes a strategy for future rental charges for council housing from 2016, which in turn will support ongoing investment in the Council's Housing stock and will determine the level of new build investment beyond the Council's current phase 2 Social Housing Programme.

2.   Background

2.1   Phase 1 of the Social Housing Programme has provided 864 additional Council Homes within Midlothian over a period of 7 years and within the total budget of £108 million. The Phase 2 Housing Programme currently plans to deliver a further 420 Council homes by the end of 2017 within the approved total development budget of £64 million. The affordability and delivery of the new build programmes together with the ongoing investment in the existing housing stock were a direct consequence of the rent strategies adopted by Council from 2006 to 2011. In particular the borrowing costs associated with the new build programmes is funded from the rental stream from the new and existing properties.

2.2   In February 2011 the Council agreed a rent increase of 6% per annum from 2011/12 to 2015/16. The long term forecast incorporated in the business case to support the phase 2 new build programme assumes a minimum rent increases in future years of 4% per annum. This level of increase is required to fund the historic investment in the new build programme together with investment to ensure housing stock is maintained in at or above the Scottish Housing Quality Standard (SHQS).

2.3   In 2011 the Scottish Housing Regulator was critical of Midlothian Council's approach to rent consultation. It judged a five year rent setting period to be too long a duration to set rent increases and was critical of the low number of consultation responses in 2010.

2.4   These issues were acknowledged in the plans for 2015 consultation and officers had also taken into account the following good practice guidance from the Scottish Housing Regulator in relation to rent setting. This advises that Registered Social Landlords should:

- Demonstrate transparency on costs and a vigorous pursuit of value for money;
- Have a mature dialogue with tenants about costs versus service levels;

- Give tenants genuine options and choices during rent consultations;
- Consider future affordability when determining annual rent increases;
- Consider tenants' ability to pay their rent over the longer term;
- Be clear on what is affordable for tenants and;
- Be clear on how tenants views are taken into account.

3.   Affordable Housing

3.1 Midlothian Council has worked with partners to increase affordable housing provision in a variety of ways. Midlothian Council embarked on one of the most significant council house building programmes of any local authority in Scotland, with 940 units completed on 19 sites in the 8 largest settlements, with a further 8 sites planned. The Council has also supported housing association partners to develop 428 new affordable homes, with plans for 7 further sites. The Council has funded new build from rental charges, including a premium of 25% on new build homes for the first 10 years they are let, together with some grant funding from the Scottish Government.

3.2 Despite the success in significantly increasing the new supply of affordable housing in Midlothian, it is evident that the level of housing need is increasing. The recent Housing Need and Demand Assessment for the SESPlan area projected that in order to meet the existing housing need a total of 2,730 new affordable homes are required in Midlothian. However, the level of housing need is projected to continue to rise during the SESplan period until 2032.

3.3 Without continued investment in new affordable housing during this period it is anticipated that significant increases in the number of homeless households requiring temporary accommodation and higher levels of overcrowding and households being unsuitably housed for longer periods

3.4 The Council's most recent Tenant Satisfaction Survey, undertaken in 2014, was sent to all Council tenants and received 1,125 responses (17% of tenants). Chart 1 below shows the majority of respondents (73%) from this Survey were satisfied their rent provided good value for money compared to 9% indicating dissatisfaction.

Chart 1: Satisfaction with Value for Money
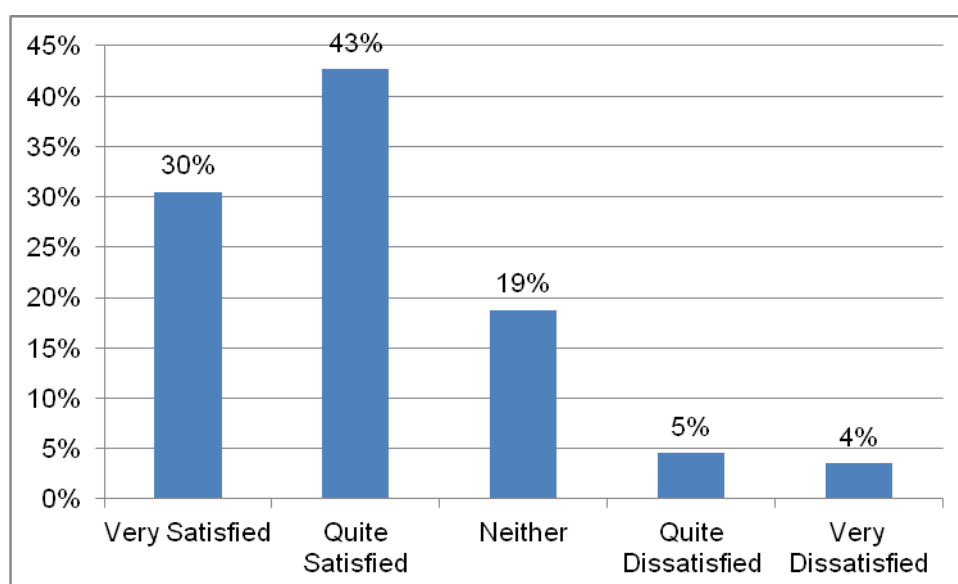
3.5 In terms of how Midlothian Council rents compare to other landlords, Chart 2 shows the average weekly rent for all Scottish Councils (and Glasgow Housing Association) with housing stock. It indicates that Midlothian Council's average weekly rent charge of £59.81 was the seventh lowest in Scotland and remained below the Scottish average of £66.08. In addition, Chart 3 shows the level of rent increases applied by Scottish Councils with housing stock in 2015. It shows that Midlothian Council's rent increase of 6% for 2015/16 was the second highest in Scotland, with only West Dunbartonshire Council having a higher rent increase (7%). The average rent increase for all RSLs (Councils and Housing Associations) in Scotland was 2.7%

3.6 In terms of demonstrating the affordability of rental charges, it is suggested that when housing costs exceed 30%-35% of a household's income, the cost is judged to be unaffordable. Housing Services have calculated that a Midlothian Council tenant living in a 3 bedroom house who is a full time employee earning the living wage (£7.85 per hour) or minimum wage (£6.70 per hour) would still be paying below 30%-35% of their income. Even if the option of maximum rent increase consulted on was applied for the next 3 years (6% increase per year) a householder earning either the minimum wage or living wage would continue to pay less than 35% of their gross income to pay in rent, even if their earnings did not increase over that same period.

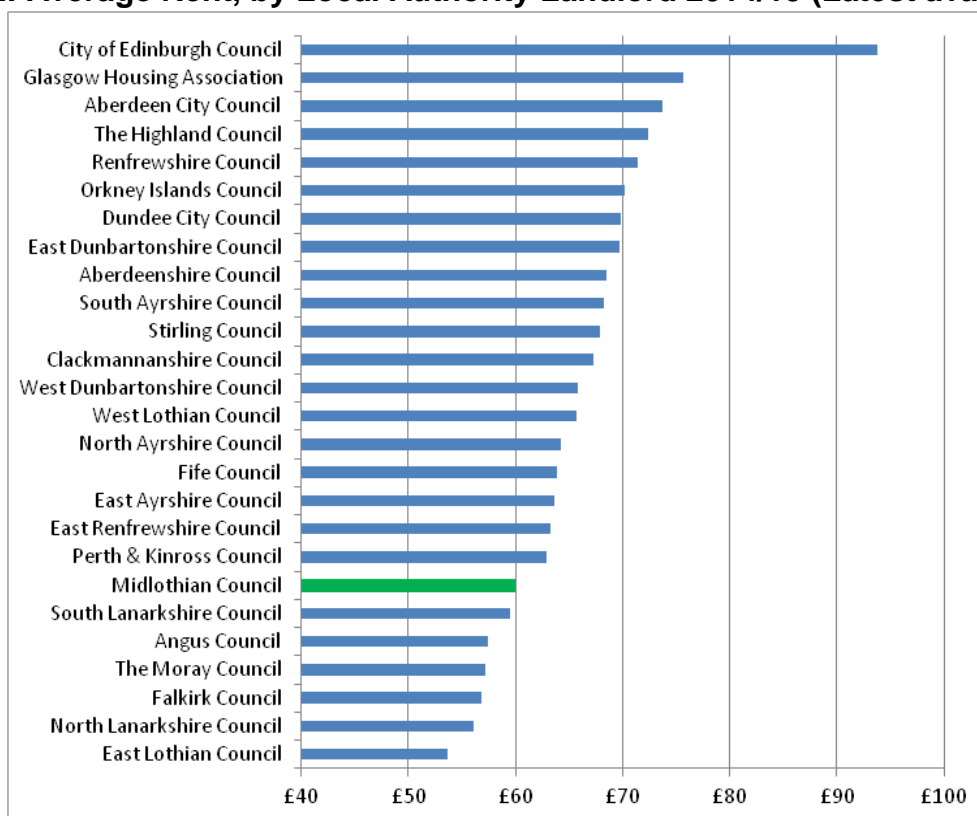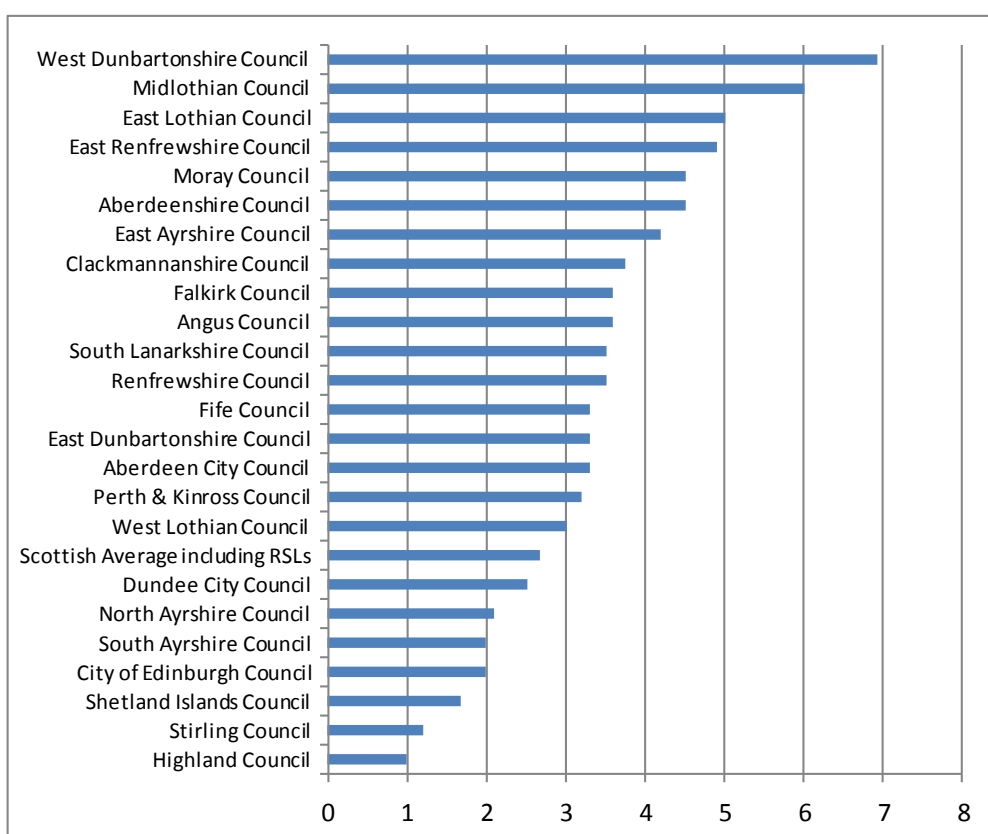## Chart 2: Average Rent, by Local Authority Landlord 2014/15 (Latest available)

Chart 3: Annual Rent Increase (%) for Scottish Councils 2015/16

4. Engagement and Consultation

4.1 An extensive consultation exercise with tenants and prospective tenants (housing applicants) was carried out as detailed in Appendix 1. As part of the consultation exercise all 11,334 tenants and prospective tenants were sent a Survey asking for their views about future rent increases between 2016/17 and 2018/19. A total of 1,268 responses were received, which consisted of 836 tenants and 432 prospective tenants which is a response rate of 11%. This is a significant improvement compared to the previous consultation undertaken in 2010. During that consultation period Midlothian Council received 417 returns – therefore in 2015 a 204% increase in Survey returns has been achieved. This level of response compares well to other Registered Social Landlords (RSLs) who have undertaken consultation on rent setting.

4.2 Those surveyed were also asked some questions about new council housing. Respondents were asked the question "Do you agree with the Council's commitment to building new council housing to help reduce the number of applicants on the waiting list?". A total of 94% of respondents agreed with this. Those surveyed were also asked if they agreed with a 25% premium placed on new build houses for the initial 10 years of their letting. A total of 61% of respondents agreed with this decision, 25% disagreed and 14% were unsure.

5 Rent choice options

5.1 Tenants and prospective tenants were then asked to select their preferred option for annual rent increases for the next three years. They were also advised what impact each option would have for future investment in council housing being built in Midlothian. The options were:

- Option 1: 4% - which would not provide any additional council housing.
- Option 2: 4.5% - which would result in 100 additional council homes.
- Option 3: 5% - which would result in 240 additional council homes.
- Option 4: 6% - which would result in 400 additional council homes

Under all of the options the planned SHQS investment in existing housing stock would be maintained.

5.2 Table 1 shows the preferences of respondents.

Option 1 was the least popular choice with 179 respondents (15%) choosing this.

Option 2 was the second most common choice with 313 respondents (27%).

Option 3 was chosen by 309 respondents (also 27%).

Option 4 was the most popular choice, with 353 respondents (31%) selecting this option.

Consequently, 85% of respondents chose an option which provides for additional investment in council housing.

Table 1: Preferred Rent Option 2016/17 – 2018/19

Rent Option	Option 1 4%	Option 2 4.5%	Option 3 5%	Option 4 6%
Number	179	313	309	353
%	15%	27%	27%	31%

5.3 However, there are significant differences between the views of current and prospective tenants. Chart 4 shows that Option 4 was the least popular option for tenants who responded (21% of tenants) while it was the most popular choice for prospective tenants (52%). This could be attributed to prospective tenants feeling they would benefit directly from new homes being built as it would improve their chances of being allocated a home. However, the majority of current tenants recognised that additional housing was important and accepted that this would require rent increases. The most commonly selected option by tenants was Option 2, with 32% of tenants selecting this, followed by Option 3, with 27% of tenants selecting this. Option 3 was the second most commonly selected option by prospective tenants (26%).

5.4 Given the strong support for additional investment in council housing by tenants and prospective tenants, Option 1 (a 4% increase over 3 years which would not provide any new council housing) should not be considered. Option 3 would provide a compromise between investment in new housing and recognising the views of tenants in particular who are concerned about the affordability of their rent. A total of 48% of tenants who responded chose a rent increase of either 5% or 6%, while 78% of prospective tenants chose a rent increase of 5% or 6%.

Chart 4: Preferred Rent Option, by Respondent Type
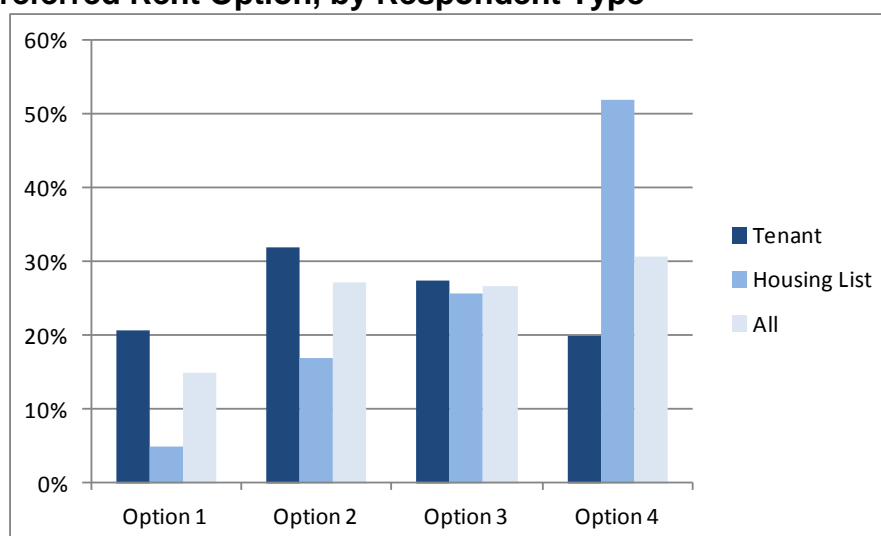
6   Report Implications

6.1   Resource

The Housing Revenue Account Capital Plan, approved on 22nd September 2015 provides for a total investment of £80.439 million over the period 2015/16 to 2018/19, of which £45.495 million is earmarked for the New Social Housing Programme. This brings the total budget for completion of 1,256 properties to £171.154 million.

The proposed 5% rent increase per annum for the next three years and the longer term assumption of 4% thereafter would continue to support current investment in New Social Housing and also in existing stock as well as provide additional investment of £36 million for a further Phase of New Social Housing with reserves falling to a contingent level of £2.760 million in 2029/30. The additional investment would fund approximately 240 homes; however the exact number will be dependent on factors such as site costs, the size and type of homes constructed.

At Council on 23rd of June, an enquiry was made if funding of £2 million could be transferred from the HRA to the General fund to fund Footpath Repairs. The HRA reserve is fully committed to fund the New Social Housing project and investment in existing stock and is projected to fall to a contingent level of £2.760 million by 2029/30. Funding this project would therefore require either a reduction in continuing investment in the existing Capital Programme or future phases of the New Social Housing Programme.

6.2   Risk

The principal risks relate to balancing the need to invest in additional housing and providing adequate resources to maintain the existing housing stock whilst taking account of the affordability of rental charges and tenant and prospective tenant views.

6.3   Key Priorities within the Single Midlothian Plan

Midlothian Council and its Community Planning Partners have made a commitment to treat the following areas as key priorities under the Single Midlothian Plan:

☐ Early years and reducing child poverty
☐ Economic Growth and Business Support
☐ Positive destinations for young people.

The themes addressed in this report impact on the delivery of the Single Midlothian Plan outcome particularly in terms of priorities in relation to the delivery of affordable housing, homelessness and health and social care outcomes through the provision of specialist housing.

☐ Community safety
 x Adult health, care and housing

x Getting it right for every Midlothian child

☐ Improving opportunities in Midlothian

x   Sustainable growth

☐ Business transformation and Best Value

☐ None of the above

6.4 Impact on Performance and Outcomes

The recommendations in this Report impact positively upon achieving the following Local Housing Strategy outcomes:

- Households have improved housing options across all tenures.
- Homeless households and those threatened with homelessness are able to access support and advice services and all unintentionally homeless households will be able to access settled accommodation.
- The condition of housing across all tenures is improved.
- The needs of households with particular needs will be addressed and all households will have equal access to housing and housing services.
- Housing in all tenures will be more energy efficient and fewer households will live in or be at risk of fuel poverty.

6.5 Adopting a Preventative Approach

The proposed strategy for rent setting for a three year period ensures that the Housing Revenue Account continues to provide for investment in existing stock to ensure housing is of good quality and investment of new housing to meet housing need in Midlothian.

6.6 Involving Communities and Other Stakeholders

The attached appendix provides detail on the consultation which has been undertaken. In addition, the rent setting strategy was discussed at the September Local Housing Strategy and Homelessness Working Group to ensure engagement with other stakeholders such as local RSLs, Shelter and the Scottish Government

6.7 Ensuring Equalities

An equalities impact assessment has been completed in connection with this Report. This assessment has confirmed that the proposed rent setting strategy does not impact negatively upon any equality groups.

6.8 Supporting Sustainable Development

Not Applicable

6.9 IT Issues

Not Applicable

7. **Recommendation**

It is recommended that Council:

a) Note the positive response to consultation with tenants and prospective tenants in relation to agreement on future rent setting;

b) Agree to a three year increase in rents and related charges of 5% per annum with effect from 1st April 2016 until 31st March 2019;

c) To incorporate a provision of £36 million in the HRA Capital Plan for a phase 3 new build programme of approx 240houses;

d) Agree to a Members Seminar to discuss potential sites for development and an appropriate housing mix for the 3rd phase of new council housing development;

e) to consider to reprioritise to fund footpath works from the General Fund.

Date: 19th November 2015

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Midlothian Council Consultation Report Rent Setting 2015

The word cloud above uses responses from the Rent Setting Survey.

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Introduction

As part of Midlothian Council's commitment to involving tenants and other service users in the management of housing services it undertook consultation on the future rent setting strategy before making a recommendation on proposed rent charges during the period 2016/17 to 2018/19.

When making decisions about the future rent strategy, the Council needs to ensure that it adequately forecasts the cost of managing and maintaining its housing stock and meets standards including maintaining stock to the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing. It also needs to decide whether to build a further phase of new council housing beyond the Phase 2 programme which is currently underway. In addition, it needs to take into account the following good practice guidance from the Scottish Housing Regulator in relation to rent setting, which advises that Registered Social Landlords should:

- Demonstrate transparency on costs and a vigorous pursuit of value for money;
- Have a mature dialogue with tenants about costs versus service levels;
- Give tenants genuine options and choices during rent consultations;
- Consider future affordability when determining annual rent increases;
- Consider tenants' ability to pay their rent over the longer term;
- Be clear on what is affordable for tenants; and
- Be clear on how tenants views are taken into account.

What was the Council's Approach to Consultation?

During the summer of 2015, officers planned to consider the appropriate methods to undertake consultation on the future rent setting strategy. Following a review of good practice, the following methods were agreed:

- Development of an easy to read and attractive newsletter which provided information on rent and affordability to give tenants and other service users an improved understanding to inform their decision making on rent setting options.

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- Development of a Survey which asked key questions about the future rent setting strategy, including providing four options and outcomes for tenants and prospective tenants to select.
- Rent setting strategy as a discussion topic at Midlothian Council's Tenants Day on 26th June.
- Arranging 6 rent consultation drop in events across Midlothian during September.
- Consulting with members of the recently established Midlothian Tenant Panel and other tenant and resident groups.
- Providing tenants and prospective tenants (housing applicants) with a range of ways of providing feedback, including face to face, telephone, online, text messaging and post.
- The consultation arrangements for the Rent Setting Strategy ran concurrently with consultation on the Council's Housing Allocation Policy.

This report contains key information derived from the consultation exercise, including:

- Analysis of Survey Data and the preferred option for rent increases during the next three years.
- Feedback from tenants groups and meetings.
- Officers responses to comments received during the consultation process.

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Section 1: Analysis of Survey of Tenants and Prospective Tenants

A total of 11,334 Survey returns were sent out 22nd September 2015 with the deadline for responses being the 23rd October 2015. Table 1, below, shows that 13% of tenants and 9% of prospective tenants (housing list applicants) responded to the Survey, with a total of 1,268 Surveys completed. The majority of Surveys were completed via postal returns while 12 respondents completed their Survey online. This is a significant improvement compared to the previous consultation undertaken in 2010.

During that consultation period Midlothian Council received 417 returns – therefore in 2015, a 204% increase in Survey returns has been achieved. This level of response compares well to other Registered Social Landlords (RSLs).

Table 1: Response Rate to Rent Setting Survey

| Respondent Type	Total Number	Number of Respondents	Percentage Response
Tenant	6,602	836	13%
Applicant	4,732	432	9%
Total	11,334	1,268	11%

Views about New Build

Tenants and Prospective Tenants were asked some questions relating to the Council's new build programme which is closely linked to the future rent setting options.

Chart 1, indicates the response to the question "Do you agree with the Council's commitment to building new council housing to help reduce the number of applicants on the waiting list"? It shows that the vast majority of respondents were supportive of additional investment in new council housing – with 94% of respondents supporting this. Of tenants who responded, 92% supported new council housing, compared to 97% of applicants on the waiting list.

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Chart 1: Support for new council housing
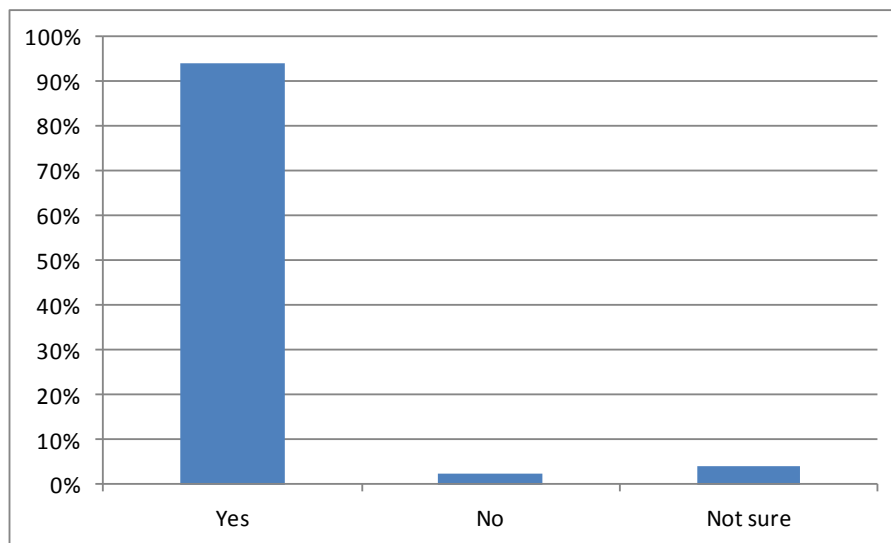
Midlothian Council places a 25% premium on new build rents for the first 10 years of let to support the funding for this investment. Those surveyed were asked if they thought new build homes should have higher rents than older properties. Chart 2, indicates that 61% of respondents thought new build rents should be higher. A quarter (25%) did not think rents should be higher. A significant proportion (14%) felt unsure about what their view was in relation to this question. Applicants on the Housing List were less supportive of higher new build rent levels with 54% stating they agreed with this compared to 65% of current tenants.

Chart 2: Premium on new build rent levels

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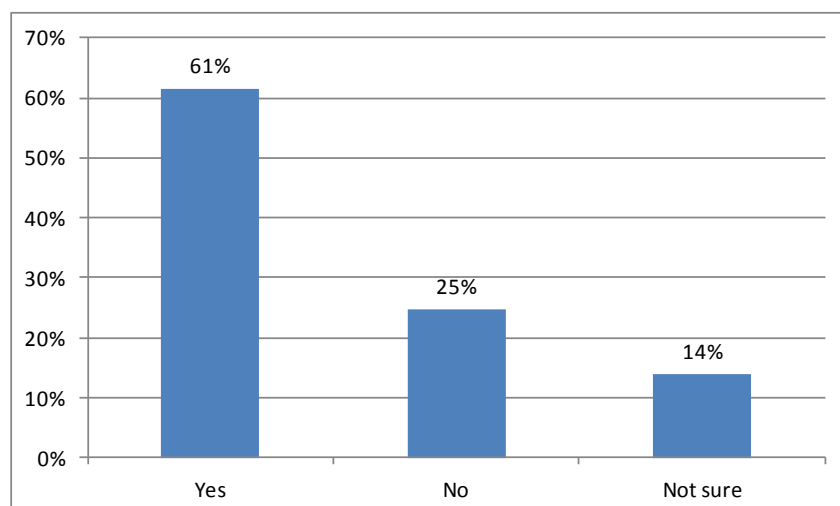
Options for Future Rent Increase

Tenants and prospective tenants were then asked to select their preferred option for annual rent increases for the next three years. They were also advised what impact each option would have for future investment in new build council housing in Midlothian. The following options were:

- Option 1: 4% -   which would not provide for additional council housing.
- Option 2: 4.5% - which would result in 100 additional council homes.
- Option 3: 5% -   which would result in 240 additional council homes.
- Option 4: 6% -   which would result in 400 additional council homes.

Table 2 shows the preferences of respondents. It is evident that Option 4 was the most popular choice, with 353 respondents (31%) selecting this option. Option 2 was the second highest Option, with 313 respondents (27%) choosing this Option. Option 3 was chosen by 309 respondents (also 27%). The least popular choice was Option 1, with 179 respondents (15%) choosing this. Consequently, 85% of respondents chose an option which provides for additional investment in council housing.

Table 2: Preferred Rent Option 2016/17 – 2018/19

Rent Option	Option 1 4%	Option 2 4.5%	Option 3 5%	Option 4 6%
Number	179	313	309	353
%	15%	27%	27%	31%

However, there are significant differences between the views of current and prospective tenants. Chart 3 shows that Option 4 was the least popular option for tenants who responded (21% of tenants) while it was the most popular choice for prospective tenants (52%). This could be attributed to prospective tenants feeling they would benefit directly from new homes being built as it would improve their chances of being allocated a home. However, a significant proportion of current tenants also recognised that additional housing was important and accepted that this

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would require rent increases. The most commonly selected option by tenants was Option 2, with 32% of tenants selecting this, followed by Option 3, with 27% of tenants selecting this. Option 3 was the second most commonly selected option by prospective tenants (26%).

Chart 3: Preferred Rent Option, by Respondent Type
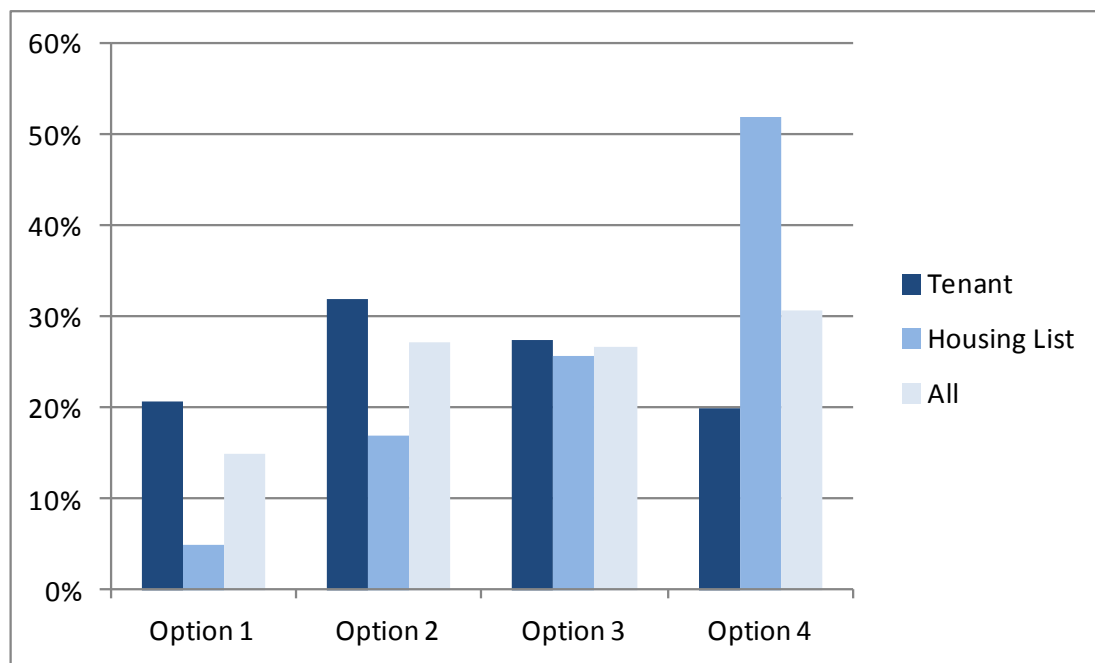
It is recognised that a significant number of Midlothian Council tenants receive support for paying their housing costs through housing benefit (52% of tenants). Table 3 shows the preferred rent options for tenants who receive either full housing benefit, partial housing benefit or no housing benefit. It indicates that the most commonly selected option for all categories remained as Option 2. It is also evident that tenants who did not receive any Housing Benefit were the least likely to select Option 4 (17% of tenants compared to 25% of tenants who received Full Housing Benefit).

Table 3: Preferred Rent Option by Housing Benefit Status

	Option 1	Option 2	Option 3	Option 4
Full HB	21%	27%	27%	25%
Partial HB	18%	31%	29%	21%
No HB	22%	35%	27%	17%

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**How do results compare with 2010?**

The Chart below shows the preferences for options put to current and prospective tenants in 2010, which would also determine if a further Phase of council house building would proceed. The Options were:

- Option 1: 4% increase
- Option 2: 4.5% increase
- Option 3: 5% increase
- Option 4: 6% increase
- Option 5: 7% increase

Chart 4 shows that in 2010, Option 1 was most strongly supported by tenants whilst Option 5 was the most popular choice among prospective tenants. In 2015, more tenants were supportive of higher rent increases. One or more of the following reasons could account for this shift:

- An increased proportion of council tenants feel it is important that the shortage of affordable housing needs to be addressed.
- An increased proportion of council tenants feel confident about their ability to pay for increased rental costs.
- The improved level of information provided to tenants during the consultation process has influenced their decision making.
- An increased proportion of tenants have felt the benefits of their household or friends or family accessing new housing.

Chart 4: Rent Consultation Survey Results 2010

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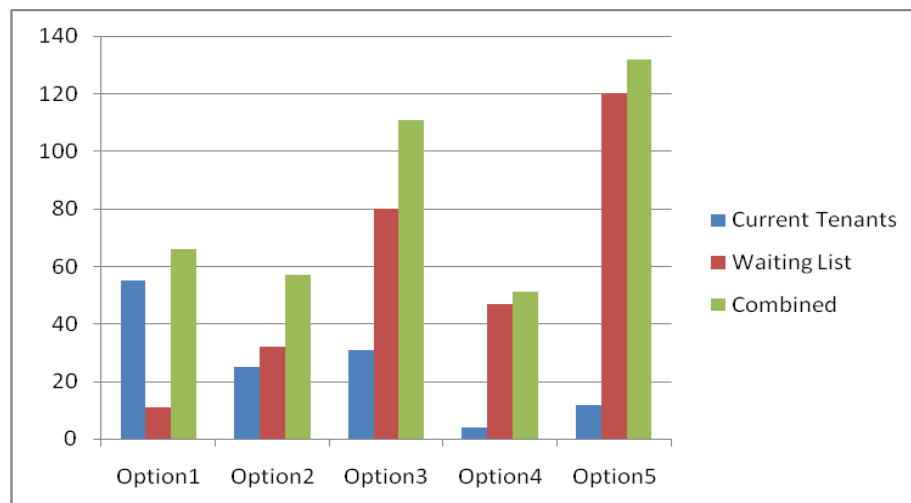
Satisfaction with Consultation

Chart 5 below shows the outcome to the question "Are you happy with the level of consultation and information that we provide you with about proposed rent increases?" It shows that the majority of respondents were happy with the opportunities they were given to involve themselves in the decision making process. It was evident that satisfaction with opportunities to participate was higher among tenants than prospective tenants, with 75% of tenants stating "yes" compared to 65% of prospective tenants. However, a significant number of prospective tenants (24%) stated "Not Sure". This may be due to the fact that Housing List applicants have not been consulted on annual rent increases since 2010, and many applicants would not have been on the Housing List at that time.

Chart 5: Satisfaction with being consulted

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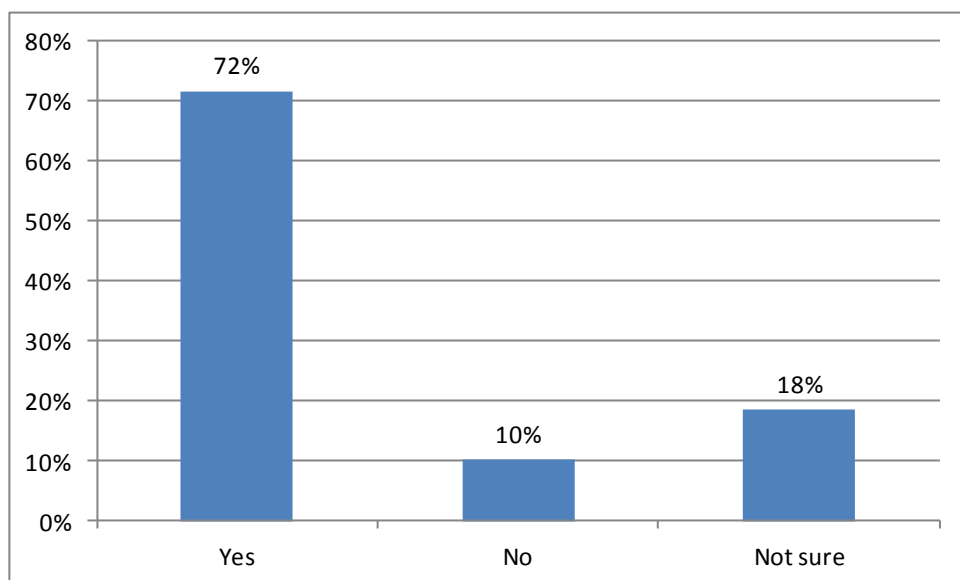
Section 2: Feedback from Midlothian Tenant Panel, Drop in Events and other Groups

Midlothian Council has recently established the Midlothian Tenant Panel in order that interested tenants can become more involved in scrutinising and engaging with the Housing Service. In addition, local tenants and residents groups were welcome to meet with Officers during the consultation period. Of the Groups, only the Cowan Court Tenants Group provided comments to Officers in relation to the rent setting strategy.

All 5 members of the tenant panel met with Housing staff prior to the consultation period on the rent increase. The main points of feedback included:

- All Panel members were interested in giving their views in relation to the annual rent increase.

- All Panel members felt the Newsletter approach to provding information about the rent setting strategy was good, feeling it was informative and well designed.

- One Panel member suggested that more information about charging for sending providing comments via text messaging could be provided in future.

- There was mixed views about drop in events for consultation, with one tenant suggesting there would be little interest in attending except among older people.

- All members felt comfortable with the proposed Options and all of them suggested that they would vote for a higher increase to facilitate more new building.

Some quotes from tenant panel members in relation to the rent setting strategy:

"I would not grudge it [a 5% increase]. The money has to come from somewhere and the increase would be negligible in the grand scheme of things. I think that would be fair."

"I think that Midlothian rents are actually quite good when you compare it to others. My daughter is staying in a new council house within the Taylor Wimpey estate in Bonnyrigg and it is beautiful. It even has space to easily adapt a wet floor shower room downstairs."

"rents will still be cheaper than City of Edinburgh Council rents by a long way."

Cowan Court Tenants Group

The Cowan Court Tenants Group met on 18th October and the Rent Setting Strategy was discussed at the meeting. The following comments were made:

- One tenant queried the cost of consultation on the rent charges. It was explained by a member of housing staff that it was important that the council consulted as widely as possible and provided with good quality information materials in order that the level of engagement would be higher than was the case in 2010.

- One tenant was confused about the use of percentages and felt that "the man in the street might struggle to understand to what extent a percentage increase might affect him." It was suggested that a monetary figure could be used in future to try to aid understanding. For example, stating a proposed increase would mean an average of £2 onto a weekly rent. It was explained that with a variety of rents charged according to age of the property, house type and size, therefore the average increase could vary significantly.

Drop In Events

Tenants and Prospective Tenants were welcome to attend one of 6 Drop in Events in Midlothian to talk to staff about the consultation materials, ask questions, and provide feedback in an informal environment.

Drop in Events were held in the following locations:

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- Loanhead Library, Monday 28/9/2015, 15:00–18:00

- Lasswade Leisure Centre, Bonnyrigg,Tuesday 29/9/2015, 12:30 –15:00

- Penicuik Library, Tuesday 29/9/2015, 15:30–18:00

- Gorebridge Library, Wednesday 30/9/2015, 10:00 –13:00

- Newtongrange Church, Tuesday 6/10/2015, 13.00 –16.00

- Woodburn Miners Club, Wednesday 7/10/2015, 16:00 –19:00

Drop in events attracted only a small number of attendees, although each event had at least one member of the public attending to speak to Housing Staff. A total of 15 attendees came to Drop in Events. Most attendees were Housing List applicants whose principal concerns were new build council housing being built in their community and the allocation of housing rather than the rent charges for housing.

Midlothian Tenants Day

Rent Setting and value for money was a discussion topic at Midlothian Council's Annual Tenant Day in June 2015. Several tenants were concerned about further rent increases coming after a 5 year period of 6% per annum increases. One tenant commented that he felt that the Scottish Government should provide funding for new building as opposed to tenants who were often on a low income having to contribute towards this. In addition, following feedback from attendees at this Event, Officers reconsidered plans to consult on 5 Options for future rent increases; having subsequently reconsidered the appropriateness of consulting on a 7% increase as this level of increase for 3 years was considered to be too high.

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Section 3: Rent Consultation Written Feedback

As part of the consultation process for the rent setting strategy, applicants were able to provide written feedback in addition to their Survey comments. Of the 1,268 completed survey forms a total of 183 comments were provided. Many of the comments were similar in nature and some comments did not specifically relate to rent setting. Of the responses:

- 50 Responses were positive
- 64 Responses provided negative views about the rent setting options
- 69 Responses were neutral or not specifically related to the rent setting strategy. These included suggested improvements for the proposals.

This Section reviews the types of comments and suggestions provided and, where applicable, provides a response or recommendation in relation to the comment.
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Response Category	Individual Response	Council Response/Recommendation
New Build Rent Costs - Positive	1. I like the new build property and have no complaints.	Noted.
	2. I am glad that Midlothian Council are cheaper than other landlords as I am able to work now.	Noted.
	3. I am happy to pay higher rent as long as my property benefits from investment.	Noted.
	4. Housing association rents are too high so I want a council house.	Noted.
	5. Increase rent in order to build more 1 bedroom properties.	Noted. The Council is building a significant proportion of 1 bedroom properties in its Phase 2 development programme to meet demand for smaller properties. The same would be expected if a 3rd phase was agreed.
	6. Rents seem reasonable.	Noted.
	7. Rent is good value and it seems fair that new build tenants should pay extra to get those houses.	Noted.
	8. Very happy with improvements for rent being charged.	Noted.
	9. A 6% increase would be excellent for funding new homes.	Noted.

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Response Category	Individual Response	Council Response/Recommendation
New Build Rent Costs - Positive	10. Offer good tenants a new build house – a 25% premium for new build houses is fair.	Noted.
	11. I would pay a higher rent for Midlothian Council as it is still cheaper than my private rented house.	Noted.
	12. Rents are fair but there is not enough council housing.	Noted. It is a priority for the Council and Community Planning Partners to provide an increased supply affordable housing in Midlothian.
	13. Some new build tenants benefit from solar panels and get lower energy bills so should be able to afford more expensive rents.	Noted. It is recognised that new build tenants benefit from lower energy bills due to living in more energy efficient housing.
	14. Happy with the information provided however I have never been consulted with before.	All tenants received a Tenant Satisfaction Survey in 2014 and all tenants are provided with information via Newsletter about ways that they can become engage with the Housing Service in tenant participation activities.
	15. I think Midlothian Council charge a fair and sustainable rent to their tenants	Noted.

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Response Category	Individual Response	Council Response/Recommendation
Rent Setting - Negative	16. Cut back on use of private lets to save money.	The use of private rented properties to provide temporary accommodation via Orchard and Shipman is not funded out of council tenant's rents.
	17. Feels that using contractors to undertake repairs is not cost effective.	Tendering is undertaken in using external contractors to ensure that this is a cost effective solution for delivering repairs and maintenance.
	18. Rents should reflect higher quality housing, with driveways etc.	Land costs are high so providing driveways would lead to new housing being more expensive and many tenants do not own a car. New build houses do have a range of amenities that are not usually found in older properties, such as two toilets in houses, fitted wardrobes, solar panels etc.
	19. Rent too expensive for older properties,only new houses should have rent increased.	In order that the rent strategy remains affordable and the Council can continue to invest in properties, (such as through kitchen replacement, window replacement programmes) the minimum rent increase for all properties is required to be at least 4%. No increase above this level for all properties would result in no new council homes being built.
	20. Feels that garage sites rents should not increase by the same rate as houses.	Service charges related to the HRA generally increase by the same level to reflect the investment required from the HRA to manage and maintain areas, such as garage sites.
	21. This feels like blackmail. If rents are up for new builds there should be a discount for older properties.	New build rents are higher to ensure that new build tenants who have benefited from investment pay more towards this investment.
	22. As a pensioner I feel I pay too much and would want a smaller house to free up larger homes for families.	The Incentive Scheme would assist to downsize. Tenants are welcome to apply for a smaller home and can also make use of www.homeswapper.co.uk to arrange a mutual exchange.

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Response Category	Individual Response	Council Response/Recommendation
Rent Setting - Negative	23. Pressure the government for funding not rent payers.	Midlothian Council, along with other affordable housing providers, does receive funding support from the Scottish Government. In 2015/16 £3.4M was allocated to Midlothian but rent increases are still required to fund the cost of development.
	24. I think the rent should be the same for the same size of property.	Our rent strategy takes account of the value of the property to build and maintain. For example, a 2 bedroom flat would generally require a lower maintenance cost than a 2 bedroom bungalow.
	25. I would not have taken a new build property if I knew it was a higher rent – all tenants should pay Scottish average.	Rent charges are clearly stated on an offer letter to a prospective tenant before they sign for the tenancy. Also, older Midlothian Council properties are lower than the Scottish average and after 10 years of letting new build properties will start to taper towards being the same charge as older council properties.

Few tenants refuse a new build house as this is often preferred to older housing and energy costs are generally significantly cheaper. If a prospective tenant is offered a new build property and refused it due to concern about the rent level they would not be penalised for this. |
| | 26. I am comfortable with the rent increase options being proposed but I feel I live in a poorer quality property while some applicants who do not pay rent get new build houses. | Midlothian Council, in accordance with legislation, does not take income into account when allocating housing. All tenants are required to pay rent and some may be eligible for housing benefit. |
| | 27. It is unfair to increase rents to fund new building. | Option 1 would not provide funding for new building. All tenants and prospective tenants were |

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	able to note if this was their preference.

Response Category	Individual Response	Council Response/Recommendation
Rent Setting - Negative	28. Rent should keep pace with pensioner's income.	Pensioner's incomes widely vary according to individual circumstances. Pensioners on a low income would receive support through Housing Benefit in order to afford the cost of rent.
	29. Rent should not increase every year.	For the Housing Revenue Account to maintain housing standards, repairs and new building over the long term, rental charges must increase each year.
	30. Rent should not rise more than inflation.	See answer to comment 29 above.
	31. Wage increases should be taken into account when setting rents.	Individual incomes vary according to employment circumstances. It was felt that an analysis of the affordability of council house rents for someone earning the living wage and the current minimum wage demonstrated that Midlothian council house rents remain affordable.
	32. Rent is too high – if it was lower then people could afford to work.	Individual incomes vary according to employment circumstances. It was felt that an analysis of the affordability of council house rents for someone earning the living wage and the current minimum wage demonstrated that Midlothian council house rents remain affordable.
	33. I have been a tenant for 50 years and feel I have paid enough rent. The Council should buy caravans to house homeless people and refugees.	Caravans are not a suitable form of long term accommodation for households. All tenants rent is pooled in order to pay for services they receive and investment in their own home and others.

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	34. Concerned that the council will build onto the greenbelt area.	The Council's Planning service are responsible for consenting to where housing is permitted for development. The majority of sites for new housing have been on Council owned brownfield sites used for a previous purpose, such as a school or library.

Response Category	Individual Response	Council Response/Recommendation
Rent Setting - Negative	35. I feel that new build rents aren't worth the money as the new houses are not good quality.	Tenants living in new build housing generally give high levels of satisfaction scores with the quality of their homes. Rent charges are clearly stated on an offer letter to a prospective tenant before they sign for the tenancy. Also, older Midlothian Council properties are lower than the Scottish average and after 10 years of letting new build properties will start to taper towards being the same charge as older council properties. Few tenants refuse a new build house as this is often preferred to older housing and energy costs are generally significantly cheaper. If a prospective tenant is offered a new build property and refused it due to concern about the rent level they would not be penalised for this.
	36. Rents should only increase with inflation with new housing built from land sales.	It is not clear what land sales are being referred to. Most new council housing sites were built on land owned by the Council so land is required to build on rather than to sell.

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Appendix 1

		For the Housing Revenue Account to maintain housing standards, repairs and new building over the long term, rental charges must increase each year.
	37. Rent should be calculated by cost per square metre on floorspace.	Leasing based on square metre is common for commercial premises but would be unusual for social rented housing in Scotland where the number of occupants, based on apartment size determines the rent charge. It is not felt that changing to charging in terms of square metre would be beneficial for tenants in terms of value for money.
	38. Means test new tenants.	It would be illegal for Midlothian Council to take income into account when making decisions about allocating to tenants.
	39. Would it not be better use of money to buy back ex council homes?	Whilst it might be initially cheaper to purchase ex council houses, it is a cheaper longer term investment to build new housing which will require lower maintenance costs compared to a 50 year old house.
	40. Other councils sometimes freeze their rents, why not Midlothian Council?	Very few councils have frozen their rent charges in recent years, with many raising rents by similar levels to Midlothian Council in order to fund new council housing. Midlothian Council rents remain lower than the Scottish average for Councils and substantially lower than other RSLs with stock in Midlothian.

Response Category	Individual Response	Council Response/Recommendation

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Rent Setting - Neutral	41. Would prefer direct contact to discuss the rent setting strategy.	Officers were happy to discuss comments directly with tenants and other service users and were present at 6 Drop in Events in different areas in Midlothian to meet people face to face to discuss their views and answer any questions.
	42. Nobody needs new houses.	With just over 4,700 housing list applicants on the Council's Housing List, and projections for housing need indicating an increasing number of new affordable homes are required the Council consider it is important that a new supply of affordable housing is very important. Most survey respondents agreed with this too.
	43. Temporary property rents are more expensive than mainstream housing. Why is this?	Temporary properties are funded differently due to costs of providing the homeless and housing support service attracting an additional service charge. In addition, many temporary properties were purchased (mainly ex council houses bought back by the council) which require a higher rent charge to finance the cost of loan charges for these properties.
	44. Set rents at the same level of private lets to provide significant modernisation and new investment.	Whilst this would provide a vastly increased income for new development, charging at this level would mean that the Council would no longer be providing affordable housing and this suggestion would opposed by the majority of tenants and prospective tenants who value the affordability of the rental charge.

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Response Category	Individual Response	Council Response/Recommendation
Rent Setting - Neutral	45. Include basic contents insurance for new build tenants paying 25% more.	The rent premium charge would have to increase by more than 25% to fund this. The Council does offer a contents insurance scheme to tenants.
	46. Not tenant's fault that they get a new house and have to pay a higher rent, they should have a choice of old or new.	Rent charges are clearly stated on an offer letter to a prospective tenant before they sign for the tenancy. Also, older Midlothian Council properties are lower than the Scottish average and after 10 years of letting new build properties will start to taper towards being the same charge as older council properties. Few tenants refuse a new build house as this is often preferred to older housing and energy costs are generally significantly cheaper. If a prospective tenant is offered a new build property and refused it due to concern about the rent level they would not be penalised for this.
	47. I am still on the waiting list and do not know the rent levels.	Information on the average rent levels were provided in the Newsletter which was sent along with the Survey Form.
	48. I am comfortable with the rent increase options being proposed but I feel I live in a poorer quality property while some applicants who do not pay rent get new build houses.	Midlothian Council, in accordance with legislation, does not take income into account when allocating housing. All tenants are required to pay rent and some may be eligible for housing benefit to support the payment of rent.
	49. Rents are fair but Midlothian Council are soft on those with arrears.	Midlothian Council compares well to other landlords in terms of the proportion of tenants in arrears.

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Conclusion

The main points following the consultation period on rent setting are as follows:

- Midlothian Tenants and Prospective Tenants (housing applicants) appear to prefer a Survey approach to rent setting as opposed to public meetings. In addition, the style of presentation and inclusion of a freepost envelope appears to have significantly increased the number of responses received.

- A strong majority of tenants and prospective tenants recognise there is a shortage of affordable housing in Midlothian and supports continued investment in council housing.

- While tenants and prospective tenants views differ in terms of future rent options, it was notable that the lowest rent increase option (option 1: 4%) was not the most commonly selected rent increase option by tenants. Prospective tenants were most supportive of significant increases to support a higher level of new build completions. Taking account of the views of both groups would require the Council to consider either Option 2 or Option 3.

- Option 3 would provide a compromise between investment in new housing and recognising the views of tenants in particular who are concerned about the affordability of their rent. A total of 48% of tenants who responded chose a rent increase of either 5% or 6%, while 78% of prospective tenants chose a rent increase of 5% or 6%.

- Some tenants were concerned that 4% was the lowest rent increase option over the long term and suggestions were made that savings could be made to lower this level of increase.

- However, many tenants also recognised that Midlothian Council rents remain lower than some neighbouring Councils and local housing associations.

- Providing ways for enabling tenants and prospective tenants to get involved in decision making in relation to rent setting both prior and post consultation should be considered to increase the level of satisfaction with tenant participation in Midlothian.

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Borders Rail Update

Report by Chief Executive

1.0   Purpose of Report

1.1   This report advises Members of the substantial amount of activity undertaken and future work planned relating to the Borders Railway, with particular reference to Midlothian.

2.0   Background

2.1   Members will probably be particularly familiar with the history of the line which originally closed in 1969. Re-introduction of the line between Edinburgh and Tweedbank was initiated through the passing of the Waverley Act by the Scottish Parliament in 2006. Following the extensive design and build stages, the line opened in September 2015. After an initial weekend of special events and celebrations, the line was officially opened by Her Majesty The Queen on 9 September 2015: for which there was extensive national and international media coverage.

2.2   A primary justification for the implementation of the project is the opportunity for substantial economic benefits along the rail line corridor, especially for communities in Midlothian and the Scottish Borders.

2.3   On 4 November 2014 Council considered a report, Borders Railway by Director, Resources which provided comprehensive information on the chronology of events from the closure of the line in 1969 to the projected date of re-opening in September 2015. This report also set out information on external and internal governance arrangements, marketing and promotion opportunities, infrastructure and the management of the inaugural events and the opening ceremony. Having considered the report, Council decided:-

(a)   To progress to date with arrangements for the establishment of Borders Railway and the associated opening events;

(b)   To agree the proposed working groups and governance arrangements as detailed within the report; and

(c)   To note the intention to provide regular updates on key events, including publicity.

2.4 Allocation of resources to assist in the promotion of the Borders Railway was considered by Council on 16 December 2014 as part of the report on Financial Strategy 2015/16 to 2017/18. The relevant part of the report notes the Borders Railway Line as providing a primary economic development opportunity, as well as a prospective boost to regeneration of the priority communities of Midlothian through which it passes. In recognition of that, the identification of £0.25 million from the General Fund reserve was recommended

"*to put Midlothian in as strong as possible a position to promote and capitalise on the Borders Railway, taking advantage of the opportunity that the railway provides whilst demonstrating our commitment to the project.*"

This recommendation was formally approved by Council as a budget allocation on 17 February 2015.

3.0 Overall Governance and Key Activities

3.1 The Borders Railway is a project the construction of which was funded primarily by the Scottish Government and procured by Transport Scotland through Network Rail, and is operated by Scotrail as a part of the national rail network in Scotland. In November 2014 a document entitled "Borders Railway – Maximising the Impact: A Blueprint for the Future" was published by the 'Blueprint Group' of partners comprising Scottish Government, the Scottish Borders, Midlothian and City of Edinburgh Councils, Transport Scotland, Scottish Enterprise and VisitScotland. The document sets out the ambitions of the partners "*to realise fully the economic benefits of the new Borders Railway*", most particularly stimulating the growth of businesses, generating employment and boosting tourist visitor numbers. The Blueprint is structured around Great Locations for Working and Investing, Great Communities for Living and Learning, and Great Destinations to Visit. Using these themes the Blueprint Group has established a more detailed programme of activity and investment, and the Group meets regularly to oversee the implementation of that programme.

3.2 Action on Great Locations for Working and Investing
The Blueprint document recognises that it is not sufficient to assume that economic development will naturally result from the provision of the new railway; and that a strong proactive approach is needed. Accordingly, a number of specific actions have been identified.

- An Inward Investment Prospectus and promotional film was launched in August of this year. This newly created website www.bordersrailwayprospectus.com contains a wealth of information for prospective inward investors as well as an interactive map of over 100 site and premises in the railway corridor.

- Establishment of a Borders Railway Investment Fund through Scottish Enterprise which can boost investment in business infrastructure and support.

- Appointment of an Inward Investment Project Manager to work with the Councils and other Blueprint partners for an 18 month period to provide and establish a sustained focussed approach to attracting inward investment. This position will establish an up to date, dynamic database of sites and buildings that are readily marketable, to establish a lasting network of contact across the public sector agencies and private sector investors, and to establish the Borders Rail corridor as 'open for business'.

- Regular liaison with Scotrail's section who are specifically charged with responsibility for promoting economic development along the rail corridor; and for which Scotrail has a budget to assist including the funding of the Borders Railway Community Partnership.

At a Midlothian level the Council's Economic Development Strategy 'Ambitious Midlothian' identifies Borders Railway as an opportunity for economic development to be maximised. In May 2015 the Council hosted a successful and well-attended event targeted at local businesses to raise their awareness of the economic potential of the new railway. Current activity is centred around preparation of a well-resourced and well-presented inventory of sites and buildings which are readily available for investors and new businesses to locate and/or relocate to Midlothian. The Economic Development team is already in close contact with two companies who are expected to relocate into Midlothian on account of the accessibility provided by the new railway. In addition to the inventory of sites the team, in association with the above-mentioned Inward Investment Project Manager and Scottish Enterprise, will use existing and developing business networks to promote Midlothian. Because of its relatively compact size it is recognised that this promotional activity can include sites and premises in all of the main towns in Midlothian. There is also close ongoing liaison with the National Mining Museum to ensure a joint approach to delivering potential income generation from effective marketing of currently surplus/underused land and buildings in the ownership of the Museum.

3.3 Great Communities for Living and Learning
For Midlothian the key issues to be pursued in maximising opportunity under this heading can be clearly identified.

- The railway provides a major incentive for housebuilders, employers, retail and commercial interests to locate at the Shawfair new community, as well as at the major new land release at Redheugh, Gorebridge.

- The line passes through Midlothian's priority community of Gorebridge and is relatively close to Mayfield and Easthouses where income and educational qualifications disparities are at their greatest. The new line provides ready access to education/training at Edinburgh College, Borders College and Queen Margaret University and it also provides much improved access to a greater range of labour markets in Edinburgh and the Borders.

- Sites and buildings close to the Newtongrange and Gorebridge stations have been identified for particular attention as development opportunities.

- Opportunities have arisen to improve the viability and vitality of the town centres of Newtongrange and Gorebridge. Additional footfall at Newtongrange, augmented by increased visitor numbers at the National Mining Museum should be a catalyst for improvement in the environment and quality of the town centre. At Gorebridge there could be the opportunity to extend the scope of the current well-supported Conservation Area Regeneration Scheme in the town centre to include major public realm improvements. Both of these could potentially take advantage of Scottish Government funding to support the Blueprint document.

- These improvements to town centres need to include fully functioning footpath/cycleway links to the stations. In addition a programme of safe, convenient and readily useable path/cycleway provision with signage should be established to link the stations with nearby locations such as schools, colleges, retail centres, hospitals, etc.

3.4 Great Destinations to Visit

Tourism remains one of the strong economic sectors in Midlothian which, in line with the national trend, has seen steady year on year growth in visitor numbers and visitor expenditure. The new railway provides the opportunity for a step change improvement in this sector. The programme of activity at overall level has included the following items.

- The launch of the Business Opportunities Guide in October 2015 via the Business Gateway network, to highlight new business opportunities for the tourism sector.

- Appointment of a fixed term contract Tourism Business Adviser to work with the Councils and other Blueprint partners in providing direct support to tourism businesses.

- A Visitor Marketing Programme, the first phase of which was the VisitScotland led marketing campaign which was launched in August of this year, targeting markets in the UK, Germany and North America.

- A six week pilot Steam Train Experience from September to November was very successful; although of very limited benefit to

Midlothian as the train does not stop within Midlothian, it generated interest in the community.

At the Midlothian level a successful awareness raising event for local tourist businesses was organised in June 2015 at Newbattle Abbey College. In addition the Midlothian Tourism Forum and the Chamber of Commerce have been particularly active in promoting the opportunities presented by the new railway to the Midlothian tourism sector.

Consideration is being given to a potential arrangement for a 'hop on/hop off' corridor route bus service from Newtongrange station to the main tourist and visitor attractions in Midlothian. If run it would be only in the peak Summer months. Feasibility work is currently being undertaken with a view to a recommendation being made before the 2016 Summer period.

4.0 Passenger Numbers and Operational Issues

4.1 A total of 126,000 passengers used the railway in its first month of operation (September), and figures for subsequent months are suggesting higher than predicted rates of usage. On that basis a conservative annual projection would be in the region of one million passengers: in comparison with the pre-opening projection of 647,000 passengers per annum. There has been some well-publicised concerns regarding the lack of sufficient rolling stock at times, to the significant inconvenience of passengers, and this has been raised directly with the train operator. The train operator has sought to address this issue as far as possible, but there is a recognition across the rail industry in the UK of a lack of available rolling stock and the lead in times for delivery of new carriages. In the short term, the closure of the Forth Road Bridge will put additional pressure on the rail network across central Scotland. The Council will continue to lobby wherever possible for the rapid resolution of this issue.

4.2 To encourage people to travel actively and sustainably from home to the train, Midlothian Council, in collaboration with Transport Scotland, are funding the installation of Interactive Touch screen terminals which will be located on platforms or other key locations at the stations. These terminals, due for installation in February 2016, will have programmes that aim to make walking and cycling a mode of choice for short journeys in and around Midlothian. Discussions are ongoing with the rail operator on how best to provide opportunities to encourage cycle use.

4.3 As part of Network Rail's contract a limited amount of signage was provided which, whilst adequate, has been the subject of some concern from rail users. Therefore, there is a programme being undertaken by the Resources Directorate to augment the signage in the vicinity of the stations. In terms of parking there have to date been no complaints received regarding the capacity or other elements of the dedicated station car parks: this can be kept under review, particularly at Newtongrange and Gorebridge.

4.4   There is positive ongoing liaison with Scotrail on a range of issues including information on passenger usage, cycle (as indicated in paragraph 4.2 above) and car hire opportunities as well as sponsorship and marketing activities.

5.0   Report Implications

5.1   Resources (external)
The Blueprint Group has identified a programme of implementation activity and established costings for most items. In many cases the relevant partners have agreed to financial contributions for specific items (see paragraph 5.2 below). The programme also includes opportunity for bids to be submitted for appropriate projects to a £10m fund provided by Scottish Government through Scottish Enterprise, and managed by the Blueprint Group. There is no time deadline for submission of bids, rather it is for projects to come forward over the next few years. Potential opportunities in Midlothian could include town centre schemes at Newtongrange and Gorebridge; as well as development to improve the offer and use of land at the National Mining Museum

5.2   Resources (internal)
The collective view of the Blueprint partners is that it is vitally important to put in place a comprehensive range of measures and resources at the time of the opening of the railway and in the first two years of its operation. In recognition of that the partners agreed to commit resources at this time to such measures: in Midlothian the Council has expended, or committed, resources on the following items:-

i)   Activity at the time of the opening,
   - Train wrap £25,000

   - Opening weekend community events £20,000

   - Waverley Farmers' Market £2,000

   - Advertising £1,000

ii) Tourism promotion and development
   - Tourism marketing activity £83,500 over three years

   - Tourism audit £12,000

   - Tourism Development Adviser £6,000 over 18 months

   - Smarter Choices/Smarter Phones information points at stations £56,000

iii) Inward Investment/Economic Development
   - Inward Investment Project Manager and related activity £60,000 over 18 months

- Inward Investment Prospectus and web site £10,000

iv) Project management £16,000

Except for the opening weekend community events, all other items comprise contributions in partnership with other Blueprint partners. As noted in paragraph 2.4 above the Council has previously set aside £250,000 towards the costs of meeting the Council's commitments towards the Blueprint programme, which is being delivered collaboratively by all of the Blueprint partners. The total resource allocations of the Council in terms of funds expended to date is £247,000. However, there is additional expenditure emerging in years 2016/17 and 2017/18 for the ongoing marketing relating to the Borders Railway and also maintenance and servicing of the web sites; these additional costs are estimated at £50,000 over two years. Accordingly, this report recommends action to address the future position of financial commitments related to the Borders Railway. At a Midlothian level the future costs associated with a range of measures including the promotion of inward investment and tourism will require to be detailed, although some or all of these costs could be accounted for in normal base budgets for the relevant services. A potential exception would be the hop on/hop off circular route tourist/visitor bus where a tender is due to be returned outlining the potential costs.

5.3 Risk
The fundamental risk is that the Midlothian economy as a whole, and the local economies of communities close to the railway, experience little or no economic growth arising as a consequence of the railway. The actions of the Blueprint partners both collectively and on an individual level are seeking to mitigate this risk.

5.4 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

5.5 Key Priorities within the Single Midlothian Plan (SMP)
The railway positively impacts on the Council's key priorities of:
- Economic growth and business support
- Positive destinations.

5.6 Impact on Performance and Outcomes
The Council, though its own actions, and in collaboration with Blueprint partners, should enable the new railway to be a catalyst in bringing jobs to the area, providing greater accessibility to labour markets, providing greater accessibility to skills and training, all of which should

directly tackle Midlothian's low-wage and lesser qualified/skilled economy.

5.7 Adopting a Preventative Approach
Investment in a significant programme of activity at this early stage can develop the profile, awareness and culture to secure the outcomes referred to in paragraph 5.6 above with consequent reductions of demand on public services and funding.

5.8 Involving Communities and Other Stakeholders
The Blueprint Group of stakeholders provides a broad base of skills, expertise and resources with which to drive the Borders Rail project. At the inception, design and build stages the relevant partners have engaged with local communities, and through the Community Planning Partnership. The Council is developing strong partnership links with key players including Scotrail and Transport Scotland.

5.9 Ensuring Equalities
This report is not proposing any new policies, and has therefore not been required to be assessed for equalities implications.

5.10 Supporting Sustainable Development
The new railway provides for a major shift of transport mode from the private car, and this should show an overall reduction in carbon emissions.

5.11 IT Issues
There are no IT issues arising from this report.

6 Summary

6.1 The new Borders Railway represents a once in a generation opportunity to provide a step-change sustainable improvement in the Midlothian economy, and particularly in the economies and welfare of some of the most disadvantaged communities. There is no guarantee that such uplift will occur of itself. In recognition of that the Council, along with its Blueprint partners, is implementing a comprehensive programme of activities to promote economic development through strategies for inward investment and tourism, as well as promoting the greater accessibility of labour markets and education/training. This has required a significant level of resources, but targeted in such a way as to provide the optimal environment to realise these positive outcomes for Midlothian communities.

6 Recommendations

6.1 It is recommended that Council:

i) notes the extensive level of commitment being shown by the Council and its Borders Railways Blueprint partners towards maximising the economic benefits of the new railway to Midlothian;

ii) approves a supplementary estimate of £50,000 to meet the Council's financial commitments to activities directly related to promotion of economic development consequent on the opening of the new railway; and

iii) instructs the submission of further update reports to Council on a regular basis and as appropriate.

Date 8 December 2015

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Background Papers: None

Midlothian Integration Joint Board – Financial Assurance Update

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

1   Purpose of the Report

The purpose of this report is to provide a further update to Council on the work undertaken to date on financial assurance in relation to the delegation of financial resources to the Midlothian Integration Joint Board, and on the work plan for the period leading up to delegation on 1 April 2016.

2   Background

In June 2015 the Board received Scottish Government approval to be legally constituted from 27 June 2015. The first meeting of the Board took place on 20 August 2015.

The work of the Board to date has included the appointment of a Chief Officer and a Chief Financial Officer, approval of a set of Financial Regulations and agreement to the setting up of an Audit and Risk Committee. Accordingly it is considered that the Board has put in place appropriate and proportionate financial governance arrangements. In addition to these arrangements it is important to note that the Board has focussed on consideration of its draft Strategic Plan.

A key task for the Board at this stage is to finalise its Strategic Plan for the period 2016-19. This plan will set out how the Board intends to address the health and care needs in the County and it will form the basis on which the Board issues directions for the delivery of services to both the Council and NHS Lothian. A key element of the Strategic Plan will be its associated Financial Statement which will detail the resources the Board expects to be delegated to it and how it will direct these resources to deliver the objectives set out in the Strategic Plan.

In broad terms, from 1 April 2016 Midlothian Council and NHS Lothian will both be required to transfer to the Board an agreed level of resources. It will then be for the Board to direct how these resources will be used and to provide resources back to the Council and NHS Lothian to deliver the services set out in the directions.

3   Midlothian Council Element of Delegated Budget

The element of the Council budget to be delegated to the Board from 1 April 2016 will be the Adult and Social Care budget as currently managed by the Head of Adult and Social Care. This will exclude central support costs and budgets managed across the Council such as utilities costs and property repairs.

In arriving at the quantum of the budget to be delegated, cognisance has to be taken of the resources consumed by the Council to deliver the delegated services over the last few years. The Financial Monitoring 2014-15 report presented to Council on 23 June 2015 showed , for Adult and Social Care, an underspend for the year of £0.457m on a net budget of £35.948m.

The budget setting process for 2015-16 made provision for pay awards and incremental progression, contractual inflation and for the estimated impact of demographic pressures which lead to an increase in demand for social care services. The calculation of the uplift for demographic pressures assumed that some of the pressures would be mitigated by the ongoing transformation of services. Additional savings of £0.244m, mainly in relation to staffing reviews, were agreed.

The Financial Monitoring 2015-16 report presented to Council on 3 November 2015 showed, for Adult and Social Care, a projected overspend of £0.950m on a recurring budget of £36.923m. There are financial pressures across the service, particularly in front-line services and purchased care (including care packages in the community, care home places and day care). There are minimal underspends available to offset these pressures. Work is ongoing to manage these pressures and an update report will be presented to Council on 9 February 2016.

Work on the budget setting process for 2016-17 is ongoing. Some of the pressures which have been identified during 2015-16, such as non-achievement of performance factor in front-line services, will be considered when setting the budget.   At this time the anticipated budget provision required for the delegated services is around £38m.

The Council is expected to agree its 2016/17 Revenue Budget on 9 February 2016 and as part of this it will also need to agree the total resource to be delegated to the Board. One of the consequences of this will be a reduction in the flexibility in future years the Council has over its overall budget, estimated at £200m.

4   **NHS Lothian Element of Delegated Budget**

Work is ongoing within NHS Lothian to determine the level and makeup of the NHS budgets which will be delegated to the Integration Joint Board. The completion of this work and the final level of resources to be delegated by NHS Lothian is integral to the whole process of integration and accordingly this strand of work is a critical risk in terms of the delivery of the Board's Strategic Plan.

Whilst delegation of the Core CHP budgets (i.e. Midlothian specific budgets) is relatively straightforward, there are complications attached to the splitting of budgets for pan-Lothian delegated functions, some of which are hosted by individual IJBs. For these hosted budgets a transparent process will be necessary to ensure that a fair share of resources is given to each IJB. Also a decision will need to be made by the IJBs on the future of the existing risk sharing arrangements, for example in relation to prescribing.

NHS Lothian Finance and Resources Committee is giving ongoing consideration to the overall budget for 2016/17, the delegation of resources to IJBs and the risk sharing arrangements. A report presented to the Committee on 8 July 2015 is attached at Appendix 1. This report details the interim arrangements being proposed for hosted services, these being that financial risks for all hosted budgets are shared across IJBs in 2016/17 and that this arrangement is reviewed for future years.

A further paper on the overall budget for 2016/17 and financial risk arrangements for set aside budgets is under consideration. A final NHS Lothian budget and decisions on the resources to be delegated to the Midlothian Board is not expected to be available until March 2016.

5   Overall Budget of Integration Joint Board

The financial assurance process needs to ensure that the budgets delegated to the Board represent a fair share of that resource and that the risk sharing arrangements in place are acceptable. This work is of relevance to Midlothian Council to gain an appropriate level of assurance that cost pressures and financial risks borne currently by NHS Lothian do not transfer through the IJB arrangements and impact on Midlothian Council resources. Midlothian Council also needs to understand the resource being delegated back to it for the delivery of delegated services.

Further assurance work is required on the treatment, across the Board's budget, of over and underspends, and on the consideration of risks in relation to the directions which will be in place from 1 April 2016. It is anticipated that the four Lothian IJBs will adopt a model that gives some clarity on the existing risks currently managed on a pan Lothian basis by NHS Lothian (and that such pan Lothian arrangements will continue), and new risks which arise as a consequence of the directions issued by the Board will fall to the Board to manage.

6   Report Implications

6.1   Resources

There are no resource implications arising directly from this report. The report gives an update on the work around determining the initial budget for the Board and the work on financial assurance.

The Council will continue to provide service support to the work of the Board and there is a commitment to continue this support going forward. There will be no charge for these support services.

6.2 Risk

The Council and NHS Lothian continue to manage risk according to their own established policies and arrangements are being developed to manage these risks through the Board arrangements. The directions of the Board will bring a new facet to the risks and these will be managed by the Board.

The work being undertaken on financial assurance will identify and address the financial risks which are inherent in the new arrangements.

Council and NHS Lothian financial pressures will impact on the resources available to the Board at the same time as demographic pressures increase demand for services. NHS Lothian's overall financial position continues to rely on non-recurrent budgets to fund ongoing services.

There remains further work to be completed by NHS Lothian to determine the share of NHS budgets for pan Lothian delegated functions which will be allocated to the Board.

The future development of pan-Lothian services will be dependent on IJBs across Lothian working together effectively. There is a risk that this work will be dominated by the larger IJBs.

6.3 Policy

Strategy
The creation of new arrangements for Health and Social Care are consistent with one of the key findings of the Christie Commission that "public services work effectively together to achieve outcomes".

Consultation
Consultation has taken place with the Chief Officer and Chief Financial Officer of the Integration Joint Board. Finance workstreams continue to be discussed at a Lothian-wide level through a Section 95 Officers Finance Group with representation from the four Lothian authorities and NHS Lothian.

Equalities
There are no equalities issues arising from this report.

Sustainability
There are no environmental sustainability issues arising from this report

IT Issues
There are no IT issues arising from this report.

7   Summary

Budgets will be delegated to the Board by the Council and NHS Lothian from 1 April 2016. The Council, at its meeting on 9 February 2016, will, as part of determining its budget for 2016/17, also need to determine the amount of its resources to be delegated.

In the meantime work continues to progress the financial assurance process in advance of 1 April 2016 and to determine the resources to be delegated to the Board. Financial assurance will continue beyond the 1st April 2016 as the IJBs, Councils and NHS Lothian embrace integration.

8   Recommendations

Council is recommended to

8.1 Note the ongoing financial assurance process in relation to the delegation of financial resources to Midlothian Integration Joint Board.

8.2 Note that the amount to be delegated to the Board will be agreed as part of the Council's budget setting process for 2016/17.

8.3 Agree to receive a further update report in March 2016.

23 November 2015

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NHS LOTHIAN   **APPENDIX 1**

Finance and Resources Committee Meeting
8th July 2015

Director of Finance

INTEGRATED JOINT BOARDS – HOSTED SERVICES - FINANCIAL ASSURANCE AND RISK SHARING PROTOCOL

1   Purpose of the Report

1.1   The purpose of this report is to further develop the paper 'Preparation for creation of Integrated Joint Boards' which was presented to the committee at its meeting of 5th May 2015 and to further examine the financial risks around the Hosted services delegated to the IJBs. The paper also considers the current risk sharing agreements between the CHPs around the GP Prescribing and GMS Budgets.

Any member wishing additional information should contact the Executive Lead in advance of the meeting.

2   Recommendations

The Finance and Resources Committee is asked to:

2.1   **Note** the updates relating to financial assurance for the Hosted services that will be delegated to the IJBs;

2.2   **Note** that the financial risk arrangements for Set Aside budgets will be the subject of a separate paper to the F&R committee;

2.3   **Support** the proposed interim arrangements for the financial risk sharing mechanism between NHS Lothian and the IJBs for Hosted Services.

3   Discussion of Key Issues

3.1   There are four elements of an IJB's budgets and each of these elements has a different quantum of financial risk. These elements are :-

3.1.1   **Adult Social Care** – this is part of the budget set by the Council and is clearly identified as part of that budget setting process.

3.1.2   **Core CHP budgets** – these being the IJB specific CHP budgets that are delegated to the IJB including the GMS, GP Prescribing and Resource Transfer budgets. Historically the CHPs operated a financial risk sharing mechanism between themselves to manage GMS and GP Prescribing budgets. This risk sharing model could be continued by the IJBs – although this is a decision for the IJBs themselves.

3.1.3 **Hosted Services budgets** – many of the functions that have been delegated to the IJBs have, until now, been managed on a pan-Lothian basis by the CHPs. The budgets for these services now require to be split over the four IJBs and the IJBs will have to agree a mechanism to manage the financial risks both with each other and with NHS Lothian. Appendix 1 lays out a list of these hosted services, the potential mechanism for sharing the budgets, and a note of the current operational management arrangements. It is proposed that the financial risk incurred as part of these hosted services be shared amongst the IJB although, as above, that is their decision, with the overall risk being shared with NHS Lothian.

A consideration of the financial assurance for the Hosted budgets is discussed below.

3.1.4 **Set Aside Budgets** – Acute budgets representing the Acute functions delegated to the IJB are also managed on a Pan-Lothian basis and will require a mechanism to allow these services to be shared over the IJBs. Decisions are required on an appropriate sharing and financial risk mechanism and **this will be the subject of a separate further paper**.

3.2 Hosted Budgets – Financial Assurance

3.2.1 2014/15 Out-turn

Appendix 2 lays out the 14/15 outturn for the hosted services which will be delegated to the IJBs. This shows a net overspend of c.£2.3m, with the financial pressures being within REAS with a net overspend of c.£3.3m. The pressures within REAS are driven by Nursing costs predominantly in Older People, Adult and CAMHS services as a result of increased levels of acuity for patients. Further, non delivery of efficiency savings of £962k in 2014/15 contributed significantly to the total overspend within the REAS outturn position. The underspend shown within the Public Dental Service and within Dietetics are not expected to be recurrent to the values shown.

3.2.2 2015/16 Budget Settlement

Appendix 3 provides an update on the budgets for the new financial year, based on the information at period 2. It is evident that there are movements to the baseline funding figures when comparing to the 14/15 outturn position, particularly within the Public Dental Service. This reflects the non-recurrent nature of some funding streams allocated to NHS Lothian (the budget for the Public Dental will be in place for Period 3 reporting). It is expected that budgets will continue to change throughout the year as funding is allocated.

Despite the differential in funding between years, the financial plan has provided additional resource into hosted services, and into REAS in particular. In total the Plan allocated a total of £1.450m to offset specific REAS cost pressures. Within this, £1.275m has been utilised to meet nursing costs within Older People and Adult Services, with other resources utilised to meet emergent supplies pressures. Additional costs of CAMHS is now being contained within budget by services.

The net position for all hosted services after the first two months of the year shows an overspend of £190k. Within this, REAS is overspent by £359k, of which over £300k relates to non delivery of efficiency savings.

The requirement to deliver the shortfall in efficiency savings remains with the REAS service to address in 2015/16. However, based on the current information, it is expected that a financial gap will again arise this year. The Quarter 1 review will provide a detailed review of the expected outturn financial position for hosted services which will be a key component of the financial assurance process.

Given that a number of the hosted services were underspent in 14/15 despite the adverse variance in total, it is proposed to undertake a detailed budget review in advance of full financial delegation. As part of the re-basing of the budget baseline for hosted services, full consideration will also be given to other budgetary pressures impacting IJBs, including GP Prescribing.

3.2.3 Shares across the IJBs

A mechanism requires to be agreed to attribute the hosted budgets across IJBs. There is a clear financial risk for the IJBs in that the share for that IJB will not be correct and although sharing mechanisms have been suggested in Appendix 1 these have not yet been fully developed or agreed. An interim sharing mechanism across the IJBs will mitigate this risk.

In the current financial year work is already underway to review the delegation of budgets for Complex Care, Learning Disabilities and Substance Misuse service. In all of these services there is a core element which will continue to be managed on a pan-Lothian basis but those community based elements that can be allocated to the CHPs directly (and hence specifically to the IJBs) will be. Joint Directors have agreed this principle for these services and are currently working through the budget implications with NHS Lothian. This mechanism effectively reduces the level of budgets managed on a hosted basis and will inform the mechanism to share other hosted services.

3.3   Financial Model

The effect of the financial model laid out above will mean that an IJB would share the overall financial risk within the Hosted services delegated with the other IJBs by ensuring that underspends within any services delegated to it were used to net off against any overspends within services delegated to it. On the basis the total budget is in balance, and assuming a consistent approach to the allocation of any variances on hosted services budgets, all IJBs would remain in balance for Hosted areas.

This model is different to the one that has existed within the CHPs currently (with the exception of Prescribing) which has seen the financial performance of Hosted services being reflected in the CHPs which manage these services.

3.4   Timescales

This risk sharing protocol is largely a continuation of the current financial management processes with NHS Lothian and the Council. The ambition of the

IJBs is to drive change in the delivery of functions delegated to the it and in order to do that changes in financial risk management may be required. Its clearly for initial work that some issues – for example the mechanism to share pan-Lothian budgets –will require some additional time to resolve.

It is recommended that the above risk protocols are for year one of the IJBs – that is the first year in which functions and resources are delegated to the IJBs – and that a further review of risk sharing protocols is developed.

4   Key Risks

The key risk is that the financial risk sharing protocol is either too weak and will cause financial turbulence to the parties and damage the ambitions of the IJB or too stringent which will not allow the IJB the flexibility to make changes that it may require. Any financial risk sharing protocols between either the IJB and the partners or between the IJBs should have a strict time limit and should be reviewed at the end of that period.

5   Risk Register

5.1   The risks inherent to NHS Lothian are already recorded in the risk register.

6   Impact on Inequality, Including Health Inequalities

6.1   An impact assessment has not been carried out as this proposal should not impact on inequality

7   Involving People

7.1   This proposal will have no impact on the staff of either NHS Lothian or the Health Board

8   Resource Implications

8.1   The resource implications are laid out above

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List of Appendices

Appendix 1 – List of hosted services and risk share proposal
Appendix 2 – Hosted Services Outturn position within NHS Lothian, 2014/15
Appendix 3 – 2015/16 budgetary position and financial performance at Period 2

4

Appendix 1: List of hosted services delegated, current management arrangements and a potential risk share allocation method.

Service	Mgt Arrangements	Potential Allocation Method
Dietetics	Midlothian	PC NRAC *
Art Therapy	Midlothian	PC NRAC
LUCS	East Lothian	PC NRAC
Community Complex Care	East Lothian	See note below
Sexual Health	Edinburgh	PC NRAC
Substance Misuse Directorate	Edinburgh	PC NRAC
SMART (Excl National & Regional)	Edinburgh	PC NRAC
Community Equipment Store	Edinburgh	East, Mid and Edinburgh
Clinical Psychology	West	PC NRAC
Continence	Edinburgh	PC NRAC
Dental	West	PC NRAC
Podiatry	West	PC NRAC
REAS (Excl. National & Regional)	Edinburgh	Acute beds
Learning Disabilities	Edinburgh	Beds
Rehabilitation (Excl National & Regional) - AAH	Edinburgh	PC NRAC

- PC NRAC – this is an extension of the NRAC formula which has been developed to distribute Primary Care Investments
- Complex Care budgets are in the process of being split over Edinburgh, Eats and Mid.
- Work is underway to move the community based elements of the Learning Disabilities and Substance Misuse services into the CHPs. However, there will remain a core services which will be managed corporately.

Appendix 2

NHS Lothian - Hosted Services delegated to Integrated Joint Boards

Out-turn position 2014/15

Management Team	Service	Out-turn 2014/15		
		Budget £000's	Actual £000's	Variance £000's
Edinburgh	SEXUAL HEALTH	4,809	4,835	-26
Edinburgh	EQUALITY & DIVERSITY SUMMARY	701	642	59
Edinburgh	HOSTED AHP SERVICES	5,474	5,392	82
Edinburgh	PC CORPORATE FUNCTIONS	49	50	-1
Edinburgh	REHABILITATION MEDICINE	8,603	8,764	-161
Edinburgh	LEARNING DISABILITIES	14,330	14,386	-56
Edinburgh	SUBSTANCE MISUSE DIRECTORATE	7,735	7,534	201
Edinburgh	Royal Edinburgh and Associated Services	23,753	27,095	-3,342
East Lothian	Complex care	2,225	2,268	-43
East Lothian	Prison Services	3,963	3,917	46
East Lothian	Unscheduled Care Services	8,678	8,720	-42
Mid Lothian	ARTS THERAPIES	130	139	-9
Mid Lothian	MUSIC THERAPY	23	18	5
Mid Lothian	DIETETICS	3,295	2,993	302
West Lothian	PUBLIC DENTAL SERVICE	11,589	10,923	666
West Lothian	Orthoptics	457	434	23
West Lothian	EDIN DENTAL INS LAURISTON	4,977	5,047	-69
West Lothian	HOSTED PODIATRY SERVICE	3,121	3,085	37
West Lothian	HOSTED PSYCHOLOGY SERVICE	5,614	5,546	68
		109,525	111,785	-2,260

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Appendix 3 – 2015/16 Hosted Services Budgets at period 2 and Financial Performance to the end of May 2015.

Management Team	Service	East Lothian (£000)	Edinburgh (£000)	Midlothian (£000)	West Lothian (£000)	15/16 CY Budget (£000)	14/15 Budget (£000)	M02 YTD Budget (£000)	M02 YTD Actuals (£000)	M02 YTD Variance (£000)
East Lothian	El.Chp - Hosted Services	1,841	8,743	1,534	3,221	15,338	14,866	2,622	2,641	-19
East Lothian Total		**1,841**	**8,743**	**1,534**	**3,221**	**15,338**	**14,866**	**2,622**	**2,641**	**-19**
Edinburgh	Equality & Diversity Summary	86	408	72	150	716	701	64	45	19
	Hosted Ahp Services	640	3,042	534	1,121	5,337	5,474	905	915	-10
	Learning Disabilities	1,635	7,766	1,362	2,861	13,624	14,330	2,429	2,428	1
	Pc Corporate Functions	6	29	5	11	50	49	8	8	0
	REAS	2,133	21,151	2,020	1,194	26,498	23,753	3,973	4,332	-359
	Rehabilitation Medicine	955	4,537	796	1,671	7,960	8,603	1,326	1,357	-31
	Sexual Health	579	2,751	483	1,014	4,827	4,809	827	826	1
	Substance Misuse Directorate	878	4,172	732	1,537	7,318	7,735	1,508	1,445	63
Edinburgh Total		**6,913**	**43,855**	**6,003**	**9,559**	**66,330**	**65,454**	**11,041**	**11,356**	**-315**
Midlothian	Arts Therapies	19	89	16	33	157	130	36	43	-7
	Dietetics	362	1,720	302	634	3,018	3,295	518	495	24
	Music Therapy	0	0	0	0	0	23	0	0	0
Midlothian Total		**381**	**1,810**	**317**	**667**	**3,175**	**3,448**	**554**	**537**	**17**
West Lothian	Edin Dental Ins Lauriston	612	2,907	510	1,071	5,101	4,977	744	653	92
	Hosted Podiatry Service	381	1,808	317	666	3,172	3,121	529	502	27
	Hosted Psychology Service	605	2,874	504	1,059	5,042	5,614	878	1,007	-129
	Orthoptics	0	0	0	0	0	457	82	78	4
	Public Dental Service	654	3,104	545	1,144	5,446	11,589	1,940	1,806	134
West Lothian Total		**2,251**	**10,694**	**1,876**	**3,940**	**18,761**	**25,758**	**4,173**	**4,046**	**127**
REPORT TOTALS		**11,386**	**65,102**	**9,730**	**17,386**	**103,604**	**109,526**	**18,391**	**18,581**	**-190**

Community Safety and Justice Partnership Governance

Report by Eibhlin McHugh, Director of Health and Social Care

1. Purpose of Report

This report sets out proposals for the remit and operation of the Safer Communities and Shadow Reducing Reoffending Partnership and proposed alternative scrutiny arrangements for local Police and Fire and Rescue services.

As this report contains proposals to alter a Council decision approved within the past 6 months, Council will need to agree to suspend Standing Orders prior to agreeing the report recommendations.

2. Background

The Scottish Government's new model for Community Justice sets out a requirement for the formation of Reducing Reoffending partnerships for each Local Authority Area. On 23 June 2015 Council agreed that the Community Safety Partnership would take on this role and from 10th November 2015 has been known as the Safer Communities and Shadow Reducing Reoffending Partnership. The shadow element of this arrangement will cease on 1st April 2017 when Community Justice Authorities (CJA) will be dis-established.

The Safer Communities and Shadow Reducing Reoffending Partnership is currently led by the Safer Communities and Shadow Reducing Reoffending Board (SCSRRB).

Since the Council meeting in June, 2015 the national model for Community Justice has continued to evolve via the development of the Community Justice Bill, and the focus has moved from Reducing Reoffending to Community Justice overall.

3. Safer Communities Board current arrangements

On 19th March, 2013 Midlothian Council agreed to incorporate the remit of the Shadow Police and Fire Board and the Community Safety Partnership's strategic role into the Safer Communities Board. This was in order to minimise duplication and repetition of business at meetings in the existing governance arrangements.

This arrangement resulted in the Safer Communities Board as a standing committee of Midlothian Council, and as such, it is included in the Council's scheme of administration.

The Board has the following key functions:

- Sign off Community Safety Strategy and Anti-social Behaviour Strategy and Community Safety Strategic Assessment;
- Scrutiny of Police and Fire Plans and Community Safety Strategy;
- Ratify funding proposals for Community Safety Projects;
- Receive strategic reporting from the Joint East Lothian and Midlothian Child Protection Committee and Adult Protection Committee.

However, the Child Protection Committee and Adult Protection Committee have subsequently been replaced by the joint East and Midlothian Public Protection Committee. Also, the Community Safety funding has since been included within the Council Grants review and is no longer a separate source.

In respect of specific Police and Fire & Rescue scrutiny responsibilities, the Board:

- Performance Reporting and statistical reports of complaints and policing and fire and rescue Midlothian;
- Recommending improvements in local policing and fire and rescue service;
- Sign off of the Police and Fire Plan;
- Providing comments/replies on any consultation documents pertaining to policing and fire and rescue services; and
- Notification of any Midlothian policing and fire rescue matters subject to independent national review bodies.

Currently the Safer Communities Board undertakes its statutory scrutiny as initial agenda business as it includes members of the former Shadow Police and Fire and Rescue Board as well as additional partners previously represented on the Community Safety Partnership as optional participants and Social Work criminal justice and Public Protection services as mandatory.

The voting members are all elected members of Midlothian Council. Since the establishment of the Safer Communities Board, membership has included 6 elected Members. 2 of these spaces have been held for the Labour Group which have not been taken up to date.

The remainder of the business agenda addresses non-scrutiny matters with the established 5 non- voting members from the former Community Safety Partnership.

In conducting business at present the Police and Fire & Rescue Services scrutiny items take up the majority of business at the meeting and while there is sufficient time for Community Safety matters there is likely to be insufficient time for discussion of Community Justice matters if the Board continues in its existing format.

4.   Legislation/ national requirements

4.1   Police and Fire Act requirements:

The requirements for Police and Fire Services planning and scrutiny are outlined in the Police and Fire Act 2012. The Act sets out Requirement for local authority to:

- Sign off Police and Fire plans
- Scrutinise plans
- Hold police and fire services to account

The Act sets out that Local Commanders must involve the local authority in priority setting. However, the act is not prescriptive about how these duties should be delivered. The act also strengthens the Police and Fire & Rescue service's duty to participate in Community Planning. At present all plans are agreed at the Safer Communities Board and then submitted to full Council.

Research of other Local Police and Fire and Rescue scrutiny arrangements across local authorities indicates that the following scrutiny models are most common:

- Dedicated Police and Fire and Rescue/ blue light scrutiny board
- Public policy/ resilience committee
- Community Safety/ Community Planning Partnership group
- Performance review and Scrutiny committee

All of the above models satisfy the Act as the above meetings include Council representation.

4.2   Reducing Reoffending requirements:

The new model currently places an emphasis upon collective responsibility in local partnerships, in a linear relationship rather than a hierarchical relationship, as it may have been viewed with existing CJAs.

There is an expectation that Community Planning Partnerships (CPPs) will be responsible for the strategic planning and design of community justice and for gathering local intelligence to inform the Community Justice Strategic Plan.

The Scottish Government Response to the second consultation, published in December 2014, states that:

> *CPPs **will not** be directly accountable to Community Justice Scotland either for their performance or that of their constituent partners as this would cut across established lines of accountability. The Scottish Government recognises that there is no single neat line of accountability for the delivery of community justice services. Given the range of organisations involved, it is not possible to design a model that would provide a single line of accountability without a significant restructuring and centralisation of the public sector landscape in Scotland.*

5.   Proposed changes to Midlothian Safer Communities Board

5.1 Partnership name

In light of the above change in national focus towards community justice, it is proposed that the Safer Communities and Shadow Reducing Reoffending Partnership is renamed as the 'Community Safety and Justice Partnership'

5.2 Partnership matters

The current scrutiny role of the Board does not sit well within a partnership environment, in which all partners should be equal. As the Board is a Committee of the Council, the meeting must be recorded and currently the Council Chambers is the only room in which this is possible. The Council Chambers formal environment is not conducive to a wider partnership discussion.

The remit and operation of the Safer Communities Board is revised to ensure there is an appropriate partner balance and time for the necessary business and participation in both Community Safety and Reducing Reoffending issues.

It is recommended that the proposed 'Community Safety and Justice Partnership Board' be established, with a remit of:

- Overseeing the development of a local offending profile
- Agree and oversee the delivery of a strategic plan for community justice in the area.
- Produce an annual report setting out progress against the framework.
- Sign off Community Safety Strategy and Anti-social Behaviour Strategy and Community Safety Strategic Assessment;
- Produce an annual performance report setting out progress against the Community Safety Strategy
- Partnership scrutiny of Community Safety Strategy and Community Justice Strategic Plans;
- Receive strategic reporting from the Joint East Lothian and Midlothian Public Protection Committee.

Membership arrangements will develop as the Scottish Government issues guidance as the National model is developed towards 2017, but initial local membership is expected to include:

- Midlothian Council (cross party elected members and required officers)
- Skills Development Scotland
- Police Scotland
- Scottish Fire and Rescue Services
- Community Safety
- Social Work criminal justice/ adult protection
- Community Justice Authority
- NHS Lothian

- Voluntary sector
- Scottish Prison Service

The new Partnership Board will report to the Community Planning Working Group, Community Planning Board and Council. As it is proposed that it will not operate as a formal committee of the Council, there will be no requirement for recording of meetings, allowing these to be held in a less formal environment, outwith the Council chambers.

6. Scrutiny of Police and Fire and Rescue Services

Consequently, it is also proposed that scrutiny of Police and Fire & Rescue services is separated from the 'Community Safety and Justice Partnership'.

It is recommended that a 'Midlothian Police and Fire and Rescue Board' is established in the Scheme of administration for dedicated scrutiny of Police and Fire matters. Membership would include: Cross party elected members, Police and Fire & Rescue commanders, the Scottish Police Authority and the Scottish Fire Authority.

This option would ensure elected member representation as a Committee of the Council. These meetings would continue to be held in the Council Chambers, and the voting element of the meeting would remain. .

This option separates the required Police and Fire & Rescue scrutiny from the Reducing Reoffending and Community Safety agenda issues which are jointly linked in Community Justice outcomes.

Whilst this proposal creates an additional meeting for Police and Fire & Rescue services to attend, with potential pressure on their ability to attend the extended partnership meeting; it is proposed, to mitigate this risk, that Police and Fire & Rescue Board meetings are scheduled to take place immediately after the Community Safety and Justice Partnership Board meetings.

Appendix 1,2 and 3 contain further detail regarding the current and proposed structure.

7 Resources

The Council has been granted £50,000 from the Community Justice transitional fund for 2015/16. The Scottish Government's intention is for this fund to be available for 3 years, ending 2017/18. However, this position will be reviewed at the end of 2015/16 in light of the outcome of the next UK Comprehensive Spending Review that is expected to take place following the May 2015 Parliamentary election.

The majority of the Midlothian transitional fund has been used to recruit a Planning Officer whose role is to:
- Plan and manage change at the strategic level to facilitate the development of a new structure for Community Justice

- Prepare a Transitional Plan for the delivery of Community Justice
- Assist partners and the Community Planning Partnership to establish local partnership arrangements for the strategic planning and delivery of Community Justice.

8 Risk

In the current arrangements for the Safer Communities Board. The Council is at continuing risk regarding its lack of cross party scrutiny of Police and Fire & Rescue services.

9 Report Implications

9.1 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

9 .2 Ensuring Equalities

This report does not have any equalities implications

10 Recommendations

Council is recommended to:

1) Suspend standing orders to allow consideration of this report

2) Agree to:

   a) Agree to establish a "Community Safety and Justice Partnership Board" which will operate as the lead group for the Partnership for the revised remit.

   b) Agree to establish a 'Midlothian Police and Fire & Rescue Board' to alter the remit and replace the statutory scrutiny requirements of the current Safer Communities and Shadow Reducing Reoffending Board.
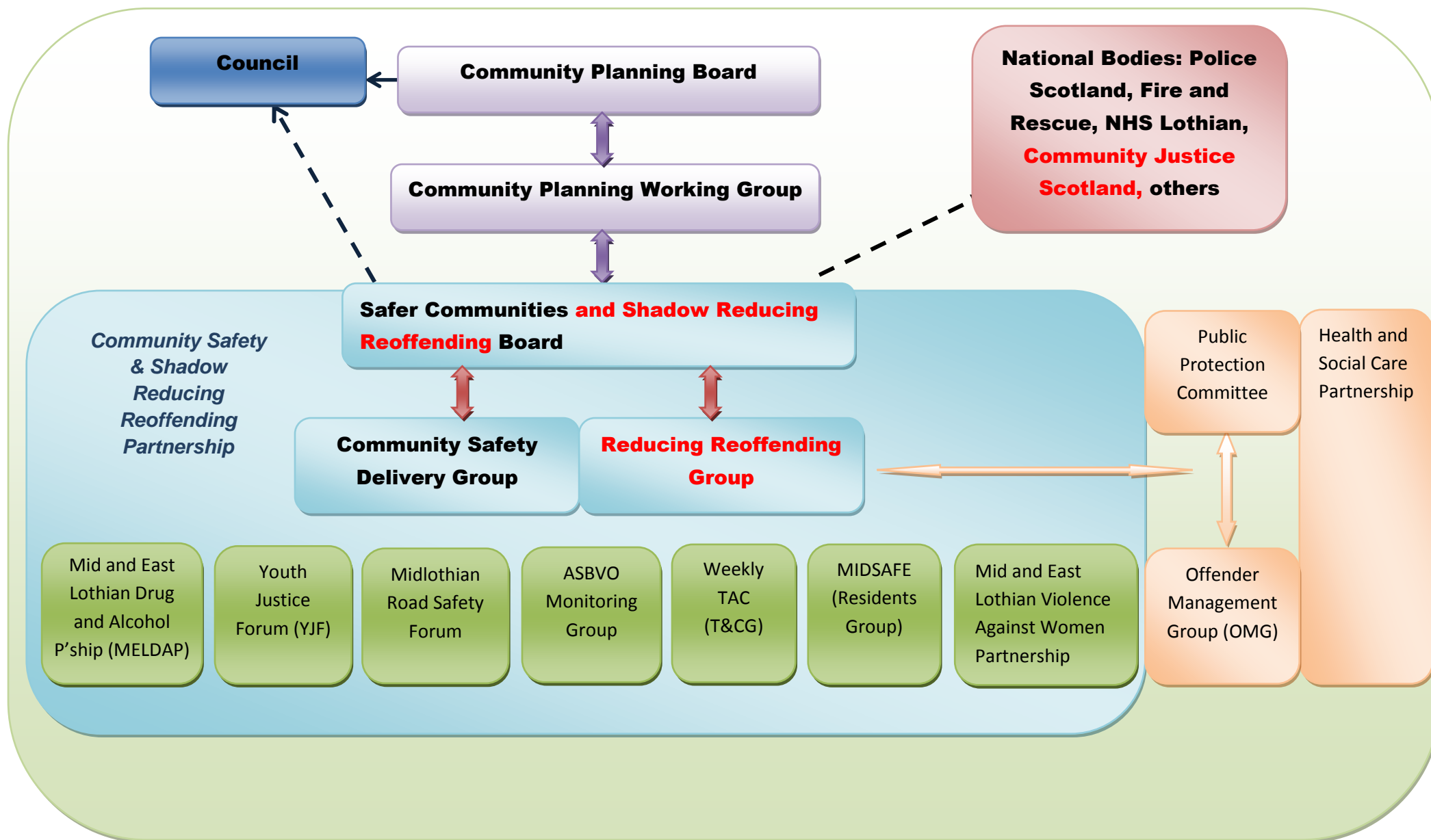
Date: 18th November 2015
Report Contact:
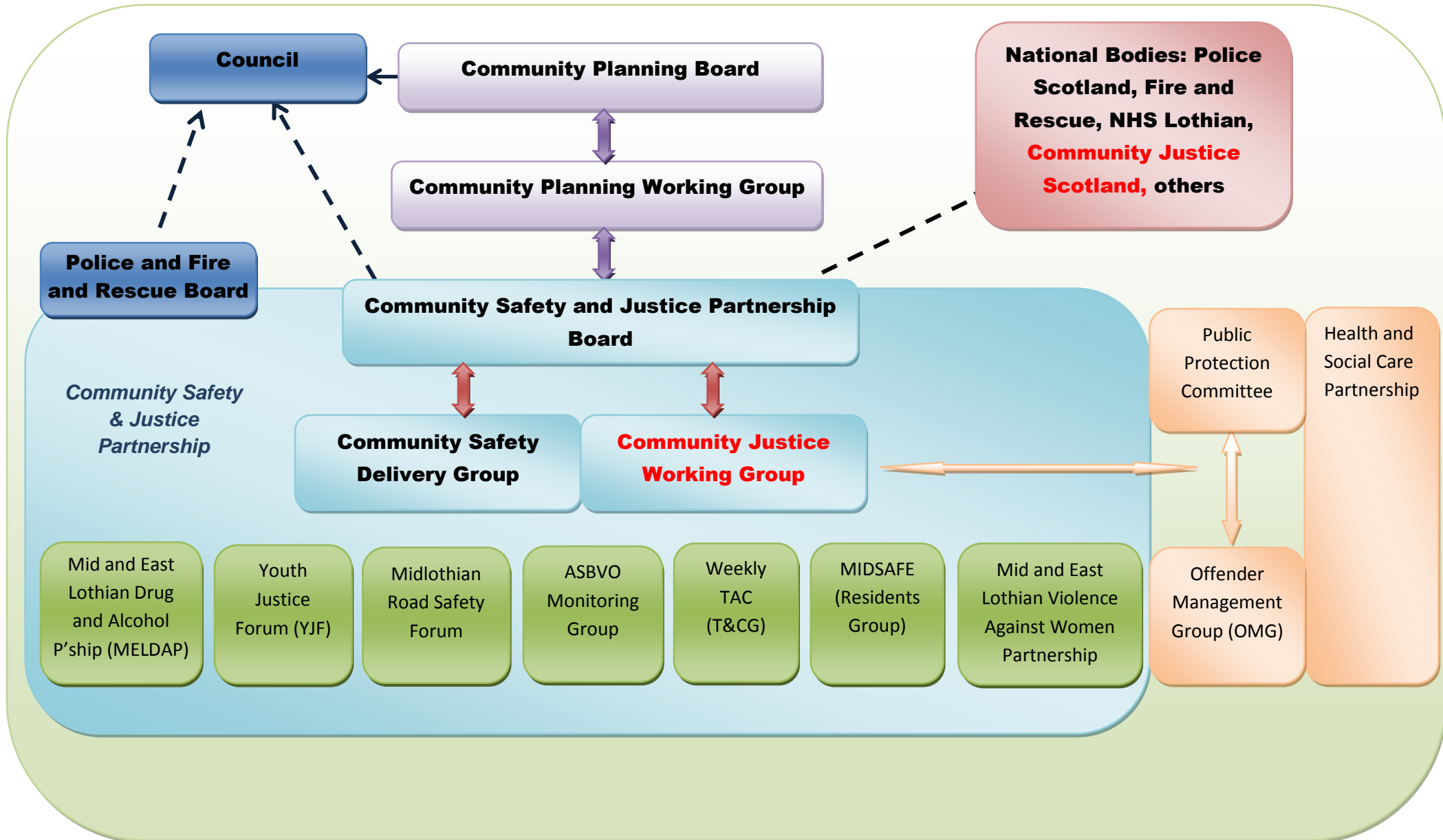**Rosie Kendall, Community Safety Manager**
Tel No **0131 271 6654**
Email**: Rosie.Kendall@midlothian.gov.uk**

Background Papers: None

Appendix 1: Current Structure:

Council

Community Planning Board

National Bodies: Police Scotland, Fire and Rescue, NHS Lothian, Community Justice Scotland, others

Community Planning Working Group

Safer Communities and Shadow Reducing Reoffending Board

Community Safety & Shadow Reducing Reoffending Partnership

Community Safety Delivery Group

Reducing Reoffending Group

Public Protection Committee

Health and Social Care Partnership

Mid and East Lothian Drug and Alcohol P'ship (MELDAP)

Youth Justice Forum (YJF)

Midlothian Road Safety Forum

ASBVO Monitoring Group

Weekly TAC (T&CG)

MIDSAFE (Residents Group)

Mid and East Lothian Violence Against Women Partnership

Offender Management Group (OMG)

Appendix 2: Proposed structure


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Council  ←  Community Planning Board

        National Bodies: Police
        Scotland, Fire and
        Rescue, NHS Lothian,
        Community Justice
        Scotland, others

Community Planning Working Group

Police and Fire
and Rescue Board

Community Safety and Justice Partnership
Board

Community Safety
& Justice
Partnership

Public Protection Committee          Health and Social Care Partnership

Community Safety          Community Justice
Delivery Group            Working Group

Offender Management Group (OMG)

Mid and East Lothian Drug and Alcohol P'ship (MELDAP)
Youth Justice Forum (YJF)
Midlothian Road Safety Forum
ASBVO Monitoring Group
Weekly TAC (T&CG)
MIDSAFE (Residents Group)
Mid and East Lothian Violence Against Women Partnership
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Appendix 2. Proposed governance arrangements

The revised remit of each group will agreed with partners to reflect the specific roles and function to overall contribute towards reducing re-offending, as detailed in the undernoted table:

Group/ Structure	Remit	Reporting Structure
Community Safety and Justice Partnership Board	Inherited from Community Safety Partnership • Sign off of Community Safety Strategy and Anti-social Behaviour Strategy and CS Strategic Assessment • Monitor performance Community Justice: • Sign off local offending profile • Sign off a strategic plan for community justice for Midlothian. • Monitor performance against the framework.	Reports to Council and the Community Planning Workshop/Board
Police and Fire and Rescue Board	• Scrutiny of Police and Fire Plans • Performance Reporting and statistical reports of complaints and policing and fire and rescue Midlothian; • Notification of any Midlothian policing and fire rescue matters subject to independent national review bodies; • Providing comments/replies on any consultation documents pertaining to policing and fire and rescue services; and • Recommending improvements in local policing and fire and rescue service.	
Midlothian Council	• Sign off of the Police and Fire Plan;	

ASBVO	Remit will remain the same but new reducing reoffending requirements will need to be incorporated into the way the group works, for example:
	  • The ability to access and sustain suitable accommodation
	  • The ability to live independently if they choose
	  • Improvements in the attitudes and behaviour which lead to offending and;
	  • Greater acceptance of responsibility in managing behaviour and understanding the impact on offending on victims and families
		Reports to the Community Safety Delivery Group Also links with the Reducing Reoffending Group

Community Safety Delivery Group	• Development of Single Midlothian Plan: Community safety Theme; Community Safety strategy and action plan; Anti- Social Behaviour Strategy • Developmental and preventative project work based on monthly/quarterly tactical assessments • Recommend projects to be funded	Reports to the Safer Communities and Shadow Reducing Reoffending Board
Community	• Provision of Risk Assessment of the CS Strategic	Reports to the

Group/ Structure	Remit	Reporting Structure
Justice Working Group	Assessment • Criminal Justice Social Work Reports • Parole Home Background Reports • HDC Reports • Community Payback Orders including Unpaid Work • Fiscal Work Orders • MAPPA • Caledonian system • Prison Throughcare • Spring project Community Justice: • Develop a local offending profile • Produce and deliver a strategic plan for community justice in Midlothian. • Produce an annual report setting out progress against the framework.	Safer Communities and Shadow Reducing Reoffending Board
Weekly TAC	Remit will remain the same • Responding to specific issues • Tasking and coordinating • Weekly tactical report	Reports to the Reports to the Community Safety Delivery Group

Road Services Collaboration Proposal

Report by Ricky Moffat, Head of Commercial Operations

1   Purpose of Report

The National Roads Maintenance Review final report concluded that roads authorities should explore sharing services across Scotland. As such, this report outlines the steps taken to explore opportunities for collaboration with the other local Roads Authorities (within the Edinburgh, Lothian, Borders, and Fife (ELBF) area) and seeks Council approval for the creation of an interim shadow Joint Committee.

2   Background

The National Roads Maintenance Review final report was published in July 2012, following a recommendation from Audit Scotland to: "*Consider a national review on how the road network is managed and maintained, with a view to stimulating service re-design and increasing the pace of examining the potential for shared services*".

The National Roads Maintenance Review concluded that sharing of services should be explored by all roads authorities, with the onus on authorities to demonstrate that change could be delivered effectively, and driven forward at local level. Prior to the report being published, the Edinburgh, Lothian, Borders and Fife group of councils had already been working together to explore the opportunities to share services and collaborate in road maintenance activities.

In 2009, the Chief Executives of Edinburgh, Lothian, Borders and Fife Councils requested that Chief Officers set up a group to consider the benefits in sharing a road maintenance service. A report by consultants Halcrow in December 2009 found that current arrangements were demonstrating Best Value however, the group of councils should consider further sharing of resources.

The Edinburgh, Lothians, Borders and Fife Councils are currently working in partnership to explore opportunities for increased collaboration in roads services. The partnership, joined the Governance First Project in April 2014 to compare and assess governance models to deliver collaborative roads services from a secure, legal and accountable body.

While there is clear appetite for sharing and an existing culture of co-operation among the partners (which has been in place for a number of years), a legal barrier in the form of European Union Procurement and Competition Law prevents any significant sharing via an informal agreement. This view was also the conclusion of all six local authority legal teams.

Some informal collaboration in roads already exists among the six local authorities. However, all Councils recognise the need to increase sharing further to both ensure the resilience and sustainability of the service, and to continue to design and maintain roads that meet the expectations and needs of Scotland's communities.

Governance First

Governance First is an initiative at the forefront of the Roads Collaboration Programme. The aim of Governance First is to support local authorities to establish formal governing bodies from which they can deliver collaborative roads services with partner authorities.

The approach recommends that the creation of a governing body be undertaken as the fundamental first step to developing shared services and that this should be done prior to addressing the specifics of operational delivery.

While it is recognised there may be challenges with this change in approach, particularly regarding the non-inclusion of a detailed financial forecast at this stage, there is a clear case for and benefits from addressing governance at the outset.

Governance Body in Place First

Business case development is a lengthy process that requires a significant amount of resource and input from local authorities, in addition, extensive time to complete. Often during this process, issues and barriers are encountered delaying or even halting progress. This can include non-availability of baseline data, inability to compare that data, and concerns and disagreement relating to the proposed operating model's staffing structure.

- Common issues in the current business case approach frequently lead to an inability to make a case to satisfy all parties.

- Governance models are often only addressed at the end of the process when it can be the conclusion of council legal teams that the operational model designed cannot be legally governed – as was the case with initial proposals by the Edinburgh, Lothian, Borders and Fife Councils.

- The current business case approach can lead to elected members being engaged very late in the discussions.

- Putting the Governance mechanism in place straight away to manage the sharing of services will ensure the necessary framework is in place to accelerate transition to a shared service.

- Having key players, including elected members, involved in decision-making from the outset, avoids potential delays associated with securing political support commonly experienced in moving to a shared service.

- By involving elected members early, common member concerns regarding how to take account of local needs and priorities in a shared service can be addressed and accounted for from the outset.

- The Governance mechanism allows local authorities to develop a strategy and approach to sharing within a legally sound and secure environment of clear accountability. Creating a legal entity to act as an 'umbrella' under which to deliver improvements ensures transparency, simplifies the processes associated with sharing and removes the complexities of undertaking further sharing initiatives in future associated with the need for additional service level agreements.

Broader Benefits of Sharing

Although improving performance and efficiency through collaboration may lead to direct financial savings through reduced overhead costs and greater buying power, the primary benefits associated with sharing are more focused on sustainability and resilience, including:-

- *Sharing and intelligent deployment of staff.*
- *Standardisation of processes and specifications, increasing quality of service.*
- *Increased capacity through the elimination of duplication and access to joint resources.*
- *Improved business intelligence through shared best practice.*
- *Opportunity to develop future workforce planning strategies.*
- *Effective use of specialist assets and joint investment planning.*
- *More effective procurement and better value for money.*
- *Ability to scan the horizon for sharing opportunities in the wider service.*

The governing body could be established in such a way to allow for the future growth of the body to include a remit to address sharing in the wider service, or indeed other service areas within councils. This would avoid the creation of multiple governing bodies in future, and the complexities of any associated administration and cross-body communication.

Edinburgh, Lothian, Borders and Fife

Edinburgh, Lothian, Borders and Fife has recognised the substantial benefits associated with formal collaboration for some time, and joined the Governance First Project in April 2014 to explore more formal governance options that will allow the participating authorities to benefit from collaboration.

Substantial sharing is already underway within ELBF, with a variety of agreements in place to ensure the successful delivery of these initiatives on a collaborative basis. Initiatives include:-

- Maintenance of traffic signals;
- Collaboration in Road Safety Audits;
- CLARENCE Customer Care Call Centre;
- Collaboration in roads repairs;
- Provision of rock salt and winter gritting equipment;
- Professional services and advice in relation to Flood Risk Management;
- Single Development Control Guidelines document;

- Street lighting installation and maintenance procurement framework;
- ISO9001 Quality Assurance System;
- Winter weather forecasting; and
- Proprietary road surfacing projects

There are different degrees of participation from the six authorities in the above initiatives but they form a strong basis for future activity.

The extent of future collaboration will be considered and agreed by the governing body, with the individual participating authorities taking the decision on whether or not each proposal should be taken forward. This can include either the establishment of a fully integrated shared service or sharing in specific service areas only. Any collaboration will require appropriate legal documentation.

It is anticipated that the approach to sharing will initially be one of 'small demonstration projects' to identify baselines, increase performance levels and to begin to identify areas of potential savings. Eleven areas within roads services have been identified where the greatest benefits from new or increased collaboration are anticipated. These can be taken forward on a project-by-project basis:-

- Asset Management;
- Joint Procurement;
- Flood Risk Management;
- New Roads and Streetworks Act – co-ordination of road works;
- Weather Forecasting;
- Traffic Signal Maintenance;
- Road Safety;
- Structures;
- Street Lighting;
- Training; and
- Packaging of Roads Maintenance Contracts.

Research Undertaken

The Edinburgh, Lothian, Borders and Fife Councils carried out a full options appraisal to compare governance options. This was undertaken with the support of the Roads Collaboration Programme, including expert guidance from a senior solicitor from law firm Burness Paull.

Options assessed included Joint Committee, Joint Board, Company Limited by Guarantee, Company Limited by Shares and Limited Liability Partnership.

The options appraisal concluded that a joint committee was the preferred governance model to allow effective collaboration, with a formal body established under the Local Government (Scotland) Act 1973 to enable the partner authorities to carry out their functions jointly. A summary of the options appraisal is outlined in Appendix 1.

In the absence of a definitive range of services to be included in the collaboration, a remit for the committee cannot be outlined at this time. Therefore, it is recommended that, in the first instance, a shadow joint committee be established, which can be formalised into a joint committee within the next 12 months.

A shadow joint committee is not a formal body in the same way as a joint committee, and it does not have to operate in line with the rules stipulated by the Local Government (Scotland) Act 1973. It does, however, provide greater flexibility in the interim period and allows the Elected Members from the partner authorities to form a group, set the direction of collaboration and define the remit of the joint committee.

During the options appraisal, a limited liability partnership was also identified as an appropriate governance model for future consideration, and this can be explored further as the scope of the collaboration is defined in the interim period.

The different timescales for each Council to consider participating in the proposed shadow joint committee may mean that the shadow joint committee will not have the involvement of all six local ELBF authorities from the start, but an initial involvement of at least four Councils will allow the new governance arrangements to proceed.

A proposed terms of reference for the shadow joint committee is outlined in Appendix 2.

Regional Transport Partnership – (SESTrans) Role in Roads Collaboration and other shared services - Legal Position

Discussions have taken place between the Regional Transport Partnership (RTP) and Improvement Service (IS) legal advisers on whether, legally, there are impediments to Regional Transport Partnerships participating in shared service arrangements in the transport sector. Such as the Roads Collaboration Programme (RCP).

Legal Basis of Regional Transport Partnerships

Regional Transport Partnerships were established under the Transport (Scotland) Act 2005. Their statutory functions relate to the strategic planning and, in certain areas, delivery, of regional transport projects. Their membership comprises, in the main, local authority elected members. Their legal personality includes broad powers to enter into contracts etc.

Extending Regional Transport Partnership Functions

Section 10 of the 2005 Act allows the Scottish Ministers to extend the statutory functions of a Regional Transport Partnership. The main requirement for such an order is that the constituent local authorities are consulted. This power could be used to fix any perceived 'gaps' in the Regional Transport Partnership's legal powers to carry out shared service activity like the Roads Collaboration Programme.

Section 14 of the Act allows Regional Transport Partnerships to enter into arrangements with local authorities and others to provide services or do other things relating to transport which the other body would normally do. This is another useful power in this context.

<u>Collaboration Model</u>

The other main concern about Regional Transport Partnership involvement is in terms of procurement law. However, the proposed model of collaboration between Regional Transport Partnerships and local authorities would seem to fall within existing case law such as the *Hamburg* case (C-480/06) and the new Directive 2014/24. The participating Regional Transport Partnership may need a section 10 Order, as above, to acquire the relevant functional capability.

In the proposed model, the Regional Transport Partnership would act as a 'hub,' co-ordinating and collaborating in the delivery of the shared service in furtherance of the common functions and providing support services such as procurement. However, democratic accountability, staff, and budget would remain with the local authorities, who could determine the extent of their involvement in the shared service – but recognising that the Regional Transport Partnership must be allocated some task(s) to be performed in furtherance of the common function.

An added advantage would be a relatively simple governance structure, which elected members, would be familiar with. Under s.14 of the 2005 Act, the participating local authorities would enter into collaboration agreements with each other and the RTP: the decision making body would be a committee of the Regional Transport Partnership comprising representatives of the participating local authorities and a representative of the Regional Transport Partnership; the local authorities and the Regional Transport Partnership having agreed to transfer the relevant decision making powers on operational matters to that committee.

However the view of relevant elected members from each of the councils was that a separate Joint Committee should be set up to oversee the Roads Collaboration Programme with its own remit not linked to the existing Regional Transport Partnerships.

3   Report Implications

3.1   Resource

It is unlikely that there will be any reduction in numbers of staff as these are required to address the current expenditure levels and Council performance and delivery of existing (and future improved) services. A shared service would optimise the use of the combined skills and knowledge of co-located employees and will offer increased training and development opportunities for existing staff with greater job security in a much more sustainable and resilient roads and transportation service within local government.

There are no additional costs in setting up the interim arrangements outlined in this report.

3.2 Risk

Any sharing arrangement must ensure that councils are not faced with trading losses from large overspends on paid-for services that over-ride any gains to be made through sharing.

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

Local authorities are all facing the same challenge of constrained budgets, and within roads services specifically evidence of a reduction in staff numbers, loss of expertise and limited specialised equipment required to meet public expectations. The ability of local authorities to work together is therefore considered an essential requirement to deliver efficiencies and ensure the sustainability of roads services for Scotland's communities.

3.5 Adopting a Preventative Approach

The provision of a fit for purpose road service will ensure that people and goods are able to move around Midlothian as reasonably practicable.

3.6 Involving Communities and Other Stakeholders

Consultation has taken place with officers and the relevant elected members from City of Edinburgh Council, Midlothian Council, East Lothian Council, West Lothian Council, Fife Council and Scottish Borders Council.

3.7 Ensuring Equalities

There are no equality issues as a result of this report.

3.8 Supporting Sustainable Development

With Councils facing reducing resources, collaboration between Councils is seen as a way to maintain current levels of service and ensuring a road network fit for purpose.

3.9 IT Issues

There are no IT issues as a result of this report.

4   Summary

While substantial informal collaboration already exists, particularly among neighbouring councils, local authorities are in some cases struggling to overcome barriers to fully transition to shared services due to the perceived complexities of EU procurement and competition law. In order to progress with the collaboration arrangements the Edinburgh, Lothian, Borders and Fife Councils through the Roads Collaboration Programme, (the partnership) must enter into a more formal arrangement and form a shadow Joint Committee.

5   Recommendations

It is recommended that Council note and approves:

a) the development of the Edinburgh, Lothian, Borders and Fife Councils Governance First Group, the methodical approach undertaken to determine the case for creating a new governance structure, and the recommended creation of a shadow Joint Committee.

b) that the initial involvement of a minimum of 4 of the participating Councils will allow the new arrangements to proceed;

c) provide delegated authority to the Director, Resources to make arrangements for the formation of the new governing body and to report back with a proposed operating model, agreed terms of reference and proposed Council representation.

23 November 2015

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Background Papers:

Midlothian Council   **Appendix 1**
Resources Directorate

Governance Model Options Appraisal

To determine the most appropriate governance model, Edinburgh, Lothian, Borders, and Fife officers carried out an options appraisal of the models available, taking into account perceived benefits and risks associated with each. The group was fully supported in their appraisal by the Roads Collaboration Programme team, inclusive of an external senior solicitor from Burness Paull who provided essential legal guidance to allow the group to make informed decisions when selecting the most beneficial model. Two potential models were identified by the programme team for consideration by Edinburgh, Lothian, Borders, and Fife:

Model 1 – Co-operation - this model is based on the strand of European law, which permits public authorities to enter into arrangements for collaboration and co-operation without those arrangements having to be the subject of a procurement process. Based on procurement law principles, the key features of Model 1 – in the context of roads authorities – would be as follows:-

- there would require to be a joint governance structure – most likely a joint committee;
- each of the authorities would require to commit to some element of sharing of resources;
- the financial contributions would require to be based on the sharing of costs – with no margin/profit element for any of the participating authorities;
- it would be viable for assets currently owned by each authority to continue to be held by them, i.e. it would not be a pre-requisite that assets had to be transferred out of the ownership of any of the existing authorities;
- the staff teams of each authority would be deployed in accordance with decisions of the joint committee;
- the joint committee would serve as a framework, providing overall governance and accountability

Model 2 – Joint Body - based on the principles of European Union procurement law, a model involving the use of a jointly controlled corporate body would represent a viable model for collaboration and joint service delivery in the context of roads authorities. The key features of Model 2 would be as follows:-

- a legal entity would be formed, such as a company limited by guarantee or a limited liability partnership (LLP); or alternatively (involving additional formalities and a longer timescale) a joint board established;
- all participating authorities would require to share control of the legal entity – but voting rights need to be equal;
- all participating authorities would require to access some level of service from the joint legal entity – but the volumes of work need not be equal;
- the "essential part" of the corporate body's activities must be with the participating authorities – the current threshold is 90% but will change to 80% when the relevant Directive in introduced into Scots law;
- the corporate body would hold its own assets and/or directly employ its own staff;
- the joint body could act as a central purchasing authority for the participating authorities – procuring materials or services, or a private sector strategic partner;

- the corporate body must not have any private sector shareholding, but could access loan finance from any source (bonds);
- a subsidiary legal entity could potentially operate on the market, winning work from other authorities and potentially:-

  - preserving/expanding the workforce;
  - maximising community benefits (e.g. apprenticeships);
  - delivering additional income to support core services.

It was agreed that both model 1 and model 2 were viable options and should both be explored in greater detail taking into account the various options that could be developed within each model.

Out with the status quo option ('do nothing'), there were five possible options considered within the two models outlined:-

- Joint committee
- Joint board
- Company limited by guarantee
- Company limited by shares
- Limited liability partnership

When considering the advantages and disadvantages of each in an initial high-level appraisal, officers discussed the key features of each model with advice from Burness Paull.

Following strengths, weaknesses, Opportunities and Threats (SWOT) analysis, it was concluded that the greatest opportunities were present in the Joint Committee or Limited Liability Partnership options. The key reasons for this decision were:-

- The status quo model can no longer be seen as a long-term viable option for delivering roads services, as the current economic climate will continue to put substantial pressures on services. In order to collaborate on a more substantial basis, authorities will be required to establish a formal legal framework for collaboration, to comply with procurement law.
- The Joint Committee model is very familiar and well established in local government and is particularly beneficial in terms of the speed in which it can be established.
- While a Joint Board offers additional benefits to that of a Joint Committee, the time involved in the parliamentary procedures needed to establish the body would outweigh any benefits.
- A Limited Liability Partnership offers all the benefits of a joint committee plus additional benefits offered by the establishment of a legal entity (model 2).
- A Limited Liability Partnership is particularly attractive over a Company Limited by Guarantee and a Company Limited by Shares, as the profits of a Limited Liability Partnership – where membership is made up of local authorities – is exempt from tax. Any profits can be reinvested in the Limited Liability Partnership or drawn off by the participating authorities – in each case with no tax being payable.

A further comparative analysis was then undertaken to assess and compare the Joint Committee and Limited Liability Partnership options.

Edinburgh, Lothian, Borders and Fife Forum

Comparison of Joint Committee and Limited Liability Partnership

1. **Key Features of Each Model**

	Legal Entity?	Governed by...	Set up by.....	Ongoing admin. tasks	Legal duties on board members	Other features
Joint Committee	No	Local Government (Scotland) Act 1973	Participating local authorities themselves	Servicing meetings (agendas, reports, minutes), accounting, financial reporting to participating authorities	Those applying under local government law plus (possibly) duties applying under general case law to those serving in a position of trust	Only local authorities can participate (not other public bodies); also, at least two thirds of the committee members must be elected members
Limited Liability Partnership	Yes	Limited Liability Partnerships Act 2000	Companies House	As for Joint Committee, plus annual return to Companies House, annual accounts complying with statutory requirements (with formal audit if above thresholds)	Those applying under local government law; plus (possibly) duties applying under general case law to those serving in a position of trust; plus any duties specifically set out in the LLP Agreement	No restrictions regarding the types of bodies who can participate; and no restrictions on who can serve on the board

2.   Main Advantages and Disadvantages

There are a number of key issues to be considered when considering the main advantages/disadvantages of a Joint Committee against an LLP:

	Issue	Comparison of both models against this issue
Legal entity or not	If the joint structure is not a legal entity, it cannot enter into contracts, employ people, or have other formal legal relationships in its own name. That then means that one of the authorities has to take the role of lead/host authority in contracting with third parties, employing/managing any joint staff team, holding funds etc. This can (a) distort the overall dynamic of decision-making; (b) make it more difficult to hold all participating authorities to account on an equal basis; and (c) cause difficulties in sharing risk (since the lead authority is the immediate target for third-party claims). It would be possible to split roles so that one authority was lead authority for third party contracts, another took the role of employer, another as fund holder.	A Joint Committee is not a legal entity. The Limited Liability Partnership is a legal entity, and can thus enter into legal relationships in its own name. That gives a direct connection between decisions of the joint board, and implementation of those decisions – rather than this having to be routed through one of the participating authorities. Where contracts are entered into directly by a joint body, no one authority is exposed to third-party claims - so that creates better balance in decision-making. In addition, the existence of a joint body (with a joint staff team directly managed by that joint body) can help to create a more level playing field in holding all participating authorities to account.
Governing legislation	The formation of a structure governed by local government legislation, rather than Limited Liability Partnership legislation, could be seen as "home ground", and thus less of a significant step for a local authority to take. Having said that, there is an increasing trend for local authorities to set up companies or Limited Liability Partnerships as offshoots (e.g. leisure/culture trusts), so this is not unfamiliar territory in the way that it used to be.	A Limited Liability Partnership is governed by the Limited Liability Partnerships Act 2000 (which in turn refers to various provisions of the Companies Act 2006, adapted to fit the Limited Liability Partnership model).

Set-up process	While the setting-up of a Limited Liability Partnership involves Companies House, this is largely a form-filling exercise – typically adding only a few days to the much more significant task of tailoring a constitution for the joint body. The tailoring of a constitution - whether a minute of agreement (joint committee) or Limited Liability Partnership agreement (Limited Liability Partnership) – would need to be carried out and neither requires a more complex constitution than the other (though in practice, local authorities tend to favour a lighter-touch minute of agreement in the context of Joint Committees).	The Joint Committee is a little simpler to set up, as there is no need to involve any regulator. The administrative set-up costs for a Joint Committee is likely to be less than a Limited Liability Partnership, but in either case, this will not be a significant cost. However, with no lead authority associated with a Limited Liability Partnership, dedicated senior management and some support resource would be required for a Limited Liability Partnership, the costs of which would be shared amongst partners. In the case of Edinburgh, Lothian, Borders, and Fife it is likely that this cost could be in the order of £60,000 per year at least initially.
Ongoing admin. tasks	The prospect of having to deal with additional administrative tasks is often off-putting to those considering the creation of a joint body. In reality, the additional administration is likely to be minimal (over and above the tasks that are inevitably associated with servicing *any* form of joint decision-making group) – except that the implications of having to carry out a formal audit should be borne in mind.	A Joint Committee involves the minimum by way of additional ongoing administration, as compared with the Limited Liability Partnership. For a Joint Committee, the lead authority would normally be expected to provide this.
Legal duties on board members	The idea of board members having to take on duties over and above those that attach to them already under local government legislation may be seen as challenging.	A Joint Committee would not impose any special legal duties on committee members – over and above the duties that members already have under local government legislation. As regards the Limited Liability Partnership model, the legislation does not impose any duties on board members; there are legal duties on the Limited Liability Partnership *members* – in this case, that would be the participating authorities, as corporate bodies – relating to for example filing of accounts and other formal matters.

Involving others	It may be felt appropriate to bring other public authorities (e.g. Transport Scotland or the relevant Regional Transport Partnership) into the governance model on an equal footing to the local roads authorities. That would be inconsistent with the rules relating to Joint Committees. However, the legislation would allow co-option of people drawn from Transport Scotland or a Regional Transport Partnership onto the joint committee, so long as the "minimum two-thirds elected members" requirement was still met.	If it is felt essential that bodies other than local authorities should participate directly in the governance model, then a Joint Committee should be considered carefully. The same point applies if it is felt that having a minimum of two-thirds elected members on the board is not appropriate.
Tax	The issue of tax is an important factor, particularly if there is a risk that surpluses generated by the joint body might be substantial in future years (and taking account of any aspirations round developing income from the provision of services to a wider range of bodies).	Tax on surpluses does not come into play in relation to a joint committee as these fall within the general tax exemptions applying to local authorities. If there is a risk that tax liabilities might arise in the future, tax considerations would point to the use of a Limited Liability Partnership model. A Limited Liability Partnership does not pay tax; it is the members of a Limited Liability Partnership who pay tax, based on the profits of the Limited Liability Partnership that are allocated to them. Where – as in this case – the members are local authorities, the general tax exemption for local authorities comes into play and thus no tax is payable on the profits of the Limited Liability Partnership. That applies irrespective of whether the profits are left within the Limited Liability Partnership to fund working capital requirements or future investments or are drawn off by the local authorities – so there is full flexibility.

3. Strengths, Weaknesses, Opportunities & Threats

Joint Committee Model

STRENGTHS	WEAKNESSES
❖ **Provides a strong governance framework** ❖ **Familiar model within the local government field, so unlikely to cause concerns to elected members** ❖ **Can provide an overarching framework, compatible with procurement principles round collaboration in the performance of a public task, under which individual projects can be taken forward**	❖ **As compared with an Limited Liability Partnership, a Joint Committee is not a legal entity, so contracts etc. need to be dealt with through a lead authority** ❖ **Selection of lead authority may be difficult (there is the possibility of different authorities taking responsibility for staff, finance, contracts etc. – but that adds complications)** ❖ **Lead authority is directly exposed to third party claims – so that may distort the dynamic of decision-making as the lead authority may refuse to take steps agreed on by the Joint Committee if they would expose it to liability/risk**
OPPORTUNITIES	THREATS
❖ **A Joint Committee would provide a platform for more rapid progress with shared services** ❖ **Over time, the participating authorities may become more familiar/confident about sharing of resources etc., and that in turn may facilitate moving to a Limited Liability Partnership model**	❖ **The lead authority arrangement could potentially represent a source of friction, if there is a sense among the other participating authorities that the dynamic of decision-making is not working as it should** ❖ **The fact that the lead authority takes the primary risk as regards third party claims may inhibit progress with more ambitious projects (the other authorities can agree to reimburse a proportion of the lead authority's liability from third party claims, but that is not a perfect solution)** ❖ **As compared with an Limited Liability Partnership, a Joint Committee tends to be more exposed to changes in the political agendas**

Limited Liability Partnership Model

STRENGTHS	WEAKNESSES
❖ As compared with a Joint Committee, a Limited Liability Partnership provides a jointly controlled legal entity, which can itself enter into contracts, take on staff, hold its own funds, etc. ❖ The commitments of the participating authorities can be pinned down in a more robust way through legally-binding agreements between each of them and the joint legal entity ❖ Those serving on the board have a legal duty to take decisions in a way that will best promote the success of the company in achieving its purposes ❖ A Limited Liability Partnership has a major advantage of being tax-transparent	❖ As compared with a Joint Committee, there may be a perception among elected members that the formation of a Limited Liability Partnership displaces their role and/or represents a first step towards privatisation ❖ The principle of profit distribution – even if that not envisaged to happen in practice in the short to medium term – may distort the fundamental principles of what the shared services arrangements are intended to achieve
OPPORTUNITIES	THREATS
❖ As compared with a Joint Committee, an Limited Liability Partnership can act as a flexible model – not just dealing with initial feasibility but (once approved by the participating authorities) directly taking forward joint projects ❖ An Limited Liability Partnership could serve as the vehicle for a wide range of shared services projects and initiatives	❖ If the participating authorities are concerned about issues of control, they may impose tight restrictions on what the Limited Liability Partnership can do without the consent of all participating authorities – with the effect that the Limited Liability Partnership is unable to achieve its potential

Shadow Joint Committee – Roads Services

1. **Membership:**

   Each local authority will provide one elected member.

2. **Chair:**

   The Chair will rotate between the local authorities on an annual basis.

3. **Substitutes:**

   Each local authority will also name an elected member who will be able to act as a substitute for their substantive member.

4. **Officers**

   Officers will normally attend to support meetings.

5. **Remit**

   a) To explore options for the member local authorities sharing roads services and associated assets.
   b) To evaluate proposals for shared services and joint working, and make recommendations to the relevant member local authorities on the preferred collaboration model.
   c) To discuss and develop draft governance arrangements for a formal decision making joint body.

6. **Code of Conduct**

   The Councillors' Code of Conduct (paragraphs 3.14 – 3.15) specifies members' responsibilities regarding private information.

7. **Meeting (and papers):**

   The Shadow Joint Committee will meet a minimum of four times per year, with papers circulated fourteen days in advance of meetings.

Procurement Contract Delivery Plan 2016 - 2018

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

1   Purpose of Report

This report provides Council with details of the Procurement Contract Delivery Plan 2016-18, together with an update on Living Wage Accreditation.

2   Background

2.1   A report to Council on 23 June 2015 sought approval of a new Procurement Strategy 2015-2018, a key strand in delivering the procurement strategy was the development of a contract delivery plan covering a two year period. The report also sought approval to seek Living Wage Accreditation.

2.2   The Procurement Reform (Scotland) Act 2014 which received royal assent in 2014 will be transposed into Scottish Public Procurement Legislation by April 2016. One of the duties imposed on public bodies is the development and advertisement of an annual contract delivery.

2.3   The Procurement Strategy also identified a number of challenges facing the Council including reduced funding, local economic recovery, maximising community benefits and supporting local businesses through the procurement process.

2.4   To meet these challenges the Procurement Strategy aims to:

- **To support and stimulate the local economy through the use of the Council's considerable buying power;** early engagement with local businesses in the procurement process and targeted training where appropriate to enable local businesses to be prepared for upcoming contract opportunities. Aim is to increase % spend with local businesses

- **The procurement strategy will be a lever to support delivery of the Council's Corporate Social Responsibility;** through Equality and Diversity, community benefits such as training, development, creation of apprenticeships and work experience, achieving accreditation as a Scottish Living Wage Employer by promoting and encouraging the payment of the living wage throughout our supply chain, and aiming to reduce our carbon footprint by contracting with local businesses where possible.

- **To ensure effective procurement contributes to the wider efficiency savings targets of the Council;** whilst best value is the overall driver of the strategy, a main focus of procurement activity will be on cashable and non-cashable savings; this will be achieved

through challenging existing service requirements, extensive market research and seeking innovative solutions to service needs

3   Contract Delivery Plan

3.1   The aim of the contract delivery plan is to help support and deliver the challenges highlighted in the Procurement Strategy through robust tendering and contract management. Delivery of contracts in this plan will also enable the Council to meet the duties imposed through the Procurement Reform (Scotland) Act 2014 and the new EU Directives

3.2   All procurement activity undertaken through the contract delivery plan will adopt and be delivered utilising the principles of the Procurement Strategy.

3.3   In development of the contract delivery plan the procurement team identified the planned contracts that required to be tendered over the next 2 years. The plan does not include for any ad-hoc procurements, unknown capital works and smaller value quotes. However any additional procurement out-with the contract delivery plan will be subject to the same principles of the procurement strategy.

3.3   The 2 year contract delivery plan has been attached (appendix 1); the contracts covered in the delivery plan are classified as Category C and C1 and are Midlothian specific contracts. Over and above these locally delivered contracts Procurement will be working closely with the Scottish Government and Scotland Excel to deliver Category B contracts (Sectoral) and Category A contracts (National).

4   Savings

4.1   The majority of contracts on the delivery plan and National/Sectoral contracts are moving into 2nd and 3rd generation. Scope to achieve further savings is diminishing, and with some a cost avoidance approach will need to be adopted.

Insurance Services are an example of this challenge as the table below demonstrates.

Contract	Award Date	Budget	Delivered Contract Value	Savings Delivered (2012)
Insurance Services	July 2012	£732,458	£624,404	£108,054

Through procurement in 2012 we managed to reduce insurance premiums by over £100k per annum, this was achieved by adopting a different approach to market and not going through an insurance broker, however due to our claims experience over the last few years (Hopefield School Fire Damage etc.) the likelihood of reducing premiums again are unlikely and the target will be to avoid increased costs and to maintain the current premiums.

4.2 Potential savings will be identified during the commodity strategy phase prior to going to market. Actual savings delivered though the tender process will then be validated in conjunction with the appropriate Head of Service and the Finance team. A benefit tracking model has been developed which will track savings from targeted, delivered and realised. The benefits tracking model will also monitor any community benefits which have been delivered and realised through the award of contracts (this includes apprenticeships, work experience etc.).

5 **Contract Management**

5.1 All current and recently awarded key contracts are subject to a contract and supplier management process.

5.2 The aim of contract and supplier management is to ensure suppliers are meeting their contractual obligations and allowing the opportunity for innovation throughout the period of the contract which will enable the provision of a sustainable service at a reduced cost. Support from the appropriate service teams is vital to ensure the Council is achieving the maximum from all contracts.

6. **Living Wage**

6.1 The Council is currently applying for accreditation as a Living Wage Employer, a meeting was held with the Living Wage Foundation on the 18 November, advice and guidance has been provided on the steps required to achieve accreditation.

6.2 First step is to contact all existing contracted providers asking if they are currently paying the living wage or do they have plans in pace to pay the living wage.

6.3 Second stage is to identify current contracts where the provider does not pay the living wage and put a plan in place to seek the payment of the living wage though the next tender process and award of contract.

6.4 All future contracts will be encouraging providers who are successful in winning contracts to pay the living wage or have a plan in place to introduce the living wage during the duration of the contract.

6.5 The Living Wage Foundation has advised that the Council should aim to achieve accreditation by April 2016.

7 **Report Implications**

7.1 **Resource**

There are no direct resource implications as a result of this report, each procurement activity will be led by an existing procurement officer and supported by a user intelligence group consisting of service managers and technical experts.

7.2   Risk

Delivering contracts through best practice sustainable procurement will reduce service delivery risk.

7.3   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

7.4   Impact on Performance and Outcomes

This report does not impact Midlothian Councils and wider partners performance and outcomes

7.5   Adopting a Preventative Approach

This report does not impact actions and plans in place to adopt a preventative approach

7.6   Involving Communities and Other Stakeholders

Relevant staff has been consulted during the development of the contract delivery plan

7.7   Ensuring Equalities

An equalities impact assessment will be carried out on each procurement activity prior to going out to tender.

7.8   Supporting Sustainable Development

The adoption of the contract delivery plan will strengthen our commitment to sourcing in a sustainable way

7.9   IT Issues

There are no IT issues arising from this report

8   Recommendations

It is recommended that Council:

   a) Note the Procurement Contract Delivery Plan 2016 -2018
   b) Note the progress to secure Living Wage Employer
      Accreditation by April 2016

24 November 2015

Report Contact:

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			Estimated Contract Value (4 Year)
Year	**Procurement Activity**	**Contract Start Date**	**£m's**
2016	Temporary Accommodation & Tenancy Support	Apr-16	0.800
	Gas Audit Services	Apr-16	0.137
	Supply of Sanitary Ware	Apr-16	0.460
	Window Cleaning Services	Apr-16	0.108
	Non-Advertising Bus Shelters	May-16	0.040
	Home to School Taxi Service	Jul-16	6.500
	Social Work Adaptations to Bathrooms	Jul-16	0.720
	Social Work Adaptations - Blacksmith Work	Jul-16	0.200
	Horticultural Products	Jul-16	0.080
	Vehicle Tracking System	Aug-16	0.136
	Supply of Kitchen Units and Associated Products	Aug-16	0.424
	Leisure Management System	Oct-16	0.271
	Weather Forecasting & Related Services	Oct-16	0.625
	Road Surfacing Materials	Oct-16	1.000
	Trades Agency Framework	Oct-16	2.870
	Supported Bus Service	Oct-16	0.054
	Sheltered Housing - Complex Care	Nov-16	4.800
	Children's Residential Placements	Dec-16	3.788
	Fixed Line Telephony	Dec-16	0.612
2017	Advocacy Services	Apr-17	0.620
	Highway Maintenance Works	Apr-17	1.600
	Community Based Mental Health Service	Apr-17	1.132
	Mental Health Support Services	Apr-17	2.936
	Insurance Services	Jul-17	2.498
	Sherriff Officers	Aug-17	0.374
	Plumbing Works to Housing and Non-Housing	Sep-17	0.096
	Employee Health Support Services	Sep-17	0.400
	Domestic Gas Central Heating	Oct-17	10.000
	Additional Resources for Weather Related Duties	Nov-17	0.900
	Private Sector Leasing	Nov-17	9.311
	Occupational Therapy Aids - Maintenance and Servicing	Nov-17	0.080
	Mechanical & Electrical Services (Non-Housing)	Dec-17	3.854
	Food Waste Collection Services	Dec-17	0.092
			57.518

Midlothian Council 2-Year Contract Delivery Plan 2016 - 2018

Appendix 1

Note:

1. The contract delivery plan is for known pipeline procurements only, it does not include unknown ad-hoc procurements, capital work, mini-competitions against national frameworks and smaller value quotes.

2. Anticipated contract value is over a 4-year period and is based on historical spend, further spend analysis will be carried out prior to procurement commencment

3. Majority of contracts are now 2nd or 3rd Generation.

4. All procurements will be delivered in-line with the Procurement Strategy and meet the requirements of the Procurement Reform (Scotland) Act 2014

Midlothian Council Small Grants Allocation 2016/17

Report by Eibhlin McHugh, Director Adult Health and Care

1   Purpose of Report

This report is asking the Council to approve the recommendations of the Small Grants Programme for the funding of Third Sector organisations in 2016/17.

2   Background

2.1   In June 2014 the Council approved a set of recommendations following a review of Council grants (part of the wider review of Services to Communities). That wider review was prompted by a need to focus on the areas of greatest need for the Council's resources and services, to ensure that a more focused approach, driving efficiencies in seeking opportunities for financial savings. Overall the financial savings approved by Council were to achieve a recurring saving of circa. £500,000 by 2018, a reduction of 34% over a three year period.

2.2   The Small Grants Programme has an annual budget allocation of £150,000 and funds projects up to £3,000. During September and October 2015 the programme was promoted across Midlothian. This promotion included adverts in the local press, correspondence to existing grant recipients, communication via Third Sector networks, and drop-in grant surgeries in Dalkeith, and Penicuik.

2.3   The Small Grants Programme is made up of four separate funding streams. Each has an allocated budget, set criteria, and grant stream lead. The streams are;
i)   Poverty
ii)   Developing Communities, including:
   • Community Councils;
iii)   Employability, Learning, and Training
iv)   Health and Physical Activity, including
   • East of Scotland Football

A separate report is being submitted regarding allocations of financial and in kind support to Gala Days

3   Report Implications

3.1   Resource
From the overall budget of £150,000 the Small Grants Programme is recommending the following allocation for each of the grants streams;

Grant Stream	Budget	Requested	Awarded
Developing Communities	40,000	83,311	50,397
Poverty	40,000	16,725	15,725
Community Councils	10,000	16,278	9,822
Gala Days	-	23,559	9,665*
Employability, Learning and Training	20,000	27,562	20,069
Health and Physical Activity	40,000	78,207	44,322
Total	**150,000**	**245,642**	**150,000**

This sum is to be transferred to the Resources directorate this year, and proposed future arrangements are the subject of a separate report.

During the assessment process the grant stream leads accepted that there may need to be some movement across grant steams, depending on the quality and quantity of the applications. It was also acknowledged that a number projects met the criteria of more than one funding stream.

A full breakdown of the organisations and proposed awards is available in **Appendix 1**.

3.2 Risk

The Review of Council Grants has been risk assessed and these risks are included in the Council's Risk Register. The Small Grants Programme provides financial support to a range of local organisations, many of whom are struggling financially because of a reduction in Council core funding, and reductions in money available from other external funders. The risks for these organisations include losing staff and volunteers, closure, increased pressure to fundraise from other sources, and loss of external funding leverage. The Small Grants Programme helps to mitigate these risks.

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 (SMP)

The SMP has directly informed the criteria used to assess and award all of the small grant applications for 2016/17.

3.5 Impact on Performance and Outcomes

The proposed small grants allocation will require monitoring to see if the desired outcomes for each grant stream are demonstrably being achieved. The existing robust monitoring processes will help ensure that the allocation of small grants will support the outcomes identified in the SMP.

The Communities Team will review the Small Grants Programme, in partnership with the Third Sector, and grant stream leads, to identify improvements needed for 2017/18 and beyond allocations.

3.6 Adopting a Preventative Approach
Prevention is a key part of the criteria for all grant streams. All applications were carefully assessed by the scoring panels against this criterion.

3.7 Involving Communities and Other Stakeholders
The review of Council Grants used a co-production approach with the Third Sector. Much of the criteria and processes in the Small Grants Programme have been informed by this process. The Voluntary Sector Forum nominated Dr Lesley Kelly, Assistant Manager at Midlothian Voluntary Action, to take on an advisory role as part of the Small Grants Programme, but she was not directly involved in the scoring. Dr Kelly provided valuable support and advice to Third Sector organisations during the application period.

3.8 Ensuring Equalities
Equalities is a key part of the criteria for all grant streams. All applications were carefully assessed by the scoring panels to ensure they considered and promoted equalities.

3.9 Supporting Sustainable Development
The Small Grants Programme funding will help maintain the Third Sector in Midlothian. With reductions in statutory funding, the Third Sector has an increasingly important role in developing communities, reducing inequalities, and addressing social isolation.

4 Summary

4.1 The Small Grants Programme 2016/17 is a key part of the overall Council's contribution to Third Sector organisations. The programme has been promoted across the sector, and scoring panels have carefully assessed all the applications against the agreed criteria. The Small Grants Programme implements the approved recommendations following the Council's review of Grants in 2014.Whilst there has been, consideration given to area targeting by each grant panel, There is a veiw that this should be more formalised with a weighting of scoring towards applications from these areas in future funding allocations.

6 Recommendations

6.1 It is recommended that Council:

i) Notes the recommended grant awards as set out in Appendix 1 of this report (subject to meeting the appropriate conditions of grant);
ii) Notes that for small (below £3,000) grants the next round of bids will be invited in 2017/18, and annually thereafter;

iii) Acknowledges the significant contribution the Third Sector makes to communities across Midlothian; and

iv) Notes that we will set out a system for weighting coring to benefit the target areas of Mayfield, Gorebridge and Dalkeith in the 2017/18 and beyond grants round.

Date 11 November 2015

Report Contact: Stephen Bermingham, Senior Communities Officer
Tel No. 0131 271 3338   stephen.bermingham@midlothian.gov.uk

Appendix 1: Recommended Allocations, Small Grants Programme 2016/17

Developing Communities	Amount Awarded £
Amuse Me Playgroup	£2,400.00
Beeslack Family Disabled Club	£2,210.61
Bonnyrigg & Lasswade Local History Society	£327.00
Bonnyrigg After School Club	£1,000.00
Bonnyrigg Playgroup	£2,400.00
Bonnyrigg Seniors Social Club	£1,500.00
Borthwick SWRI	£275.00
Carrington Village Hall Association	£300.00
Cousland Community Broadband Project	£2,388.00
Cousland Smiddy Trust	£650.00
Dalkeith Arts	£500.00
Dalkeith History Society	£2,300.00
Dalkeith Horticultural Society	£350.00
Danderhall & District Community Action Group	£500.00
Danderhall & Newton Old People Welfare	£1,250.00
Danderhall Playgroup	£2,400.00
Edgehead Village Committee	£500.00
Gorebridge Opportunities Ltd (GO)	£3,000.00
Grandparents Parenting Again & Kinship Carers (Midlothian)	£2,500.00
Loanhead Community Development Association	£800.00
Marchburn Community Playgroup	£2,400.00
Midlothian Community Artists	£170.00
Midlothian Community Media Association	£3,000.00
Midlothian Twinning Association	£500.00
Midlothian World History Society	£200.00
Midsafe	£1,800.00
Newbattle Handicapped Club	£500.00
No 1739 (Newtongrange) Squadron, Air Training Corps	£250.00
One Dalkeith	£2,200.00
Pathhead Music Collective (PMC)	£650.00
Penicuik Activity Care Klubs	£1,600.00
Penicuik Community Arts Association	£750.00
Penicuik Folk Club	£140.00
Penicuik Silver Band	£1,300.00
Pentlands SWRI	£220.00
Poltonhall Scottish Pensioners Association	£666.53
Rosewell Development Trust Community Company Ltd.	£1,800.00
St. David's Brass Band	£1,300.00
Tap Tag (Tenants and Prospective Tenants Action Group)	£1,000.00
The Crescent Playgroup	£2,400.00

Community Councils	Amount Awarded £
Bonnyrigg & Lasswade Community Council	£1,838.00
Dalkeith & District Community Council	£1,250.00
Damhead and District Community Council	£300.00
Danderhall Community Council	£300.00
Eskbank & Newbattle Community Council	£846.00
Gorebridge Community Council	£300.00
Howgate Community Council	£300.00
Loanhead Community Council	£365.00
Mayfield & Easthouses Community Council	£300.00
Midlothian Federation of Community Councils	£800.00
Moorfoot Community Council	£300.00
Newtongrange Community Council	£391.00
Penicuik & District Community Council	£680.00
Poltonhall & District Community Council	£665.00
Rosewell & District Community Council	£586.77
Roslin and Bilston Community Council	£300.00
Tynewater Community Council	£300.00

Gala Days	Amount based on sustaining last year's awards
Birkenside Community Partnership	£500.00
Cousland Village Hall Association	£500.00
Dalkeith Festival Committee	£833.00
Gorebridge Children's Gala Day Association	£833.00
Loanhead Children's Sports & Gala Day Association	£833.00
Mayfield & Easthouses Community Association Gala Day	£833.00
Middleton Village Hall Community Association	£500.00
Newtongrange Gala Day	£833.00
Penicuik on Parade	£300.00
Rosewell Development Trust Community Company Ltd.	£667.00
Roslin & Bilston Community Council	£1,033.00
Roslin Family Fun Day Committee	£667.00
Temple Village Halls Association	£500.00
Penicuik Hunter and Lass	£833.00

Poverty	Amount Awarded £
Bill Russell Woodburn Youth Project	£1,269.60
Dalkeith CAB	£ 2,800.00
Mayfield & Easthouses Development Trust	£ 2,725.00
Midlothian Financial Inclusion Network (MFIN)	£2,930.48
Midlothian Foodbank	£3,000.00
Penicuik CAB	£3,000.00

Employability, Learning and Training	Amount Awarded £
Arniston Playgroup	£3,000.00
Bill Russell Woodburn Youth Project	£2,904.00
Glencorse Association	£2,620.00
Lasswade High School PHAB Club	£400.00
Midlothian Association of Play	£2,020.00
Midlothian Early Years & Childcare Partnership Additional Hours 0-2	£2,500.00
No 1739 (Newtongrange) Squadron, Air Training Corps	£516.00
Pathhead Youth Project (PYP)	£1,949.00
Penicuik Youth Band	£2,860.00
St. David's Brass Band	£1,300.00

Health and Physical Activity	Amount Awarded £
Arniston Rangers Youth Football	£300
Beeslack Disabled Club	£1813
Beeslack Lifesaving Club	£591
Bill Russell Woodburn Youth Project	£666.78
Bonnyrigg Rose Athletic Junior Football Club	£2500
City of Edinburgh Trampoline Club	£1000
Dalkeith thistle Junior Football Club	£2500
Danderhall Lunch Club	£3000
Gorebridge Senior Citizens Carpet Bowling	£200
Lasswade Athletic and Fitness Club	£3000
Lasswade Gymnastics Club	1263.05
Lasswade High School PHAB Club	£500
Lasswade Rugby Football Club	£1000
Lothian Mineworkers Convalescent Home	£1000
Mayfield & District Breast Feeding Support Group	£439.65
Midlothian Gymnastics Club	£735.9
Midlothian Sure Start	£3000
Midlothian Swimming Club	£3000
Midlothian Young Bowlers Association	£1446
Music in Hospitals	£561.75
Newtongrange Star JFC	£2500
Newtongrange Star Youth Development Academy	£300
Penicuik & District Stroke Club	£1890
Penicuik Athletic Football Club	£2450
Penicuik Athletic Youth Football Club	£1000
Play Therapy Base Limited	£2994.88
Scottish Pensioners Association (Easthouses/Mayfield)	£370
St David's Bradbury Day Centre	£3000
Star A CYP	£1300

Gala Days Funding 2016/17 and Beyond

Report by John Blair, Director Resources

1   Purpose of Report

The purpose of this report is to update the Council on the direct funding arrangements for gala days and seeks a decision in relation to the ongoing level of financial support to these community events.

2   Background

2.1   Gala days have been an important part of the cultural and community life of Midlothian for over 100 years. Historically their focus has been on activities for children and young people, however in recent times Gala Days generally provide activities for the whole community with a particular focus on families. There are currently 15 active gala days across Midlothian which are generally overseen by local committees with individual events varying from a one day community event to week long community events.

Through 2014 the Council reviewed all grants, with the aim of introducing a consistent approach which reflected the strategic priorities of the Council. The review was undertaken using a co-production approach and concluded that the funding streams should be aligned with the priorities of the Community Planning Partnership.

2.2   Prior to 2015 gala days received year-on-year funding from the Council and the 2014 Council review of grants consolidated this grant funding into a single fund.

2.3   In 2015/16 gala days were funded from the Council's Developing Communities grants stream. This resulted in a number of consequences:

   I.   Gala day committees required to compete with year round services provided by local third sector organisations. Gala Committees find it challenging to demonstrate the impact of one-off events. This makes like for like comparisons with year round services challenging.

   II.   The recommendations of the grants panel were reviewed and amended by Council, who took the decision at its meeting on 24 March 2015 to uplift gala day funding across the board to two thirds of the funding provided in 2014/15.

   III. Gala Committees were concerned with what was perceived as burdensome and bureaucratic grant application and monitoring arrangements appropriate to year round grant aided groups and organisations.

   IV.   The third sector was concerned that the reduction in their grant funding was exacerbated by having to compete directly with Gala days.

3   Council Motion

3.1   At its meeting on 24 March 2015 the Council considered the following motion.

Council agrees to recognise the unique position of Gala days and Community events in the Towns and villages of Midlothian; notes the potential for these events to be included in greater community decision making; and as such agrees to reinstate grants to these events at two thirds of the 2014 level as a transitional measure."

4   Issues and Options

4.1   The key issue for the Council is how to support gala days in an equitable way without impacting significantly on the grant funding available to the third sector. One option would be to remove Gala days from the competitive small grants process:

4.2   If the funding of Gala days and community events is to continue, the Council requires to identify a recurring funding source. Options include;

  i.   Sustain the funding approved by Council in 2015/16 by ring-fencing £9,665 from the Developing Communities small grants budget for 2016/17 and beyond.

  ii.   Introduce new criteria based on financial sustainability of each individual organising committee;

5   Other Council Support

   In addition to the cash contribution there are significant in-kind contributions to gala days provided by Resources Directorate. These contributions include staffing costs and include signage, marquees, traffic management, transportation and cleaning. These costs are detailed in the Resources section of the report.

   A report entitled Midlothian Council Small Grants Allocations 2016/17 is also on today's agenda.

5.1   Safety Advisory Group

6   Report Implications

6.1   Resource

  i.   The Developing Communities small grants stream has a total budget of £40,000 for 2016/17. In 2015/16, 83 organisations received funding with an average value of £460. The overall reduction in Council grants funding (34% over three years) has increased the pressure on third sector organisations;

  ii.   In 2015/16 the total grant funding for Gala days was £9,910 – see Appendix 1 for a breakdown of funding. As outlined in section 3.1 the uplift agreed by Council, to bring Gala day grants up to two thirds of the amount they received in 2014/15. The 2015/16 recommended funding has been met by a supplementary estimate in the current financial year.

  iii. The following table details the historic support and funding provided by the Council to Gala days.

iv.

Year	Grants	In kind support	Total
2012/13	£16,500	£76,219	£92,719
2013/14	£24,000	£65,223	£89,223
2014/15	£14,500	£63,458	£78,458
2015/16	£9,910	£48,515	£58,425

v. The proposal to reinstate grants to gala days of two thirds of 2014/15 funding levels from 2016/17 will require to be met from ring fencing £9,665 from the developing communities' small grants fund.

6.2 Risk

Gala days bring communities together; withdrawing funding in its entirety could result in some gala days ceasing to operate. This presents reputational risks in that some communities would criticise the Council for withdrawing an event that forms parts of local identify and cultural heritage.

There are risks for the third sector. Ring fencing £9,665 for gala days from the small grants programme would further reduce the amount available to small, local third sector organisations, in some instances potentially threatening their existence. Furthermore it may reduce the likelihood of them receiving match funding from external bodies.

6.3 Single Midlothian Plan and Business Transformation

☒ 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

6.4 Key Priorities within the Single Midlothian Plan

Gala days support the aspirations of the Single Midlothian Plan; however it may be viewed that one-off events may have less of a positive impact than year round services.

6.5 Impact on Performance and Outcomes

No direct impact on performance measures.

6.6 Adopting a Preventative Approach

The third sector provides a range of preventive services that are funded by Council grant funding sources.

6.7 Involving Communities and Other Stakeholder

The issue of gala day funding has been a general matter of discussion within the Third Sector Forum, Midlothian Council, and with gala day committees.

The Council has established a Gala Day and Special Events Forum which considers a range of issues relating to Gala Days.

6.8   Ensuring Equalities

Gala days have a positive impact on people with protected characteristics; both are inclusive and bring communities together.

6.9   Supporting Sustainable Development

Gala days help build stronger communities and improve the lives of people in Midlothian.

6.10   IT Issues

There are no direct IT issues as a consequence of the proposals set out in this report.

7   Summary

7.1   Gala days benefit local communities and have historically received financial support from the Council.

  i.   Gala days should continue to receive support from the Council based on need.

  ii. The unique status of gala days makes them incompatible with an overall competitive grants programme that supports year round services provided by the third sector; therefore a more tailored approach is required.

  iii. Alternative sources of recurring funding should be identified so that gala days can be sustained.

8   Recommendations

8.1   The Council continues to provide in-kind support to gala days; and it is recommended that Council considers:

  I.   Gala day funding is identified as a separate funded stream from the small grants programme for 2016/17;

  II.   Separate small grants (galas) application and monitoring forms be prepared which are more appropriate for gala funding bids; and

  III. Responsibility for the management of the Gala Day funding to rest with the Head of Commercial Operations.

Date
16 November 2015

Report Contact:
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APPENDIX 1   Grants to Gala Days

EVENT	BAND	2014 GRANT	INITIAL 2015 GRANT	REVISED AWARD 2015*
Loanhead Gala	Large	£1,250.00	£700.00	£833.00
Newtongrange Gala	Large	£1,250.00	£545.00	£833.00
Gorebridge Gala	Large	£1,250.00	£645.00	£833.00
Penicuik Hunter & Lass	Large	£1,250.00	£645.00	£833.00
* Penicuik on Parade		-	£200.00	£200.00
Dalkeith Festival	Large	£1,250.00	£645.00	£833.00
Mayfield & Easthouses Community Assoc Gala	Large	£1,250.00	£545.00	£833.00
Poltonhall Gala	Large	£1,250.00	£645.00	£833.00
Roslin Fun Day	Medium	£1,000.00	£645.00	£667.00
Rosewell Fun Run/Community Event	Medium	£1,000.00	-	£667.00
Birkenside Fun Day	Small	£750.00	£545.00	£545.00
Cousland Village Hall Assoc Gala	Small	£750.00	£450.00	£500.00
Edgehead Village Committee Gala	Small	£750.00	£450.00	£500.00
Middleton Village Hall Assoc Fete	Small	£750.00	£450.00	£500.00
Temple Village Hall Assoc Fete	Small	£750.00	£450.00	£500.00
Totals		**£14,500.00**	**£7,560.00**	**£9,910.00**

NOTE: The banding of events was approved by the Cabinet at its meeting on 6 May 2008.

Revised Guidance on the Councillors' Code of Conduct

Report by Kenneth Lawrie, Chief Executive

1   Purpose of Report

The purpose of this report is to ask the Council to note the work that is in progress by the Standards Commission in relation to reviewing the Guidance on the Councillors' Code of Conduct and further to note and endorse the response that has been submitted on behalf of Midlothian Council.

2   Background and Main Report

2.1   Guidance on the Councillors' Code of Conduct

The Standards Commission issued guidance to assist councillors in their interpretation of the revised Councillors' Code of Conduct which came into effect in December 2010. The Standards Commission has now taken the opportunity to review and revise the guidance to ensure it is as helpful as possible and also to make sure it remains fit for purpose.

The draft of the revised Guidance on the Councillors' Code of Conduct has been circulated to Elected Members and can also be found at the following website:
http://www.standardscommissionscotland.org.uk/webfm_send/449.

At the invitation of the Standards Commission to receive feedback on the draft guidance, Midlothian Council convened a meeting of the Standards Committee which took place on the 3 December 2015.

As a result of this meeting, a submission has been prepared which represents the views of Elected Members on the Standards Committee. Due to the fact that feedback had to be submitted to the Standards Commission by 11 December 2015, the Midlothian feedback has been submitted pending approval at the full Council meeting on 15 December 2015.

A copy of the submission to the Standards Commission has been attached at Appendix 1.

3   Report Implications

3.1   Resource

There are no Resource implications as a result of the recommendations contained within this report.

3.2   Risk

There are no risk implications arising directly from this report.

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

Not applicable

3.8   Ensuring Equalities

Not applicable.

3.9   Supporting Sustainable Development

Not applicable.

3.10   IT Issues

Not applicable.

4   Recommendations

Council is recommended to;

(a)   note the work of the Standards Commission in reviewing the Guidance on the Councillors' Code of Conduct; and

(b)   note and endorse the submission drafted by Midlothian Council's Standards Committee to the Standards Commission confirming the feedback of the Midlothian Council Elected Members.

15 December 2015

Report Contact:
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Midlothian Council's response to the Revised Guidance in relation to the Councillor's Code of Conduct from the Standards Commission.

Discussed at a meeting of Midlothian Council's Standards Committee on 3 December 2015.

Submitted to Standards Commission on 11 December 2015 pending Council approval on 15 December 2015.

Introduction

A meeting of Midlothian Council's Standards Committee was convened on 3 December 2015 with one agenda item – Midlothian Council's response to the Draft Revised Guidance on the Councillor's Code of Conduct which was issued by the Standards Commission for comment on 16 November 2015.

The meeting was attended by Councillors Bryant, Imrie, Johnstone, Milligan, Muirhead and Wallace. The meeting was chaired by the Independent Chair of the Committee Les McEwan. Kenneth Lawrie (Chief Executive); John Blair (Director, Resources); Alan Turpie (Monitoring Officer) and Kyle Clark-Hay (Democratic and Document Services Manager) were also present.

In opening the discussion, the Chair made reference to a previous meeting of the Standards Committee in 2013 at which point the general view of the Committee was that the guidance that had been issued to support the delivery of the Councillor's Code of Conduct required more clarity. The Chair commented that the revision indeed provided that additional clarity specifically with reference to the case examples that had been used to illustrate various points within the Code.

The Monitoring Officer highlighted that it was only the guidance that had been revised and the Code of Conduct itself remained unchanged.

Following a general outline of the revisions that have been suggested by the Standards Commission from the Monitoring Officer, the ensuing debate focussed on key aspects of the revised guidance.

Social Media

This subject attracted much debate from the Committee. The Committee felt that this was a particularly contentious area given that the use of media such as Facebook and Twitter carries obvious advantages in relation to fast and effective communication with constituents, there was nevertheless a danger in how comments might be construed and a concern as to the distinction about something said as a Councillor and a remark made as an ordinary citizen. In particular, it was noted that comments made some time previously on social media may be accessed by a third party and quoted out of context

Recommendations from the Committee:

- There should be a limitation of time on the ability to make reference to statements made by someone prior to them taking office as a Councillor.

- This is an area that should be kept under review with a view to further review and additional guidance from the Standards Commission in the future.

- Guidance point 17 in relation to the perceived use of tablets in meetings should be removed as a result of Councils moving to a more paperless

environment – notwithstanding that Councillors at all times should be focussed on the debate in hand.

Declarations of interest

Again this was an area that created much debate within the Committee. There was a query raised in relation to a Councillor having to physically leave a room during a discussion where they have an interest. The point was made that if it was a public item, they could potentially view the debate on a live webcast stream and as such there was a lack of clarity as to why Councillors were required to leave the room and merely not take an active part in the debate.

There was also much debate in relation to when someone should declare an interest in a board or other outside body. As Councils meet the challenges they are faced with, partnership working is becoming increasingly important and therefore Councillors may be members of various 'arms length' bodies. This situation pertains throughout the country and it was considered that it would be helpful to know which rulings had been made about such bodies.

Recommendation from the Committee:

- The Standards Commission should publish a regular update in relation to which bodies the Commission has granted dispensations from the declaration of interest rules outlined in Schedule 3.

Conclusion

The Midlothian Council Standards Committee noted the revised guidance from the Standards Commission and coupled with the recommendations and cognisance of the concerns raised by Councillors in Midlothian outlined in this paper, further support should be made available to Elected Members once the guidance is confirmed.

Webcasting Council, Cabinet and Committee meetings

Report by John Blair, Director, Resources

1   Purpose of Report

The purpose of this report is to seek Council consideration and approval of the introduction of a webcasting solution within the Council chamber so as that all Council, Cabinet and selected Committee meetings can be webcast.

2   Background Information

2.1   Webcasting

Across the United Kingdom, over 120 local authorities have invested in webcasting technology to enhance the democratic process and to allow members of the public and others who may not otherwise be able to attend Council meetings, the ability to view proceedings and maximise public accessibility and transparency to the decision-making processes of the Local Authority. In Scotland City of Edinburgh Council, Glasgow City Council, Highland, Moray and Renfrewshire Councils are webcasting meetings of the Council and increasingly have extended that service to include other committee meetings held in their Council Chambers. Argyll and Bute, Aberdeen City, Aberdeenshire, East Ayrshire, Falkirk, North Ayrshire, Perth and Kinross Councils and the Scottish Government are in the process of assessing the feasibility of introducing webcasting within their principal locations.

Webcasting allows meetings to be streamed live over the internet with relevant contextual information (including agendas, reports, presentations, speakers' names, etc.) also being displayed. Any meetings that are streamed live are archived to allow the proceedings to be viewed after the event. Based on the information obtained from those authorities where webcasting is already in place, public viewing statistics have been impressive, with the majority of viewers taking advantage of the recorded archive facility to catch up on meetings following the live webcasting. This means that people who can't attend the actual Council, Cabinet or Committee meeting are able to engage with the decision making process at a time that suits them.

2.2   Benefits of Webcasting

It is considered that webcasting of meetings encourages engagement and assists in addressing issues of exclusion. The introduction of webcasting will support Midlothian Council's ambition to be a market leader in the delivery of democratic processes. A webcasting solution would link with the Council's Committee Management System thereby providing a joined up, modern approach to the Council decision making process. It is a cost effective way to reach a large audience on key issues. Webcasting is widely accessible via a range of electronic devices, such as: desktop computer; laptop computer; tablet device; and smartphone.

Webcasting will also strengthen the Council's democratic accountability to the public, both directly and via the local media and enable audiences to:

- replay meetings after they have taken place, which may be helpful when the meeting time clashes with other events;
- search for and view particular speakers or items of business;
- hear meetings more clearly;
- gain additional contextual information from, e.g., speakers' names, agenda documents, PowerPoint presentations, etc., appearing with the webcast;
- obtain a better understanding of the workings of the Council; and
- better engage in local democratic political processes.

Further benefits of the system are:

- it will enable local media to more readily access and report timeously on information regarding Council meetings;
- it will introduce greater equality of access to Council meetings;
- it can be used as a training resource (e.g., in relation to supporting the curriculum in schools), induction training and other learning opportunities for both Elected Members and Council Officers; and
- it can be used as a communication tool for internal purposes e.g. allowing the Chief Executive to relay important information to all Council staff.

Feedback from Moray Council suggests the introduction of webcasting has been of benefit, enabling many more public witnesses to the democratic process than could be accommodated in the Council Chamber. Feedback from Edinburgh City Council is that viewing figures have been encouraging with further effort being made to publicise the service through social media such as Facebook and Twitter as well as the Council's website.

Since the introduction of webcasting in 2012, City of Edinburgh Council have recorded in excess of 200,000 views to meetings in their archive, with full Council meetings being viewed live 10,000 times and archived meetings being viewed 100,000 times. This represents year on year

growth in viewing as the rollout of the technology now includes all Council and Committee meetings. City of Edinburgh Council also piloted a 'Budget Question Time' broadcast last year, as part of the budget consultation exercise which received over 400 live views.

2.3   Next Stages

In Midlothian since 2012, Council meetings have been recorded by way of audio - only technology. This has provided a verbatim account of the Council proceedings. However this system is not particularly interactive from a community perspective; it can be difficult, on occasions, to identify who is speaking; there is no indexing to 'skip' to the relevant section; and the quality of the recording is variable. Coupled with this, the system is unsupported from a technical perspective which creates a potential risk to business continuity.

As the Council moves towards modernising the democratic process within Midlothian, the increase in the use of technology is essential to allow connection with the communities served. A report to Council in February 2015 from the Joint Director, Health and Social Care suggested that 85% of the population of Midlothian are 'digitally enabled' meaning that there is an opportunity to successfully introduce a more interactive way of connecting the decision making process of the Council with our communities. Coupled with this, Councils are required to demonstrate a transparent decision making process and webcasting will support this.

A briefing was delivered to Elected Members and the Council Management Team on the 1 December 2015 to provide further details of webcasting and the benefits to Midlothian.

3   Report Implications

3.1   Resource

Based on indicative figures in respect of the requirements for the Council Chamber at Midlothian House, the following table represents the cost of introducing a webcasting system and an upgrade to the microphone system within the Chamber.

	2015/16	2016/17	2017/18	2017/18	2018/19	Totals
Capital Costs						
Fixed wire Microphone system	**£19,000**	-	-	-	-	**£19,000**
Total Capital	*£19,000*	*£0*	*£0*	*£0*	*£0*	*£19,000*
Revenue Costs						
Loan charges	**£314**	**£4,184**	**£4,184**	**£4,184**	**£4,184**	**£17,050**
Lease of webcasting hardware, software license, support and maintenance	**£13,840**	**£10,715**	**£10,715**	**£10,715**	**£10,715**	**£56,700**
Total Revenue	*£14,154*	*£14,899*	*£14,899*	*£14,899*	*£14,899*	*£73,750*
Total Costs	*£33,154*	*£14,899*	*£14,899*	*£14,899*	*£14,899*	*£92,750*

It is therefore recommended that the Council approves the addition of £19,000 into the Capital Plan for 2015/16 and a supplementary estimate of £14,154 in 2015/16 and the addition of £14,899 to the Revenue budget for 2016/17 onwards.

3.2 Risk

There are no risk implications arising directly from this report.

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

By introducing a webcasting solution to Council, Cabinet and Committee meetings, Midlothian will demonstrate its commitment to being accessible to all members of the communities served by introducing a modern approach to the democratic process and thereby strengthening the engagement of communities with democracy across Midlothian.

3.5   Impact on Performance and Outcomes

The introduction of webcasting will strengthen the transparency of the decision making process within Midlothian and engage officers and communities with the decisions that affect them.

3.6   Adopting a Preventative Approach

Not applicable.

3.7   Involving Communities and Other Stakeholders

As a result of the recommendations in this paper coupled with the research into webcasting, communities within Midlothian will be better connected to the decision making process. This also lends itself to further development of community engagement within Midlothian – e.g. potential increased attendance at Elected Member surgeries. The research also confirms that Local Authorities that have introduced webcasting have used this tool to strengthen their engagement with Community Planning Partnerships and other community groups.

3.8   Ensuring Equalities

The introduction of webcasting will support the equalities agenda by ensuring that those who might have difficulty attending Council or Committee meetings will still be able to view the meeting from their own home.

3.9   Supporting Sustainable Development

There are no Sustainable Development issues as a consequence of this report.

3.10   IT Issues

There are no direct IT issues as a result of the recommendations in this report as any webcasting solution would be externally hosted. However the introduction of webcasting would require input from Digital Services dependant on the system that is procured following tendering.

4   Recommendations

Council is recommended to;

(a)   consider and approve the introduction of a webcasting solution to the Council Chamber;

(b)   agree that, initially, Council, Cabinet and other main committees (to be agreed) would be webcast; and

(c)   approve the addition of £19,000 into the Capital Plan for 2015/16 and a supplementary estimate of £14,154 in 2015/16 and the additional of £14,899 to the Revenue budget for 2016/17 onwards.

15 December 2015

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Proposed Abandonment of Protected A701 Road Realignment in Adopted Midlothian Local Plan

Report by Ian Johnson, Head of Communities and Economy

1.0   Purpose of Report

1.1   This report recommends Council to agree to abandon the protected A701 realignment route as shown in the adopted Midlothian Local Plan 2008, and to recommend that Council approves the relevant change to that Plan.

2   Background

2.1   Recognition of the need to ease congestion and to provide a road transport link to best serve the development potential of the western part of Midlothian extends as far back as the 1990s. In 1998 the Council applied for planning permission for "A701 Transport Improvements", comprising a new alignment of that road from its junction with the A720 Edinburgh City Bypass in the north, to its junction with the B7026 (Auchendinny Road) in the south. As this application was submitted under the former Notice of Intention to Develop procedures, the planning permission was deemed to be granted by letter from Scottish Ministers dated 1st February 2000.

2.2   Construction of a part of the scheme took place in 2002, that being the Gowkley Moss Roundabout and spur roads off it, including the link to the A7026 junction. There has been no other significant work undertaken on the remainder of the scheme. However, it was considered to remain of sufficient importance to be retained as a safeguarded realignment route in the current Midlothian Local Plan, as formally adopted in December 2008. That protected alignment commenced at a proposed new roundabout close to the A720 junction and a route then running southwards to the west of the current A701 road, crossing to the east of the current road in the vicinity of land which has more recently been developed by Asda, to a roundabout within Nivensknowe Road some 150 metres to the east of that road's junction with the current A701; thereafter running southwards along a route parallel to the current road but about 200 metres to the east, to join the since constructed Gowkley Moss Roundabout, with the final spur to a new junction with the B7026 Auchendinny Road.

2.3   By 2012 it was becoming apparent that the remainder of the scheme may not be implemented. In explaining the continued need for a solution to the A701 route by way of a realignment, the Main Issues Report of the Midlothian Local Development Plan as published in May 2012 stated, "*There is a consented road proposal for a realigned A701 which, if constructed, would provide good strategic access to the corridor, with the existing road providing improved local access, public transport priority and enhanced provision for cycling. However, economic factors, ground conditions and difficult engineering solutions*

have made it increasingly unlikely that the consented road scheme will ever be delivered and work has therefore been carried out to try to identify an alternative road alignment which may offer better prospects for delivery."

2.4 The Council's Proposed Midlothian Local Development Plan as published in May 2014 does not show the original consented realignment route, but rather it proposes a route further to the west of the existing A701 road, running to the west of Bilston to a new junction with the A703 and a new spur from there to link to the A702 trunk road.

3   Process of Abandonment

3.1 In normal course, as the new Local Development Plan progresses to adoption in 2016/early 2017 it would supersede the existing adopted Local Plan of 2008, and the previous protected alignment would fall. Similarly, although the planning permission for the scheme remains valid, as work has already started through the building of the Gowkley Moss Roundabout and spur to the B7026 junction, this permission will simply remain unimplemented in full due to another road option potentially being built.

3.2 However, whilst the road alignment remains protected in the adopted Local Plan, any proposals for development on that line would be regarded as contrary to the Local Plan and should be refused.

3.3 At one point, the protected road line runs adjacent to a long-established and successful employer which wishes to further develop their business and to expand their premises onto land which is currently protected for the A701 realignment. The land is in the ownership of the Council and negotiated heads of terms for its disposal have been agreed. To await the formal conclusion of local development plan procedures runs a significant risk of delay to the extent that the existing business may be constrained to relocate, possibly outwith Midlothian. Accordingly, there are sound business and economic development reasons for pursuing abandonment of the protected road line at an early date; although this does not guarantee that planning permission for any form of development will be granted by the Council as planning authority in the determination of any planning application that may subsequently be submitted.

4.0   Report Implications

4.1   Resources

There are no financial implications arising from this report that cannot otherwise be accommodated within existing budgets. There are no personnel or other implications arising from this report.

4.2   Risk

There is no demonstrable prospect of the A701 road being realigned along the route protected in the adopted Midlothian Local Plan, for the reasons identified in paragraph 2.3 above. By contrast, there is a

significant risk that retaining the protection until formal adoption of the new Local Development Plan could result in a long-established medium-sized business suffering undue constraint to its further development, with the added risk of relocation outwith the local area.

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 Key Priorities within the Single Midlothian Plan
Opportunities for Midlothian based businesses to expand within Midlothian directly supports the key priority of economic development and business support.

4.5 Impact on Performance and Outcomes
See 4.4 above.

4.6 Adopting a Preventative Approach
Not directly relevant to this report.

4.7 Involving Communities and Other Stakeholders
The adopted and emerging Local Plans have been subject to extensive public and stakeholder consultation. There is no substantial body of support for retention of the currently protected road line.

4.8 Ensuring Equalities
As this report does not propose any new policies or strategies it has not been the subject of an equalities assessment. The Local Development Plan is the subject of a formal equalities assessment.

4.9 Supporting Sustainable Development
Abandonment of the protected road line would release otherwise sterilised land for productive use.

4.10 IT Issues
None

5.0 Summary

5.1 It is evident that there is no genuinely realistic prospect of the A701 road being realigned along the route as protected in the adopted Midlothian Local Plan 2008. Indeed, the emerging Local Development Plan shows a radically different proposed running for its entirety to the west of the existing A701. Whilst it would be reasonable to allow the development plan procedures to ultimately allow this protected line to be superseded, the time taken for that could adversely impact on the opportunity for an existing long established medium-sized business to

expand onto this otherwise sterilised land. Accordingly, this report looks to expedite the process of abandonment to assist economic development through enabling business expansion.

6   Recommendations

It is recommended that Council:

a) agrees to abandon the protected route of the proposed A701 road realignment as shown and included in the adopted Midlothian Local Plan 2008; and
b) that Council formally approves the decision of Cabinet.

Date   3rd November 2015

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Background Papers: None

European Commission: Call for Proposals for Social Policy Innovations Supporting Reforms in Social Services

Report by Mary Smith, Director Education Communities and Economy

1 Purpose of Report

To confirm support for the resubmission of a proposal under the above European Commission funding stream as a partner with the Improvement Service, Edinburgh University and the Midlothian Community Planning partnership .

2 Background

2.1 The Improvement Service approached Midlothian Council to offer the opportunity to partner with them, the University of Edinburgh (as an evaluation agency) and other members of the Community Planning Partnership to submit a bid to the above European Commission Innovation Fund. The deadline for submission was set as 28 August 2014. Only one national demonstration project was likely to succeed from Scotland, and a total value of up to 3 million Euros over a 3 year project period was potentially available.

2.2 In a very short space of time a draft proposal was brought together by all the partners, and approved at the Community Planning Board. The submission was also approved by the Cabinet on 26 August 2014.

The bid set out:
- an intention to adopt a co- production approach to working with local residents
- to develop projects focussed on the existing results of neighbourhood planning in the three target areas of Woodburn, Mayfield and Gorebridge
- four individual 'outcome gap closing actions' , linked to the Single Midlothian Plan outcomes and approaches as follows:

i *Localising access to customer transactions with public and community services in Woodburn through a 'one stop shop' access point in Woodburn Drive thus reducing the gap in local access as part of a capacity building approach*

ii *Developing locally accessible economic development/ employability services thus reducing the economic outcome gap in a co- productive approach*

iii *Developing local 'preventive' health and care condition management approaches thus reducing the health outcome gap in a co- productive approach*

iv *Developing early years interventions thus reducing the educational attainment gap in a co- productive approach*

2.3   After considerable delays, the decision was not announced until October 2015 and our bid was not approved. However, feedback from the EU Innovation Fund was that, the partners could re-submit a bid and review the timescales in which we could deliver such a project. The partnership Group has agreed that a resubmission should be made to the EU Innovation fund, which is available annually.

3   Report Implications

3.1   Resource
The EU innovation Fund will 'match' fund successful bids and the Council funding of £334,198 plus the Improvement Service funding of £22,880 will provide a total project budget of £1,780,948 over a three year period.

The Council's match funding element will be met from existing staffing and operational budgets. The staffing and other resources identified will be dedicated to the project for its duration.

3.2   Risk
The main risk is that we are unsuccessful again in our bid to the European Innovation Fund. However, the challenge of closing the outcome gap without additional resources is significant and risk of failing can be ameliorated by this project.

Previous area based approaches across Scotland to reducing outcome gaps have not been sufficiently successful either as a result of trying to;

- address only one of the complex of interrelated multiple deprivation issues by single agencies

- or as a result of failing to take sufficient account of local people's own strengths and preferred approaches

- or by failing to work directly enough with families/ individuals most affected by disadvantage

The innovation fund proposal provides an opportunity to address these risks.

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 proposal aims is to address all three priorities using the three approaches of prevention, capacity building/ co- production and localising access.

3.5 **Impact on Performance and Outcomes**
With the support of Edinburgh University as an evaluation partner, and working in partnership with the Improvement Service, measurement of impact will be built into the proposal from the outset. Success criteria will include at their core any reductions in outcome gaps experienced by the areas against Midlothian averages.

3.6 **Adopting a Preventative Approach**
This proposal is about working with communities to develop preventative approaches

3.7 **Involving Communities and Other Stakeholders**
This proposal is about engaging and working with local communities and partners to ensure that they are involved in creating new ways of working.

3.8 **Ensuring Equalities**
Reducing outcome gaps will benefit all members of equality protected characteristic groups resident in the target areas. An equality impact assessment will be undertaken within each element of the co – production design stage. Evaluation processes will include assessment of actual impact on equality groups achieved.

3.9 **Supporting Sustainable Development**
Reducing outcome gaps and localising access to services will reduce journeys and the carbon impact of these; reduce unnecessary transactions and failure demand conserving resources, and increase the social and economic sustainability of the three target communities

3.10 **IT Issues**
New technologies will be required to support localising access to services and more work will be undertaken in this area if we are successful in this bid.

4 **Recommendations**
Council is recommended to endorse resubmission by the Council and its Partners of a bid in response to the European Commission's call for Proposals for Social Policy Innovations Supporting Reforms in Social Services as set out in this report.

Date 10/12/2015

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