

Notice of meeting and agenda



Midlothian Council

Venue: Council Chambers - PLEASE NOTE THAT THIS IS A SPECIAL MEETING OF MIDLOTHIAN COUNCIL,

Date: Tuesday, 10 October 2017

Time: 12:00

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Director, Resources

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Further Information:

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

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

1 Welcome, Introductions and Apologies

Including apologies from Members who are unable to attend.

2 Order of Business

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

3 Declarations of Interest

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

4 Minutes of Previous Meeting

No minutes from previous meetings will be presented to this meeting for approval.

5 Public Reports

5.1 Financial Strategy 2018-19 to 2021-22 - report by Head of Finance and Integrated Service Support **3 - 152**

5.2 Workforce Strategy - report by Head of Finance and Integrated Service Support **153 - 218**

6 Private Reports

There are no items to be considered in private.

Financial Strategy 2018/19 to 2021/22

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 encompassing the years 2018/19 to 2021/22.

It includes:-

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

2 Background

The core objective of the Financial Strategy is that of securing the Council's continued financial sustainability during an ongoing period of substantial financial constraint coupled with continuing service demand pressures and increasing customer expectations.

The last Financial Strategy report was presented to Council on 26 September 2017 and provided an updated assessment of projected budgets shortfalls through to 2021/22. At that meeting Council agreed to call a special meeting of the Business Transformation Steering Group on 2 October 2017 and a special meeting of Midlothian Council on 10 October 2017 to consider the detailed Change Programme.

An initial draft of budget proposals document was shared with members of the Business Transformation Steering Group (BTSG) on 4 July 2017 with an updated draft considered at the BTSG meeting on 28 August 2017. The updated proposals document setting out details of the Change Programme will be presented to the special meeting of BTSG on 2 October 2017.

The Change Programme proposals are presented to this special meeting of Midlothian Council to facilitate a period of engagement with the community on the budget and Change Programme through Shaping our Future, the consultation strand of the Delivering Excellence framework.

3 Scottish Government Grant Settlement

The position remains as reported on 26 September 2017.

The Scottish Government's grant settlement is one of the most critical aspects of the financial projections in this report.

On 5 September 2017, The First Minister set out her Government's "Programme for Government" for the year ahead. This includes "...removing the 1% pay cap from 2018-19. Future pay policy will take account of the cost of living, continue to protect the lowest paid and ensure public sector budgets remain in balance". Given the specific reference made to Teachers it is understood that Government intend that removing the pay cap would extend to local government employees. The consumer price index is currently 2.9%, significantly higher than the 1% included in earlier financial projections. At this point it is unclear what, if any, additional resources Government may provide to Local Authorities to support increases in the pay bill which take account of the cost of living.

The increase in the pay bill as a result of the 2017 Local Government Workers settlement (the higher of 1% or £350) was approximately 1.4%, which had to be accommodated within the overall grant settlement. As such it is considered that if there is additional support from Government injected into the settlement to support pay increases that it is most probable that this would be unlikely to cover the first 1.5% of any award. Accordingly the provision for pay awards set out in section 5 has been increased from 1% to 1.5% per annum, with the assumption that the cost of awards above this would be matched by funding through the grant settlement. This revision adds an additional £0.600 million to the 2018/19 budget shortfall, rising to £2.500 million by 2021/22.

The position will be reviewed once the Government's budget is published and an assessment is made of the extent to which Government may provide support through the grant settlement for higher pay awards. Council should note that to uprate the provision for pay awards to the level of CPI, without any additional funding, would further increase the budget shortfall in 2018/19 by £1.350 million rising to over £5.500 million by 2021/22.

The full implications of the "Programme for Government" for the public sector, and specifically Local Government, will become clearer over the coming months and in particular with the publication of the Government's draft budget for 2018/19. The expectation is that the Cabinet Secretary for Finance and the Constitution will publish the Scottish Government budget proposals for 2018/19 on 14 December 2017. This will follow on from the publication of the UK Government's first Autumn Budget. It is still anticipated that Scottish Government will publish a budget only for the year ahead and will not return to the publication of three year budgets. The Finance Circular setting out the proposed individual Council grant settlements figures and associated conditions, again for 2018/19 only, is expected to be published alongside the budget.

Thereafter the parliamentary process for approving Government's budget is expected to be concluded in early February 2018. Members may recollect that for 2017/18 changes made during the parliamentary process resulted in an additional provision in the grant settlement for Local Government from that originally published in December 2016.

There are three main factors which will influence the level of grant support Council might expect for 2018/19 and beyond. Firstly a range of economic factors will influence the resources Governments have at their disposal, whether from the UK Government or through tax revenues directly controlled by Scottish Government. The other main factors will be the taxation and spending priorities of Scottish Government, including the extent to which it intends to support increases in public sector pay. Whilst an assessment of the economic factors can be made based on the information available from the Office of Budget Responsibility and the UK Government's spending plans etc. the impact of Scottish Government's tax and spending priorities will only become fully apparent when the budget is published in December 2017.

The CIPFA Directors of Finance section have engaged an economist to interpret the available data and his assessments continue to indicate a continued cash reduction for the "unprotected" elements of the Scottish Government budgets of which the Local Government grant is the largest element. As such the indications are that the future years grant settlements will remain challenging with year on year cash reductions, other than for any additional resources provided to fund the cost of new legislative burdens and or specific cost pressures. It is also expected that specific conditions and direction of resources will be an increasing feature of future years grant settlements.

The central planning assumption adopted for the Scottish Government grant projections is based on reductions in grant at a similar level to the original proposed 2017/18 settlement. This is an average 3.25% per annum cash reduction at a national level, offset by the impact of the relative growth in the Midlothian population. It is also assumed that Government will continue to:-

- Direct resources to Integrated Health and Social Care Boards via the NHS;
- Direct resources to Schools through the Pupil Equity Fund or equivalent;
- Provide flexibility to increase Council Tax by up to a maximum of 3%;
- Continue to set specific requirements to maintain the overall pupil/teacher ratio and secure places for all probationers who require one under the teacher induction scheme.

It is stressed that the grant settlement figures through to 2021/22 as set out table 1 are projections, the actual figures being dependant on future budget decisions taken by Scottish Government. However they do provide Council with an assessment of the impact of the grant settlement on the Council's financial position. Critically they highlight the severity of the challenge ahead for the term of this Council and the extent to which service provision will have to be significantly transformed and/or reduced.

4 Council Tax

The position remains as reported on 26 September 2017.

The budget shortfalls set out in table 1 are based on the current band D Council Tax of £1,246 and reflect the additional income from an increase in the number of properties.

As indicated earlier it is assumed that grant settlement conditions will provide flexibility to increase Council Tax by up to 3%. For Midlothian a 3% per annum increase is estimated to generate £1.274 million for 2018/19 rising to £1.334 million in 2021/22 and would result in band D Council Tax rising to £1,283 in 2017/18 and to £1,403 by 2021/22.

Given the grant prospects set out in section 3 of this report the Financial Strategy incorporates the full 3% increase for each year to contribute to reducing the projected budget shortfalls.

5 Cost of Services

The position remains as reported on 26 September 2017.

The projected cost of services for future years is derived from the 2017/18 approved budget. The projections are continually updated to reflect the latest information available and work will continue to refine the budget projects though the remainder of 2017. Changes will be incorporated into an update report proposed for Council in December 2017.

Table 2 provides an analysis of the principle year on year budget changes which include the following key assumptions and cost drivers:

- Pay inflation of 1.5% per annum for all staff groups together with the cost of incremental pay progression, with the assumption that any increases above this level will also result in additional Government funding;
- The impact of Pension Reform and anticipated changes in the Council's contribution towards employee pensions costs;
- Provision for the Devolved School Management allocation to schools based on the current scheme, indicative pupil numbers and the requirement to maintain the pupil teacher ratio;
- Contractual inflation linked to existing contractual conditions, many of which mirror pay inflation assumptions;
- A provision for the future years costs of maintain pay levels for procured care services at or above the living wage;
- The impact of current demand for services;
- The demographic impact on the future demand for services;
- Borrowing costs related to capital investment decisions based on future interest rate forecasts provided by the Council's Treasury Advisers;

- Any new Government policy requiring budgetary growth will be fully funded through increased Scottish Government grant;
- Council Tax income continues to grow in line with previous trends and planned future housing growth.

The projected budget shortfalls reflecting the assumptions set out in sections 3 to 5 are therefore as follows:-

Table 1: Budget Shortfalls 2018/19 to 2021/22 – 10 October 2017

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Cost of Services	205.101	213.520	220.986	228.565
Less: Council Tax	(45.604)	(46.204)	(46.854)	(47.504)
Less: Scottish Government Grant	(146.002)	(142.687)	(139.443)	(136.269)
Budget Shortfalls	13.495	24.629	34.689	44.792

The budget shortfall in 2018/19 equates 7% of the net cost of services and the projections indicate this could rise to 20% by 2021/22. As Council is aware, significant elements of the budget are either fixed or are challenging to change for a number of reasons including:-

- Historic decisions, for example, loan charges and unitary charge contractual payments;
- Specific conditions, for example the maintenance of the teacher pupil ratio; and
- Growing demand for services through demographic pressures.

These elements of the budget equate to £112 million in 2018/19 and are projected to rise to £140 million by 2021/22. Consequently the budget shortfall expressed as a percentage of the remainder of the budget equates to 14% for 2018/19 and has the potential to rise to 50% by 2021/22.

Whilst the projected cost of service provision, Council Tax and Scottish Government grant has been projected forward to 2021/22 these are very much indicative projections based on the assumptions set out in sections 3 to 5 and will inevitable change over the period. The projections and planning assumptions on which they are based will be updated and reported to Council as new information becomes available.

The main purpose of the projections is to provide Council with an assessment of the key factors which influence income and expenditure and the overall impact these may have on the Council's financial position for future years. Critically they highlight the severity of the challenge ahead for the term of Council and the extent to which service provision will have to be significantly transformed and or reduced. Members should note that the projections are based on the continuation of the existing service delivery and funding arrangements.

The budget shortfalls set out in table 1 arise for the following reasons:

Table 2: Analysis of Shortfalls – 10 October 2017

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Opening Shortfall	3.970	13.495	24.629	34.689
Pay Inflation and Salary Progression	2.493	2.944	2.947	3.101
Pension Contributions	0.450	0.450	0.450	0.000
Contractual Inflation	0.547	0.637	0.571	0.652
Demographics: Care	1.040	1.040	1.040	1.040
Demographics: School Rolls	2.260	2.770	2.798	3.083
25 Hours in Primary Schools	0.090	0.000	0.000	0.000
Demand pressures: Children	0.324	0.024	0.024	0.024
School Estate Investment	0.381	1.126	0.033	0.036
Waste Disposal Costs	0.213	(0.285)	0.125	0.125
Non Domestic Rates	0.132	0.135	0.138	1.142
Borrowing Costs	(0.003)	(0.089)	0.123	(0.007)
Scottish Government Grant	3.172	3.315	3.244	3.174
Council Tax Income	(0.600)	(0.600)	(0.650)	(0.650)
Full year effect of 2017/18 savings	(1.296)	(0.358)	(0.860)	(0.610)
Reinstatement of Community Policing Teams	0.563	0.006	0.006	0.006
Other Movements	(0.241)	0.019	0.071	(1.013)
Totals	13.495	24.629	34.689	44.792

The principal movement from the figures set out in the 27 June 2017 report are as follows.

Table 3: Movement from 27 June 2017 to 10 October 2017

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Shortfall 27 June 2017	12.933	23.770	33.458	43.184
Pay Awards	0.600	1.200	1.850	2.500
Reinstatement of Community Policing Teams	0.563	0.569	0.575	0.581
Supported Bus Services	0.009	0.009	0.009	0.009
Revisions to Grant Projections	(0.294)	(0.569)	(0.825)	(1.064)
Revision to Planning Income	(0.036)	(0.070)	(0.098)	(0.138)
Other Base Budget Movements	(0.280)	(0.280)	(0.280)	(0.280)
Shortfall 10 October 2017	13.495	24.629	34.689	44.792

6 Sensitivity Analysis

Given the level of uncertainty for future year grant settlements and outstanding pay awards table 4 provides a sensitivity analysis reflecting the potential impact of different scenarios/outcomes for these two key aspects of the budget.

Scenario 1. This is a more optimistic scenario which assumes a 1.5% pay award in each of the years but with cash flat grant settlements. Otherwise all other assumptions remain as set out in section 3.

Scenario 2. Is a more pessimistic scenario which assumes a 3% pay award and reducing grant income as set out in section 2.

Table 4: Sensitivity Analysis – 10 October 2017

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Scenario 1				
Central Assumption	13.495	24.629	34.689	44.792
Cash Flat Government Grant	(3.172)	(6.487)	(9.731)	(12.905)
Amended Shortfall	10.323	18.142	24.958	31.887
Scenario 2				
Central Assumption	13.495	24.629	34.689	44.792
Revised Pay Award Assumption	1.800	3.600	5.550	7.500
Amended Shortfall	15.295	28.229	40.239	52.292

These scenarios demonstrate the significance of the impact that changes from the central planning assumption for either government grant or pay inflation have on the projected budget shortfalls.

7 Midlothian Integration Joint Board

The position remains as reported on 26 September 2017.

As part of the budget setting process the Council will need to determine an allocation of resources to the Midlothian Integrated Joint Board (MIJB). For 2017/18 the allocation was set at £37.510 million. Whilst the projected budget shortfalls set out earlier incorporate inflationary uplifts and a sum for demographic cost pressures in respect of services delegated to the IJB the draft Change Programme also provides these to be significantly offset.

Discussions are continuing with officers of the MIJB to secure sustainable strategy for the delivery of delegated services which can be delivered within the proposed resource allocation. This ongoing dialogue will inform the development of both the Council's and the MIJB's Financial Strategies.

This approach will support the MIJB as it develops its own Financial Strategy within the context of the financial pressures and the available allocations anticipated to be available from both the Council and NHS Lothian.

8 Change Programme

In addition to the delivery of savings approved in the current and previous financial years, the savings targets associated with the existing transformation programme, and continued control over expenditure the strands of work that will continue to be necessary to address the projected budget shortfalls represent an emerging Change Programme, encompassing:-

- Delivering Excellence;
- An updated and expanded programme of transformation activity;
- The EWIM programme;
- An updated Capital and Reserves Strategy;
- Operational savings encompassing financial discipline measures;
- A series of savings proposals.

8.1 Delivering Excellence

The Delivering Excellence framework 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.

Taking cognisance of the extent of savings anticipated to secure a balanced budget for 2018/19 and the continued challenge for later years the Chief

Executive has tasked Directors and Heads of Service to bring forward options aimed at addressing the projected budget gaps.

The Strategic Leadership Group (SLG) has used the Delivering Excellence framework to develop a wide-ranging set of budget proposals. An initial draft of which was presented to Business Transformation Steering Group members on 4 July 2017 with second draft presented at the BTSG meeting on 28 August 2017. The proposals have been subject to further scrutiny and refinement by the Strategic Leadership Group and an updated proposals document setting out details of the Change Programme will be presented to the meeting of BTSG on 2 October 2017. The Change Programme proposals are presented to this meeting of Council to facilitate a period of engagement with the Community on the budget and Change Programme through Shaping our Future, the engagement strand of the Delivering Excellence framework.

8.2 Transformation Programme

The savings targets associated with the existing Transformation Programme reflected in previous years Financial Strategies are set out in table 5 and total £2.550 million for 2018/19 rising to £2.646 million by 2021/22. These are derived from those set out in the Council's Transformation Programme update reports to Business Transformation Steering Group (BTSG).

Table 5: Existing Transformation Programme Savings – 10 October 2017

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Children's Services	0.274	0.335	0.335	0.335
Services to Communities	0.850	0.850	0.850	0.850
Education	0.426	0.461	0.461	0.461
Health & Social Care	1.000	1.000	1.000	1.000
Totals	2.550	2.646	2.646	2.646

The emerging proposals include an updated and expanded Transformation Programme summarised as follows:-

Table 6: Proposed additions to Transformation Programme - 10 October 2017

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Entrepreneurial Council	0.345	1.785	3.065	4.900
Services with Communities	0.000	0.600	0.700	1.700
Shared Services	0.000	0.085	1.085	2.085
Digital Led Transformation	0.240	0.240	0.240	0.740
Integrated Service Support	0.730	1.230	1.230	1.230
Workforce Planning	0.725	1.207	1.307	1.372
Health & Social Care	0.000	1.040	3.080	4.620
Additions to Programme	2.040	6.187	10.707	16.647

The savings targets set out in tables 5 and 6 are predicated on the outcomes of the reviews and any subsequent decisions taken by Council and so remain indicative.

8.3 Asset Management

The budget projections already reflect the full year impact of the first two phases of the Effective Working in Midlothian project. In addition the report to Council on 17 May 2016 in respect of Phase 3, Depots indicated a saving of £0.288 million which for the purposes of the Financial Strategy have been incorporated from 2019/20 onwards.

8.4 Capital and Reserves Strategy

The projected future year's budgets include a provision for the loan charges arising from the borrowing required to support the General Services Capital Plan and also the retention of a cap on borrowing, which had been set at £124 million, and which is currently expected to be exceeded.

An increase in the borrowing cap will inevitably lead to an increase the projected budget shortfalls for later years. In the absence of any other funding support this will in turn require further reductions in the service budgets.

A comprehensive review of the General Service Capital plan is being undertaken with the intention to present an updated plan for consideration by Council later in the year. This will enable the implications of the Learning Estate Strategy and other emerging investment pressures to be fully considered before presenting a revised Capital Strategy and Plan.

The latest projections for the General Fund Reserve are set out later in this report. A Reserves Strategy, encompassing the other main reserves will be presented alongside the Capital Strategy.

8.5 Operational Savings

The budget projections set out in tables 1 and 2 already reflect the operational savings reported in previous year's budgets. Further operational savings cost reductions and financial discipline measures have been identified as part of the emerging Change Programme are summarised below with a service breakdown set out in appendix 2.

Table 7: Operational Savings – 10 October 2017

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Investing in Our Workforce	0.000	0.100	0.250	0.300
Financial Discipline	0.100	0.150	0.200	0.250
Cost Reductions	0.080	0.160	0.245	0.250
Workforce Reductions	0.478	1.119	1.149	1.339
Operational Savings	0.658	1.529	1.844	2.139

8.6 Savings

The budget proposals set out in appendix 1 include a number of Service Reviews and specific policy cost reductions as follows:-

Table 8: Policy Saving Proposals- 10 October 2017

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Service Reviews	1.659	2.903	3.203	3.203
Policy Cost Reductions	4.851	5.708	6.208	6.408
Policy Saving Proposals	6.510	8.611	9.411	9.611

8.7 Fees and Charges

An inflationary increase for fees and charges are estimated to generate an addition £0.080 million in 2018/19 rising to £0.200 million by 2021/22.

8.8 Summary of Financial Strategy

The updated projections incorporating the impact of the various strands of the Financial Strategy set out above and a 3% per annum increases in Council Tax are set out in table 9 below.

Given the remaining budget gap for 2018/19, the overspend position projected for the current financial year and the potential to have to increase the provision for pay awards it is imperative that further cost reduction measures are secured during the current financial year.

Table 9: Financial Strategy 2018/19 to 2021/22 – 10 October 2017

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Budget Shortfall Table 1	13.495	24.629	34.689	44.792
Less: Change Programme				
Transformation Programme 8.2				
- Existing Programme	(2.550)	(2.646)	(2.646)	(2.646)
- Additions to Programme	(2.040)	(6.187)	(10.707)	(16.647)
Total Transformation Programme	(4.590)	(8.833)	(13.353)	(19.293)
Asset Management 8.3	(0.000)	(0.288)	(0.288)	(0.288)
Operational Savings 8.5	(0.658)	(1.529)	(1.844)	(2.139)
Savings Options 8.6				
- Policy Cost Reductions	(4.851)	(5.708)	(6.208)	(6.408)
- Service Reviews	(1.659)	(2.903)	(3.203)	(3.203)
Total Policy Savings	(6.510)	(8.611)	(9.411)	(9.611)

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Fees and Charges 8.7	(0.080)	(0.140)	(0.180)	(0.200)
Less:				
Council Tax Increase of 3%	(1.274)	(2.569)	(3.884)	(5.218)
Remaining Budget Gap	0.383	2.659	5.729	8.043

While the Change Programme summarised above would significantly reduce the projected budget gaps from those previously reported it does not fully address these or give Council any headroom to consider options or indeed allow a contribution to Reserves. It should also be noted that a number of the programme elements continue to be subject to further development and robust review to ensure that officers and members can be confident of deliverability.

In addition there are a number of additional savings options currently being developed as part of the wider service review programme activities, these include:

- The inclusion of a Disability Service Review as part of the next steps for Children's Services Review;
- Efficiencies secured through the Learning Strategy Estate, wider property asset management and asset rationalisation;
- A master plan for the Vogrie Estate and potential income opportunities it creates;
- A further review of the approaches to and resources committed to transportation of people, both clients and staff;
- A broader review of concessions for future consideration.

For later years further work is also required to review and bring forward further proposals in respect of the following areas:-

- Workforce, recognising that employee costs are by far the largest element of the budget;
- The conditions attached to grant settlements, including the implications of maintaining the pupil teacher ratio and of restricting Council Tax increases to 3%.

The emerging Change Programme will be continually updated to take cognisance of the position for future years grant settlements and demographic changes, recognising the critical impact both of these issues have on the Financial Strategy and the projected budget position.

As the Financial Strategy develops over the coming months I will, as Section 95 Officer, require to seek assurance from Directors and Heads of Service that the budget proposals put forward by them for consideration are

achievable. It is stressed however that ultimately the achievement of savings will be dependent on decisions taken by Council.

9 Governance and Timetable

Each element of the Financial Strategy continues to have clear governance in place to ensure the timely delivery of the work stream. All budget proposals are being reported through Business Transformation Steering Group and then to Council as appropriate. Responsibility for setting Council Tax, determining budgets and approving savings etc. remains, with Midlothian Council.

The full 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 and the timetable set out in Table 10 supports the delivery of the Financial Strategy and specifically the determination of the 2018/19 budget and Council Tax levels before the statutory date.

Table 10: Timetable – Key Events

Date *	Event	Action
10 October 2017	Special Council	<ul style="list-style-type: none"> • Consideration of Change Programme and savings proposals and approval to proceed to engagement.
October/November 2017	Engagement	<ul style="list-style-type: none"> • Shaping our Future engagement on Financial Strategy and Change Programme.
14 December 2017	Grant Settlement	<ul style="list-style-type: none"> • Assessment of grant settlement implications on budget.
19 December 2017	Council	<ul style="list-style-type: none"> • Consideration of update report and feedback on engagement.
Late January or Early February 2018*	Council	<ul style="list-style-type: none"> • Consideration of update report, reflecting grant settlement. • Finalisation of Change Programme and savings proposals. • Recommendations to set Council Tax and determine a budget for 2018/19.

** Based on current meeting schedule and so may require revision. Interim reports will be presented to Council as necessary.*

Members should also note that in terms of Section 112 of the Local Government Finance Act 1992 (as amended) it is an offence for members to participate in any vote in respect of setting Council Tax where the member has unpaid Council Tax. Accordingly at the Council meeting proposed for late

January/Early February 2018 members would be required to disclose the fact if this section of the act applies to them and subsequently not vote on any question with respect to the matter.

10 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:-

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

The Midlothian Community Planning Partnership continues to prioritise the available resources towards the delivery of the partnerships key priorities and 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 Change Programme will be central to ensuring that resources are directed towards the priorities set out in the Midlothian Single Plan.

11 Reserves

The projected position for General Fund Reserves was set out in the Financial Monitoring 2016/17 – General Fund Revenue report to Council on 29 August 2017.

The projected uncommitted General Fund Reserve at 31 March 2018 is £2.252 million. This uncommitted reserve is below the preferred level to provide a contingency in the context of the continuing challenging financial outlook, the uncertainty associated with future years grant settlements, pay awards, the economic impact of Brexit and also the potential costs to come from the historic child abuse enquiry. Accordingly alongside addressing the projected overspends in the current financial year it would be prudent to secure a budget for 2018/19 which included a contribution to reserves, preferably in the region of £2 million with a resultant available contingent reserve above £4 million.

Table 11 summarises the General Fund Reserve position.

Table 11: Available General Fund Reserve 31 March 2018 – 10 October 2017

	£million
General Fund Balance at 31 March 2018	6.070
<i>Earmarked for specific purposes</i>	
• Earmarked for Council Transformation	(3.818)
Available Contingent Reserve at 31 March 2017	2.252

In addition the unallocated balance on the Capital Fund at 31 March 2018 is projected to be £12.619 million.

12 Report Implications

12.1 Resources

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

12.2 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:

- The economic outlook and decision by Scottish Government on future years grant settlements and grant distribution;
- Given the nature of the savings options incorporated in the budget proposals the increase risk of non-delivery or late delivery of planned savings, including those arising from reductions in the staffing establishment;
- The risk to service provision and service users associated with a continued decline in available resources to fund services;
- Outstanding pay award settlements and the implications of the National Living Wage for external service providers;
- Actual school rolls exceeding those provided for in the budget;
- The impact of the wider economic climate on range of factors including: inflation, interest rates, employment, tax and income levels and service demands;
- Cost pressures, particularly demographic demand, exceeding budget estimates;
- The impact of Universal Credit, and potential pension changes;
- The impact of the Scottish Governments response to the Barclay Review of non-domestic rates on both the cost of existing services and the emerging budget proposals;
- The costs of implementation of national policies varying from the resources provided by Government; and
- Unplanned 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 Change Programme activities, setting out the early identification of future saving proposals.

The projections set out in this report highlight the severity of the challenge ahead for the term of this Council and the extent to which service provision will have to be significantly transformed and or reduced.

The work of the Strategic Leadership Group, led by the Chief Executive, to develop and bring forward a comprehensive set of budget options for Council's consideration will be critical to enable Council to address the projected budget gaps and securing financial sustainability for the continued delivery of services. Whilst the emerging impact of the Change Programme is set out in this report, work will continue over the autumn as part of the assurance process to review the proposals and the value of savings attached these.

The severity of the challenge is such that Council will require to approve a range of proposals over the coming months which not only achieves a balanced budget for 2018/19 but which will also contribute to reducing future years budget shortfalls. The risk of not doing so would be the potential elimination of reserves and so severely limiting the Council's ability to deal with unforeseen or unplanned events.

12.3 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

12.4 Impact on Performance and Outcomes

The Financial Strategy facilitates decision on how Council allocates and uses its available resources and as such has fundamental implications for service performance and outcomes. The budget projections indicate that in 2021/22 the Council will have available in the region of £180 million for the provision of services and the pursuit of key outcomes as set out in the Single Midlothian Plan.

12.5 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.

12.6 Involving Communities and Other Stakeholders

The proposed timetable set out in section 9 includes the continuation of Shaping our Future, the engagement strand of the Delivering Excellence framework. This has a focus on informing the community and other stakeholders of the financial and service challenges and provides a means to engage on the change programme.

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

12.7 Ensuring Equalities

The Financial Strategy and the proposals which support financial sustainability has been developed within the context of the Midlothian Single Plan, ensuring that resources are directed towards the key priorities of reducing the gap in learning, health and economic circumstance outcomes.

The Financial Strategy and the proposals in the change programme also reflect Midlothian Council's commitment to the ethos of the Equality Act 2010 with careful consideration of the interests of the most vulnerable in our communities through the equality impact assessment (EqIA) of all the proposals.

Copies of these individual assessments are published alongside this report along with an overarching draft EqIA set out in appendix 3. What the EqIAs demonstrate is the Council's undertaking to clearly identify when the most vulnerable may be affected by budget proposals, and to work to develop where possible mitigating actions to reduce any further negative impacts. Where necessary this work will be undertaken in the coming months.

In addition, these actions underline the Council's commitment in its Midlothian Equality Plan 2017 – 2021 to tackle inequality and promote inclusion. These actions also will allow the Council to plan and deliver services which meet the needs of our diverse communities and respond to the changes ahead.

12.8 Supporting Sustainable Development

There are no direct sustainability issues arising from this report.

12.9 Digital Issues

There are no direct digital implications arising from this report.

13 Summary

This report provides:-

- An assessment of future years Scottish Government Grant;
- Budget projections for 2018/19 to 2021/22;
- A sensitivity analysis reflecting the potential impact of different pay and grant settlement scenarios years;
- Details of the arrangements for the delegation of resources to the Midlothian Integration Joint Board;

- Details of the Change Programme aimed at addressing the projected budget shortfalls;
- An update on Reserves.

14 Recommendations

Council is recommended to:-

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

Date 29 September 2017

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Delivering Excellence

Addressing the Financial Challenge to 2021/22

Special Council

10 October 2017

Overview/Contents

The scale of the financial challenge facing the public sector continues to grow. The impact of the anticipated funding cuts on Council services across Midlothian will be substantial - particularly when we are also faced with the challenges of a growing and ageing population and the increasing demand for services that this will bring.

So far, we have made savings by reshaping the council and changing the way we work. Savings since 2010 total £32 million with £7 million of this delivered in 2017/18. This has been achieved through a series of service reviews, reducing the number of managers and staff we employ, reducing our offices and other property needs and changing the way we buy services. However, continuing with changes like these will not be enough on their own to address the financial challenge.

As reported to Council on 10 October 2017 the projected reduction in government funding for next financial year, 2018/19 is expected to create a budget shortfall for the Council of £13.495 million. On current estimates, this is expected to reach £44.792 million by 2021/22. In responding to this challenge the Council is developing a change programme incorporating a number of initiatives aimed at bridging this shortfall. This includes increasing Council Tax by the maximum of 3% per annum as permitted by Scottish Government and recognising that it may be necessary to consider larger increases in later years to support the provision of services.

This pack provides an overview of the proposed direction and changes in services that require to be made and which go a significant way to address the projected budget shortfalls for future years as part of the Council's strategy to maintain financial sustainability.

The proposals set out in this document have been developed across all Council services and work will continue in some service areas to ensure that a clear strategic narrative informs the future shape of the service and so further inform the next iteration for a programme of transformation.

The draft proposals were presented by the Strategic Leadership Group of Council officers to the Business Transformation Steering Group (BTSG) on 28 August 2017 following some further development of the proposals a further opportunity for BTSG to consider the proposals was at a meeting on 2 October 2017 with the aim that the proposals would then be presented to a special meeting of Midlothian Council on 10 October 2017 in accordance with the timetable approved by Council for setting the 2018/19 budget.

Work will continue in relation to the change programme required for 2018/19 and beyond and will be subject to considerable further scrutiny and analysis by officers and elected members as we develop and finalise the financial planning for 2018/19 and beyond.

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Strategic Overview

Midlothian Council delivers its priorities through the Community Planning Partnership (CPP) and the Single Midlothian Plan. The proposals set out in this pack are as far as possible aligned to focus available resources on these priorities. The CPP undertook a review and engagement process in 2015/16 resulting in changed priorities for the three year period 2016 to 2019.

Taking into consideration evidence regarding the comparative quality of life of people living in Midlothian, it is clear that less well off residents experience poorer health, have fewer or no choices in how they use low incomes, and also that there is a proven relationship between these factors and their learning. Education is generally the best route out of poverty. As a result the top three priorities for 2016 to 2019 of the Council are:

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

The Council continues to face unprecedented challenges as a result of constrained funding combined with demographic and other cost pressures associated with Midlothian's current and projected growth. In addition, managing the impact of a number of government policy and legislative changes places additional demands and reinforces the urgent need to change the way the council operates and the services provided.

The previous 'Future Service Delivery Models' exercise identified three key approaches for how the council works with its communities – preventive intervention, co- production and capacity building and localising / modernising access to services. Opportunities to reflect and adopt these approaches were a key consideration for Heads of Service in development of their proposals and in addition clarity of direction on the following will also inform the available saving options going forward:

- Asset Rationalisation
- Workforce Profile and Plans
- Alternative models of service delivery
- Shared Services

In addition to the agreed priorities and approaches the Council will also focus on reducing the gap between outcomes for residents living in parts of the county which for many years have shown a significant gap between their outcomes and the average outcomes for Midlothian and Scotland as a whole. The areas targeted are Dalkeith Central/Woodburn; Mayfield/Easthouses and Gorebridge.

A key requirement from this document and the further development and scrutiny that will follow is the need to clearly articulate the eventual change programme in the context of the Council's future strategic direction and resource priorities. This will provide a robust and cohesive approach to leadership which drives transformational and sustainable change to better respond to both current and future challenges and ensures delivery of Midlothian's vision of 'a great place to grow'.

Strategic Overview

Whilst a number of proposals refer to management reviews, once an agreed programme of change is developed an informed and wider review of management will be considered to ensure that any future reduction in leadership capacity does not impact our ability to deliver the sustainable change necessary.

Additions to Transformation Programme by Strategic Theme

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Entrepreneurial Council	(0.345)	(1.785)	(3.065)	(4.900)
Services with Communities	(0.000)	(0.600)	(0.700)	(1.700)
Shared Services	(0.000)	(0.085)	(1.085)	(2.085)
Digital Led Transformation	(0.240)	(0.240)	(0.240)	(0.740)
Integrated Service Support	(0.730)	(1.230)	(1.230)	(1.230)
Workforce Planning	(0.725)	(1.207)	(1.307)	(1.372)
Integrated Health & Social Care	(0.000)	(1.040)	(3.080)	(4.620)
Additions to Transformation Programme	(2.040)	(6.187)	(10.707)	(16.647)

Other Elements of Change Programme

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Investing in Our Workforce	(0.000)	(0.100)	(0.250)	(0.300)
Financial Discipline	(0.100)	(0.150)	(0.200)	(0.250)
Service Reviews	(1.692)	(2.903)	(3.203)	(3.203)
Policy Cost Reductions	(4.851)	(5.708)	(6.208)	(6.408)
Operational Cost Reductions	(0.080)	(0.160)	(0.245)	(0.250)
Operational Workforce Reductions	(0.478)	(1.119)	(1.149)	(1.339)
Totals	(7.201)	(10.140)	(11.255)	(11.750)

Incorporating the proposals into the change programme will result in the following position:-

Strategic Overview

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Budget Shortfall 10 October 2017	13.495	24.629	34.689	44.792
Change Programme				
Transformation Programme				
• Existing Programme	(2.550)	(2.646)	(2.646)	(2.646)
• Additions to Programme	(2.040)	(6.187)	(10.707)	(16.647)
Total Transformation Programme	(4.590)	(8.833)	(13.353)	(19.293)
Policy Savings				
• Policy Cost Reductions	(4.851)	(5.708)	(6.208)	(6.408)
• Service Reviews	(1.659)	(2.903)	(3.203)	(3.203)
Total Policy Savings	(6.510)	(8.611)	(9.411)	(9.611)
Operational Savings				
• Operational Cost Reductions	(0.080)	(0.160)	(0.245)	(0.250)
• Operational Workforce Reductions	(0.478)	(1.119)	(1.149)	(1.339)
• Investing in Our Workforce	(0.000)	(0.100)	(0.250)	(0.300)
• Financial Discipline	(0.100)	(0.150)	(0.200)	(0.250)
Total Operational Savings	(0.658)	(1.529)	(1.844)	(2.139)
Fees and Charges	(0.080)	(0.140)	(0.180)	(0.200)
Asset Management	0.000	(0.288)	(0.288)	(0.288)
Council Tax Increase of 3%	(1.274)	(2.569)	(3.884)	(5.218)
Remaining Budget Gap	0.383	2.659	5.729	8.043

While the change programme summarised above significantly reduces the projected budget gaps from those previously reported to Council it does not fully address these or give Council any headroom to consider options or indeed allow a contribution to reserves. It should also be noted that a number of the programme elements continue to be subject to further development and robust review to ensure that officers and members can be confident of deliverability.

In addition to the templates included in this document there are a number of additional savings options currently being developed as part of the wider service review programme activities, these include:

- The inclusion of a Disability Service Review as part of the next steps for Children's Services Review
- Efficiencies secured through the Learning Strategy Estate, wider property asset management and asset rationalisation

Strategic Overview

- A master plan for the Vogrie estate and potential income opportunities it creates
- A further review of the approaches to and resources committed to transportation of people, both clients and staff
- A broader review of the concessions policy for future consideration

For later years further work is required to review and bring forward proposals in respect of the following areas

- Workforce, recognising that employee costs are by far the largest element of the budget.
- The conditions attached to grant settlements, including the implications of maintaining the pupil teacher ratio and of restricting Council tax increases to 3% per annum.

The whole change programme will be continually updated to take cognisance of the emerging position for future years grant settlements and demographic changes, recognising the critical impact both of these issues have on the Financial Strategy and the projected budget position.

Work will continue in relation to the change programme required for 2018/19 and beyond and will be subject to considerable further scrutiny and analysis by officers and elected members as we develop our financial plan for 2018/19 and beyond.

Directorate Overview

This section seeks to provide a strategic narrative and direction of travel for each of the current directorates.

EDUCATION, COMMUNITIES AND ECONOMY

1. Education Service

We aspire to deliver a world-class education system through equity and excellence. Our vision is to provide the highest quality inclusive education and learning for all individuals and families in Midlothian. To realise this vision we will:

- give all our children the best possible start in life, providing a nurturing and inclusive learning environment;
- ensure that every young person has the opportunity to be a successful learner, confident individual, responsible citizen and an effective contributor;
- support adult returners to achieve their potential and secure positive outcomes including employment;
- work with our communities to promote high expectations which deliver the best educational outcomes for all learners;
- celebrate diversity, reduce inequalities and remove barriers to learning.

Linked to our aspirations to deliver a world class education is to ensure that we are building capacity for the expected growth in Midlothian recognising that Midlothian is the fastest growing local authority in Scotland. This will be achieved through the development and implementation of the Learning Estate Strategy which is expected to be presented to Council in the autumn.

Our service consists of the following teams;

- **Early Learning and Childcare:**
- **School Years:**
- **The Education Leadership Team:**
- **Additional Support Needs:**
- **Learning Technology Team:**
- **Educational Psychology Service:**

2. Children's Services

Children's Services has undergone a total service review with the new service implemented in April 2017. The new structure is not locality based but created through a desire to transform how we currently work with children and their families. We were driven by a desire to achieve greater efficiency both in working practices and use of resources. Our service vision is to improve families' lives by giving them the support they need, when they need it. Our aspiration is to have a workforce that is flexible and creative in its working. Our approach is outcome focused through our person centred planning and working in multi disciplinary teams with an emphasis on developing positive relationships. The Service consists of the following teams;

- **Early Intervention and Prevention Teams:**
- **Practice Teams 0-12 and 12+ :**
- **Early Intervention and Prevention Development Officers:**

Directorate Overview

- **Midlothian Residential Services:**
- **Family Placement Team:**
- **Kinship Care:**
- **Corporate Parenting:**
- **Hawthorn Children's Centre:**
- **Independent Reviewing Officers:**

In addition to these services provided directly by the Council, a range of services are also purchased through the Independent Sector; this includes agencies such as 'Who Cares? Scotland' who provide advocacy, advice and support to vulnerable Looked After and Accommodated Children. Children 1st who provide support to our young carers, and also work intensively for a short period of time with children and young people affected by parental substance misuse. Barnado's offer respite and support services to children and young people with additional support needs.

The outcome focussed same approach is supported by a range of teams within the Council including finance, legal services, procurement, planning, performance management, staff training and development and Organisational Development/Human Resources.

3. Communities and Economy

The overarching aim of the Communities and Economy Service is to support, protect and develop the communities in Midlothian through:-

- Providing for optimal social, economic and physical environments for those communities;
- Growing the Midlothian economy through supporting new and expanding businesses, attracting inward investment and promoting key employment sectors;
- Acting as a key driver in the development of our most disadvantaged communities; and
- Maintaining high standards of public health, consumer confidence and public safety.

The Communities and Economy Service comprises the following functions:

- **Building Standards:**
- **Communities and Performance:**
- **Economic Development**
- **Environmental Health:**
- **Planning:**
- **Trading Standards:**

HEALTH AND SOCIAL CARE

1. HEALTH AND SOCIAL CARE

1.1 Why is Transformation Necessary?

There are three major continuing challenges in the delivery of health and social care services in Midlothian:

- **Growing and Ageing Population:** The population is growing rapidly-a 26% increase by 2039. The number of people over 75 years will double over the next 20 years. People with long term disabilities and complex health conditions are living much longer.
- **Financial Pressures:** Despite growing demand, social care and health are facing real cuts in budgets. The significance of this challenge was recognised by Scottish Government in 2016 providing additional ring-fenced social care funding to Local Authorities; in Midlothian this was £3.4m.
- **Workforce Pressures:** Despite changes to terms and conditions such as guaranteed hours and the Living Wage, recruitment and retention is a growing problem, particularly in the field of care at home. This is a high risk area with many people in need of social care support not receiving it during 2017-18.

1.2 National Solution-Integration

Scottish Government was sufficiently concerned about the long term sustainability of health and social care, to legislate, in 2014, for the establishment of new Integration Authorities. The objective, consistent with the Christie Report, was to put organisational arrangements in place which would make it more possible to shift the emphasis to community based services and to give much greater priority to prevention and addressing inequality. This has been a major change in the governance of health and care services and these arrangements are now fully in place in Midlothian.

1.3 Service Transformation

The scale of the challenge is such that fundamental changes to health and care are needed with the emphasis moving from

- **Failure Demand to Prevention**
- **Treatment and Support to Recovery and Rehabilitation**
- **Reactive to Anticipatory Care**
- **Hospital and Care Homes to Community Based Services**
- **Individual Practitioner to Team Working**

An underlying theme to these shifts in approach is that of enabling people to access universal services, such as good quality housing; employment; and social opportunities, rather than have a continuing dependence upon health and care services.

While the current financial context is more serious than anything faced previously by the Public Sector, there has been a culture of transformation in Midlothian Adult Care Services; through commissioning, restructuring and service redesign annualised savings of £5.35m was achieved between 2008 and 2015

1.4 Governance

In line with the Public Bodies Act (2014) the Council has delegated the Adult Care functions to the Midlothian Integration Joint Board. The strategic planning and financial planning for

Directorate Overview

these functions is now the responsibility of the IJB. The Council will decide the totality of the budget to be allocated to the IJB for Adult Care functions, and it is clear that these budgets will be reduced from their current level in line with the overall reduction in resources available to the Council. The governance around the planning of the efficiencies to be applied to these budgets rests with the IJB and discussions have been held with the IJB as to how this process will be managed. On an operational level, where the Council is able to design and deliver more efficient ways of providing services in line with Best Value and Financial Discipline, it should do so providing these changes are in line with the IJB Strategic Plan.

1.5 Financial Strategy

The key feature of integration is the direct control of one body over the health and care budgets. This is intended to ensure that moves across the system to achieve the shifts outlined above. Strengthening community based services by moving resources from care homes and hospitals will take time. In view of this the more immediate focus is upon making the most effective use of existing resources within social care. A new programme board- *Realistic Care Realistic Expectations*-was established in December 2016 with the very ambitious objectives of eliminating the projected overspend of £1.4m in 2017-18 and contributing a further £1.55m savings by March 2018.

The approach is twin tracked; one is to improve the efficiency and effectiveness of the service; the other is to design and deliver more sustainable individual care packages. Improved service efficiency includes stronger internal systems such as commitment recording –a complex task in social care because of the ever changing individual care arrangements. It is also critical that policies regarding the provision of social care services are clear and robust otherwise there is considerable scope for variation and inequity despite the Council policy on eligibility criteria. Two such policies were recently approved by Council regarding high cost care packages and transport to care services.

Effectiveness is entirely dependent upon the workforce within the Council and in independent and voluntary social care organisations. Alongside a strengthened approach to staff and team development, much more emphasis is now being given to the development of a cross-sector Midlothian Workforce Plan to improve recruitment and retention in all areas of health and care.

Critical to the success of these planned changes is gaining consensus with the Midlothian public. Communication and engagement is already given a strong emphasis with quarterly newsletters on integration; regular public meetings –the *Hot Topics Forum*; and more recently a specific programme of work in relation to Primary Care. Effective and extensive communication with our customers and local communities will be vital.

1.6 Service Redesign

There are many areas of service transformation planned and underway in transformation and these are described in the Midlothian Health and Care Delivery Plan 2017-18. The service changes referred to in this report are those which are most likely to generate savings in the short to medium term.

Even these timescales are ambitious given the need for careful planning with users and families and the complexity of the re-commissioning requirements. However, short term

slippage of timescales is more than offset by the longer term sustainability to be generated through the redesign of these services.

1.6.1 General Themes: A key contributing factor in promoting good physical and mental health is the provision of suitable accommodation with support. Housing is critical to the development of more cost effective care delivery models. One current example of this is the provision of 12 new houses in Penicuik for people with complex needs. The major area of development required is that of extra care housing for older people which will help to reduce reliance on expensive residential care as well as planned clusters of tenancies for people with learning disabilities to facilitate better management of risks and support of the social care workforce.

The role of housing and particularly amenity housing, has a key role in enabling older people to live well in later life. The impact of extra-care housing has been incredibly positive in allowing older people to remain independent and within their own tenancies.

The staff intensive nature of the delivery of health and care means it is vital that every opportunity is grasped to redesign services in a way which incorporates new technologies. One current area of exploration is identifying safe ways of reducing the need for expensive overnight support.

1.6.2 Learning Disability Day Services: There has been considerable investment – now over £4m per year including transport- in recent years. Whilst this has in part, been a response to the number of youngsters with complex needs; there is a recognition that the current proliferation of services, including those accessed in Edinburgh, is not sustainable.

1.6.3 Care Packages: People's social care needs can change over time so it is important that support is reviewed regularly. This makes sure the support is meeting people's personal outcomes. A dedicated Social Care Review Team has now been established with the task of ensuring that all packages of care are reviewed and that individuals have the right level of support. This will mean considering whether people have the right balance of rehabilitation and independence or direct support, alongside the possible use of technology.

1.6.4 Care at Home: Care at Home services are critical building blocks in the delivery of community based care; each month in Midlothian 50,000 care home visits are delivered. However Care at Home has been an ongoing area of high risk in terms of sustainable service provision; service quality; workforce shortages; and the consequential impact on other services such as delayed discharges in acute hospitals. A major rethink is underway with the ambition to move away from the long established "time and task" approach to one which is more personal outcome focussed.

This will also include a more focused approach to locality based delivery, building on a 'family first' approach and making more effective use of multi-disciplinary teams across the health and social care workforce, with clear connections to community and voluntary organisations.

2. CUSTOMER AND HOUSING SERVICES

New challenges are emerging which place greater emphasis on integration, co- production and customer engagement while responding appropriately to individual or collective needs and capabilities in delivering the range of customer and housing services. Service Reviews

Directorate Overview

have implemented new ways of working designed by the respective teams and had positive impacts on performance and outcomes.

In this transformational approach we have become more efficient and at the same time delivered changes resulting in improvements to work practice, the services we deliver and the quality of life experienced in our communities.

2.1 HOUSING AND HOMELESSNESS

The critical role of access to good quality housing in supporting the wellbeing of the general population is reflected in the commitment to an expanded and accelerated programme of Council house building.

2.2 COMMUNITY SAFETY

There is a commitment to a substantial reshaping of community safety services. In developing a *Safer Midlothian* the responsibility for responding to community safety concerns will be on redefining the role of the community in helping itself resolve small scale problems through the Resolution Service, while council tenancy problems are integrated within the roles of Council Housing staff who will work closely with reinstated Community Action Police Teams. The emphasis will be on a preventative approach with particular attention on substance misuse and domestic abuse. Leadership for ensuring successful redesign of community safety will rest with the Safer Midlothian Group.

2.3 CUSTOMER SERVICES

These services are subject to an ongoing service review process with the objective of reshaping to achieve financial savings whilst also seeking to improve access. There has already been a significant redesign of, for example, local libraries now undertaking a number of functions. Further transformation is required in Revenues, Libraries and Customer Services.

There is a need to focus driving more customer activity onto the digital platform. This will entail developing new models by working in close partnership with local communities, referred to as “co-production”, which will be critical to achieving successful and sustainable transformation.

RESOURCES

As stated in the strategic narrative, the Council's financial strategy over the next five years requires a move towards increasing financial sustainability and the adoption of a range of strategic approaches to achieve this. Whilst progressing service initiatives in line with existing plans, continuing to deliver financial savings against the budget, and maintaining robust financial discipline, the direction for Resources Directorate will focus on the following strategic approaches:

- Investing in new ways of working alongside sharing services to secure economies of scale with willing and like minded partners to provide further opportunities to reduce service operating costs.
- Increasing income generation and growth opportunities to maximise external income and fees and charges, including commercial contracts, works, services and consultancies.
- Refocusing resources and workforce planning activities to better respond to the Council's key priorities and outcomes.
- Transitioning to digital solutions, where appropriate, adopting standardisation, simplification and a sharing approach to achieve maximum efficiency and effectiveness and securing greater automation where appropriate.
- Ensuring effective delivery of statutory services.
- Rationalisation and maximising the use of all assets including the utilisation of Premises, Land, Digital Assets and Plant/Vehicles.
- Redesigning and future proofing services to limit the impact of demographic pressures created by a growing Midlothian.
- Develop a Workforce Strategy which enables the significant transformational change and which supports the achievement of the emerging workforce plans.

This section seeks to provide a strategic narrative and direction of travel for each of the three service areas.

1. Commercial Operations

In support of the Council's strategic approaches Commercial Operations will progress the following key transformational projects aimed at maximising the use of assets and creating flexibility across the workforce:

- Develop the Street Scene/Neighbourhood model of service delivery to provide key frontline services in the communities
- Maximise the utilisation of the Council's fleet and passenger transportation arrangements (including third sector providers) by reducing costs and contributing to the environmental agenda and reducing the carbon footprint
- Seeking commercialisation opportunities and trading with a wide range of organisations including the Private Sector and public sector partners
- Reducing the volume of waste managed and maximise recycling from all sectors with a clear focus on Municipal Premises

Directorate Overview

- Developing community participation opportunities with local organisations and groups

2. Finance and Integrated Service Support

In support of the strategic approaches outlined Finance and Integrated Service Support will progress the following key transformational activities, specifically aimed at maximising the use of technology and significantly reducing the staffing establishment:

- Exploit the use of digital technology and services to redesign services, investing in solutions to deliver efficiencies
- Ensure the Council's Digital Foundations are fit for purpose and delivered as cost effectively as possible. Maximising utilisation of digital assets including software and systems functionality
- Supporting robust financial discipline and robust supplier contract management and monitoring
- Reducing the cost of "back office transactions" by simplifying, standardising and sharing business processes and systems across the Council
- Maintaining the capacity and capability to support the delivery of transformational change across all services

3. Property and Facilities Management

In support of the strategic approaches outlined Property and Facilities Management will progress the following key transformational projects:

- Exploring opportunities for partnering arrangements with public and private sector organisations
- Maximising the utilisation of the Council's property and land portfolio including progressing sites for the building of additional Social Housing
- Commercialisation opportunities and trading with a wide range of organisations including the Private Sector and public sector partners
- Minimising the level of subsidy across facility services with a particular emphasis on Sport and Leisure and Facilities Services
- Introduce renewable sources of energy production to reduce utilities costs and the carbon tax

In addition to the strategic journey across the Directorate all services will continue to contribute to environmental responsibilities, providing opportunities for young people, supporting the economic growth of Midlothian, working in partnership with Communities and Voluntary Organisations.

Transformation Programme

Midlothian Council, along with all local authorities, has experienced and will continue to experience significant financial challenges. By adopting a transformation approach, we have become more efficient and at the same time we have delivered changes which result in improvements to the way we work, the services we deliver and the quality of life experienced by local people. These changes are evidenced in the delivery of new affordable homes, new schools, improved recycling rates, improved positive destinations for school leavers and the arrival of the Borders railway. In addition we have successfully delivered significant changes and improvements in services to protect children and vulnerable adults. All of this has been achieved despite resource constraints.

In response to the changing context the Transformation Programme has been subject to regular review and change and following feedback from our external auditors in December 2014 the programme was streamlined to focus support and resources and the following five strands make up the current programme:

- **Integrated Service Support Project** – The objectives for this project include: Consolidation of key support services; Review and challenge of management arrangements to ensure appropriate spans of control (layers and specialisms); Review and challenge of service delivery arrangements and priorities; Delivery of service improvements and achievement of cost efficiencies by eliminating duplication and silo working to reduce failure demand and to improve our business processes and; To support the delivery of service ‘enablers’ and support services across the council to assess how best to release efficiencies the enablers create.
- **Education Provision Project** – The objectives for this project include: To review and streamline processes, structures and the roles engaged in administrative activities across schools to ensure the most appropriate utilisation of Education staff; To re-evaluate in light of recent legislation the most cost effective delivery of pre-school children’s access to a wider curriculum and educational experience; To review and rationalise the schools estate and catchment areas; To review secondary provision for the senior phase; To identify and pursue transformational savings to offset the impact of the agreement with Scottish Government to maintain teacher numbers and; To carry out mini service reviews within the Education Service to deliver further savings.
- **Customer Service Project** – The Customer Services transformation project aims to have a positive impact on performance and customer experience and lead to long term efficiencies and cost savings. The initial focus of the project was to deliver the following:
 - Develop a foundation of knowledge (customer insight) to understand who our customers are, how they contact the Council and how they access our services which will enable us to make informed decisions on service delivery, resource allocation, access channels and communications.
 - A Customer Service Strategy for 2014-17 outlining how the vision of Customer Service will be delivered
 - Provide Customer Services tailored to local need in an area where it is in most need of investment of resources by responding to customer demand in a hotspot locality.
 - Release savings by consolidating Customer Service reception resource within the Dalkeith Campus and enhancing our one stop capability provision.
 - Implementation of our Customer Service Strategy Action plan for 2015-18.

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- **Services with Communities Project** – The primary objectives for this project is to work with our customers and partners to review and re-shape service delivery so that it is aligned to the priorities and outcomes of the Single Midlothian Plan and ensures that Midlothian Council resources are effectively utilised to provide essential services to communities with a partnership focus on those in greatest need. The aim is to set a clear direction and make demonstrable progress in transforming Midlothian Council from being solely a service provider to a tailored, more balanced and partnership approach to the delivery of services to communities.
- **Children’s Services Project** - The overarching aim of the project is to ensure that children and young people of Midlothian get the help they need when they need it, so that each child and young person has the opportunity to reach their full potential. The project is undertaken following a ‘whole system’ approach and involves working with partnership agencies. Undertaking this project will enable the Council to re-direct resources at an earlier stage, therefore preventing further issues escalating and improving outcomes for the children and young people involved.

The **Integration of Health and Social Care Transformation** is also reported for information purposes via the Council’s Business Transformation Board and Steering Group.

Delivery of the financial savings element of the programme has been and will continue to be a key contributor to the wider change programme aimed at addressing the projected budget shortfalls. Savings achieved to 31 March 2017 totalled £12.310 million (which equates to 6.3% of the 2016/17 budgeted net expenditure) with a further £2.791 million included in the 2017/18 budget. This will bring the total savings by the end of the financial year to £15.101 million

Recognising the need to invest to secure sustainable change the Council has approved utilisation of Reserves to fund costs associated with the transformation programme. At this time £3.287 million of this has been applied with future commitments of £0.593 million identified for 2017/18 and 2018/19. This leaves £3.838 million as uncommitted.

In addition to the £15.101 million delivered/in hand the Financial Strategy for 2018/19 to 2020/21 includes further savings across the existing strands of the transformation programme. These savings targets are predicated on the outcomes of the review activity and any subsequent decisions taken by Council and so remain indicative.

Council Existing Transformation Programme Savings – 26 September 2017

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Children’s Services	0.274	0.335	0.335	0.335
Services with Communities	0.850	0.850	0.850	0.850
Education	0.426	0.461	0.461	0.461
Health and Social Care	1.000	1.000	1.000	1.000
Totals	2.550	2.646	2.646	2.646

As the previous table highlights the majority of the savings associated with the current transformation strands are in 2018/19 with £0.096 million in later years. An important

Transformation Programme

element of the budget development work has been to develop the next iteration of the transformation programme as a key element of the Financial Strategy to ensure that available resources are as far as possible targeted on the delivery of improved outcomes, particularly against the key priorities.

This involves incorporating the activities from the proposals set out later in this pack and progressing with the following key components for the next phase of transformation:

- 1. Services with Communities** – there is a clear need to change the relationship we have with communities from a paternalistic one focused on service provision to one based on partnership and co-production and working together.
- 2. Entrepreneurial Council** – covering property development, income generation, asset utilisation, energy, commercial opportunities etc
- 3. Digitally-led transformation/Customer Service** – we want to be at the forefront of digitally enabled change which may connect with the next phase or acceleration of customer services transformation.
- 4. Shared Services** – as a result of the current climate of reduced public spend and growing pressures on public services for the foreseeable future, service sharing and collaborative working will be a key consideration for options available to sustain services.

The proposals templates, where appropriate, have been noted to identify a link to the relevant strategic/transformational theme in order to demonstrate a number of early deliverables attached to the longer term strategic and transformational journey. The first table on page 6 also captures a summary of the savings already identified in the proposal templates for each of the transformational components.

A strategic narrative for each of the key transformational components and a table identifying the transformational link to the initial proposals presented, follows:

1. Services with Communities

As noted earlier the financial challenge ahead required Midlothian Council to think differently about how we engage and work with our communities. The previous Services to Communities Board had a focus on closing buildings and making savings on the Grants to Community organisations. This approach then put the Council at conflict with some of our Communities, with organisations fighting to keep older, more costly buildings and services. Feedback from our previous budget consultation was ‘don’t call it review if you are reducing or removing budgets’. The feedback indicated a lack of trust in Council processes.

Midlothian Council needs our communities to help us deliver our ambition of Midlothian - Great Place to Grow. We need to engage communities in the financial challenge ahead and where we plan to withdraw or reduce service delivery, we need to ensure we include them in that discussion and ask what can they do to assist in their own Communities.

Volunteering can be a powerful driver of personal, social, economic, cultural and

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environmental change; in Midlothian we have a strong track record of active volunteering across the voluntary, public and private sectors. This involves large numbers of dedicated volunteers of all ages and a wide variety of volunteering activities such as countryside activities, community gardens, lunch clubs and cafés, health and wellbeing activities and sports clubs, galas and events, community hospital volunteers and broader befriending and mentoring activities.

Levels of volunteering activity in Midlothian are generally higher than the Scottish average. Volunteering brings significant benefits for both the volunteer and the individuals that are supported. It is an important activity that serves to integrate people and communities through the shared experiences that it generates. With around 30% of Midlothian residents engaged in some form of volunteering, it is clear that many services and recreational activities would cease to function or be seriously curtailed without the commitment and input of local volunteers. We need to do more, however, to maximise the potential of volunteering to act as a positive force for change in Midlothian building on the existing powerful base.

As a Council we need to be honest and engage our community as we go ahead. We have an additional £1.7m savings target against the Services with Communities strand by 2021/22 and this is possible if we rethink our approach to working with communities. All of this fits with the established Christie Commission principles of building up the capacity of communities to work with the public sector in the delivery of particular services, and which is given legislative power through the legislative requirement to include communities in the decision making process through the Community Empowerment Act under which communities are active participants in the decisions made which affect their communities. Accordingly, it would benefit the Services to Communities Board to change its name to Services with Communities to show this change of direction.

Services with Communities Proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
A tailored and informed approach to Reduction in the Large and Small Grants budgets	0.000	0.600	0.600	0.600
Transfer all halls and pavilions to community groups	0.000	0.000	0.100	0.100
Additional Target - Co Production Community Engagement to build local capacity	0.000	0.000	0.000	1.000
Total	0.000	0.600	0.700	1.700

2. Entrepreneurial Council

A key focus going forward will be contributing to the overall Midlothian economy by developing, delivering and providing a range of high quality, value for money entrepreneurial (commercial) services in partnership with

- Local Companies
- Other Public Bodies
- Residents and Household
- Private developers
- Other organisations

Transformation Programme

This transformational component will be taken forward with the following deliverables in mind:

- To generate financial surplus for reinvestment within services and/or to support other Council priority services.
- To maximise the use of the workforce, buildings, vehicles, equipment and digital assets in providing services.
- To develop the skills of the workforce to enhance their jobs and to allow access to new markets.
- To develop and explore partnerships initially within and in the future build on partnering arrangements beyond Midlothian.
- To optimise and spread fixed costs over a greater cost base.

In line with challenges previously identified the requirement to become more commercial is driven by a need to respond to:

- The unprecedented level of funding cuts facing the Council and Public Sector.
- The significant impact of funding cuts on non statutory services currently provided by the Council.
- The need to develop working partnerships with Midlothian companies and other organisations.
- The need to develop staff and managers and the requirement to retain a critical employee mass to ensure the continuity of essential services.

In order to build on the commercial activity and work undertaken to date by the Council it will be necessary to:

- Enable, develop and support a commercial culture with a focus on the customer or the client (not always Council).
- Concentrate and focus on core commercial activities and undertake a review of non commercial functions.
- Establish a team of key staff to assess identify and exploit opportunities using a range of skills and services.
- Enable the “sales force team” to explore and develop new ideas and opportunity for business.
- Explore opportunities that incentivise staff to excel and exceed expectations.

All entrepreneurial and commercial endeavours should be underpinned by a robust governance framework and developed and supported with an appropriate business case and professional and technical advice. Whilst entrepreneurial activities will align with council aims and values, elected member support and buy in will be key to successful delivery.

Entrepreneurial Council Proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Advertising on Council refuse vehicles	0.010	0.015	0.015	0.015
Increase charges where appropriate	0.150	0.300	0.450	0.600
Increase training offer - increase income Risk	0.025	0.030	0.035	0.035

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Management				
Sales Force Spend to Generate	0.000	0.100	0.200	0.250
Review Surestart Contracts	0.050	0.050	0.050	0.050
Building Services Company	0.000	0.000	0.250	0.660
Construction and Design Service Consultancy	0.000	0.090	0.190	0.190
Income from Professional Consultancy	0.000	0.000	0.050	0.050
Expand Catering/Function Service	0.000	0.020	0.025	0.030
Café Service Social Enterprise/Branding	0.010	0.030	0.050	0.050
Renegotiate Skanska subcontract	0.100	0.100	0.100	0.100
Property Company	0.000	0.000	0.000	0.240
Renewable Sources of Energy	0.000	0.000	0.000	0.280
Community run 'Pure Gymn'	0.000	0.000	0.000	0.200
Wrap around care provision	0.000	0.000	0.100	0.100
Selling Services	0.000	0.050	0.050	0.050
Destination Hillend	0.000	1.000	1.000	1.000
Additional Target - Entrepreneurial Council	0.000	0.000	0.500	1.000
Total	0.345	1.785	3.065	4.900

3. Digitally-led transformation/Customer Service

As one of the fastest growing areas in Scotland, Midlothian has a projected population increase of 23.1 % by 2039 compared with 2014. Accordingly the Council cannot support more customers using the current resources, systems and processes.

Customer self-service can help deliver some key services without customers dealing directly with a member of staff and could truly transform the way the Council deliver services. We already have a well-managed public facing website and SOCITM has recently published the results from this independent benchmarking exercise and awarded our site four stars.

Midlothian is one of only four councils in Scotland to achieve this accolade. Our Web Team, 50 Content Editors and council employees, generally 'get it' and already we have been able to transform how our customers interact with the council. We have successfully accessed simple services online already e.g. apply for ski lesson at Hillend, find bin collection dates, report a pothole, request a bulky uplift etc. and our citizens access our site at an ever-growing rate.

We can be a leader in the delivery of online services and there is still significant potential to transform the way we work. The Digital Strategy Group is already managing a portfolio of projects, which could help deliver additional online customer services:

- CRM (joint procurement with East Lothian Council)
- MyAccount authentication and single sign on
- Online housing applications
- SEEMIS (parent portal)
- Review of online payments provider

Transformation Programme

- Online school payments
- Leisure booking and leisure payments

It is recognised that additional components are required to have a complete customer online experience and these include:

- A Customer Portal (where a customer logs on through our website is recognised and can complete a customer journey which is truly a transactional end to end customer journey)
- SEEMIS , Education management information system (parent portal)
- Integration with back end systems (e.g. Council Tax, housing, etc.)

It is important that all leaders and senior managers are aware of this transformation programme so that they can support and help initiate the required service changes to improve the customer experience and to drive savings and efficiencies.

- Present and discuss the vision for Midlothian online payments and services (OPAS)
- Outline reasons and benefits of having a joined up, council-wide approach to online payments and services
- Position key procurements and implementation projects that will come under the umbrella of OPAS
- Gain endorsement from Digital Leaders

Progressing this core element of transformation will require:

- Putting a project team in place for a Start-up Phase
- Specifying requirements for online service and payments
- Identifying priority services
- Conceptualising the design
- Creating a Business Case
- Funding and approval to procure/implement a phased solution

The creation of an agreed roadmap to secure future technical sustainability of our online customer presence will:

- Provide the tools and resources to transform Midlothian into a true 'Digital by Default' organisation
- Maximise efficiencies which can be made from implementing a mature, end to end solution for customers
- Require robust governance through the Customer Service Project Board of a project/programme of work which may span 3-4 years
- Not deliver In-house process efficiencies immediately and will require processes to change to realise savings in time

Digitally-led Transformation Proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Digital lead Customer Service - Libraries	0.240	0.240	0.240	0.240
Digital by Default	0.000	0.000	0.000	0.500
Total	0.240	0.240	0.240	0.740

4. Shared Services

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The shared service element for transformation will be informed by a number of key principles previously identified for Shared Services and Collaborative Working by CIPFA in 2010 as follows:

- Service sharing and collaborative working, where they are relevant, will normally be used in combination with other methods, such as system thinking and process redesign.
- Making shared services happen will demand leadership and drive from those at the top of the organisation, this means senior executives and elected members.
- Partners need to understand where they are – in cost and performance terms – before embarking on change, and benchmark with peer organisations. This will provide an early assessment of the scale of opportunity.
- There is no ‘right’ option for or pathway into service sharing. Some organisations will choose to collaborate in a range of different partnerships where different services feature in each case, others will instead decide to work in more broadly based relationships, sharing a wide range of services with just a fixed group of other bodies.
- Collaboration models and vehicles will vary from case to case. In some instances this may mean working with organisations from other sectors, including commercial bodies. Legal requirements, among other things, will determine which model/vehicle is best suited to carry any partnership forward.
- In sharing services, the underlying processes will usually need to be simplified and standardised before they are consolidated in a single shared service. In doing this, processes will be redesigned on an ‘end-to-end’ basis, with ‘process owners’ taking responsibility across the whole service in question.
- Parties to the collaboration may need to migrate to a common technology platform (for instance, a finance or HR system), to remove the complexity and inefficiency that multiple systems might cause.
- Not every process or service will be open to sharing. Much will depend on the strategic significance of the service in question and the need for it to be tailored to local requirements.
- Processes and services that are shared will tend to be either;
 - ‘transactional’ or ‘rules-based’ – involving standard, repetitive activities (such as processing invoices or accounting journals) that can be grouped together for processing efficiency; or
 - ‘competency-based’. In the latter case the work in question is likely to be brought together as part of a centre of expertise, which may allow for a range of specialist skills to be combined as part of a single unit e.g. Technical Services
- While there is a range of risks and legal issues to be addressed in sharing services, given political will and the willingness to invest resources, these can be dealt with in a managed way. They should not be seen as insurmountable barriers to change

Shared Services Proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Shared Service (Support Services)	0.000	0.000	0.000	1.000
Sharing Catering management with neighbouring LAs	0.000	0.050	0.050	0.050
PPP Shared management with other LA	0.000	0.035	0.035	0.035

Transformation Programme

Additional Target - Shared Services	0.000	0.000	1.000	1.000
Total	0.000	0.085	1.085	2.085

Saving Proposals - Summary

	DESCRIPTION	2018/19 £m	TOTAL £m	Pg.
	EXECUTIVE TEAM			
1	Senior Team Management Review	0.000	0.250	29
	Total	0.000	0.250	
	EDUCATION, COMMUNITIES AND ECONOMY			
	Communities and Economy			
1	Transfer of the Welfare Rights function to external agencies	0.143	0.143	30
2	Overall reduction in the Planning Service (2 posts)	0.106	0.106	31
3	Staff saving from community asset transfer of Newtongrange Community Learning Centre building	0.025	0.025	32
4	A tailored and informed approach to Reduction in the Large and Small Grants budgets	0.000	0.600	33
5	Reduce contribution to Strategic Planning Authority	0.020	0.020	34
6	Review of the pest control service within Environmental Health	0.007	0.007	35
7	Deletion of Environmental Health support post (noise control/enforcement)	0.028	0.028	36
8	Overall further reduction in the Environmental Health Service (2 posts)	0.108	0.108	37
	Total	0.437	1.037	
	Children's Services			
1	Reduction of Early Intervention & Prevention Services	0.130	0.130	38
	Total	0.130	0.130	
	Education			
1	Reduce Learning Assistants by 10%	0.198	0.330	39
2	Review Surestart Contracts	0.050	0.050	40
3	Lifelong Learning and Employability	0.184	0.209	41
4	Review DSM	0.750	0.500	42
5	Charging for Instrumental Tuition	0.197	0.329	43
6	Review let charges for after school clubs	0.250	0.450	44
7	Integration of Pathways, Pave and Pave 2 – mini service review	0.000	0.200	45
	Total	1.629	2.068	
	ADULT HEALTH AND SOCIAL CARE			
	Adult Social Care			
1	Rebalancing Care – Rebalancing Expectations	0.000	4.620	46
	Total	0.000	4.620	
	Customer and Housing Services			

Saving Proposals - Summary

1	Community Safety	0.430	0.430	48
2	Homelessness	0.260	0.560	49
3	Housing	0.100	0.100	50
4	Library Services	0.240	0.240	51
5	Revenues and Benefits	1.000	1.994	53
	Total	2.030	3.324	
	RESOURCES			
	Commercial Operations			
1	Charge for bins and boxes	0.070	0.250	55
2	Extend collection frequencies	0.100	0.100	56
3	Close Penicuik recycling centre	0.100	0.100	57
4	Charge for garden waste collection	0.370	0.510	58
5	Charge for commercial waste at Stobhill CRC site	0.000	0.050	59
6	Advertise on Council refuse vehicles	0.010	0.015	60
7	Increase the level of recycling	0.025	0.075	61
8	Reduce Street Sweeping Frequency	0.030	0.030	62
9	Reduce grass cutting standards	0.150	0.150	63
10	Reduce the number of grass football and astro pitches	0.050	0.050	64
11	Stop provision of all floral displays and shrub beds	0.130	0.130	65
12	Stop support to gala's and events	0.075	0.075	66
13	Increase charges where appropriate	0.150	0.600	67
14	Increase lair provision at Dalkeith cemetery	0.025	0.050	68
15	Close Polton Bowling Club	0.020	0.020	69
16	Review spending on road maintenance	0.250	0.250	70
17	Reduce the structures maintenance budgets	0.050	0.050	71
18	Reduce the street lighting maintenance budget	0.150	0.150	72
19	Transform Lighting Operations	0.050	0.100	73
20	Reduce the winter maintenance budget	0.300	0.300	74
21	Remove the non statutory school crossing service	0.200	0.300	75
22	Stop all open space CCTV activity	0.030	0.030	76
23	Introduce and Increase Parking Charges	0.050	0.050	77
24	Stop supported bus grants and reduce community transport support	0.150	0.250	78
25	Reduce the ring and go scheme	0.030	0.030	79
26	Stop the taxi card scheme	0.050	0.050	80
27	Increase training offer - increase income Risk Management	0.025	0.035	81
28	Sales Force Spend to Generate	0.000	0.250	82
	Total	2.640	4.050	
	Finance and ISS			
1	Management Structure	0.080	0.080	83
2	Digital Services	0.150	0.150	84
3	Digital by default	0.000	0.500	85

Saving Proposals - Summary

4	Service Improvement Plans/Business Processes/Service reduction	0.500	1.000	86
5	Remove Regular Car Allowance	0.050	0.315	87
6	Shared Services (Support Services)	0.000	1.000	88
	Total	0.780	3.045	
	Property and Facilities Management			
1	Building Services Company	0.000	0.660	89
2	Reduction in Housing Voids Standards	0.080	0.080	90
3	Construction and Design Service Consultancy	0.000	0.190	91
4	Income from Professional Consultancy	0.000	0.050	92
5	Increasing the charging for school meals	0.040	0.160	93
6	Sharing Catering management with neighbouring LAs	0.000	0.050	94
7	Café style high school meal service	0.000	0.025	95
8	Trolley Service/Internal Catering to cover costs	0.013	0.013	96
9	Expand Catering/Function Service	0.000	0.030	97
10	Café Service Social Enterprise/Branding	0.010	0.050	98
11	Janitorial Service shared between 2 primary schools	0.225	0.225	99
12	Renegotiate Skanska subcontract	0.100	0.100	100
13	Property Company	0.000	0.240	101
14	Renewable Sources of Energy	0.000	0.280	102
15	PPP Shared management with other LA	0.000	0.035	103
16	PPP maximised use of contracted hours	0.000	0.060	104
17	Sport & Leisure - Leisure Trust Model	0.000	0.300	105
18	Community run 'Pure Gymn'	0.000	0.200	106
19	Cessation of Sporting Grants	0.014	0.014	107
20	Lifeguard Cover	0.100	0.100	108
21	Concessionary Charging Policy (Age) - Leisure	0.100	0.100	109
22	Wrap around care provision	0.000	0.100	110
23	Transfer all halls and pavillions to community groups	0.000	0.100	111
24	Merging of S&S/FM Staff in Hubs	0.122	0.122	112
25	Selling Services	0.000	0.050	113
26	Destination Hillend	0.000	1.000	114
27	Fees and Charges	0.100	0.400	115
	Total	0.904	4.734	
	Directorate Proposal Summary			
	Executive	0.000	0.250	
	Education, Communities and Economy	2.196	3.235	
	Adult, Health and Social Care	2.030	7.944	
	Resources	4.324	11.829	
	Total	8.550	23.258	

Saving Proposals - Summary

Savings Proposals – Potential staffing implications

Directorate	FTE
Executive	2
Education, Communities and Economy	30.3
Adult, Health and Social Care	43
Resources	167
Total	242.3

Proposal Templates

Directorate	Chief Executive
Service Area	Management Structure
Proposal	To review senior management structure
Strategic Theme	Workforce
Proposal (requires Council approval – Y/N)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.250	0.000	0.000	0.250
Cumulative savings	0.000	0.250	0.250	0.250	0.250
FTE staff impact	0	2	0	0	2

Description of Savings Proposals

Presently the Council operates at an executive level with
 A Chief Executive
 3 Directors (including a post shared with Health)
 9 Heads of Service (including a post shared with Health)

Whilst capacity is required in the medium term to ensure urgent progress with the transformation and review of services, it is incumbent on the Chief Executive (as Head of Paid Service) to examine senior management structures to ensure that they are affordable and fit for purpose. This proposal also supports the move towards the further sharing of public services and takes cognisance of changes to the Education Governance arrangements and the integration of Health and Social Care.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Potential impacts on Service Outcomes will be mitigated through consultation with affected staff and the development of robust service arrangements going forward and taking account of previous experiences of public sector restructuring across Midlothian

Directorate	Education Communities and Economy
Service Area	Communities and Economy
Proposal	Transfer of the Welfare Rights function to external agencies
Strategic Theme	Policy Cost Reduction
Proposa (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.143	0.000	0.000	0.000	0.143
Cumulative savings	0.143	0.143	0.143	0.143	0.143
FTE staff impact	3	0	0	0	3

Description of Savings Proposals
<p>The Council's Welfare Rights Service has been consistently successful in assisting the most disadvantaged and poor households to ensure that they receive the state welfare benefits to which they are entitled. The introduction of Universal Credit, and the transfer of claimants from Disability Living Allowance to Personal Independence Payment is already increasing the demands on the team. A commonly experienced consequence of these changes is that the inability of claimants to access the new systems results in their default on such payments as council tax and housing rent, which directly impacts on Council income. As this service is not statutory it can be considered transfer to external agencies to meet financial savings targets, although that could be counter-productive in terms of consequent loss of income from tax and rents. Other Council services such as adult social care, and children and families would most likely also incur additional costs as a consequence of vulnerable claimants and their families requiring the attention of these services. The primary alternative provider of this type of service would be the Citizens' Advice Bureaux, and they may require additional grant allocation from the Council to meet increased demand, as displaced from the Council team.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
(see above)

Directorate	Education Communities and Economy
Service Area	Communities and Economy
Proposal	Overall reduction in the Planning Service (2 posts)
Strategic Theme	Service Review
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.106	0.000	0.000	0.000	0.106
Cumulative savings	0.106	0.106	0.106	0.106	0.106
FTE staff impact	2	0	0	0	2

Description of Savings Proposals
Deletion of a Lead Officer Planner post, and a Planning Officer post.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
<p>Deletion of Lead Officer Planner post would adversely impact on performance due to reduced leadership and management, end the provision of pre application advice, delay the determination of major planning applications and associated legal agreements, (thereby increasing risks of planning by appeal), end progress on climate change reporting, and reduce input to community planning.</p> <p>Deletion of Planning Officer post would end all pre application advice, substantially reduce capacity to investigate breaches of planning control, delay determination of planning applications and result in poorer performance as benchmarked quarterly across Scotland, increase planning by appeal, and increased complaints of a poor service.</p> <p>The Midlothian area is experiencing rapid growth, and this is likely to be sustained for at least the next ten years. Demands on the Planning Service are, and will continue to be substantial. If economic development of Midlothian is to be maximised then an 'open for business' approach needs a proactive and high performing planning service.</p>

Directorate	Education Communities and Economy
Service Area	Communities and Economy
Proposal	Staff saving from community asset transfer of Newtongrange Community Learning Centre building
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.025	0.000	0.000	0.000	0.025
Cumulative savings	0.025	0.025	0.025	0.025	0.025
FTE staff impact	1	0	0	0	1

Description of Savings Proposals

Staff saving of post of Newtongrange Community Learning Centre Manager following community asset transfer of the building.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This would involve a full community asset transfer of the building to a community management committee, although there would need to be confidence about its ability to fund the maintenance of the building and to run it effectively as a genuine community asset.

The future of the building could also be more widely considered in relation to the opportunities for activities at the new Newbattle High School, and the outcome of current master planning work at Newtongrange Town Centre.

Directorate	Education Communities and Economy
Service Area	Communities and Economy
Proposal	A tailored and informed approach to Reduction in the Large and Small Grants budgets
Strategic Theme	Services with Communities
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.600	0.000	0.000	0.600
Cumulative savings	0.000	0.600	0.600	0.600	0.600
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Some of the priority areas for grant allocation, such as the citizens advice bureaux, could be converted into commissioned services. There could also be a policy change to stop charging rents and related costs to community groups and organisations. The Council's role would then be in kind support through the normal maintenance of premises/pitches/facilities, and the management of bookings etc.... The revised Communities Team, following the current review may need to be increased to engage with local community groups to ameliorate the impact of reductions/loss of grant funding. It is likely that the scale of reduction proposed would have adverse impacts in areas including adult social care, children's services, criminal justice, and healthy living (NHS).

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The revised Communities Team, following the current review may need to be increased to engage with local community groups to ameliorate the impact of reductions/loss of grant funding. It is likely that the scale of reduction proposed would have adverse impacts in areas including adult social care, children's services, criminal justice, and healthy living (NHS).

Directorate	Education Communities and Economy
Service Area	Communities and Economy
Proposal	Reduce contribution to Strategic Planning Authority
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.020	0.000	0.000	0.000	0.020
Cumulative savings	0.020	0.020	0.020	0.020	0.020
FTE staff impact	0	0	0	0	0

Description of Savings Proposals
<p>Changes to the planning system in Scotland are almost certainly expected to include removal of the statutory requirement for strategic development plans. As a consequence the Council's contribution to the costs of preparation of the South East Scotland Strategic Development Plan can be reduced.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
None

Directorate	Education Communities and Economy
Service Area	Communities and Economy
Proposal	Review of the Pest Control Service within Environmental Health
Strategic Theme	Service Review
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.007	0.000	0.000	0.000	0.007
Cumulative savings	0.007	0.007	0.007	0.007	0.007
FTE staff impact	0.6	0	0	0	0.6

Description of Savings Proposals

Cessation of Pest Control Service.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The pest control service run by the Council is of high quality, and generally less expensive in terms of charges to customers, than is the case with private sector companies: it is therefore particularly beneficial to older residents and more vulnerable individuals. Loss of the post would have some adverse impact on other areas of enforcement, such as dog control and fly tipping.

If the service were to be stopped pest control would be more poorly managed, leading to more incidents of infestations and spread to neighbouring premises.

Directorate	Education Communities and Economy
Service Area	Communities and Economy
Proposal	Deletion of Environmental Health support post (noise control/enforcement)
Strategic Theme	Service Review
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.028	0.000	0.000	0.000	0.028
Cumulative savings	0.028	0.028	0.028	0.028	0.028
FTE staff impact	0.8	0	0	0	0.8

Description of Savings Proposals

This service/post covers a number of environmental enforcement matters including noise.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Loss of this post would reduce the capacity of the Service to undertake technical work such as air quality monitoring, gas monitoring, and related activities.

Directorate	Education Communities and Economy
Service Area	Communities and Economy
Proposal	Overall further reduction in the Environmental Health Service (2 posts)
Strategic Theme	Service Review
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.108	0.000	0.000	0.000	0.108
Cumulative savings	0.108	0.108	0.108	0.108	0.108
FTE staff impact	2	0	0	0	2

Description of Savings Proposals
Reduction in the Environmental Health staff complement by two Environmental Health Officer posts

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
Whichever part of the EH service is involved, the consequences for service delivery are serious. The primary issue is that of significant risk of major incidents which directly impact on public health and public safety, such as, for example food contamination outbreaks (e.g. e-coli), infectious disease outbreaks, health and safety breaches, air quality/gas incidents, incidents of animal cruelty etc.

Directorate	Education Communities and Economy
Service Area	Children's Services
Proposal	Reduction of Early Intervention and Prevention Services
Strategic Theme	Workforce
Proposal (requires Council Approval)	Yes

Forecast Savings 10%	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.130	0.000	0.000	0.000	0.130
Cumulative savings	0.130	0.130	0.130	0.130	0.130
FTE staff impact	4	0	0	0	4

Description of Savings Proposals
<p>10% Reduction A 10% reduction equates to 4 Children and Family Practitioner across the service which equates to a 30% reduction in the preventative workforce. The children and family practitioners are key in supporting the service to identify families at an early point of intervention therefore there will have to be some changes in the way we work going forward in order to manage this loss of workers.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
<p>The reduction in this workforce should be mitigated through the implementation of the 1140hrs Early Education and Childcare whereby our more vulnerable children will be offered nursery placements from aged 2 onwards, thereby involved and visible to universal services. This in turn should reduce the risk of situations escalating.</p> <p>For school aged children the PEF funding now available to most Head Teachers could also consider what supports they can introduce to support families at the earliest point of intervention thereby reducing the referrals to Children and families service.</p>

Directorate	Education, Communities and Economy
Service Area	Education
Proposal	Reduce learning assistants by 10% overall (total learning assistant budget is £3.3m and included in DSM budgets)
Strategic Theme	Workforce
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.198	0.132	0.000	0.000	0.330
Cumulative savings	0.198	0.330	0.330	0.330	0.330
FTE staff impact	7	5	0	0	12

Description of Savings Proposals

To reduce the universal learning assistant budget by 10%. This equates to 12 learning assistants from a £3.3 million service provision.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The implementation phase would need to be carefully planned but the 10% reduction would be applied to universal rather than targeted services. The risk could be mitigated if the reduction was 5% = £165k. The risk could be mitigated even further if the reduction was 2% = £66k

Directorate	Education, Communities and Economy
Service Area	Education
Proposal	Review SureStart Contracts
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.050	0.000	0.000	0.000	0.050
Cumulative savings	0.050	0.050	0.050	0.050	0.050
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

To undertake a review of Sure Start contracts. The total saving proposed is £50,000
Examine contracts:

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Taking a closer look at the contracts currently in place will assist officers to mitigate against any potential negative impact particularly on front line delivery.

Directorate	Education, Communities and Economy
Service Area	Education
Proposal	Life Long Learning & Employability
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.184	0.025	0.000	0.000	0.209
Cumulative savings	0.184	0.209	0.209	0.209	0.209
FTE staff impact	3.5	0	0	0	3.5

Description of Savings Proposals

Reduce direct face to face work with children, young people and adults at risk of poor outcomes through a reduction in Lifelong Learning and Employability Staffing. Reduce the vocational opportunities available to schools and young people, adults and families through reduction of the vocational learning budget and associated programmes. The CLD regulations require us to ensure we meet statutory levels of provision across LLE's work with young people, adults, older people and families.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

£66,000 removed from the vocational learning budget and associated programmes, this leaves £65,845 to deliver vocational learning offer. Approximately 700 less young people would not receive the opportunities contained within the vocational offer.

Reduce the number of staff by 3.5 FTE who work with vulnerable young people, adults and families to help them secure a positive destination job, training, further education or volunteering. This will result in redesign of some LLE services and a reduction in the number of people supported approximately 150 less people will receive support or participate in activities. Waiting lists can be operated with prioritisation to help to support those most in need of help to secure a positive outcome.

There is a risk that these reductions will reduce the number of people securing work or taking their next steps in education and training.

The service has an annual £240,000 income target generated from winning contracts, securing external funding and charging for services.

An analysis of who would be most affected by these reductions indicates that people on low income/benefits and those actively seeking employment or next steps would be most affected including those with additional support needs.

Directorate	Education, Communities and Economy
Service Area	Education
Proposal	Review DSM (one off reduction in c/fwd + reduction)
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.750	-0.250	TBA	TBA	0.500
Cumulative savings	0.750	0.500	TBA	TBA	0.500
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

To reduce the existing provision of the Devolved School Management carry-forward allowance from 2.5% to 1.5% resulting in a saving of 1%.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The Scottish Government is currently reviewing funding to schools and has published a fair funding document together with the Education Governance Review: Next Steps which builds on the core principal of devolving the maximum resources possible to Head Teachers. This will have significant impact on the block grant which the Local Authority receives from the Scottish Government.

Any additional reduction to DSM would result in a further cut to Local Government workers in schools (the learning assistant proposal reduces this by a further 10%) or the Supplies and services budget.

The devolved budget for local government workers in schools is as follows:

- £381,756 in the nursery setting which includes CCDW and learning assistants
- £5.7 million in the primary setting which includes ASN, learning assistants and admin staff
- £2.63 million in the secondary setting which includes ASN, learning assistants and admin staff

The devolved budget for supplies is already at a minimum in schools as follows:

- £ 5,500 in the nursery sector
- £748,000 in the primary sector
- £194,000 in the secondary sector

Directorate	Education, Communities and Economy
Service Area	Education
Proposal	Charging for Instrumental Tuition
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.197	0.132	0.000	0.000	0.329
Cumulative savings	0.197	0.329	0.329	0.329	0.329
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Re-introduce charging for Instrumental tuition at full cost recovery totalling £329, 248

This proposal is based on the same % of free lessons as 2014-15 baseline (48.16%) for those on FSM or studying for SQA examinations. This proposal also assumes the same budget levels as 2017-18 (£635,036 not including the cost of the Education Support Officer). Based on similar lessons delivered as 2016-17 this would total 1,543 lessons.

Taking into account the number of free lessons: 743 and the number of fees chargeable: 800.

The cost per individual lesson (service cost /no of lessons delivered = £635, 036/1543 = £411.56. The total fees collectable would be £329, 248. The cost to a parent paying full cost recovery charge would be £411.56 per year for each instrument per child.

The risk to full cost recovery could be that there is a significant drop in uptake and therefore the target £329, 248 may not be fully achievable.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This is not in line with current policy as this proposal was rejected by Council in 2016 for the 2017/18 budget proposal. To be clear pupils who are in receipt of benefits and FSM will be exempt from instrumental charges. This will be carefully monitored to ensure that requests for support from those who need it will be considered carefully.

Directorate	Education, Communities and Economy
Service Area	Education
Proposal	Review let charges for after school clubs
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.250	0.200	0.000	0.000	0.450
Cumulative savings	0.250	0.450	0.450	0.450	0.450
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Currently after school clubs pay only 5% of the full let charge for the use of council buildings. It is proposed to increase this charge to 50% of the full let charge. Some financial modelling has been undertaken and if the full charge was passed on to parents and carers at this stage we assess this as being an additional £4 per week per child. Each after school club, currently paying only 5% of the full charge pay no additional overheads which means that they are receiving lighting, heating, etc for free.

This proposal links to Property and Facilities Management proposal for Wrap around care provision.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This proposal links to Property and Facilities Management proposal for Wrap around care provision.

Directorate	Education, Communities and Economy
Service Area	Education
Proposal	Integration of Pathways, Pave and Pave 2 through a mini service review
Strategic Theme	Service Review
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.200	0.000	0.000	0.200
Cumulative savings	0.000	0.200	0.200	0.200	0.200
FTE staff impact	0	2	0	0	2

Description of Savings Proposals

To undertake a mini review in order to streamline and revise targeted services which support young people to maximise their qualifications, have breadth of curriculum and secure a positive/sustainable future whether employment, training or further education. This service will also meet the needs of children returning from residential care. To rationalise where targeted services are delivered through a buildings option appraisal. The review will also include a pay to place proportionate model.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

If a suitable site/building cannot be found then this would provide a significant risk to the proposal moving forward. Officers will create a project plan for this mini service review to minimise risk and continue to secure improved educational and job outcomes for young people benefitting from tailored support.

Directorate	Adult Health and Social Care
Service Area	Adult Social Care
Proposal	Rebalancing Care – Rebalancing Expectations
Strategic Theme	Integrated Health and Social Care
Proposal (requires Council Approval)	

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	1.040	2.040	1.540	4.620
Cumulative savings	0.000	1.040	3.080	4.620	4.620
FTE staff impact					

Description of Savings Proposals

These savings will build on the current objectives of the Realistic Care Realistic Expectations Programme which are;

Objectives:

- Eliminate the projected Adult Social Care overspend of £1.4m which arose in 2016-17
- Achieve a saving of £1.550m and additional £100k charges in Adult Social Care in 2017-18
- Achieve a saving of £1.040m in 2018-19 rising to £4.620 million that will offset increased demand arising from demographic changes.

These additional savings of £4.620 million will require services to manage increased demand arising from demographic changes of approximately £1.040m per year from 2019/18 to 2021/22 amounting to £3.120m as well achieve further savings of £1 million in 2020/21 rising to £1.500 million in 2021/22.

The cumulative impact of proposed savings will be £8.610m over a 5 year period (2017-2022) from a £38m budget. Realistic Care Realistic Expectations as outlined below is designed to deliver savings in 2017/18 and 18/19 as care packages are reduced. Thereafter it will reduce growth arising from demographic demand but it will not deliver savings on the scale required in this proposed offer to the IJB.

Further work is being undertaken to identify further savings in the longer term through the expansion of extra care housing and the continuing review of both health and social care service delivery models. Options that will need to be considered will include the externalisation services currently delivered by Midlothian Council and closer integration of services teams within health and social care.

Current Key Strategic Approaches:

Improve Efficiency:

- I. Strengthen budget management processes
- II. Improved ways of working across NHS and Council to increase efficiency
- III. Improved internal processes to increase the efficiency within Adult Social Care
- IV. Reduce costs of services through redesign and contracting
- V. More effective approaches to income generation processes

Sustainable approach to the delivery of care packages:

- I. Review policies in light of budget pressures
- II. Strengthen work with voluntary organisations and communities

III. Adopt a more risk focussed approach to social work practice

It includes a review of policy, review of service delivery arrangements and review of business process and management information arrangements.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Realistic Care and Realistic Expectations programme aims to deliver savings of £2m approx, through the reshaping of models of care. It will also reduce the rate of growth that we have experienced in recent years in adult services. However current plans will not realise the scale of savings proposals for Health and Social Care. Further plans will need to be developed. These plans will risk compromising delivery of the MIJB Strategic Plan including the shift to a preventative approach and community capacity building. They are also at risk of adversely impacting on the work of the Partnership to deliver our ambitions on reducing inequalities. We will need to ensure that we are able to deliver on our statutory responsibilities to keep people safe and reduce the risk of harm.

The Midlothian Integrated Joint Board will need to carefully consider whether an offer from Midlothian Council with this level of resource reduction is “fair and reasonable” in the context of the demographic population increase.

Directorate	Health and Social Care
Service Area	Customer and Housing Services
Proposal	Community Safety
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.430	0.000	0.000	0.000	0.430
Cumulative savings	0.430	0.430	0.430	0.430	0.430
FTE staff impact	8	0	0	0	8

Description of Savings Proposals

There is a commitment to a substantial reshaping of community safety services. In developing a Safer Midlothian the responsibility for responding to community safety concerns will be on redefining the role of the community in helping itself resolve small scale problems through the Resolution Service, while council tenancy problems are integrated within the roles of Council Housing staff who will work closely with reinstated Police Community Action Teams.

The emphasis will be on a preventative approach with particular attention on substance misuse and domestic abuse. Leadership for ensuring successful redesign of community safety will rest with the Safer Midlothian Group.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The current proposal is full withdrawal of a non- statutory service. Any staffing review would be conducted through the Organisational Change Policy and procedure to consult with employees scoped into the service and management reviews. Formal consultation with affected staff and representative unions would take place.

A review of the Community Safety service is planned due to changes in the new Community Safety and Justice Partnership national objectives. Management of these 2 separate service teams is to be combined in 2017 and a proposed redesign of the services to determine current areas of service and development into those that contribute to reducing reoffending.

Generic officer posts can be reviewed to include anti- social behaviour with interventions and enforcement roles in other actions for council tenancies with housing, or revenues, and/or community safety tasks developed.

Retention of the Midlothian & East Lothian Resolution Service is proposed as a Service Level Agreement has been negotiated which will result in income from ELC for the extra resources to be funded.

The Shaping our Future public consultation exercise detailed the sustained reduction in crime and anti social behaviour in Midlothian and the service review proposal received a positive response, however we will continue to monitor impact on vulnerable groups impacted as victims of crime or fear of crime or anti - social behaviour.

EQIA outcomes for Race, Sex, Sexual Orientation and Religion/Belief are monitored.

Directorate	Health and Social Care
Service Area	Customer and Housing Services
Proposal	Homelessness
Strategic Theme	Service Review
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.260	0.000	0.300	0.000	0.560
Cumulative savings	0.260	0.260	0.560	0.560	0.560
FTE staff impact	0				

Description of Savings Proposals

Review the Temporary Accommodation provision and also the tenancy support services.

Propose to withdraw all B&B provision in place of the reuse of suitable council buildings instead as secure, affordable and quality accommodation, occupied by people who can live independently with an element of support, but are struggling to access the private rented sector, likely to be at risk of homelessness (or are homeless) and/or currently in temporary accommodation.

Review Tenant Support services currently outsourced at the end of contract period for potential in-source officers, with backup from existing homelessness prevention and support services, and appropriate partnerships with external organisations.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Homeless Services are a statutory requirement which must be provided by local authorities. The critical role of access to good housing in supporting the wellbeing of the general population is reflected in the commitment to an expanded and accelerated programme of Council house building.

Timescales and effects of Welfare Reform and Scottish Social Security System to be implemented are still to be determined and Tenancy Support Service review at the end of current contracts in the resulting impact on workforce planning.

EQIA outcomes for Race, Sex, Sexual Orientation and Religion/Belief are monitored.

Any staffing review would be conducted through the Organisational Change Policy and procedure to consult with employees scoped into the service and management reviews. Formal consultation with affected staff and representative unions would take place.

Directorate	Health and Social Care
Service Area	Customer and Housing Services
Proposal	Housing
Strategic Theme	Service Review
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.100	0.000	0.000	0.000	0.100
Cumulative savings	0.100	0.100	0.100	0.100	0.100
FTE staff impact	0				

Description of Savings Proposals

Potential Shared Service option to be explored to integrate Housing Services.

There is a need to focus driving more customer activity onto the digital platform. Services from Midlothian Council will be available on-line and through a range of digital devices and platforms wherever possible. Further transformation is required to develop and promote digital services, to adopt a mobile-first approach for online customers.

Generic officer posts can be reviewed to include anti- social behaviour with interventions and enforcement roles in other actions for council tenancies with housing, or revenues, and/or community safety tasks developed.

City Deal prospects for Housing Company to increase housing services activities and generate receipts from market share on a commercial basis in new build across all tenure types.

Factoring services could be provided from Housing Services to the market to generate income but would require additional resource for Housing Services to manage and Building Services contracted to maintain properties.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The critical role of access to good housing in supporting the wellbeing of the general population is reflected in the commitment to an expanded and accelerated programme of Council house building.

EQIA outcomes for Race, Sex, Sexual Orientation and Religion/Belief are monitored.

Any staffing review would be conducted through the Organisational Change Policy and procedure to consult with employees scoped into the service and management reviews. Formal consultation with affected staff and representative unions would take place.

Directorate	Health and Social Care
Service Area	Customer and Housing Services
Proposal	Library Service
Strategic Theme	Digital-led Transformation
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.240	0.000	0.000	0.000	0.240
Cumulative savings	0.240	0.240	0.240	0.240	0.240
FTE staff impact	30	0	0	0	40

Description of Savings Proposals

A statutory service for the local authority to ensure adequate provision only, although that is not defined further in the legislation.

The Library Service has been changing currently to a proposed hub model of local services, digital access and creativity in the existing 9 libraries while making these efficiencies, but in making any extra saving target the service could rationalise instead from the present universal service to core centres. These savings are based on providing only 1 Midlothian Central Library and to withdraw from 1 x mobile library (a shared service with ELC) and closure of the branch libraries.

Any staffing review would be conducted through the Organisational Change Policy and procedure to consult with employees scoped into the service and management reviews. Formal consultation with affected staff and representative unions would take place.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

In the on-going Customer Services Review meantime we are considering changes to library opening hours, introducing electronic 'self-service' facilities and customer service hubs and continuing channel shift to online services. These proposals focus driving more customer activity onto the digital platform.

The current review has already saved £120,000 and needs to deliver further savings to meet a target of £350,000 by 2018.

Through public consultation, we proposed making changes to library opening hours, introducing electronic 'self-service' facilities at some libraries, providing more customer service hubs and online services.

Alternative self service and automated models of non- staffed facilities are feasible as there are existing operations in English and Scandinavian authorities, which are being explored for use in Midlothian. This will entail developing new models by working in close partnership with local communities, referred to as "co-production", which will be critical to achieving successful and sustainable transformation.

Volunteer operated services is a further alternative viable model for the Library Service also operated currently in English authorities and operate as community hubs to retain the services hosted through council and external services –

Digital access provision
Bookbug & Early Years learning
Coding Clubs
Bibliotherapy
Audiology – NHS hearing aid batteries provided
Community Cinema
CAB surgeries
Elected Representatives surgeries
Lifelong Learning & Employability sessions
Macmillan Cancer Care

EQIA outcomes for Race, Sex, Sexual Orientation and Religion/Belief are monitored.

Directorate	Health and Social Care
Service Area	Customer and Housing Services
Proposal	Revenues and Benefits
Strategic Theme	Service Review
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	1.000	0.994	0.000	0.000	1.994
Cumulative savings	1.000	1.994	1.994	1.994	1.994
FTE staff impact	5				

Description of Savings Proposals

Potential Shared Service option to be explored to integrate Revenues Services.

There is a need to focus driving more customer activity onto the digital platform. Services from Midlothian Council will be available on-line and through a range of digital devices and platforms wherever possible.

Services subject to a service review process with the objective of reshaping to achieve financial savings whilst also seeking to improve access. Further transformation is required to develop and promote digital services, to adopt a mobile-first approach for online customers.

A review of the Revenues service is proposed as there is significant change planned in the model of local taxation through Council Tax and also the rents and benefits systems are changing as a result of the UK Government Welfare Reforms. Universal Credit Full Service has been implemented in Midlothian from April, 2017, and there is planned further devolution of powers to the Scottish Government, which is developing a Social Security System for Scotland to be established.

Generic officer posts can be reviewed to include anti- social behaviour with interventions and enforcement roles in other actions for council tenancies with housing, or revenues, and/or community safety tasks developed.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

A Service Review is scheduled in 2018/19 to allow the timescales and effects of Universal Credit full service, local taxation changes and Scottish Social Security system to be implemented and determine the resulting impact on workforce planning.

There is a need to focus driving more customer activity onto the digital platform. Services from Midlothian Council will be available on-line and through a range of digital devices and platforms wherever possible with the objective of reshaping to achieve financial savings whilst also seeking to improve access.

Further transformation is required to develop and promote digital services, to adopt a mobile-first approach for online customers.

Welfare Reform impact is forecast as negative to affected households and also in the income stream to council.

EQIA outcomes for Race, Sex, Sexual Orientation and Religion/Belief are monitored.
No evidence currently of negative impact on service outcomes.
Once the Service Review scope agreed a further EQIA will be required.

Any staffing review would be conducted through the Organisational Change Policy and procedure to consult with employees scoped into the service and management reviews.
Formal consultation with affected staff and representative unions would take place.

Directorate	Resources
Service Area	Commercial Operations – Waste Services
Proposal	Charge for bins and boxes
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
Replacement Bins	£m	£m	£m	£m	£m
Incremental savings	0.020	0.010	0.010	0.010	0.050
Cumulative savings	0.020	0.030	0.040	0.050	0.050
New Bins					
Incremental savings	0.050	0.050	0.050	0.050	0.200
Cumulative savings	0.050	0.100	0.150	0.200	0.200
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

There are two proposals relating to the introduction of charges for household waste receptacles. The first is to charge for the provision of replacement bins and boxes for existing householders. The second proposal is to charge for bins and boxes to all new housing sites, including private developers, social housing companies and new Council housing sites. It is intended to explore the link with Building Standards warrants for new housing to ensure participation. Typically there are more than 600 new dwellings being built in Midlothian each year which receive a red box, a blue bin, a grey bin, a brown bin and a food caddy with bags.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Historically developers have been provided with bins and boxes free of charge and it is likely that this will be viewed negatively initially. In addition householders have been provided with replacement boxes and bins free of charge and again are unlikely to view this proposal in a positive light.
The alternative option would be available for users to purchase their own bins/boxes but they would have to meet the council's requirements and specification.

Directorate	Resources
Service Area	Commercial Operations – Waste Services
Proposal	Extend collection frequencies
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.100	0.000	0.000	0.000	0.100
Cumulative savings	0.100	0.100	0.100	0.100	0.100
FTE staff impact	3	0	0	0	3

Description of Savings Proposals

In conjunction with Zero Waste Scotland a comprehensive review of collection frequencies has been carried out. The intention is to consider the introduction of three weekly collection frequencies for the residual bin, brown bin and red box collections. The blue bin would remain at fortnightly frequency to maximise recycling and food waste remains weekly in line with a previous agreement with Zero Waste Scotland.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Moving to the revised frequencies places an emphasis on reduced residual capacity whilst retaining recycling capacity. The ultimate aim being to increase recycling levels. Evidence from other authorities suggests that this is the combination of collection frequencies that will have the greatest benefit, community acceptance and maximise recycling.

Directorate	Resources
Service Area	Commercial Operations – Waste Services
Proposal	Close Penicuik recycling centre
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.100	0.000	0.000	0.000	0.100
Cumulative savings	0.100	0.100	0.100	0.100	0.100
FTE staff impact	2	0	0	0	2

Description of Savings Proposals

This facility was recently granted planning consent to refurbish the site. This will cost approximately £500,000. The proposal is therefore to close this site and negate the need to spend this sum and to concentrate all activity at the Stobhill site in Newtongrange. The majority of the saving is based on staff costs although it is likely that alternate positions can be found within the service to redeploy existing personnel.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Closing this site would require users to access the site at Stobhill which is a modern fit for purpose facility. This would result in increased traffic on the roads notwithstanding cost and inconvenience to users, who would likely criticise this proposal. There is also a potential for increased fly tipping activity. Based on demand there may be a requirement to increase operating hours at Stobhill but this would reduce the savings.

Directorate	Resources
Service Area	Commercial Operations – Waste Services
Proposal	Charge for garden waste collection
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.370	0.140	0.000	0.000	0.510
Cumulative savings	0.370	0.510	0.510	0.510	0.510
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

The garden waste service is the only non statutory household waste collection service provided by the Council. The proposal is to introduce a charge of £35 for collections and to retain the seasonal garden waste collections. This would form part of a wider review of waste collections with the intention that the changes be introduced at the same time (Spring 2018). The charge is based on the charge levied in Angus Council which has seen over a 50% uptake by residents. Private sector operators charge £10 for a fortnightly uplift of garden waste.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Angus Council and other authorities are considering a similar scheme. One other local authority has introduced this charge. The take up in Angus has generally been around 50% with a number of residents using the recycling centres and home composting. A small percentage has ended up in the residual bin which leads to higher disposal cost. Customers may chose not to use the service with a potential for this waste to end up in the residual bin, however the proposal to reduce residual capacity would reduce this risk.

Directorate	Resources
Service Area	Commercial Operations – Waste Services
Proposal	Charge for commercial waste at Stobhill CRC site
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.050	0.000	0.000	0.050
Cumulative savings	0.000	0.050	0.050	0.050	0.050
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

The proposal is to consider the option to provide a chargeable service for the disposal of commercial waste at the Council facility at Stobhill. The site currently is not licensed to take this waste stream and would have to obtain the necessary license as well as introduce arrangements for upfront payment and authorisation.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Complaints have been made historically that the availability of a facility for trade waste leads to fly tipping. Allowing Trade Waste disposal at Stobhill would negate those beliefs. Charges would be based on full recovery of costs at an appropriate commercial rate.

Directorate	Resources
Service Area	Commercial Operations – Waste Services
Proposal	Advertising on Council refuse vehicles
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.010	0.005	0.000	0.000	0.015
Cumulative savings	0.010	0.015	0.015	0.015	0.015
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

The proposal is to allow commercial advertising on the Council' refuse vehicles.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The advertising would be contained on panels that fix to the side of the vehicles. The content would be monitored to ensure that it does not impact on any aspect of Council services and is not inconsistent with Council standards.

Directorate	Resources
Service Area	Commercial Operations – Waste Services
Proposal	Increase the level of recycling
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.025	0.050	0.000	0.000	0.075
Cumulative savings	0.025	0.075	0.075	0.075	0.075
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

The proposal is to target material that can be recycled which is currently put into the grey residual waste bin by residents. It is envisaged that over the period approximately 1,300 tonnes of material can be diverted into the blue/red recycling containers with a consequent reduction in disposal costs.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Current monitoring is able to identify those locations where levels of recycling can be increased. This will be through a process of education and targeting through leafleting, door knocking and waste aware sessions initially.

Directorate	Resources
Service Area	Commercial Operations
Proposal	Reduce Street Sweeping Frequency
Strategic Theme	Policy Cost Reduction
Proposal (requires Council approval – Y/N)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.030	0.000	0.000	0.000	0.030
Cumulative savings	0.030	0.030	0.030	0.030	0.030
FTE staff impact	1	0	0	0	1

Description of Savings Proposals

This would involve the cessation of town centre and shop fronts street sweeping at the weekend. It is likely there would be criticism from people who visit town centres and shops. Furthermore there is the possibility of the Council failing to comply with the revised Litter code of Practice.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

To mitigate the impact of the proposal the Council would encourage town centre users to respect litter and use the waste receptacles.

Directorate	Resources
Service Area	Commercial Operations – Land and Countryside
Proposal	Reduce grass cutting standards
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.150	0.000	0.000	0.000	0.150
Cumulative savings	0.150	0.150	0.150	0.150	0.150
FTE staff impact	5	0	0	0	5

Description of Savings Proposals

The Council currently maintains grass in a variety of locations including rural and urban verges, amenity areas within housing sites, open spaces, cemeteries and public parks. The intention would be to reduce the number of cuts in certain areas and a complete cessation in other less high profile locations i.e. verges out with town centres. A reduction of service at this level would see a significant reduction in the visual amenity of Midlothian in its parks, cemeteries and within the built environment.

The staffing reduction would largely be less temporary staff taken on for this purpose.

There is also the potential to explore options for voluntary groups and organisations to maintain specific areas in some communities, albeit this has proved challenging historically.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

As a “Great place to Grow” Midlothian would see a significant reduction in its visual appeal due to a reduction in grass cutting standards. Reductions made as a consequence of the 2017/18 savings have attracted a high number of complaints where changes have been made.

The public have raised concerns regarding dog fouling and littering in areas where grass cutting frequencies are reduced.

This would also have an impact on the Green Flag

Directorate	Resources
Service Area	Commercial Operations – Land and Countryside
Proposal	Reduce the number of grass football and astro pitches across Midlothian and consider the introduction of hybrid pitches
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.050	0.000	0.000	0.000	0.050
Cumulative savings	0.050	0.050	0.050	0.050	0.050
FTE staff impact	1	0	0	0	1

Description of Savings Proposals

The Council currently maintains 55 grass pitches and 13 astro pitches across Midlothian. A recent audit of play suggests that a number of the grass pitches currently are used very sparingly. The intention is to reduce the number of grass pitches e.g. 5 and reduce the number of astro pitches available by 5, which could be offered to local clubs to maintain. Currently no charges are received from the majority of the pitch use. These can either be left as longer grass, turned into woodland areas or potentially considered for future allotment provision albeit that comes with a capital investment requirement. The alternate proposal is to consider a further substantial reduction in the number of grass pitches allied to the provision of hybrid pitches. It should also be explored, the potential for football clubs to undertake their own pitch maintenance and marking.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The recent audit of football pitches including their use suggested that the remaining 40 pitches would leave sufficient numbers to satisfy the current demand by local teams. It is open for Council to consider the introduction of astro/hybrid pitches in some areas which could be used on a higher frequency and thereby further reduce the number of pitches.

Directorate	Resources
Service Area	Commercial Operations – Land and Countryside
Proposal	Stop the provision of all floral displays and shrub beds
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.130	0.000	0.000	0.000	0.130
Cumulative savings	0.130	0.130	0.130	0.130	0.130
FTE staff impact	4	0	0	0	4

Description of Savings Proposals

Stop the production of all plants at Vogrie and stop the planting of flower beds and other floral displays e.g. hanging baskets, and replacing any shrubs.

The saving would come from ceasing the production of flowers, not having to plant, maintain and water floral displays.

Flower beds in parks would be grassed over. Hanging baskets and planters would be removed. This would also impact on sensitive sites such as war memorials and cemeteries. Voluntary groups may be able to undertake this work in some communities to provide a level of service albeit this has proved challenging historically.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The built environment would see a significant drop in the visual attractiveness. There would be a risk that some of the existing parks would lose their green flag status. As a consequence parks could see a drop in visitor numbers.

Attempts to have volunteers assist in the maintenance of flower beds, particularly in parks has been mixed to date however will continue to be progressed.

There is the potential to offer the Vogrie greenhouse to the private sector to operate which could generate income, albeit this would have to be viewed against the overall future plans for the Vogrie Estate.

Directorate	Resources
Service Area	Commercial Operations – Land & Countryside
Proposal	Stop the support to galas and events
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.075	0.000	0.000	0.000	0.075
Cumulative savings	0.075	0.075	0.075	0.075	0.075
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Staff currently assist at a variety of events across Midlothian which predominantly occur outside the normal working day. This includes galas and events such as Midfest. Assistance includes the provision, erection and dismantling of marquees, staging and temporary fencing, generators and floral troughs. In addition, staff are engaged and support with litter pick-ups and clearance following community events.

Events are supported currently approximately 26 weekends a year.

Other council areas have event organisers to undertake this function.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Event organisers have come to rely on this support and have indicated previously that events may not take place without this support. Local galas attract a number of visitors to their event which will have a local economic benefit and are seen as a community event.

Directorate	Resources
Service Area	Commercial Operations
Proposal	Increase charges where appropriate
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.150	0.150	0.150	0.150	0.600
Cumulative savings	0.150	0.300	0.450	0.600	0.600
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

This proposal seeks to increase the various charges across this and other services year on year. In addition the intention is to introduce charges in areas where currently no charge is made.

Proposals include further increasing burial charges, events held in Council open spaces, charges within road services including traffic regulation orders..

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Charges are made for a wide range of services from lair and burial costs through to events such as music concerts at Vogrie and the circuses that utilise the Council parks. The charges would be made clear to potential users in advance.

Developers and utility companies would largely be subjected to charges made by Road Services.

Directorate	Resources
Service Area	Commercial Operations – Land and Countryside
Proposal	Increase lair provision at Dalkeith cemetery
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.025	0.025	0.000	0.000	0.050
Cumulative savings	0.025	0.050	0.050	0.050	0.050
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Following a review of the cemetery layout it has been determined that additional lairs can be provided between existing lairs at Dalkeith cemetery.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

There has been a consistent call by members of the public to increase lair provision that would allow families to be laid to rest in the same cemetery as family members. This proposal would allow this to take place without encroaching on existing lairs.

Directorate	Resources
Service Area	Commercial Operations – Land and Countryside
Proposal	Close Polton Bowling Green
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.020	0.000	0.000	0.000	0.020
Cumulative savings	0.020	0.020	0.020	0.020	0.020
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Polton Bowling green is a council facility which has very few users. The proposal is to close the facility or to hand over to a community group for bowling or other suitable alternate use. Over the years the Council have disinvested in Bowling Greens and Putting Courses other than in Dalkeith.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This facility sits on the approach to the Lasswade centre. It is rarely used. There are alternate bowling facilities in Bonnyrigg which could be used for those users who would like to continue to play bowls. The opportunity exists for a community hand over which could allow bowling or another use to take place.

Directorate	Resources
Service Area	Commercial Operations – Road Services
Proposal	Review spending on road maintenance
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.250	0.000	0.000	0.000	0.250
Cumulative savings	0.250	0.250	0.250	0.250	0.250
FTE staff impact	4	0	0	0	4

Description of Savings Proposals

This proposal seeks to reduce the revenue funding available to spend on road maintenance. A reduction in the road maintenance budget was strongly rejected at the recent public consultation exercise.

This will limit the Council's ability to respond to minor and other repairs as well as having an impact on the major structural repairs carried out as part of the annual program. This will result in an impact on the overall condition of the road network.

Any subsequent reduction in the capital budget will increase the deterioration in the condition of the road network and this should be considered in the context of the overall financial position of the council and the requirement to invest in economic development.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The condition of the road network which has remained in a steady state for the last five years will deteriorate. In addition there is a potential for an increase in claims and less likelihood of defending insurance claims robustly.

A previous audit of the road maintenance function indicated that there is currently a £1 million gap in terms of what is required to continue to maintain the steady state position.

Directorate	Resources
Service Area	Commercial Operations – Road Services
Proposal	Reduce the structures maintenance budget
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.050	0.000	0.000	0.000	0.050
Cumulative savings	0.050	0.050	0.050	0.050	0.050
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

This proposal is to reduce the spend on road structures maintenance which will see a general reduction in the condition of this asset and the ability to effect repairs timeously. This includes reduced spending on bridges, culverts and retaining walls.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

As a “Great place to Grow” Midlothian will increasingly become reliant on good transport links to allow commuters to be attracted to the areas and to move about. Road structures support the actual road network and if allowed to deteriorate can be sufficiently serious to require roads to be closed or restricted with the consequent effects.

Directorate	Resources
Service Area	Commercial Operations – Road Services
Proposal	Reduce the street lighting maintenance budget
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.150	0.000	0.000	0.000	0.150
Cumulative savings	0.150	0.150	0.150	0.150	0.150
FTE staff impact	2	0	0	0	2

Description of Savings Proposals

This proposal is to reduce the spend on the street lighting maintenance which will see a general reduction in the condition of this asset and the ability to effect repairs timeously. However the target response time of 7 days is still likely to be maintained.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

As a “Great place to Grow” Midlothian will increasingly become reliant on good transport links to allow commuters to be attracted to the areas and to move about. This proposal will bring about the potential of lights requiring to be removed if they cannot be replaced e.g. columns that suffer from corrosion.

Directorate	Resources
Service Area	Commercial Operations/Property and Facilities
Proposal	Transform Lighting Operations
Strategic Theme	Service Review
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.050	0.050	0.000	0.000	0.100
Cumulative savings	0.050	0.100	0.100	0.100	0.100
FTE staff impact	3	0	0	0	3

Description of Savings Proposals

This proposal is to transform the lighting and electrical operations across the Council by considering how the separate operations can be merged to provide more effective working, improved services, knowledge and reduced costs.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

By transforming the service into one operation comprising internal and external electrical operations there are considered to be smarter ways of working that can be adopted, in part as a consequence of smarter use of technology and the rationalising of staff.

Directorate	Resources
Service Area	Commercial Operations – Road Services
Proposal	Reduce the winter maintenance budget
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.300	0.000	0.000	0.000	0.300
Cumulative savings	0.300	0.300	0.300	0.300	0.300
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

This proposal is to reduce spend on winter maintenance. This will see a reduction in the number of footway routes. A reduced service on roads other than priority routes, reduced staff on stand-by, and reduced service for car parks and generally at weekends.

Some rural councils have engaged volunteer groups to undertake some aspects of the winter maintenance service, initial efforts in Midlothian have failed to generate sufficient interest, however efforts to engage and involve communities will continue.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The Roads (Scotland) Act is not prescriptive in terms of winter maintenance activities. It is for each local authority to determine its own priorities whilst “taking such steps as they consider reasonable to prevent snow and ice endangering the safe passage of pedestrians and vehicles over public roads”.

As a “Great place to Grow” Midlothian will increasingly become reliant on good transport links to allow commuters to be attracted to the areas. If travellers feel that during the winter period it is both difficult and more dangerous to travel this will reduce the attractiveness of Midlothian as a place to live, work, study and visit.

The recent public consultation rejected the proposal to reduce the winter maintenance budget.

Directorate	Resources
Service Area	Commercial Operations – Road Services
Proposal	Remove the non statutory school crossing service
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.200	0.100	0.000	0.000	0.300
Cumulative savings	0.200	0.300	0.300	0.300	0.300
FTE staff impact	36	17	0	0	53

Description of Savings Proposals

The Council currently provides school crossing guides to assist children primarily to cross roads on their journey to and from school. This is not a statutory service. Previous consideration was given to removing all guides, remove only those at controlled crossings, and lastly only remove those at controlled crossings when the existing guides leave the service. A previous decision was taken to remove the provision of guides at lunchtimes as children stay in school during this period.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This is a non statutory service which has been provided by the Council for many years. However the primary responsibility for getting children to and from school rests with the parent or guardian. In many instances however it is likely that parents or guardians are not in a position to ensure children are taken and brought back from school and there would be genuine road safety concerns.
The EQUiA has not identified any further mitigation or issues.

Directorate	Resources
Service Area	Commercial Operations – Road Services
Proposal	Stop all open space CCTV activity
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.030	0.000	0.000	0.000	0.030
Cumulative savings	0.030	0.030	0.030	0.030	0.030
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

This proposal is to stop the maintenance of all open space CCTV. The intention would be that no maintenance would be carried out and the system would ultimately fail. Recently the Council has undertaken essential repairs to ensure that the ageing equipment remains in a workable and serviceable condition.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

There is a significant benefit, perceived or otherwise from open space CCTV be it from a deterrent to crime or to allow video evidence to be used when an incident has occurred. The public place a great deal of reliance on CCTV and its ability to engender a feeling of safety.

Directorate	Resources
Service Area	Commercial Operations – Road Services
Proposal	Introduce and increase parking charges
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.050	0.000	0.000	0.000	0.050
Cumulative savings	0.050	0.050	0.050	0.050	0.050
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Once the Council has taken on Decriminalised Parking Enforcement (DPE) powers it has the opportunity to consider increasing charges in car parks where they currently exist and also introduce charges in car parks and on street where currently they do not exist.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

A bid is currently with Transport Scotland seeking approval to introduce Decriminalised Parking Enforcement in Midlothian. Cognisance would be required to be taken of the potential impact on businesses and users of any charges.

Directorate	Resources
Service Area	Commercial Operations – Travel and Fleet
Proposal	Stop supported bus grants and reduce community transport support
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.150	0.100	0.000	0.000	0.250
Cumulative savings	0.150	0.250	0.250	0.250	0.250
FTE staff impact	1	0	0	0	1

Description of Savings Proposals

The intention would be to withdraw support for all currently supported bus services in Midlothian (routes 39, 101/102, 51/52 and 111) and to substantially reduce the support given to Lothian Community Transport Services.

Lothian Buses have responded to a request from City of Edinburgh Council to make an additional extra ordinary dividend available. Any reduction in subsidies in conjunction with this request may see a significant reduction of services in Midlothian.

Discussions are ongoing with the community transport providers to determine how any reduction could be introduced which minimises any impacts in addition to exploring what alternative, general transport provision could offset this.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Across Midlothian there are services which currently operate on a non commercial basis. Withdrawal of bus grant would lead to these services stopping thereby removing perhaps the only means of people getting around for work, shopping and leisure. In addition to this impacting the low paid, elderly and the disabled a reduction in support to the community transport providers would particularly hit vulnerable groups.

The single Midlothian Plan places a focus on promoting sustainable travel, particularly by reducing the adverse impacts of car travel. A reduction in bus services could lead to increased car use.

Directorate	Resources
Service Area	Commercial Operations – Travel and Fleet
Proposal	Reduce the ring and go scheme
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.030	0.000	0.000	0.000	0.030
Cumulative savings	0.030	0.030	0.030	0.030	0.030
FTE staff impact	1	0	0	0	1

Description of Savings Proposals

The intention would be to withdraw all financial support for the ring and go scheme where it is not covered by developer contributions. This would affect users where there is currently no bus service provision.
There are currently 283 users of the scheme.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The ring and go scheme offers users the opportunity to have subsidised taxi travel which allows them to connect to the nearest bus service.
Removal of the service could see an increase in car travel and restrict those who do not have access to other forms of transport.
The single Midlothian Plan places a focus on promoting sustainable travel, particularly by reducing the adverse impacts of car travel. A reduction in bus services could lead to increased car use.

Directorate	Resources
Service Area	Commercial Operations – Travel and Fleet
Proposal	Stop the taxi card scheme
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.050	0.000	0.000	0.000	0.050
Cumulative savings	0.050	0.050	0.050	0.050	0.050
FTE staff impact	1	0	0	0	1

Description of Savings Proposals

The intention would be to withdraw all support for the taxi card scheme. Currently the scheme is closed to new entrants. There are currently 826 users of the scheme.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The taxi card scheme offers a means for the disabled to make journeys that would otherwise be difficult to undertake. This service gives users the opportunity to lead the fullest life possible, accessing shops, leisure and general travel.

Directorate	Resources
Service Area	Commercial Operations – Risk Management
Proposal	Increase training offer – increased income
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.025	0.005	0.005	0.000	0.035
Cumulative savings	0.025	0.030	0.035	0.035	0.035
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

The intention would be to widen the scope of training courses offered both internally and externally and thereby increase the income recovered.
 Dialogue would be opened with prospective “customers” to ensure that courses are tailor made to their needs.
 This would involve building on existing training and expanding the customer base.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Increasing the training offered is viewed as a positive proposal and the range of courses can be tailored to meet customer needs.

Directorate	Resources
Service Area	Commercial Operations
Proposal	Sales Force Spend to Generate
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.100	0.100	0.050	0.250
Cumulative savings	0.000	0.100	0.200	0.250	0.250
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

This proposal seeks to form a small team initially within Commercial Operations to explore all opportunities including advertising, existing and new work streams, events and alternate uses for existing facilities which have the potential to realise additional income. This will include seeking external contracts which are financially beneficial for the Council.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The intention would be so far as practical to utilise existing resources which may impact on service delivery in current Council provided service areas.

Directorate	Resources
Service Area	Finance and Integrated Service Support
Proposal	Management Structure
Strategic Theme	Integrated Service Support
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.080	0.000	0.000	0.000	0.080
Cumulative savings	0.080	0.080	0.080	0.080	0.080
FTE staff impact	1	1	1	1	1

Description of Savings Proposals

The Senior Management Structure of the Service is 8 full time equivalents (FTE)

Potentially as part of a wider management review deliver a reduction to reduce to 7fte. Progress in 2017/18 for 2018/19 will realise a potential financial saving of £80,000.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Still to be more fully assessed but would be progressed to minimise impact and ensure future Senior Leadership team resource was focused on Strategic Priorities.

EQIA completed

Directorate	Resources
Service Area	Finance and Integrated Service Support
Proposal	Digital Services Review
Strategic Theme	Integrated Service Support
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.150	0.000	0.000	0.000	0.150
Cumulative savings	0.150	0.150	0.150	0.150	0.150
FTE staff impact	2	2	2	2	2

Description of Savings Proposals

There are nine management level posts (in digital services from a total establishment of circ. 37).

The aim of this review is to increase spans of control to demonstrate a minimum of 5. Progress in 2017/18 for 2018/19 to realise a £150,000 financial saving. Review will also examine the mix between work outsourced and progressed internally to explore opportunities for savings in the Digital Services services budget.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Still to be further assessed but would be progressed to minimise the impact and ensure management structure is focused on the strategic priorities of the Council.

EQIA has been prepared.

Directorate	Resources
Service Area	Finance and Integrated Service Support
Proposal	Digital by default across Council
Strategic Theme	Digital-led Transformation
Proposal (requires Council approval – Y/N)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.000	0.000	0.500	0.500
Cumulative savings	0.000	0.000	0.000	0.500	0.500
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

The continuation of the vision, culture and service delivery model which is digital by default. This builds on the current programme of work contained in the Council's Digital Strategy.

Digital opportunities and Data Analytics can provide the opportunity to transform service delivery and will be essential for the sustainable delivery of both the delivery of front line services and the delivery of efficient and effective support services. This proposal focuses on effective use of technology which can provide customers with effective and responsive methods to interact with the Council mirroring the opportunities technology provides across the wider economy.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The intention would be to ensure all current (and potential) users are fully aware of the digital by default standards and assistance would be offered where required. An initial EQIA has been completed and will be developed as the project progresses.

Directorate	Resources
Service Area	Finance and Integrated Service Support
Proposal	Service Improvement Plans/Business Processes/Service reduction
Strategic Theme	Integrated Service Support
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.500	0.500	0.000	0.000	1.000
Cumulative savings	0.500	1.000	1.000	1.000	1.000
FTE staff impact	18	19	0	0	37

Description of Savings Proposals

Continuation of the redesign of services and removal of activities which do not add value to the customer and or which do not support the delivery of the Councils priorities. This will result in a reduction in the employee costs base. The aim is to secure a reduction in the current work undertaken and so a reduction in administration / support roles:

Service currently operates with 226 full time admin and support posts. This reduction equates to a reduction of 37 posts as follows:

15 admin = £500,000 (Grades 4-7)
 22 support = £500,000 (Grades 1-3)

This proposal relates to grades 1-7 across Finance and ISS.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Still to be more fully assessed as detailed delivery plans are developed but would be progressed to minimise impact on service delivery as the Council automates work and seeks digital solutions to support service provision and so focus resources on Strategic Priorities.

Initial EQIA in place

Directorate	Resources
Service Area	Finance and Integrated Service Support
Proposal	Remove Regular Car Allowance
Strategic Theme	Workforce
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.050	0.100	0.100	0.065	0.315
Cumulative savings	0.050	0.150	0.250	0.315	0.315
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

To close the car lease scheme to employees designated regular car users.

Regular car users can access the car leasing scheme and benefit from a Council contribution of up to £2,000 per annum plus 13p per mile travelled. In 2015/16 the average mileage for regular users, based on the 355 regular users who claimed mileage was 1,710.

For the 217 regular users who have opted for the car lease option the cost of the scheme is £482,000 per annum. For the same average mileage the alternative of reimbursement of mileage travelled in the employees own vehicle is estimated to cost £167,000. As such there is a potential to save £315,000.

Higher savings may be achieved if other alternatives such as public transport and or fleet and pooled vehicles are utilised for business travel.

It is anticipated that the savings would accrue evenly over a three year period as leases are renewed. There will also need to be a period of consultation and the potential for the change to require a contract variation for employees.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

There is an alternative reimbursement scheme in place for employees who use their own vehicle on Council business and work is ongoing to reduce the overall level of Business travel. EQIA prepared.

Directorate	Resources
Service Area	Finance and Integrated Service Support
Proposal	Shared Service
Strategic Theme	Shared Services
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.000	0.000	1.000	1.000
Cumulative savings	0.000	0.000	0.000	1.000	1.000
FTE staff impact	0	0	0	15	15

Description of Savings Proposals

Shared Service for support Services

Assuming a Strategic Approach is adopted (Potential impact needs to be assessed but initial saving estimated at 50% management costs has been included above)

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Aim would be to secure savings through economies of scale and minimise service impact. A detailed Business case would need to be developed to more fully assess both savings and potential wider impact. Initial EQIA prepared and this would be further developed as the business case progresses.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Building Services Company
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.000	0.250	0.410	0.660
Cumulative savings	0.000	0.000	0.250	0.660	0.660
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

An Arms Length External Organisation (ALEO) set up to generate income from external contracts as well as Council services. Target profit would be set at 3% based on a turnover of £12m.

The company would require to operate with an overhead level which is competitive in the market place. By removing some of the Council's bureaucracy savings and staff numbers would be reduced.

Investment in an upgrade to some of the systems would be required to ensure efficiencies in buying and job management. Overall a 33% cut in the overhead level of £750,000 is targeted.

7 day working would be employed, removing the need for standby allowances and replaced with targeted modern bonus schemes to motivate and incentivise the workforce.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This proposals would be subject to a full business case including governance/legal/financial and market consideration.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Reduction in Housing Voids Standard
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.080	0.000	0.000	0.000	0.080
Cumulative savings	0.080	0.080	0.080	0.080	0.080
FTE staff impact	2	0	0	0	2

Description of Savings Proposals

Housing voids standards to be reduced to serviceable only standard which would result in agency savings and management time. Surveyors / Housing Officers can share the task of inspections before tenants leave / enter a property thus creating efficiencies across the Council.

A finer line on tenants who leave behind woeful standards should also be taken and court action or refusal to re-house in better properties requires to be enforced to address the financial savings.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Tenants would be expected to decorate and bring houses to the higher standard that is done for them at present by the voids team.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Construction and Design Service consultancy
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.090	0.100	0.000	0.190
Cumulative savings	0.000	0.090	0.190	0.190	0.190
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Targeting an income of selling design and project management services to other local authorities, agencies and third parties. Having built up an expertise in local authority design and build projects there is an opportunity to sell our services to others or share the service with other neighbouring local authorities and/or partners.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This proposal is consistent with a move towards sharing and working across organisations.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Income from Professional Consultancy
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.000	0.050	0.000	0.050
Cumulative savings	0.000	0.000	0.050	0.050	0.050
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Marketing and selling professional expertise to other local authorities and government agencies.

Scottish Futures Trust (SFT) have used the Council's example of Effective Working in Midlothian (EWiM) as a model for others to follow. Ongoing discussions with SFT suggest there would be a market to manage / advise other agencies and organisations in their transition to new ways of working. This should allow the costs of 1FTE Project Manager to be recovered from fee income.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This proposal is consistent with the move towards sharing and working across organisations.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Increasing the charging for School Meals
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.040	0.040	0.040	0.040	0.160
Cumulative savings	0.040	0.080	0.120	0.160	0.160
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Increasing the charging for school meals whilst retaining free school meals eligibility. Spreading the targeted increase over four years is proposed recognising the potential impact on overall meal uptake.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Benchmarking with other Scottish local authorities will inform the future charging structure and the move towards online payments.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Sharing Catering Management with neighbouring Local Authority
Strategic Theme	Shared Service
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.050	0.000	0.000	0.050
Cumulative savings	0.000	0.050	0.050	0.050	0.050
FTE staff impact	0	1	0	0	1

Description of Savings Proposals

Sharing the management of catering services for school meals between two authorities is possible, however this would be dependent on successful cross council working..

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This proposal is consistent with the move towards sharing and working across organisations.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Cafe style high school meal service
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.025	0.000	0.000	0.025
Cumulative savings	0.000	0.025	0.025	0.025	0.025
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Introduction of a soup and sandwich cafe style service within a modern food environment. Providing customers with a service which generates additional savings.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Trolley Service / Internal Catering to cover costs
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.013	0.000	0.000	0.000	0.013
Cumulative savings	0.013	0.013	0.013	0.013	0.013
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Pricing structure to ensure all costs are covered, including charging for coffee machines. Directorates can obtain tokens for coffee machines to cover meetings but will be charged for their use. Staff will be expected to pay for their coffee etc.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Inhouse catering charges will be kept to cost but the service will require to cover all oncosts through its charges to customers.
Lunch provision should only be provided if authorised by DMTs and only where external guests are involved.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Expand Catering / Functions Service
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.020	0.005	0.005	0.030
Cumulative savings	0.000	0.020	0.025	0.030	0.030
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Attract additional business through external contracts and evening functions, potentially including Weddings at Vogrie in conjunction with Land and Countryside. Target additional profit after all costs of £20,000 per annum from an estimated turnover of £120,000.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This is consistent with ensuring services are operated on a commercial basis.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Cafe Service Social Enterprise / Branding
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.010	0.020	0.020	0.000	0.050
Cumulative savings	0.010	0.030	0.050	0.050	0.050
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Introduce social enterprise opportunities for school leavers and community groups as support workers for an enhanced brand of our cafes at Lasswade, Paradykes, Newbattle and Dalkeith.

Alter opening hours to suit the customer but close where there is very little uptake and under usage.

Adjust the pricing structure to cover all costs and return a commercial profit.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This is consistent with ensuring that services are operated on a commercial basis.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Janitorial Service shared between two primary schools
Strategic Theme	Workforce
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.225	0.000	0.000	0.000	0.225
Cumulative savings	0.225	0.225	0.225	0.225	0.225
FTE staff impact	11	0	0	0	11

Description of Savings Proposals

Reducing staff numbers by half (22 to 11) and sharing 1 janitor between two primary schools.

Currently primary schools are “clustered” with high schools and cover is provided from within this group of officers. The service provided would be diluted to only provide reactive cover as required and prioritised on demand which may necessitate flexibility in paired school timetabling arrangements.

This proposal applies to the Council owned estate only and not the PPP schools.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Janitorial cover would be less reactive to the demand of competing schools.

Reduced absence cover would be available for sickness / holidays.

The management and prioritisation of the needs of the school could be challenging and may lead to tensions between staff / services.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Renegotiate Skanska subcontract
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.100	0.000	0.000	0.000	0.100
Cumulative savings	0.100	0.100	0.100	0.100	0.100
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Renegotiate the extension to the provision of janitorial services for Skanska through the PPP contracts.

Increase rates to cover staff low pay awards and material increases to ensure the contract is viable going forward.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This is consistent with the provision of services on a commercial basis.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Property Company
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.000	0.000	0.240	0.240
Cumulative savings	0.000	0.000	0.000	0.240	0.240
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Arms Length External Organisation (ALEO) set up to generate income by trading in land and building assets. This could be delivered by land trading for a profit or investing in a property portfolio which is let out at a profitable margin. The company could use its assets to raise borrowings for investment. Target profit would be set at 3% based on an estimated turnover of £8m.

The company would require to operate with an overhead level which is competitive in the market place. By removing some of the council's bureaucracy savings and staff numbers would be reduced.

Investment in an upgrade to some of the systems would be required to ensure efficiencies in buying and job management. Overall a 33% cut in the overhead level is targeted.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This proposal would be subject to full business case including governance/legal/financial and market considerations.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Renewable Sources of Energy
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.000	0.000	0.280	0.280
Cumulative savings	0.000	0.000	0.000	0.280	0.280
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

By investing in renewable sources of energy a targeted saving of 10% of the current expenditure (£2.8m) should be achievable.

Capital investment will be required initially but revenue savings will be achieved annually on sites generating their own power. A feasibility study into various sources of renewable energy is ongoing with the implementation expected over the next two years.

District heating and energy centres are proposed as part of the Shawfair infrastructure. Negotiations have commenced to utilise the energy supplied by the Waste Plant at Millerhill. This could evolve into a full energy company in the longer term.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This is consistent with the policy of working with partners to provide services for Midlothian communities.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	PPP shared management with other Local Authority
Strategic Theme	Shared Services
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.035	0.000	0.000	0.035
Cumulative savings	0.000	0.035	0.035	0.035	0.035
FTE staff impact	0	1	0	0	1

Description of Savings Proposals

Saving of 1FTE or income from other Local Authority through the sharing of the service provision.

Midlothian has two contracts covering 2 highs schools, one special needs school and eight primary schools.

East Lothian, for example, has one contract covering six high schools.

This proposal would be worked up in conjunction with other local authorities.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Shared service will mean a reduced service cover compared to the current provision however the maturity of the contract and the capacity of the existing staff would allow this to be delivered in partnership with another local authority.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	PPP maximised use of contracted hours
Strategic Theme	Policy Cost Reductions
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.060	0.000	0.000	0.060
Cumulative savings	0.000	0.060	0.060	0.060	0.060
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Midlothian has two contracts covering 2 high schools, one special needs school, and eight primary schools.

By maximising the use of the contracted entitlement of access hours paid for in the PPP contracts rather than utilising non-PPP facilities then income can be generated at no additional cost to the Council. Alternatively where the function does not generate income, there is a saving from not paying for additional hours from Facilities Services' staff but rather utilising PPP FM staff.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Some events / functions may have to relocate but the short distance between buildings within Midlothian should make this achievable.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Sport and Leisure – Leisure Trust model
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.000	0.300	0.000	0.300
Cumulative savings	0.000	0.000	0.300	0.300	0.300
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Savings from non domestic rates could be achieved from the formation of a Leisure Trust.

This would be limited to the larger facilities which are part of the “hubs” at Lasswade, Penicuik, Newbattle and Loanhead. Dalkeith is part of the PPP campus and would be included when the facilities are returned to the Council in [ten] years time.

It is necessary to take full consideration of the Barclay Review of non-domestic rates and the implications for sporting facilities.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This would require careful planning and a full business case before transferring the staff and assets (buildings may transfer under a licence to operate rather than a title transfer)
The business case would include governance/legal/financial and market considerations.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Community run "Pure Gyms"
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.000	0.000	0.200	0.200
Cumulative savings	0.000	0.000	0.000	0.200	0.200
FTE staff impact	0	0	0	8	8

Description of Savings Proposals

Transferring the running of the smaller leisure centres to Community Partnerships to operate as unmanned "Pure Gym" style facilities. The cost of running and maintaining the facilities would be met from operational charges and community members taking responsibility. Entry would be controlled through fingerprint ID or similar with CCTV security internally.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

The transfer of this service would retain very local provision of facilities but would require considerable organisation and commitment from those involved. New technology would require to be installed for security purposes.
This proposal would result in a reduction in staff, maintenance, insurance, rates and running costs.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Cessation of Sporting Grants
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.014	0.000	0.000	0.000	0.014
Cumulative savings	0.014	0.014	0.014	0.014	0.014
FTE staff impact	0	0	0	0	0

Description of Savings Proposals
Withdrawing the financial support to talented athletes through the sporting grants.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
This proposal could result in a reduction of club involvement in sport and potentially a reduction in facility use. The health of Midlothian's citizens may suffer as a direct result of less club activity.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Life Guard Cover
Strategic Theme	Policy Cost Reduction
Proposal (requires Council approval – Y/N)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.100	0.000	0.000	0.000	0.100
Cumulative savings	0.100	0.100	0.100	0.100	0.100
FTE staff impact	4	0	0	0	4

Description of Savings Proposals
<p>This proposal involves reducing the number of lifeguards at the poolside at the following locations.</p> <ul style="list-style-type: none"> • Newbattle Pool • Lasswade Centre • Loanhead Centre • Penicuik Centre <p>Presently the Council deploys two lifeguards at the poolside simultaneously. It is proposed to reduce the level of poolside cover.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
<p>A full risk assessment would be undertaken at each location to ensure that the Council meets its obligations in terms of the Health and Safety of pool users</p>

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Concessionary Charging Policy - Introduce new charge for the over 60s using leisure facilities
Strategic Theme	Policy Cost Reduction
Proposal (requires Council approval – Y/N)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.100	0.000	0.000	0.000	0.100
Cumulative savings	0.100	0.100	0.100	0.100	0.100
FTE staff impact	0	0	0	0	0

Description of Savings Proposals
<p>This proposal charges over 60's users the bronze rate for Tonezone and access to leisure facilities which would cover the range of access levels offered to other ToneZone members.</p> <p>642 members at £15 difference per month x 12 month - £115,560</p> <p>This proposal could be expanded to be in line with the state pension age.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
<p>This proposal requires to be further assessed, and an EQIA would be required to be carried out.</p>

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Wrap around care provision
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.000	0.100	0.000	0.100
Cumulative savings	0.000	0.000	0.100	0.100	0.100
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

Wrap around care provision providing after / pre school service to compete with after school clubs. Run in conjunction with Education Division this service could provide a structured play and "homework" service as an alternative to the current offering.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

This proposal would result in direct competition to the existing providers and would guarantee best value procured through competitive tendering. Income from rental of the facilities would be built in to the tendering process creating an additional commercial benefit.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Transfer all halls and pavilions to community groups
Strategic Theme	Services with Communities
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.000	0.100	0.000	0.100
Cumulative savings	0.000	0.000	0.100	0.100	0.100
FTE staff impact	0	0	0	0	0

Description of Savings Proposals
<p>Attract and encourage local community groups willing to take on and utilise the halls and pavilions including the ongoing caretaking, utility bills, maintenance etc. Experience to date has indicated that it is necessary for the council to provide relevant legal, technical and financial support to some Community Enterprises.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
<p>Bookings to use the changing facilities would have to be agreed with the community groups to ensure access for those booking pitches.</p>

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Merging of Sport and Leisure and Facility Management staff in Hubs
Strategic Theme	Workforce
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.122	0.000	0.000	0.000	0.122
Cumulative savings	0.122	0.122	0.122	0.122	0.122
FTE staff impact	4	0	0	0	4

Description of Savings Proposals

Reduce staff costs by combining similar roles currently carried out by Facilities and Sport and Leisure staff within the same building complex. Currently schools are serviced by Facilities staff and community are by Sport and Leisure staff. By combining these resources and spreading the tasks/ management efficiencies could be achieved.

This would involve non filling of vacancies and the use of VSER to produce the savings in the timescale outlined.

This covers the facilities at Lasswade, Loanhead, Penicuik and Newbattle.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Community and school areas would not receive specialised / focussed service and would require to be prioritised and managed on demand by building managers.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Selling Services
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	0.050	0.000	0.000	0.050
Cumulative savings	0.000	0.050	0.050	0.050	0.050
FTE staff impact	0	0	0	0	0

Description of Savings Proposals
Covering the costs of the Special Projects Co-ordinator by selling the service to other local authorities or entering into a shared service arrangement. Masterplanning and co-ordination of large scale section 75 contributions will become more prevalent once City Deal has been approved.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
This is consistent with the sharing of services with other partner organisations.

Directorate	Resources
Service Area	Property and Facilities Management – Sport and Leisure
Proposal	Destination Hillend
Strategic Theme	Entrepreneurial Council
Proposal (requires Council Approval)	Yes - Transformation

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.000	1.000	0.000	0.000	1.000
Cumulative savings	0.000	1.000	1.000	1.000	1.000
FTE staff impact	0	0	0	0	0

Description of Savings Proposals

The business plan to transform the Snowsports Centre into a year round tourist attraction is nearing completion. This proposal would require considerable initial capital investment. However the independent adviser producing the business case has concluded this initiative will return a substantial surplus to the Council.

Presently the external consultants report is being reviewed by council officers.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA

Significant initial outlay to create the attraction and infrastructure. The opportunity will create multiple jobs, put a major tourist attraction on the map and sizably increase the Council's income stream.

Directorate	Resources
Service Area	Property and Facilities Management
Proposal	Increased fees and charges
Strategic Theme	Policy Cost Reduction
Proposal (requires Council Approval)	Yes

Forecast Savings	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Incremental savings	0.100	0.100	0.100	0.100	0.400
Cumulative savings	0.100	0.200	0.300	0.400	0.400
FTE staff impact	0	0	0	0	0

Description of Savings Proposals
<p>Increase to sport and leisure fees and charges with an annual target of achieving £50,000 increased income per annum.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes. Include EQUiA
<p>Potential impact on user numbers who cannot afford the increased prices, which would result in a decrease in individual / club activity and may be detrimental to the health of Midlothian's residents.</p>

**SUMMARY 2018/19 BUDGET SAVINGS PROPOSALS - OPERATIONAL
29/09/2017**

Appendix 2

	INCREMENTAL					CUMULATIVE					Staffing FTE
	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	TOTAL £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	TOTAL £m	
Council Wide											
Valuation Board	0.005	0.005	0.005	0.005	0.020	0.005	0.010	0.015	0.020	0.020	0.0
Investing in Our Workforce	0.000	0.100	0.150	0.050	0.300	0.000	0.100	0.250	0.300	0.300	0.0
Financial Discipline	0.100	0.050	0.050	0.050	0.250	0.100	0.150	0.200	0.250	0.250	0.0
SUB TOTAL	0.105	0.155	0.205	0.105	0.570	0.105	0.260	0.465	0.570	0.570	0.0
EDUCATION, COMMUNITIES & ECONOMY											
Communities and Economy	0.028	0.000	0.000	0.000	0.028	0.028	0.028	0.028	0.028	0.028	1.0
SUB TOTAL	0.028	0.000	0.000	0.000	0.028	0.028	0.028	0.028	0.028	0.028	1.0
HEALTH AND SOCIAL CARE											
Customer and Housing Services	0.000	0.071	0.000	0.000	0.071	0.000	0.071	0.071	0.071	0.071	1.0
SUB TOTAL	0.000	0.071	0.000	0.000	0.071	0.000	0.071	0.071	0.071	0.071	1.0
RESOURCES											
Commercial Operations	0.250	0.330	0.030	0.000	0.610	0.250	0.580	0.610	0.610	0.610	16.0
Finance & ISS	0.135	0.075	0.000	0.190	0.400	0.135	0.210	0.210	0.400	0.400	5.0
Property & Facilities	0.140	0.240	0.080	0.000	0.460	0.140	0.380	0.460	0.460	0.460	9.0
SUB TOTAL	0.525	0.645	0.110	0.190	1.470	0.525	1.170	1.280	1.470	1.470	30.0
TOTAL	0.658	0.871	0.315	0.295	2.139	0.658	1.529	1.844	2.139	2.139	32.0



Overview Equality Impact Assessment (EqIA)
on
Midlothian Council
Financial Strategy
2018/19 to 2021/22

10 October 2017

Midlothian



Midlothian Council

Equality Impact Assessment (EqIA) on Midlothian Financial Strategy

2018/19 – 2021/22

Financial Strategy Proposals	As set out in grid attached to this EqIA
Directorate and service area	List as detailed above

Overview of Budget Investment through the Financial Strategy	The core objective of the Financial Strategy 2018/19 to 2021/22 is that of securing the Council's continued financial sustainability during what is expected to be an ongoing period of financial constraint coupled with continuing service demand pressures and increasing customer expectations.
Completion Date	29 September 2017
Lead officer	Gary Fairley

Aims and Objectives

The public sector continues to face significant service delivery challenges due to reduced income streams, funding constraints, inflationary cost pressures and additional legislative burdens. Demand for public services in Midlothian continues to increase as a consequence of changes in the size and profile of the county's population with greater numbers of young and older people, those in poor economic situations, and those with disabilities be they physical, sensory, mental health or learning disabilities. The Council must continue to prioritise expenditure on public services which prevent negative outcomes for those within its communities whilst securing maximum benefit from all available resources. Accordingly, it is prudent that significant savings and cuts are made over the coming years and projected budget shortfalls stemmed. This will allow the Council to maintain its financial sustainability and also to ensure that all within its communities, irrespective of protected characteristics, (age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation plus in Midlothian poor socio-economic circumstances), are not unlawfully discriminated against, and that equality of opportunity and advancement of good relations is upheld between those who have a protected characteristic and those who do not.

1. Does the proposed budget affect people?

Yes

No

2. What is/are the reason(s) for Council’s proposed budget savings

Savings are part of a process of continual review of service provision as we seek to secure efficiencies and redesign services in response to the financial challenge.

3. Impact

Which of the protected characteristics* will the proposed budget savings have an impact upon?

Equality Target Group*	Positive Impact	Negative Impact	Relevant evidence/ information
Age			Overall Grid attached to this appendix.
Disability			
Gender Reassignment			
Marriage & Civil Partnership			
Pregnancy and maternity			
Race			
Religion or Belief			
Sex			
Sexual Orientation			

4. Overall Impact of Financial Strategy proposals

Each budget proposal presented has been subjected to an Equality Impact Assessment. The overall grid (attached to the end of this appendix 3) details the protected characteristics which are considered to be most likely to be affected in a potentially negative way. The overall grid includes the currently non-enacted 10th protected characteristic of socio-economic deprivation which Midlothian Council voluntarily considers. It is understood that this 10th protected characteristic will be enacted in 2017 by the Scottish Government.

In no proposal area has any unlawful negative impact been identified, and where possible reduction/removal of services will be monitored to establish the actual affect to those within our communities.

5. How will the implementation of proposed Financial Strategy savings be communicated to those affected by any changes?

Information will be available on the Council's web site and communicated to affected businesses/customers/service users by letter, email, etc. In addition, information documents, as required, can and will be made available in different formats and languages on request. If an individual or group require this information in another language or format, then they should email equalities@midlothian.gov.uk or telephone the Equality, Diversity & Human Rights Officer on 0131 271 3658.

6. How will you monitor the impact of the changes proposed? When is the budget due to be reviewed?

Changes will be monitored through Covalent, the council's performance management system, discussion groups and forums, fees and charges income, and various other methods detailed in the individual equality impact assessments.

7. Please use the space below to detail any other matters arising from the Equality Impact Assessment (EqIA) process.

If available, mitigating actions for each of the proposals have been outlined in the individual equality impact assessments.

Where no mitigating actions are possible it is considered that any negative effects are not unlawful and are justifiable on a benchmarking/inflationary basis.

Midlothian Council is committed to the ethos of the Equality Act 2010 and has considered this through equality impact assessment of all its budget proposals.

Please send an electronic copy of completed forms to lesley.crozier@midlothian.gov.uk

SERV	No.	DESCRIPTION	EQIA Comp?	Age	Disability	Gender re-assignment	Marriage & Civil Partnership	Pregnancy & Maternity	Race	Religion or Belief	Sex	Sexual Orientation	Socio-economic deprivation	Staffing FTE	Notes
EXE	1	Senior Management Team Review	Yes	√	√	√	√	√	√	√	√	√	√	2	All protected characteristics could be affected depending on staff profile. Age, disability and socio-economic deprivation could be hit hardest.
CE	1	Transfer of the Welfare Rights function to external agencies	Yes	√	√	√	√	√	√	√	√	√	√	3	All protected characteristics maybe affected depending on the staff profile and those affected in the communities
CE	2	Overall reduction in the Planning Service (2 posts)	Yes	√	√	√	√	√	√	√	√	√	√	2	All protected characteristics maybe affected depending on the staff profile
CE	3	Staff saving from community asset transfer of Newtongrange Community Learning Centre building	Yes	√	√	√	√	√	√	√	√	√	√	1	All protected characteristics maybe affected depending on the staff profile and those affected in the communities
CE	4	A tailored and informed approach to Reduction in the Large and Small Grants budgets	Yes	√	√								√	0	
CE	5	Reduce contribution to Strategic Planning Authority	Yes											0	

CE	6	Review the pest control service within Environmental Health	Yes	√	√	√	√	√	√	√	√	√	√	0.6	All protected characteristics maybe affected depending on the staff profile and those affected in the communities
CE	7	Deletion of Environmental Health support post (noise control/enforcement)	Yes	√	√	√	√	√	√	√	√	√	√	0.8	All protected characteristics maybe affected depending on the staff profile and those affected in the communities
CE	8	Overall further reduction in the Environmental Health Service (2 posts)	Yes	√	√	√	√	√	√	√	√	√	√	2	All protected characteristics maybe affected depending on the staff profile and those affected in the communities
CS	1	Reduction of Early Intervention & Prevention Services												4	
EDUC	1	Reduce Learning Assistants by 10%	Yes	√	√						√		√	12	
EDUC	2	Review Surestart Contracts	Yes	√	√		√				√		√	0	
EDUC	3	Lifelong Learning and Employability	Yes	√	√	√	√	√	√	√	√	√	√	3.5	More data/information required but may affect all protected characteristics
EDUC	4	Review DSM	Yes		√									0	Disability affected positively
EDUC	5	Charging for Instrumental Tuition	Yes	√							√		√	0	
EDUC	6	Review let charges for after school clubs	Yes	√	√		√				√		√	0	
EDUC	7	Integration of Pathways, Pave and Pave 2 - mini Service Review	Yes	√	√	√	√	√	√	√	√	√	√	2	All protected characteristics could be affected depending on staff profile. Age, disability and socio-economic deprivation could be hit hardest.
HSC	1	Rebalancing Care/rebalancing Expectations	Yes	√	√								√		

CHS	1	Community Safety	Yes	√	√	√	√	√	√	√	√	√	√	√	8	All protected characteristics maybe affected depending on the staff profile and those affected in the communities
CHS	2	Homelessness	Yes	√	√			√						√	0	Plus other protected characteristics maybe affected dependant on any affected staff and their profile
CHS	3	Housing	Yes	√										√	0	Plus other protected characteristics maybe affected dependant on any affected staff and their profile
CHS	4	Digital lead Customer Service - Library Services	Yes	√										√	30	Plus other protected characteristics maybe affected dependant on affected staff and their profile
CHS	5	Revenues and Benefits	Yes	√	√	√	√	√	√	√	√	√	√	√	5	Could affect all (communities and affected staff) dependant on their profile.
CO	1	Charge for bins and boxes	Yes	√	√									√	0.0	
CO	2	Extend collection frequencies	Yes		√			√						√	3.0	
CO	3	Close Penicuik recycling centre	Yes	√	√									√	2.0	
CO	4	Charge for garden waste collection	Yes	√										√	0.0	
CO	5	Charge for commercial waste at Stobhill CRC site	Yes													No impact to individuals as affects businesses only
CO	6	Advertising on Council refuse vehicles	Yes													No impact to individuals as affects businesses only but those advertising would either need to sign up to the Midlothian Equality Plan or have their own Equality plan in place.
CO	7	Increase the level of recycling	Yes	√	√	√	√	√	√	√	√	√	√			All protected characteristics affected but none disproportionately
Co	8	Reduce Street Sweeping Frequency	Yes	√	√	√	√	√	√	√	√	√	√		1.0	All protected characteristics affected but none disproportionately
CO	9	Reduce grass cutting standards	Yes	√	√									√	5.0	Plus other protected characteristics maybe affected dependant on

																affected staff profile
CO	10	Reduce the number of grass football and astro pitches	Yes	√										√	1.0	Plus other protected characteristics maybe affected dependant on affected staff profile
CO	11	Stop provision of all floral displays and shrub beds	Yes	√	√									√	4.0	Plus other protected characteristics maybe affected dependant on affected staff profile
CO	12	Stop support to gala's and events	Yes	√	√	√	√	√	√	√	√	√	√		0.0	All protected characteristics maybe affected but none disproportionately
CO	13	Increase charges where appropriate	Yes											√		
CO	14	Increase lair provision at Dalkeith cemetery	Yes											√		
CO	15	Close Polton Bowling Club	Yes	√										√		
CO	16	Review spending on road maintenance	Yes	√	√										4.0	
CO	17	Reduce the structures mainenance budgets	Yes	√	√	√	√	√	√	√	√	√	√		0.0	All protected characteristics maybe affected but none disproportionately
CO	18	Reduce street lighting maintenance budget	Yes	√	√	√	√	√	√	√	√	√	√		2.0	All protected characteristics could be affected both within communities and dependant on affected staff profile.
CO	19	Transform Lighting operations	Yes	√	√	√	√	√	√	√	√	√	√		3.0	All protected characteristics could be affected both within communities and dependant on affected staff profile.
CO	20	Reduce the winter maintenance budget	Yes	√	√			√							0.0	
CO	21	Remove the non statutory school crossing service	Yes	√	√										53.0	Plus other protected characteristics maybe affected dependant on affected staff profile
CO	22	Stop all open space CCTV activity	Yes	√	√	√	√	√	√	√	√	√	√		0.0	All protected characteristics maybe affected but none disproportionately
CO	23	Introduce and Increase Parking Charges	Yes	√										√		

CO	24	Stop supported bus grants and reduce community transport support	Yes	√	√								√	1.0	Plus other protected characteristics maybe affected dependant on affected staff profile
CO	25	Reduce the ring and go scheme	Yes	√	√								√	1.0	Plus other protected characteristics maybe affected dependant on affected staff profile
CO	26	Stop the taxi card scheme	Yes	√	√								√	1.0	Plus other protected characteristics maybe affected dependant on affected staff profile
CO	27	Increase training offer - increase income Risk Management	Yes									√	√	0.0	
CO	28	Sales Force Spend to Generate	Yes	√	√	√	√	√	√	√	√	√	√		All protected characteristics affected but none disproportionately
FISS	1	Management Structure	Yes	√	√	√	√	√	√	√	√	√	√	1.0	All protected characteristics could be affected depending on staff profile.
FISS	2	Digital Services Review	Yes	√	√	√	√	√	√	√	√	√	√	2.0	All protected characteristics could be affected depending on staff profile.
FISS	3	Digital by Default	Yes	√	√								√		
FISS	4	Service Improvement Plans/Business Processes/Service Reduction	Yes	√	√	√	√	√	√	√	√	√	√	37.0	All protected characteristics could be affected depending on staff profile.
FISS	5	Remove Regular Car Allowance	X2		√									0.0	
FISS	6	Shared Service	Yes	√	√	√	√	√	√	√	√	√	√	15.0	All protected characteristics could be affected depending on staff profile.
PFM	1	Building Services Company	Yes	√	√								√		
PFM	2	Reduction in Housing Voids Standards	Yes	√	√	√	√	√	√	√	√	√	√	2.0	All protected characteristics could be affected depending on staff profile. Age, disability and socio-economic deprivation could be hit hardest.

PFM	3	Construction and Design Service Consultancy	Yes	√	√	√	√	√	√	√	√	√	√	√	√	All protected characteristics could be affected depending on staff profile. Age, disability and socio-economic deprivation could be hit hardest.
PFM	4	Income from Professional Consultancy	Yes	√	√	√	√	√	√	√	√	√	√	√	√	All protected characteristics could be affected depending on staff profile. Age, disability and socio-economic deprivation could be hit hardest.
PFM	5	Increasing the charging for school meals	Yes											√		Whilst free meal provision would continue, this increase could affect low income families just above the threshold for free meals.
PFM	6	Sharing Catering management with neighbouring Las	Yes	√	√	√	√	√	√	√	√	√	√	√	1.0	All protected characteristics could be affected depending on staff profile. Age, disability and socio-economic deprivation could be hit hardest.
PFM	7	Café style high school meal service	Yes											√		For low income families this change may affect young person's chance of a nourishing full meal.
PFM	8	Trolley Service/Internal Catering to cover costs	Yes											√		
PFM	9	Expand Catering/Function Service	Yes											√		
PFM	10	Café Service Social Enterprise/Branding	Yes													No disproportionate impact
PFM	11	Janitorial Service shared between 2 primary schools	Yes	√	√	√	√	√	√	√	√	√	√	√	11.0	All protected characteristics could be affected depending on staff profile. Age, disability, women and socio-economic deprivation could be hit hardest.
PFM	12	Renegotiate Skanska subcontract	Yes													POSITIVE IMPACT for all.
PFM	13	Property Company	Yes	√	√									√		
PFM	14	Renewable Sources of Energy	Yes													NO IMPACT

PFM	15	PPP Shared management with other LA	Yes	√	√	√	√	√	√	√	√	√	√	√	1.0	All protected characteristics could be affected depending on staff profile. Age, disability and socio-economic deprivation could be hit hardest.
PFM	16	PPP maximised use of contracted hours	Yes	√	√									√		Longer journeys may affect age, disability and socio-economic deprivation.
PFM	17	Sport & Leisure - Leisure Trust Model	Yes	√	√							√		√		
PFM	18	Community run 'Pure Gymn'	Yes	√	√	√	√	√	√	√	√	√	√	√	8.0	All protected characteristics could be affected depending on staff profile. Age, disability, women and socio-economic deprivation could be hit hardest.
PFM	19	Cessation of Sporting Grants	Yes	√	√									√		
PFM	20	LifeGuard Cover	Yes	√	√	√	√	√	√	√	√	√	√	√	4.0	All protected characteristics could be affected depending on staff profile. Age, disability, women and socio-economic deprivation could be hit hardest.
PFM	21	Concessionary Charging Policy - Leisure	Yes	√										√		
PFM	22	Wrap around care provision	Yes													POSITIVE IMPACT for all.
PFM	23	Transfer all halls and pavillions to community groups	Yes	√	√							√		√		
PFM	24	Merging of S&S/FM Staff in Hubs	Yes	√	√	√	√	√	√	√	√	√	√	√	4.0	All protected characteristics could be affected depending on staff profile. Age, disability, women and socio-economic deprivation could be hit hardest.
PFM	25	Selling Services	Yes	√	√									√		
PFM	26	Destination Hillend	Yes													POSITIVE IMPACT for all.
PFM	27	Fees and Charges	Yes	√	√									√		

Workforce Strategy

Report by Gary Fairley Head of Finance and Integrated Service Support

1 Purpose of Report

This report presents a draft of the first Council Workforce Strategy, the purpose of which is to ensure that Midlothian Council continues to have a workforce that is able to deliver positive outcomes for the people of Midlothian. It sets out an approach to supporting, developing and reshaping the workforce now and in the future in response to changes whether as a consequence of national or local issues. It is underpinned by the Council's values and vision.

The report identifies those aspects that require early consideration and sets out recommendations for these.

2 Background

Midlothian Council along with all other Councils in Scotland is required to complete a workforce strategy. Both Audit Scotland and the Council's external auditors will expect to see a workforce strategy that sets out plans for the workforce over the medium term. The Audit Scotland Report 'Local Government in Scotland: Performance and Challenges 2017' reiterates that with reducing budgets and workforce, Councils will find delivering improvements increasingly difficult. It is critical, therefore, that Councils have in place workforce strategies and plans that target effort on priority areas.

Midlothian is the fastest growing council area in Scotland; the Council lead this change with our partners and communities. The finalised Workforce Strategy will help ensure the Council has the right people at the right time and who have the right skills, knowledge and attitude to provide services confidently and competently within this context.

This draft Workforce Strategy is an important stage in outlining the organisation's approach to articulating how workforce issues will be managed to ensure the Council has the people and skills to manage change and deliver service. Together with the finalised workforce strategy there will also be a more detailed Council wide workforce plan, which will set out the actions required to deliver the workforce strategy, and eight service specific workforce plans, which will set out the service specific workforce actions. These are being developed alongside the budget proposals and together will form cohesive plans for the management of workforce issues.

3 Draft Workforce Strategy

Appendix 1 sets out the draft workforce strategy and includes the elements identified below:

- a) Foreword, vision and purpose of the workforce strategy
- b) Strategic overview of transformation themes
- c) Midlothian labour market context
- d) Workforce themes:
 - Employee Terms and Conditions
 - Employee performance
 - Recruitment and Retention
 - Reshaping the workforce
 - Health and Social Care integration
 - Expansion of early learning and childcare
 - Building leadership capacity
 - Digital leadership
 - Delivering excellence and talent management
 - Employee relations
 - Midlothian as an equal opportunities employer
 - Managing an ageing workforce
 - Volunteering
- e) Workforce overview and profile of the current workforce

The draft workforce strategy will be finalised over the autumn of 2017 and it is anticipated that it will be presented to Council for final approval in December 2017.

4 Issues identified for early consideration

The detailed workforce plan and service workforce plans will ensure that all elements of the workforce strategy are implemented over the proceeding period. However there are aspects of the draft workforce strategy that require early consideration. These aspects relate specifically to managing the anticipated areas of overcapacity within the employee establishment and are detailed below.

There is an immediate need to review the Policy for Organisational Change (Local Government workers) & the Policy for Organisational Restructure (Teachers) to ensure that they support the changes anticipated in the workforce and wherever possible help employees secure suitable alternative employment opportunities and so avoid the need for compulsory redundancies.

The Council must adapt and change its workforce to meet changing needs as well as provide a route to retain talent and skills and secure alternative employment for colleagues in a potential redundancy situation. It is therefore important to have a policy framework which fulfils the Council's legal requirements to try to secure suitable alternative employment within the organisation for employees in a potentially redundancy situation.

However given the expected change in the makeup of the workforce the Council may as a last resort have to resort to redundancies if all other options have been explored and prove fruitless. This approach would ensure the Council can effectively manage any over capacity in its workforce as required.

The review of the Policy for Organisational Change (Local Government workers) will include transitional arrangements for employees who have already been displaced and have not yet secured permanent alternative employment.

Given the projected overspend for the current financial year reported to Council in August 2017 and the future years financial projections set out elsewhere on today's agenda it is imperative that the Council secures a significant reduction in its pay bill and staffing establishment during the remained of the current financial year. The draft workforce strategy gives a breakdown of leavers in the previous year and highlights the relatively low level of natural turnover. This must be taken into account as services are reshaped and highlights the need for early actions to reduce the workforce. Accordingly the Financial Strategy report on today's agenda includes a recommendation, supported by the draft workforce strategy, to operate a Voluntary Severance Early Retirement Scheme (VSER) over the autumn of 2017.

In addition to the interventions set out above, it is proposed to introduce an immediate vacancy freeze across all services. Where there is a continuing need to recruit to specific posts, for example to ensure the continued delivery of key services, any recruitment will be determined as an operational matter by the Corporate Management Team. This is likely to take the following factors into consideration; filling of essential posts, Investing in our workforce commitments, reduced reliance on agency / contractors, the need to fulfil our positive destinations commitments and the effects on employee morale and engagement.

5 Report Implications

5.1 Resource

There will be financial issues which will arise as the workforce is reshaped and the detailed interventions progressed. These are anticipated to be addressed within the existing budgets and or through the utilisation of earmarked reserves to meet costs associated with VSER. Overall the draft workforce strategy and immediate actions set out above are aimed at securing early reductions in the paybill in a planned and effective manner.

5.2 Risk

There are risks associated with the partial / non delivery of the actions contained within the draft workforce strategy. If the actions are not realised then this will have an impact on the workforce of the future and the Council's commitment to achieve the right outcomes with our communities.

There are risks of not managing the workforce and the consequence could include, over or under capacity in service areas, people policies not being implemented, and lack of employees engagement resulting in reduced capacity to deliver on commitments to our communities.

Effective measures to reshape and reduce the workforce are increasingly critical in supporting the Council to manage services within the resources available.

5.3 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

5.4 Impact on Performance and Outcomes

The draft workforce plan supports employees to be in a position to perform to the standards that are required and to meet the performance outcomes identified in the Midlothian Local Plan and Service Plans. It supports a change in the workforce to ensure future service delivery.

5.5 Adopting a Preventative Approach

The draft workforce strategy will help ensure the Council can continue to have a workforce that supports a preventative approach when working with our communities.

5.6 Involving Communities and Other Stakeholders

Changes to the Policy for Organisational Change and Organisational Restructure Policy will be subject to consultation with the recognised Trade Unions. The recognised Trade Unions will also be consulted on the content of the draft workforce strategy recognising that working in partnership with Trade Unions is an important part of the development and engagement of the workforce.

5.7 Ensuring Equalities

Assessing and responding to equality issues will be a key aspect and taken into consideration when implementing all aspects of the workforce strategy themes. An initial Integrated Impact Assessment (IIA) has been prepared in support of the draft strategy and a comprehensive Equality Impact Assessment will be central to the continued development and delivery the workforce strategies and plans.

5.8 Supporting Sustainable Development

No consideration of this is required.

5.9 IT Issues

No consideration of this is required.

6 Recommendations

The Council is recommended to:-

- a) Note the draft corporate workforce strategy which will be finalised over the autumn of 2017 and which is anticipated to be presented to Council for final approval in December 2017.
- b) Note that the workforce strategy will be supported by a detailed workforce plan and eight service specific workforce plans:
- c) Agree to maintain a commitment of avoiding compulsory redundancies, and approve the revision of the Policy for Organisation Change and Organisational Restructure Policy so as to ensure the Council fulfils its statutory obligations and is able to effectively manage its workforce requirements;
- d) Endorse the implementation of an immediate recruitment freeze as detailed in section 2.3 of this report; and
- e) Note the commitment to consult the recognised Trade Unions on the development and implementation of the finalised workforce strategy.

Date: 12 September 2017

Report Contact:

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Background Papers:



Workforce Strategy

MIDLOTHIAN COUNCIL

DRAFT

2017 – 2022

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Vision – ‘A Great Place to Grow’

To achieve the Council’s vision and priorities it is vital that our workforce is more diverse, flexible, skilled, engaged and motivated than ever before. We need to build on the strategies that we already have in place. Our emerging change plan aimed at addressing the financial challenges to 2021 / 22 will enable us to identify and address the actions necessary to respond to challenges ahead and secure financial sustainability. Together with this workforce strategy we will be in a much stronger position to deliver on our commitments to our communities.

Purpose

The purpose of this workforce strategy is to ensure Midlothian Council has a workforce that delivers positive outcomes for the people of Midlothian. It sets out our approach to reshaping, supporting and developing our workforce now and in the future and is underpinned by the Council’s values and vision.

The Audit Scotland report “Local Government in Scotland: Performance and challenges 2017” reminds us that with reducing budgets and workforces, the Council will find delivering improvements increasingly difficult. It is critical, therefore, that we set long-term strategies and plans that target effort on priority areas.

Midlothian is the fastest growing council area in Scotland, we are a transforming area and we must lead this change with our partners and communities.

This strategy will ensure we have the right people at the right time and who have the right skills, knowledge and attitude to provide services confidently and competently. Specifically it will:

- Provide the foundation for the organisational culture we need to sustain;
- Give clarity to our people and future employees of our commitment to them and our expectations of them;
- Ensure our workforce plan is aligned with the policy direction, the Council plan and our Delivering Excellence programme
- Support leaders and managers to give clear direction to our employees and contribute to the success of the business of the Council

This paper is the first stage in outlining the organisation’s workforce strategy to ensure the Council has the people and skills to manage change and deliver services. Service workforce plans will provide forecasts of future workforce and service specific actions to ensure these resources are in place.

This paper provides some background context regarding the workforce challenges, summarises the workforce themes and high level actions and provides a profile of the current workforce. The next stage will be to further develop these proposals in to detailed delivery actions.

Midlothian Council Workforce - Strategic Overview

Midlothian Council, along with all local authorities, has experienced and will continue to experience significant challenges. By adopting a transformation approach, we have become more efficient and at the same time we have delivered changes which result in improvements to the way we work, the services we deliver and the quality of life experienced by local people. These changes are evidenced in the delivery of new affordable homes, new schools, improved recycling rates, improved positive destinations for school leavers and the arrival of the Borders railway. In addition we have successfully delivered significant changes and improvements in services to protect children and vulnerable adults. All of this has been achieved despite resource constraints.

The next iteration of the transformation programme is a key element of the Financial Strategy to ensure that available resources are as far as possible targeted on the delivery of improved outcomes, particularly against the key priorities.

This will involve progressing the activities from the following key components for the next phase of transformation:

- 1. Services with Communities** – there is a clear need to change the relationship we have with communities from a paternalistic one focused on service provision to one based on partnership and co-production.
- 2. Entrepreneurial Council** – covering property development, income generation, assets, energy, commercial opportunities etc
- 3. Digitally-led transformation/Customer Service** – we want to be at the forefront of digitally enabled change which may connect with the next phase or acceleration of customer services transformation.
- 4. Shared Services** – as a result of the current climate of reduced public spend and growing pressures on public services for the foreseeable future, service sharing and collaborative working will be a key consideration for options available to sustain services

A strategic narrative for each of the key transformational components follows:

1. Services with Communities

The financial challenge ahead forces Midlothian Council to think differently about how we engage and work with our communities.

Midlothian Council needs our communities to help us deliver our ambition of Midlothian - Great Place to Grow. We need to engage communities in the financial challenge ahead and where we plan to withdraw or reduce service delivery, we need to ensure we include them in that discussion and ask what they can do to assist in their own Communities. Volunteering can be a powerful driver of personal, social, economic, cultural and environmental change, in Midlothian we have a strong track record of active volunteering

across the voluntary, public and private sectors. This involves large numbers of dedicated volunteers of all ages and a wide variety of volunteering activities such as countryside activities, community gardens, lunch clubs and cafés, health and wellbeing activities and sports clubs, galas and events, community hospital volunteers and broader befriending and mentoring activities.

As a Council we need to be honest and engage our community as we go ahead. We have a £1m savings target against the Services to Communities Board by 2021/22 and this is possible if we rethink our approach to working with communities. All of this fits with the legislative requirement to include communities in the decision making process through the Community Empowerment Act and it would benefit the Services to Communities Board to change its name to Services with Communities to show this change of direction going forward.

2. Entrepreneurial Council

A key focus going forward will be contributing to the overall Midlothian economy by developing, delivering and providing a range of high quality, value for money entrepreneurial (commercial) services in partnership with:

- Local Companies
- Other Public Bodies
- Residents and Householders
- Private developers

This transformational component will be taken forward with the following deliverables in mind:

- To generate surplus for reinvestment within services and/or to support other Council priority services.
- To maximise the use of the workforce, buildings, vehicles, equipment and digital assets in providing services.
- To develop the skills of the workforce to enhance their jobs and to allow access to new markets.
- To develop and explore partnerships initially within and in the future build on partnering arrangements beyond Midlothian.
- To optimise and spread fixed costs over a greater cost base.

In line with challenges previously identified the need to become more commercial is driven by a need to respond to:

- The unprecedented level of funding cuts facing the Council and Public Sector.
- The significant impact of funding cuts on non statutory services currently provided by the Council.
- The need to develop working partnerships with Midlothian companies and other organisations.
- The need to develop staff and managers and the requirement to retain a critical mass to ensure the continuity of essential services.

In order to build on the commercial activity and work undertaken to date by the Council it will be necessary to:

- Enable, develop and support a commercial culture with a focus on customer or client (not always Council).
- Concentrate and focus on core commercial activities and undertake a review of non commercial functions.
- Establish a team of key staff to assess identify and exploit opportunities using a range of skills and services.
- Enable the “sales force” to explore and develop new ideas and opportunity for business.
- Explore opportunities that incentivise staff to excel and exceed expectations.

All entrepreneurial and commercial endeavours should be underpinned by a robust governance framework and developed and supported with an appropriate business case and professional and technical advice. Whilst entrepreneurial activities will align with council aims and values, elected member support and buy in will be key to successful delivery.

3. Digitally-led transformation/Customer Service

As one of the fastest growing areas in Scotland, Midlothian has a projected population increase of 23.1 % by 2039 compared with 2014. Accordingly the Council cannot support more customers using the current resources, systems and processes.

Customer self-service can help deliver some key services without customers dealing directly with a member of staff and could truly transform the way we deliver services.

We can be a leader in the delivery of online services and there is still significant potential to transform the way we work. The Digital Strategy Group is already managing a portfolio of projects, which could help deliver additional online customer services:

- CRM (joint procurement with East Lothian Council)
- MyAccount authentication and single sign on
- Online housing applications
- SEEMIS (parent portal)
- Review of online payments provider
- Online school payments
- Leisure booking and leisure payments

It is recognised that additional components are required to have a complete customer online experience and these include:

- A Customer Portal (where a customer logs on through our website is recognised and can complete a customer journey which is truly a transactional end to end customer journey)
- SEEMIS (parent portal)
- Integration with back end systems (e.g. Council Tax, housing, etc.)

The creation of an agreed roadmap to secure future technical sustainability of our online customer presence will:

- Provide the tools and resources to transform Midlothian into a true 'Digital by Default' organisation
- Maximise efficiencies which can be made from implementing a mature, end to end solution for customers
- Require robust governance through the Customer Service Project Board of a project/programme of work which may span 3-4 years
- Not deliver In-house process efficiencies immediately and will require processes to change to realise savings in time

4. Shared Services

The shared service element for transformation will be informed by a number of key principles previously identified for Shared Services and Collaborative Working by CIPFA in 2010 as follows:

- Service sharing and collaborative working, where they are relevant, will normally be used in combination with other methods, such as system thinking and process redesign.
- Making shared services happen will demand leadership and drive from those at the top of the organisation, this means senior executives and elected members.
- Partners need to understand where they are – in cost and performance terms – before embarking on change, and benchmark with peer organisations. This will provide an early assessment of the scale of opportunity.
- There is no 'right' option for or pathway into service sharing. Some organisations will choose to collaborate in a range of different partnerships where different services feature in each case, others will instead decide to work in more broadly based relationships, sharing a wide range of services with just a fixed group of other bodies.
- Collaboration models and vehicles will vary from case to case. In some instances this may mean working with organisations from other sectors, including commercial bodies. Legal requirements, among other things, will determine which model/vehicle is best suited to carry any partnership forward.
- In sharing services, the underlying processes will usually need to be simplified and standardised before they are consolidated in a single shared service. In doing this, processes will be redesigned on an 'end-to-end' basis, with 'process owners' taking responsibility across the whole service in question.
- Parties to the collaboration may need to migrate to a common technology platform (for instance, a finance or HR system), to remove the complexity and inefficiency that multiple systems might cause.
- Not every process or service will be open to sharing. Much will depend on the strategic significance of the service in question and the need for it to be tailored to local requirements.
- Processes and services that are shared will tend to be either;
 - 'transactional' or 'rules-based' – involving standard, repetitive activities (such as processing invoices or accounting journals) that can be grouped together for processing efficiency; or

- 'competency-based'. In the latter case the work in question is likely to be brought together as part of a centre of expertise, which may allow for a range of specialist skills to be combined as part of a single unit e.g. Technical Services
- While there is a range of risks and legal issues to be addressed in sharing services, given political will and the willingness to invest resources, these can be dealt with in a managed way. They should not be seen as insurmountable barriers to change

Investing in our Workforce

2016 saw a collective agreement secured to deliver the Investing in our Workforce project, this represented a £2.67 million investment to tackle in-work poverty and to make Midlothian Council an employer of choice. This delivered the opportunity for us to support service change and transformation, to focus on customer needs and to enable us to Deliver Excellence through creating the conditions for increased employee productivity and flexibility.

Our commitment included:

- Increasing base salaries of our lowest paid workers, and so reducing in-work poverty;
- Improving work-life balance through reducing reliance on non-contractual overtime;
- Increasing annual leave entitlement and giving greater flexibility as to when leave can be taken;
- Making earnings go further through the provision of a range of non-financial benefits;
- Working with the Trade Unions to provide increased life-long learning opportunities.

In return for this investment, we expect to become more effective through increased flexibility and improved productivity and performance. We continue to work on creating the conditions for the increase in performance and productivity and the actions in this strategy support future cultural change.

As part of the Investing in our workforce project we have revised our suite of People Management policies, designed to promote increased flexibility and employee productivity. These policies provide our managers with the tools to help them manage their service in a more effective and consistent way. The principles of these policies were agreed through the Collective Bargaining negotiations with the Trade Unions.

The foundation for our People Management policies is the Code of Conduct which outlines the standards of behaviour we expect from our employees. In line with our vision of Midlothian – 'A Great Place to Grow', the Code of Conduct outlines the working environment we want to nurture in Midlothian.

Midlothian's vision of 'A Great Place to Grow' has been developed and agreed with our community partners. It represents our desire to support the communities of Midlothian to grow and prosper for the future. 'A Great Place to Grow' is about building success for the future. For employees in the context of workforce planning we hope this mean that Midlothian is a great place to work and grow a career.

In order to support the 'Great Place to Grow' vision we have outlined the behaviours expected from all employees. There are 3 key areas of focus:

- Community how we work with our service users and partners
- Colleague how we work with each other
- Culture how we do things in the Council

These behaviours are core for us all as we make Midlothian ‘A Great Place to Grow’.

The Midlothian Labour Market

Research carried out by the University of Glasgow Training and Employment Research Unit in 2016 provides us with data on the Midlothian labour market and makes forecasts regarding the future supply and demand of the workforce in the future.

The key findings of the Midlothian labour supply analysis are:

1. Midlothian has a growing population and it benefits from its proximity to Edinburgh and lower cost of housing. However, this hides the fact that many young people move away from Midlothian for study and/or employment, while Midlothian has a growing older population which will place greater pressure for services and demand on health and social care workers.
2. The number of economically active working age residents is comparable to other areas but, on average, Midlothian’s residents are less highly qualified and work in lower skilled occupations,
3. There are also approximately 5,500 working age residents who are not working and it is important that there is the skills and employability provision available to also support their entry and progression into future labour market opportunities.

These findings underline the need to develop interventions to address our future workforce needs, particularly in the areas of projected future growth. There will be substantial employment growth in health, social care and early year care. This is due to the aging population and early years due to the Scottish Government policy to increase hours of funded childcare (1140 hours by 2020). The projected increase in jobs in Midlothian between 2014-2024 is 300. The report highlights that there are already difficulties in recruiting to care roles.

Ref - University of Glasgow Training and Employment Research Unit: Midlothian Workforce Planning Study, June 2016

The following workforce themes focus our attention on our workforce priorities to deliver positive outcomes for the people of Midlothian. It sets out our approach to supporting and developing our workforce now and in the future and is underpinned by the Council's values and vision.



Our People Deliver High Performing Services

Workforce Theme: Employee Terms and conditions

In order to be able to attract and retain high performing employees we will continue to provide a package of terms and conditions* that positions us as an “employer of choice”. As 65% of our employees are resident in Midlothian, maintaining employment also serves to support the local economy.

As part of Investing in our Workforce we reviewed the following People Policies:

- Maximising Attendance at Work focuses on the importance of employee wellbeing and an employee’s personal responsibility for their attendance levels. It also details the process that will be followed when an employee’s attendance falls below the standards expected.
- Disciplinary Procedure details the process to be followed when the high standards of behaviour and conduct expected of a Midlothian employee are not adhered to.
- Resolution Procedure aims to resolve workplace issues in a constructive and timely manner drawing on the principles of fairness, mutual respect, empathy, dignity and open discussion.
- Policy for Organisational change outlines the steps to be taken as the Council embraces change.

We will continue to review our People Policies to ensure that they are fit for purpose and provide managers with the tools to increase flexibility, productivity and drive service performance.

We will continue to consult with Trade unions partners locally and through the national arrangements which determine a range of terms and conditions of services across Scottish Local Authorities.

Local engagement with Trade Unions is via the Joint Consultative Group supported by the Corporate Joint Working Group (for Local Government workers) and the Midlothian Negotiating Committee for Teachers.

The following work strands will support this theme:

- Ongoing development of non-financial benefits scheme for Local Government workers
- Review of employee travel arrangements – via a policy on travel options which promotes sustainable travel models. Managers will ensure only necessary and economical journeys are taken
- Review of “Investing in our Workforce” project
- Promoting Healthy Working Lives, including attendance management

The Council’s package of terms and conditions include:

- A career average pension scheme
- Competitive holiday provision
- A variety of flexible working opportunities including flexi-time, part-time, term-time and compressed hours
- Paid sickness absence
- Non financial benefits – including option to buy additional leave (not applicable to Teachers T&C)
- Access to the employee assistance programme
- Access to physiotherapy services
- Access to Occupational Health Service
- Access to Salary Sacrifice Scheme i.e. Childcare Vouchers

Workforce Theme: Employee Performance

We will reinforce a strong performance culture in our Council. This will be enhanced by ensuring that high performance is recognised and valued, particularly where people find new and better ways to improving services and individual outcomes. Appendix 11 of this report details the Local Government workers performance ratings for the year 2016-27 and indicates that, in almost all cases, manager's rate their employee's performance at a good, high or outstanding level. We need to make sure that these ratings are a true reflection of individual performance and that we see the results of this in increased employee productivity and increased efficiencies in service delivery.

For our teachers, the GTCS introduced, in August 2014, a new system of Professional Update for all professional groups working under the Scottish Negotiating Committee for Teachers (SNCT) conditions of service. Employees are subject to an annual review with a Professional Update every five years. However, PRD is an ongoing process and should not be seen just as an annual review. It is based on "support and trust" within an atmosphere of trust and collegiality. Self-evaluation of professional skills and abilities is at the heart of the PRD process with a strong emphasis on the GTCS Professional Standards. This leads through discussion with the appropriate line manager to the identification of personal and professional needs to be addressed through professional learning.

Supporting attendance at work will continue to be a priority for us in order to ensure service delivery levels and to minimise the impact of absenteeism on other employees. We will continue to develop robust workable processes that ensure our employees are clear about what is expected of them and how their performance and effectiveness will be measured. Sickness absence levels for April 2016-17 are detailed in Appendix 10 of this report and allow comparison between services. This report also highlights areas where efforts to manage absence levels seem to be paying dividends, such as in Education.

The following work strands will support this theme:

- Review of the Performance Management Framework to ensure a more effective approach that is used by all managers to drive improved services and drive productivity improvements
- Continued focus on Maximising Attendance at Work through consistent application of the policy and actions to support employees to be present and productive at work. Corporate absence targets will be set by services each year.
- Continue our commitment to the health and wellbeing of employees through maintaining our Healthy Working Lives Gold award; provision of Occupational Health service, Employee Assistance Programme, Physiotherapy services and Mental Health First Aid.
- Effective use, and review, of the suite of People policies designed to provide flexible support for managers to drive high performance in their teams
- Recognise the importance of Employee Engagement on employee performance and support the “Engaging Managers” programme actions to improve employees experience at work. Engaged employees feel valued, have a passion for work and often go the extra mile to benefit the organisation, resulting in an additional 20% productivity through an increase in discretionary effort.
- Health & Safety will be pro-actively managed and supported, given a high priority and the recording of all concerns reported on the RIVO system.

Workforce Theme: Recruitment and Retention of Employees

We must ensure that council services are as well resourced as possible by making the Midlothian employment package as attractive as possible and deploying the appropriate recruitment strategies.

On occasion, we may need to implement a recruitment freeze for some roles, to enable us to rebalance the workforce structure in times of transformation. Where a recruitment freeze is in place and there is a continuing need to recruit to specific posts, for example to ensure continued delivery of key services, recruitment will be determined by the Corporate Management Team. This is likely to take the following factors into consideration:

- Filling of essential posts
- Investing in our Workforce Commitments
- Reduced reliance on agency / contractors
- The need to fulfill our Positive Destinations commitments
- The effect on employee morale and engagement

We will achieve this in conjunction with our move to generic job outlines.

Our recruitment strategy should allow us to target activity to resourcing the areas of future growth of services, and potential workforce shortages, such as “Early Learning and Childcare” workers, “Care at Home” workers and Head Teachers/ Teachers.

Service-level workforce plans contain a detailed breakdown of vacancies advertised and filled, thereby we are able to identify specific “hard to fill” posts and devise specific strategies to ensure we can resources our services.

The following work strands will support this theme:

- Redesign of the recruitment process to be effective and cost efficient and allow us to secure the best candidates, including use of social media such as LinkedIn
- Service-level recruitment strategies to support growth areas and “hard-to-fill” positions
- Reduce reliance on casual staff / paying premium rates for overtime (as per Investing in our workforce) through additional recruitment
- Expand use of secondments and trainee posts to build talent and succession opportunities
- Follow the recommendations, to Corporate Management Team, by the “Growing our Talent” project group to introduce a flexible employability support framework which will provide opportunities for young people and adults with barriers to employment locally.
- Investigate creative and innovative approaches to bringing in talent
- Review leavers profile to identify any patterns or retention issues
- Further develop Job Families approach to enable the creation of a flexible, generic workforce

We Build an Entrepreneurial Council for the Future

Workforce Theme: Reshaping the Workforce

As outlined earlier in this strategy the shape of the workforce is changing and needs to continue to do so to reflect the changing requirements of services. Some areas will experience growth in workforce numbers, such as Early Learning and Childcare and Adult social care, whilst others will inevitably constrict.

We recognise that workforce costs are by far the largest element of the budget and we must ensure we are targeting our resources to the best effect. Our approach to reshaping our workforce must be firmly grounded through our approach to workforce planning, at both a corporate and service level, thereby understanding our future workforce demands and supply.

Under our Organisational Change Policy we currently operate a redeployment scheme, called SWITCH. The aim of the scheme is to allow us to retain talent and skills and secure alternative employment for colleagues in a potential redundancy situation. The Council may, as a last resort, need to dismiss by reasons of redundancy if all other options have been explored and prove fruitless.

Appendices 6,7,8,9 detail the breakdown of leavers over the last year and highlight the relatively low level of natural turnover in our employees. This must be taken into account as we plan to reshape services and pro-active strategies may be required in certain areas.

Work strands that support this theme are:

- Secure additional savings to address the financial pressures in 2017/28 and contribute to reducing the budget gap 2018/19 through operating a Voluntary Severance Early Retirement scheme in the autumn of 2017 in accordance with the existing VSER policy framework.
- Reviewing the Organisational change policy to reflect an aim to avoid compulsory redundancies, thereby:
 - Allowing the Council to adapt and change its workforce to meet changing needs.
 - Providing a route to retain talent and skills and secure alternative employment for colleagues in a potential redundancy situation.
 - Avoiding increasing the redundancy and pension paid to employees who could otherwise be redeployed and at the same avoid recruitment costs for replacements.
 - Delivering on the Council's legal requirement to try to find suitable alternative employment within the organisation for employees in a potential redundancy situation.

- Allow the Council to dismiss employees by reason of redundancy only if all other options have been explored and proved fruitless. This would ensure the Council can effectively avoid any over capacity in its workforce as required.
- Service redesign: the service review and continuous improvement agenda is supported by the Delivering Excellence Framework, which includes the need to consider a range of service delivery models. Service planning is also informed by the Single Midlothian Plan which ensures a focus on agreed priorities and desired outcomes.
- Development of effective use of this corporate workforce plan and service-specific Head of Service workforce plans (and resource forecasting) as an important tool to deliver change and strengthening the link to service and financial planning.
- Continuing to progress the job families approach to provide a flexible generic workforce pool that can be deployed to across the organisation as needs arise.

Workforce Theme: Health and Social Care Integration

There are three major continuing challenges in the delivery of health and social care services in Midlothian:

- **Growing and Ageing Population:** The population is growing rapidly—a 26% increase by 2039. The number of people over 75 years will double over the next 20 years. People with long term disabilities and complex health conditions are living much longer.
- **Financial Pressures:** Despite growing demand, social care and health are facing real cuts in budgets. The significance of this challenge was recognised by Scottish Government in 2016 providing additional ring-fenced social care funding to Local Authorities; in Midlothian this was £3.4m.
- **Workforce Pressures:** Despite changes to terms and conditions such as guaranteed hours and the Living Wage, recruitment and retention is a growing problem, particularly in the field of care at home. This is a high risk area with many people in need of social care support not receiving it during 2017-18.

A Health and Social Care workforce plan is being prepared for the Midlothian Integration Joint Board which captures specific actions with respect of the workforce, within the Council, NHS and the independent and voluntary social care partners. This will provide focus for recruitment and retention activities in all areas of health and care. Actions are identified at local / Pan-Lothian /Regional and National level.

The draft plan highlights the need for investment in the following:

1. Investment in effective Workforce Planning for the long term will have significant benefits, embedding this in the day to day practice of managers and leaders, actively working on succession planning

2. Sustained investment in learning and development, giving our employees the skills to support them to innovate and giving them permission to do so will enable trust and confidence in our workforce, giving employees the opportunities, tools and skills to think and act differently.
3. Developing new models of integrated working and new forms of contracting to support these.
 - Working together is essential to success – through co-location, through shared learning, sharing information, understanding roles and having honesty and trust in professionals at all levels in all sectors.
 - Scoping out an Alliance approach to Care at Home service provision to address challenges around recruitment and direct provision of care hours, including night time supports.
 - Putting into practice our desire to work closely with Communities, investing in an approach which really makes use of community assets
 - Working with inequalities and diversity in each unique community within Midlothian
 - Developing and implementing new roles already tested out, such as peer support in Substance Misuse, across other service areas.
 - Creating a greater integration between Statutory and Voluntary and Independent Sector agencies. We must break down the barriers that prevent good outcomes

Workforce Theme: Expansion of Learning and Childcare (ELC)

Scottish Government recognises the importance of access to early learning and childcare (ELC) is crucial to improving children's outcomes. In a drive to close attainment and inequality gaps the government has pledged to double the entitlement to free ELC to 1140 hours per year by 2020 for all three and four year olds and eligible two year olds.

Local Authorities will play a major role in much of the delivery of the increased ELC provision (46% of the ELC services in 2015) and the Council must ensure we are in a position to be able to meet the requirements of this increased demand. This will require creative and innovative approaches to managing the available resources, including workforce.

A working group has been formed to consider the workforce issues and will report specific actions. The workforce plan for Head of Education will also detail future projections and impact in workforce.

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We Demonstrate Strong and Consistent Leadership

Workforce Theme: Building Leadership Capacity

Successfully meeting the challenges that the Council faces will require strong and consistent leadership at all levels to drive the transformational and organisational change within the council and across our partnerships, ensuring Midlothian is a “Great Place to Grow”. Our leaders need to work to support and reinforce the culture we need across all of our services and our entire workforce to achieve our vision.

Clarity of direction, supporting and engaging with others whilst positively managing risk through change, will be vital to ensuring a positive working environment for our employees. Our leaders will take responsibility to ensure that our people continue to be customer focused, motivated, skilled, and confident as our services transform, including taking ownership of their own development.

The following work strands will support this theme:

- Building “one-council” leadership through quarterly Leadership Forum sessions, focusing on sharing the vision, driving change and improvement
- Continue and develop the Midlothian Leadership Pathway development programme at all levels of leadership
- Implement Engaging Managers programme to support employee engagement
- Use of 360 degree feedback, leadership competencies and development coaching as part of performance management
- Conducting a review of management structure
- Reinforcing our vision through driving our internal communications strategy to ensure employees are well informed on the organisation’s priorities and progress and thereby positively impacting employee engagement.
- Develop and implement a succession planning framework to ensure we have a internal talent pipeline for the future

Workforce Theme: Digital Leadership

We want to be at the forefront of digitally enabled change which will connect with the next phase or accelerations of customer service transformation. This will require cultural change to transform Midlothian into a true “Digital by Default” organisation.

To achieve this vision it is important that all leaders and senior managers are aware of this transformation programme so that they can support and help initiate the required service changes to improve the customer experience and to drive savings and efficiencies.

Specific actions will be driven by the Digital Strategy Group and include:

- Actions to build digital skills capability throughout services
- Actions to facilitate a “mind-set” change from the traditional approaches to service delivery to a more technologically-enabled service provision

Workforce Theme: Delivering Excellence and Talent Management

We will develop our employees to ensure we have a source of talent for both current and future roles, with particular focus on opportunities to bring in young people, developing leadership talent and providing attractive career options in areas of potential workforce shortage. We will identify our leadership talent and strengthen succession planning pipelines. In order to drive our key transformation projects, we will identify key individuals who have the drive and potential to deliver change in the organisation.

Through developing a coaching culture across the organisation we will enhance the development opportunities of all, and reinforce the manager’s role in individual development. We will encourage, and facilitate, a mentoring approach to increase leadership effectiveness.

Our talented employees will look for succession planning opportunities and we need their resources to drive forward business change and innovation. We will ask those employees who are in the career talent pipeline to work with our most senior managers to deliver on innovative and transformational projects. We will aim to have a group of potentially 6-8 talented managers (3/4 tier) who have already demonstrated they have the ability to innovate and perform to a high standard. They will be ambitious and committed to working alongside a group of peers focused on delivering a change programme for Midlothian Council with deliverables within a three year period.

The opportunity to innovate will be viewed as a succession planning opportunity, and as such the necessary development opportunities will be given to the group and a development budget will be agreed in advance. This development might include external individual and group coaching / mentoring. An individual development plan for each of the group members will be agreed at the start of the process and reviewed at the end. Members of the group will aspire to Head of Service positions.

The work streams that will develop will take the following into consideration:

- importance of planning well for a growing population and growing local economy,
- be focused on the outcomes and open minded about all possible ways of delivering them and all possible partners who can help do so,

- Recognise its resources and capacity are very important but that wider community, public and private resources also need mobilised behind outcomes.
- Be strategically opportunistic in mobilising resources and improving opportunities and outcomes for Midlothian's communities.
- Support and empower employees to develop new roles and new relationships with communities.

Applicants who are interested in this succession planning opportunity will have the opportunity to apply formally if they wish to take part.

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We Promote Equality, Diversity and Fairness

Workforce Theme: Employee Relations

As a member of the Convention of Scottish Local Authorities (COSLA) the Council is bound by national agreements of Terms and Conditions of Service. The Council recognises Trade Unions for collective bargaining purposes and has in place local Recognition and Procedural agreements.

We seek to work in partnership with the recognised Trade Unions, with a view to establishing a culture of trust and increasingly a working environment where the ideas, views, knowledge and expertise of the workforce are listened to considered and valued.

We have in place local negotiating and consultation arrangement where Elected Members meet with Council officers and representatives of the Trade Unions (including Unison, Unite, GMB, EIS, SSTA, NASUWT and Voice) at the Joint Consultative Group (JCG) meeting. We also have regular Corporate Joint Working (CJWG) meetings and discuss issues of interest and concern for the Local Government workers, with Midlothian Negotiating Committee (MNCT) covering those issues related to our teaching workforce not covered by national agreements. In addition to this we Trade Union officials meet with the Chief Executive to discuss topical issues. More formal consultations are undertaken through each Service. In addition, there are regular meetings with the HR/OD service to consult on service issues and deal with concerns.

In an effort to promote effective and positive employee relations the Council has in place a Recognition and Procedural Agreement (RPA) for the Local Government Trade Unions. This is currently being reviewed incorporating new aspects, including our organisational values and behaviours. We are working towards a new period of agreement from March 2018, which will be reviewed annually. Time and commitment has been invested by all parties to reach an interim agreement, and we are hoping that we can move forward positively and together without the intervention of any external mediation service such as ACAS. The Midlothian Negotiating Committee for Teachers has its own separate Local Recognition and Procedure Agreement with the EIS, SSTA, NASUWT and Voice which is negotiated on an annual basis.

It must be recognised that not all employees choose to be a Trade Union member and mechanisms have been established to allow employees to have a voice, this includes the 'Tell Ken' campaign and the Internal Communications Strategy to improve employee communication and the employee engagement actions such as the survey and subsequent action plans.

The following work strands will support this theme:

- By March 2018 have a two year RPA in place for Local Government Workers Trade Unions

- Work collaboratively with our existing union colleagues from Unison, Unite and the teaching unions and welcome our new colleagues from GMB
- Work together to achieve the best employee relations outcomes in cognisance of the demands on us all to work in a rapidly changing context
- Jointly deliver the desired outcomes within this workforce plan
- Deliver Lifelong agreement and associated actions and learning opportunities

Workforce Theme: Midlothian as an Equal Opportunities Employer

Our long term outcome is that 'Midlothian Council is a positive workplace for all employees'.

Equal Pay

Midlothian Council is committed to the principle of equal pay for all our employees and the pay structure and terms and conditions are equality checked to ensure our commitment is maintained. This is outlined in the Council's Equal Pay Statement:

"Midlothian Council believes in equal opportunities in employment and is committed to the fundamental principle that procedures to determine the pay and conditions of employment of all our employees do not discriminate unlawfully and aims to eliminate any sex bias or any form of discrimination. The Council recognises that in order to achieve equitable pay it should operate a pay system which is transparent and based on objective criteria."

The Council's Mainstreaming Progress report highlights several areas where the organisation could demonstrate commitment to mainstreaming equality in everything it does.

Gender Pay Gap

The gender pay gap between average hourly rate of pay for male and female – all Council employees as at 31st March 2017 was 2.96%. The Midlothian Council Equality Outcomes Progress Report 2015 – 2017 details actions the actions required to close the gender pay gap further.

Living wage

Midlothian Council took early action to integrate the 'Scottish Living Wage' in its pay structure. This particularly benefited women who are more highly represented in lower paid and part time jobs.

The following work strands will support this theme:

- Effective implementation of our People Policies to ensure we are a workplace free of harassment, discrimination and victimisation
- Continue to work to eliminate any working practices which give rise to a pay gap between employees on the grounds of disability, gender or race.
- Provide a range of flexible employment practices in line with business need, as outlined under the “Employee Terms and Conditions” theme.
- Develop opportunities for young people and adults with barriers to employment as part of the recommendations of the “Growing our Talent” project group.
- Better understand the factors which underpins the equalities profile of the workforce and the opportunities presented therein

Workforce Theme: Managing an ageing workforce

The ageing workforce is a very important workforce issues to consider and potentially one of the biggest shifts we need to make. By 2030 the number of people in the UK aged 65 and over will have increased by 50%. (Chartered Institute of Personnel and Development 2016). Longer lives mean longer working lives. The workforce is in a rapid state of change and we must adapt our policies and strategies to accommodate this. We have a compelling business case for some employees to remain in work for longer. There is a huge untapped labour pool among older workers, with some feeling that they could benefit from staying at work for longer in terms of financial wellbeing and social interaction.

Organisational flexibility is paramount, there needs to be opportunities to work in different ways as you get older, with more flexibility and part time options including flexible retirement.

The Equality Act 2010 includes provisions that ban age discrimination against adults in the provision of services and public functions. It is now unlawful to discriminate on the basis of age unless the practice is covered by an exception to the ban.

There is no longer any statutory retirement age which, in effect, means that employees can work for as long as they chose. However, there may be some legal justification based on workforce needs and demands, which means we may be in a position to bring forward retirement for some employees. This is something we will explore going forward, as a balanced workforce profile is important. We need to consider our ‘Growing our Talent’ approach making sure our employee base is comprised of employees at different ages and stages of the career cycle.

The following work strands will support this theme:

- Offer flexible employment options for an ageing workforce
- Through Lifelong Learning provide information sessions on “Planning your Retirement”
- Through Employee Assistance programme, provide help and support on decision making around retirement.
- Support an ageing workforce with healthy working life support, including Occupational Health, Physiotherapy, Employee assistance programme
- Consider the workforce profile and options for bringing forward retirement for some
- Balance our overall employee age profile making sure there are opportunities to ‘Grow our Talent’ and that we are an employer of choice for younger people

Workforce Theme: Volunteering

Two working groups were established in June 2017 to consider volunteering in Midlothian. The first deals with the wider policy context and, the second an implementation group which is developing practical processes for working with volunteers within the council, building on the existing practices we already have in place. The group wants to ensure all volunteers within the council services receive support and are valued wherever they volunteer alongside Council employees.

The implementation group has adopted the definition from Volunteer Development Scotland - “Volunteering is freely undertaken and not for financial gain; it involves the commitment of time and energy for the benefit of society and the community”. This means for the Council it does not include employability work placements, traineeships graduate placement schemes, vocational training programmes or compulsory unpaid work as part of community justice systems.

Levels of volunteering activity in Midlothian are generally higher than the Scottish average. Volunteering brings significant benefits for both the volunteer and the individuals that are supported. It is an important activity that serves to integrate people and communities through the shared experiences that it generates. With around 30% of Midlothian residents engaged in some form of volunteering, it is clear that many services and recreational activities would cease to function or be seriously curtailed without the commitment and input of local volunteers. We need to do more, however, to maximise the potential of volunteering to act as a positive force for change in Midlothian building on the existing powerful base.

A wide ranging survey on volunteering is being undertaken as part of a mapping exercise. The direction and work of the group will be based around the feedback and data collected as part of this exercise. Along with the feedback from the survey the groups see a

need to focus on key aspects of fair procedures across the whole Council to support volunteering, including; agreeing management arrangements, recording volunteer hours and payment of expenses.

The range of volunteers already working within the Council runs from Parents in classrooms in our Primary Schools to Ageing Well volunteers working with older people keeping active, from volunteer litter pickers organising local cleanup events, to people volunteering to maintain paths and access to countryside with our Ranger Service. There are volunteers in Council care homes and community centres and volunteers on community councils, volunteers in neighbourhood planning and volunteers managing community organisations that the Council partners with in community planning.

Recruitment of volunteers is very important and the methods we use to do this can make a significant difference to the number and quality of volunteers we attract. The current recruitment portal myjobscotland is not viewed as an ideal solution to recruitment. However volunteering opportunities could be advertised through Volunteer Midlothian with use of a poster or an online link to the appropriate contact within the Council

The wider policy groups work will focus on policy for corporate volunteering. This is where the Council might agree to every employee being given the opportunity to volunteer for one day a year. The details of this would have to be thought through, such as the scope and breadth of the volunteering.

The following work strands will support this theme:

- Senior management support for the wider policy group to make clear recommendations on a way forward before the end of December 2017
- All aspects of volunteering considered and agreed and a framework developed into a Midlothian volunteer good practice handbook
- Recruitment options considered and agree and widely publicised to secure the widest possible uptake of volunteering
- A second stage approach to consider corporate volunteering. Policy work to be undertaken by the wider policy group by January 2018 and recommendations reported to Senior management and elected members

Council Workforce Overview

Current Workforce Profile

This section provides an overview of the current Council workforce (as at 01 July 2017). By providing a picture of our current workforce we can identify areas of focus and actions for the future.

Individual service workforce plans will provide a forecast of future workforce requirements and actions to ensure we have the right people, at the right time and who have the right skills, knowledge and attitude to provide services confidently and competently.

More detailed analysis can be found in the Appendices in this strategy.

Contract type

The Council employs 4,674 employees made up of 3,846 permanent and 828 fixed-term employees.

Contract type	No of Employees
Permanent Full Time	2168
Permanent Part Time	1594
Permanent Job Share	44
Fixed Term Full Time	348
Fixed Term Part Time	476
Fixed term Job Share	4
Home-working	4
SWITCH	36
TOTAL	4674

SWITCH

Under our Policy for Organisational Change for Local Government Workers we currently operate a redeployment scheme, called SWITCH (Staff working in Transition and Change). The aim of the scheme is to allow us to retain talent and skills and secure alternative employment for colleagues in a potential redundancy situation.

These employees have a permanent employment contract but are currently working on SWITCH placement within the organisation.

Fixed Term Workers

There are a high number of employees on fixed-term contracts. This is potentially an advantage as it indicates a higher level of flexibility within the employee population. When reducing overall employee numbers fixed term employees with under two years service have no entitlement to a permanent position or redundancy payment.

Service	Total Number	Groupings of >20
Adult Social Care	120	Care Support Worker (20) Support Assistant (20)
Children's Services	16	
Commercial Services	76	Assistant Gardener (34)
Communities & Economy	11	
Customer & Housing Services	16	
Education	275	Learning Assistant ASN (49) Principal Teacher (37) Teacher (53) Trainee Teacher (48)
Finance & ISS	17	
Property & FM	297	Catering Assistant (133) Sports Coaches (90)
TOTAL	828	

Gender

The council employs 1,217 males and 3,457 females.

Service

The average length of service of an employee is just over 9 years. See Appendix 2.

Age

The average age of an employee in the council's is 44. Please see Appendix 3.

Grades

Appendix 4 outlines the grade profile of the employees across the council.

Sickness Absence

The average sickness absence for all employees is 8.34 days for the year 1 April 2016 to 31 March 2017. See Appendix 10.

Casual Workers

During the Financial Year 2016-17 400 employees were paid on a casual contract basis, in roles such as Supply Teachers (66), Learning Assistants (21), Adult Education Tutors (39) and Duty Officers / Leisure Assistants (154) .

Agency Worker Spend

The annual council wage bill (for 2016-2017) was £124.5m. Our additional council-wide spend on agency workers in the same period was £3.8m (an additional 3%). See Appendix 12 outlines the agency spend for this financial year, April - July 2017. Total spend to date this year is £0.865m.

Recruitment

Local Government Workers 2016-17

Vacancies	Vacant Positions	Number of Applicants	Number Recruited
External – Fixed Term	170	1931	138
External – Permanent	330	4449	278
Total External	500	6380	416
Internal – Fixed Term	61	111	38
Internal - Permanent	177	386	126
Total Internal	238	497	164
GRAND TOTAL	738	6877	580

Teaching Grades - 2016-17

Vacancies	Vacant Positions	Number of Applicants	Number Recruited
External – Fixed Term	86	361	30
External – Permanent	201	1110	164
Total External	287	1471	194
Internal – Fixed Term	2	2	0
Internal - Permanent	19	31	17
Total Internal	21	33	17
GRAND TOTAL	308	1504	211

A more detailed breakdown of vacancies is available in service-level reports.

Leavers

Between April 2016 and March 2017, there were 402 leavers. Since April 2017, a further 96 employees have left the council

Further details of leavers can be found in the Appendices:

- Appendix 6– monthly breakdown of leavers
- Appendix 7 – length of service of leavers
- Appendix 8 – monthly turnover trends
- Appendix 9 – reasons for leaving

APPENDIX 1 –Current Employees per contract type and gender

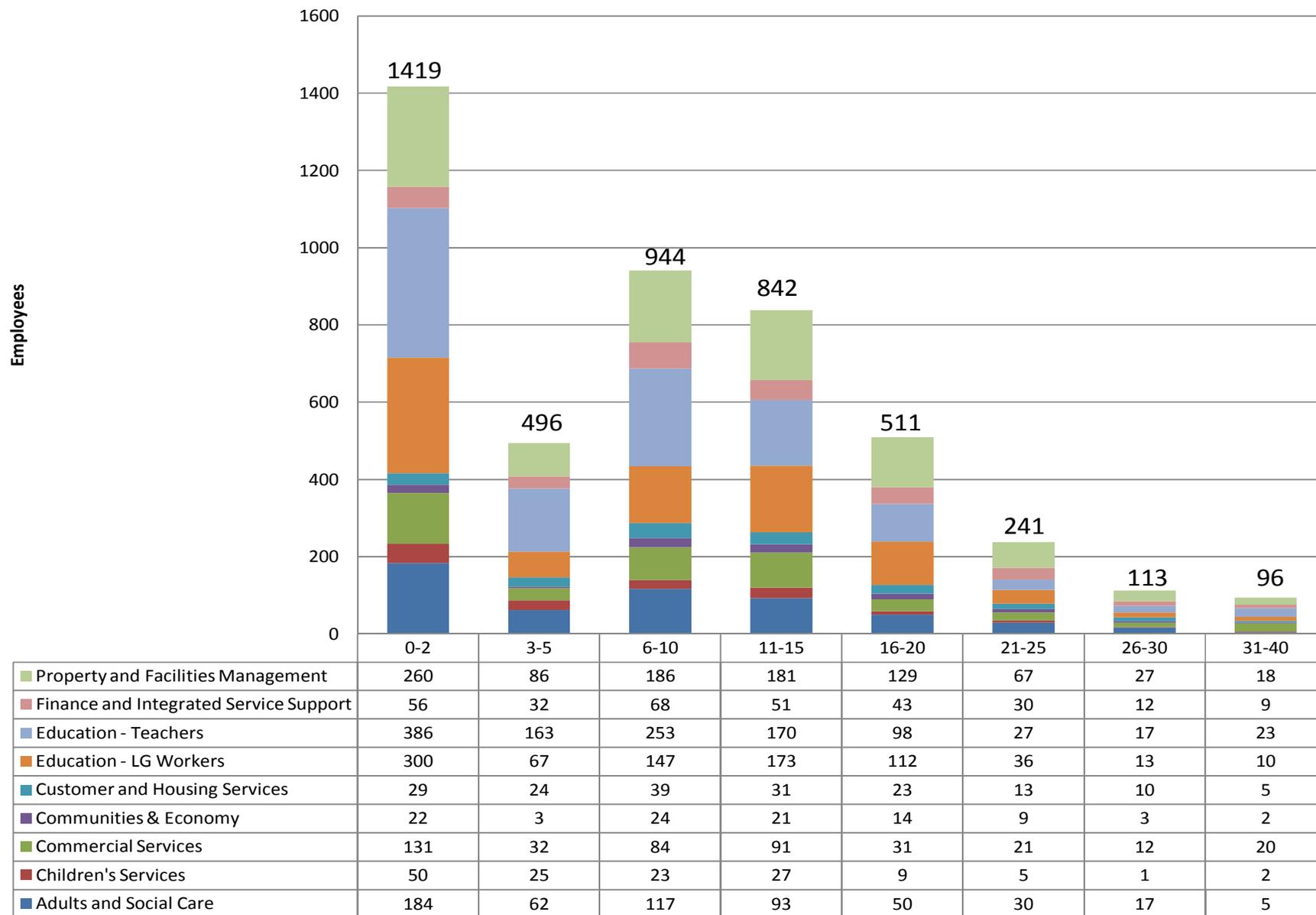
July 2017

	FEMALE					Female Total	MALE				Male Total	Grand Total
	Part time	Full time	Job Share	SWITCH	Home working		Part time	Full time	Job Share	SWITCH		
Fixed Term	429	195	4			628	49	151			200	828
Permanent	1422	1332	43	28	4	2829	172	836	1	8	1017	3846
Grand Total	1851	1527	47	28	4	3457	221	987	1	8	1217	4674

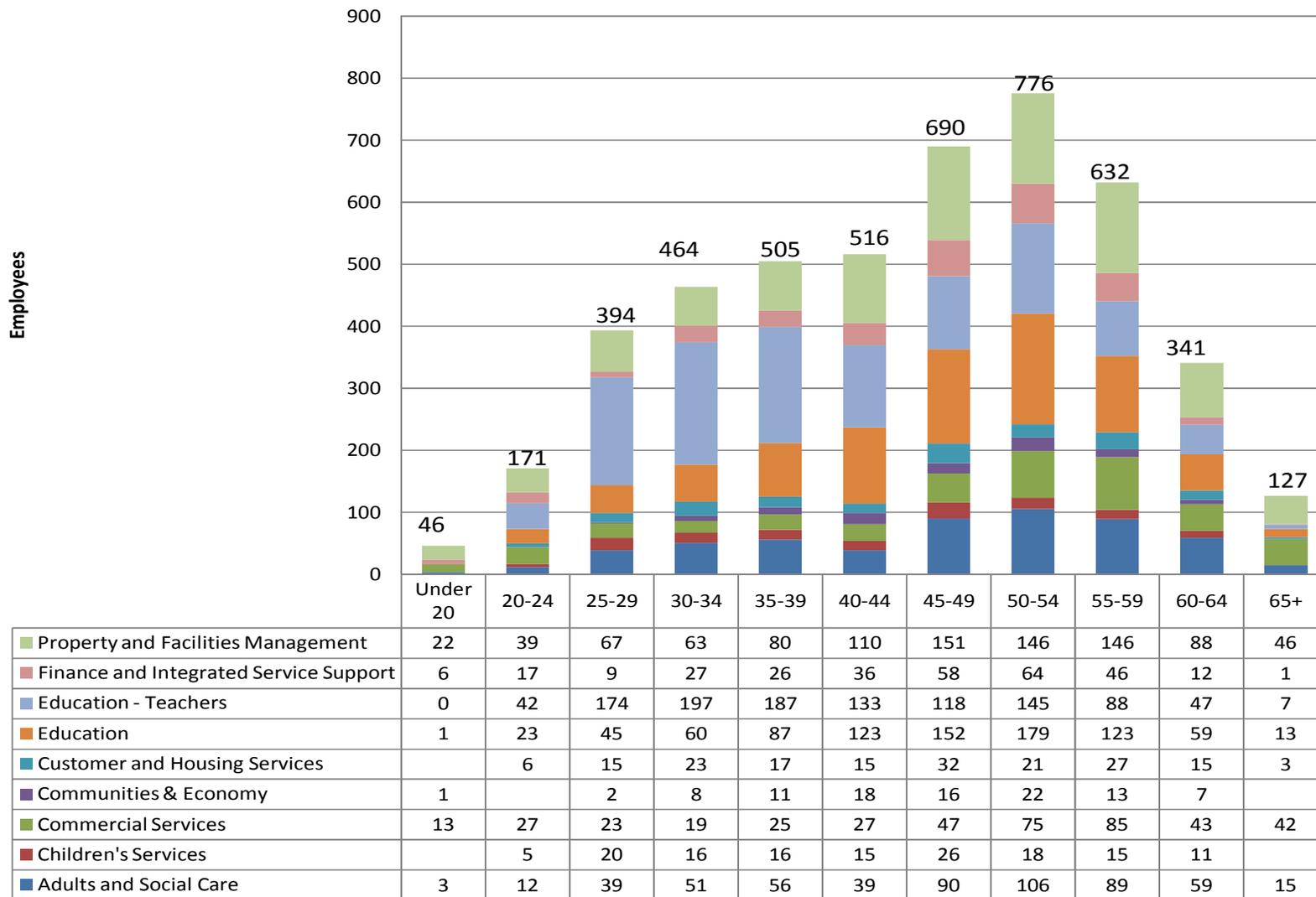
Employee Groups

	Female		Male	
	Fixed Term	Permanent	Fixed Term	Permanent
Local Government Workers	502	2064	166	814
Chief Officials		2		2
Teachers	126	763	34	201
Grand Total	628	2829	200	1017

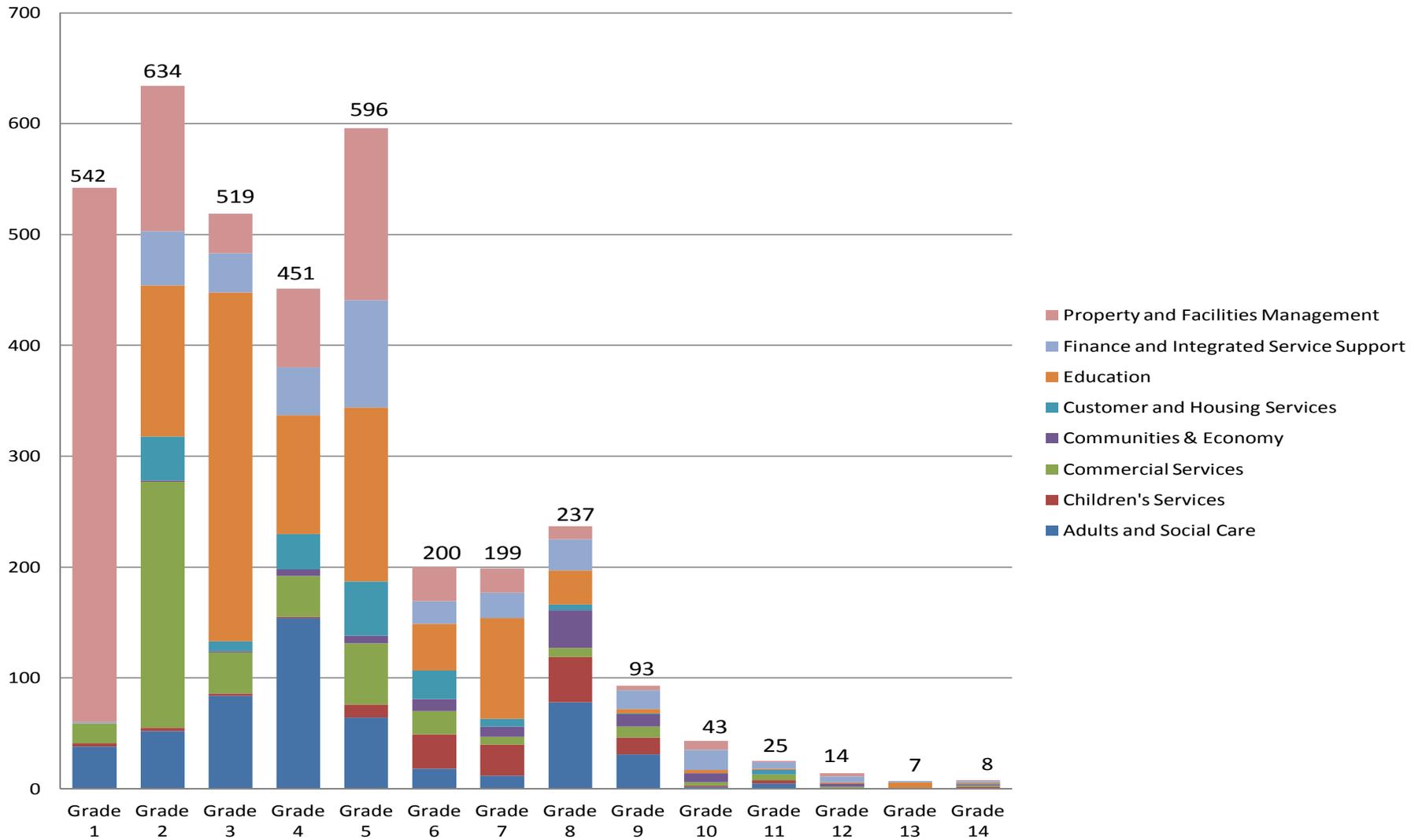
APPENDIX 2 – Length of Service of All Employees (years)



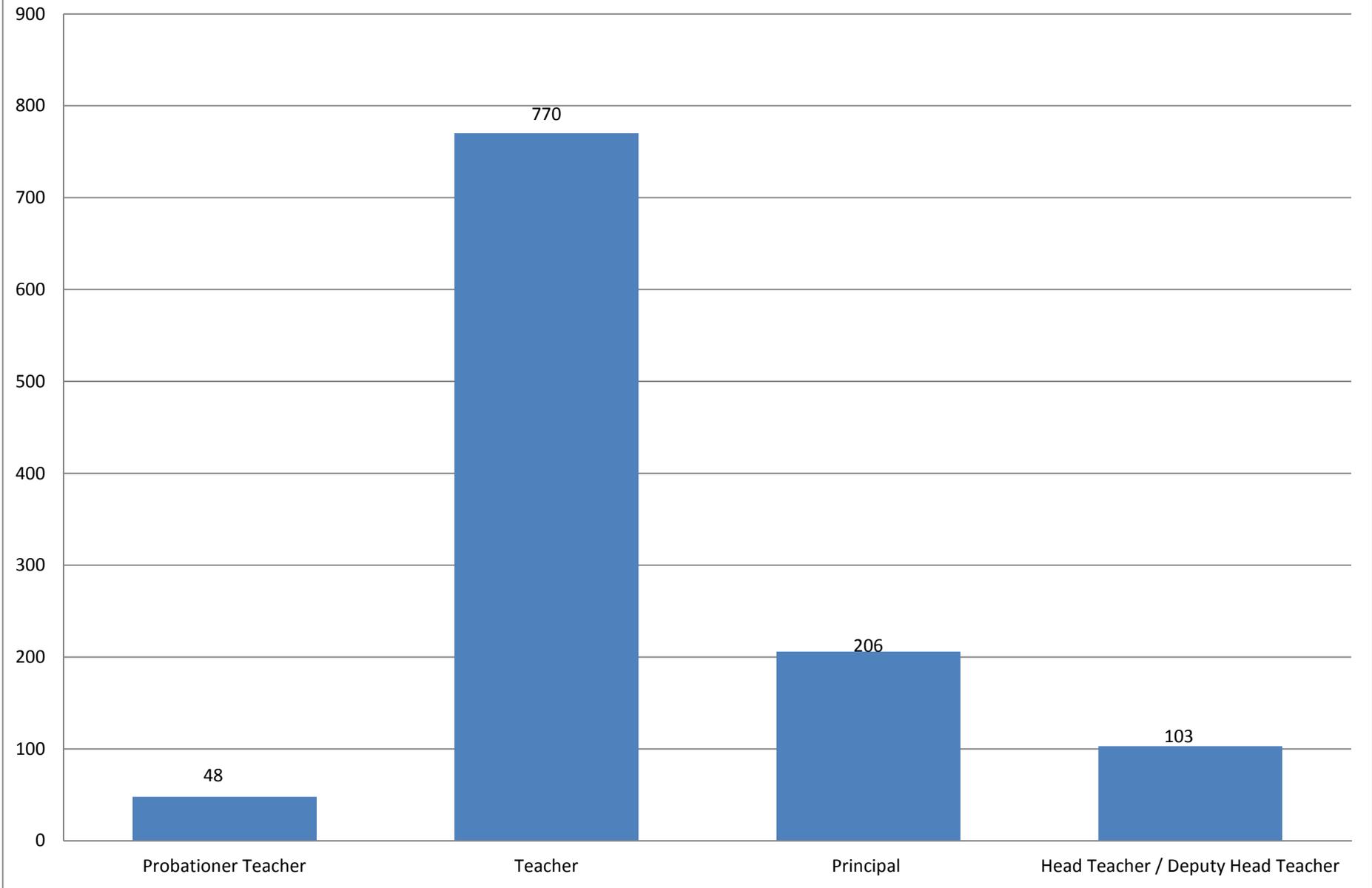
APPENDIX 3 – Age Bands of All employees



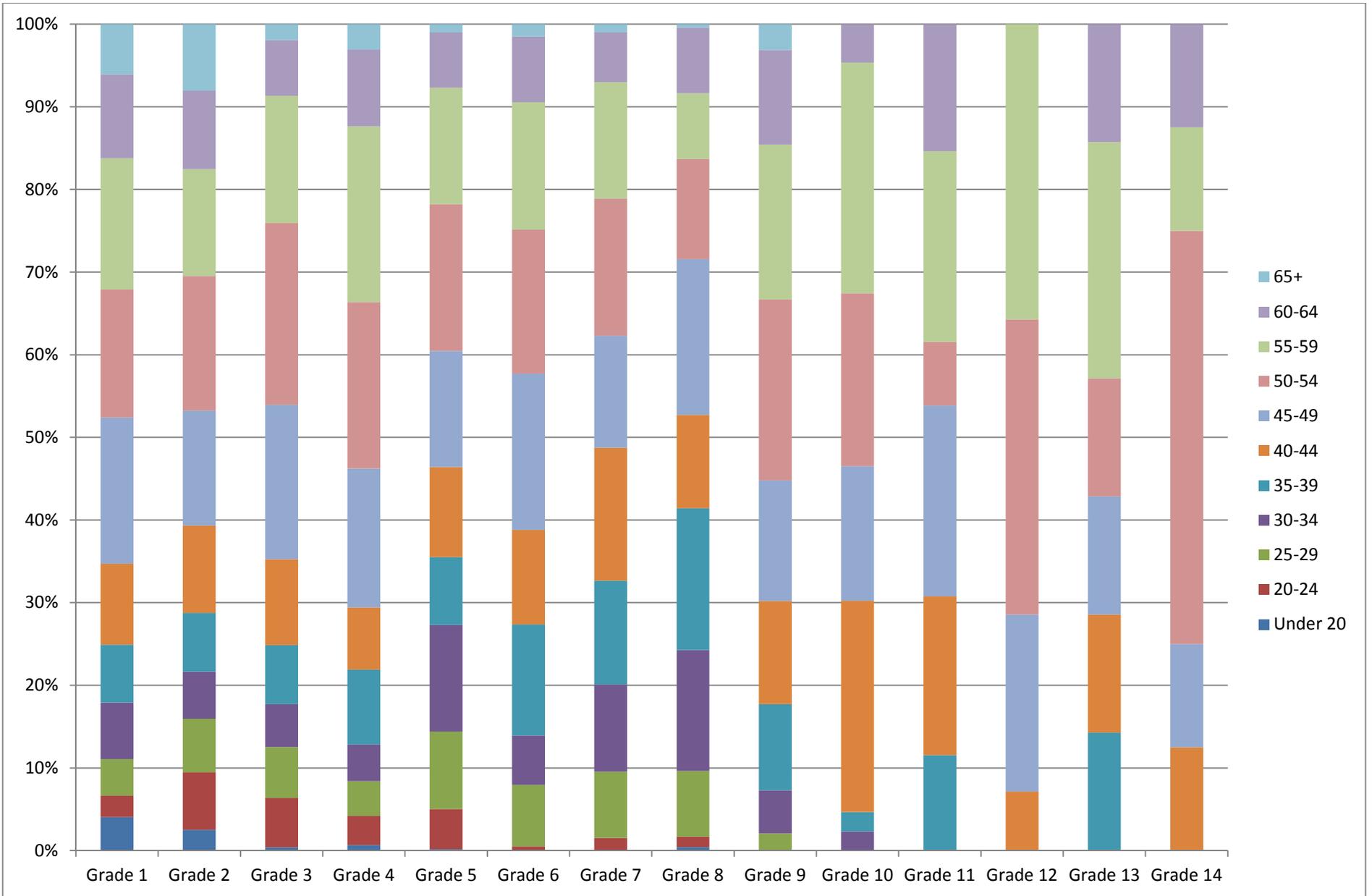
APPENDIX 4 – Job Grades – Local Government workers



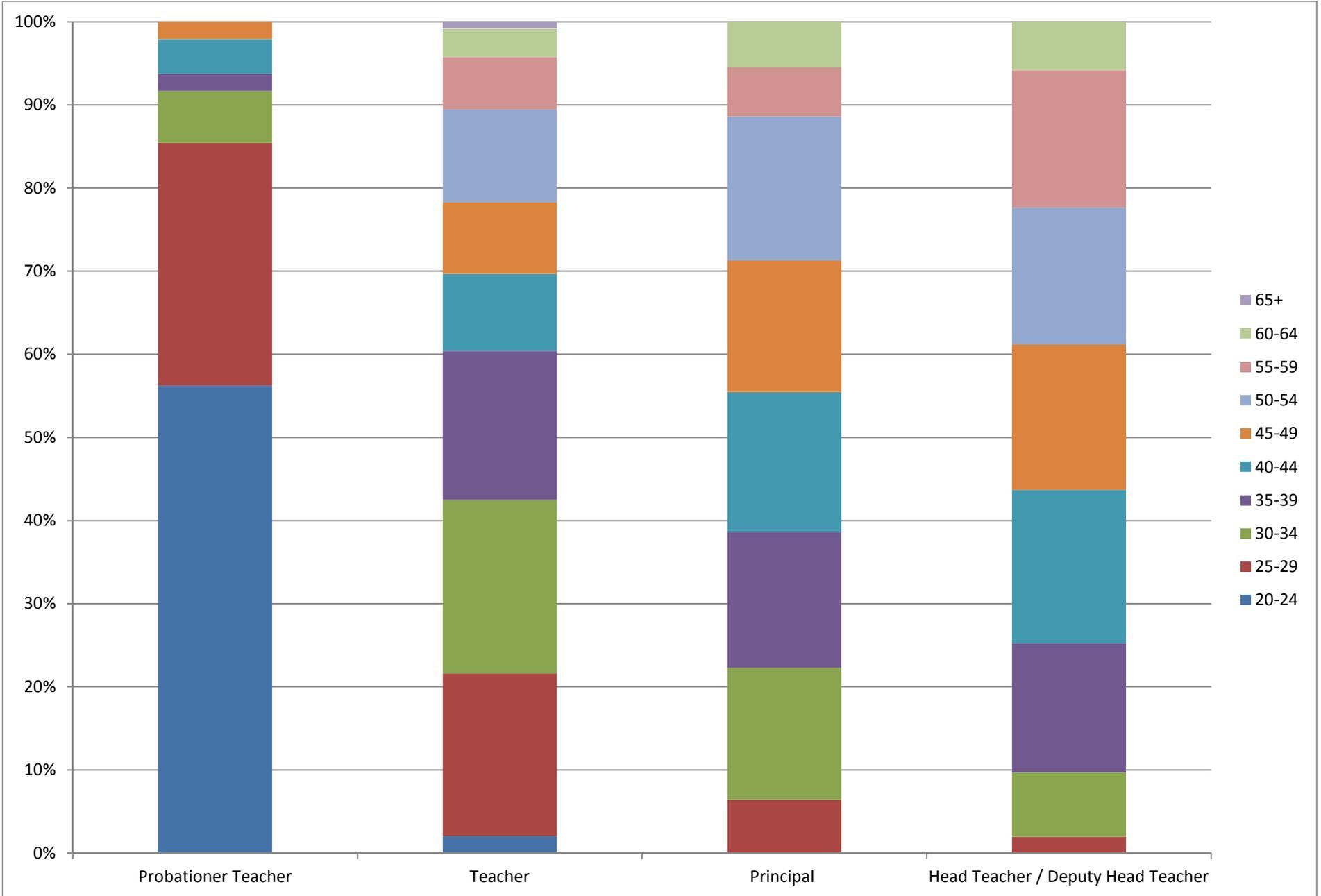
Teaching Job Grades



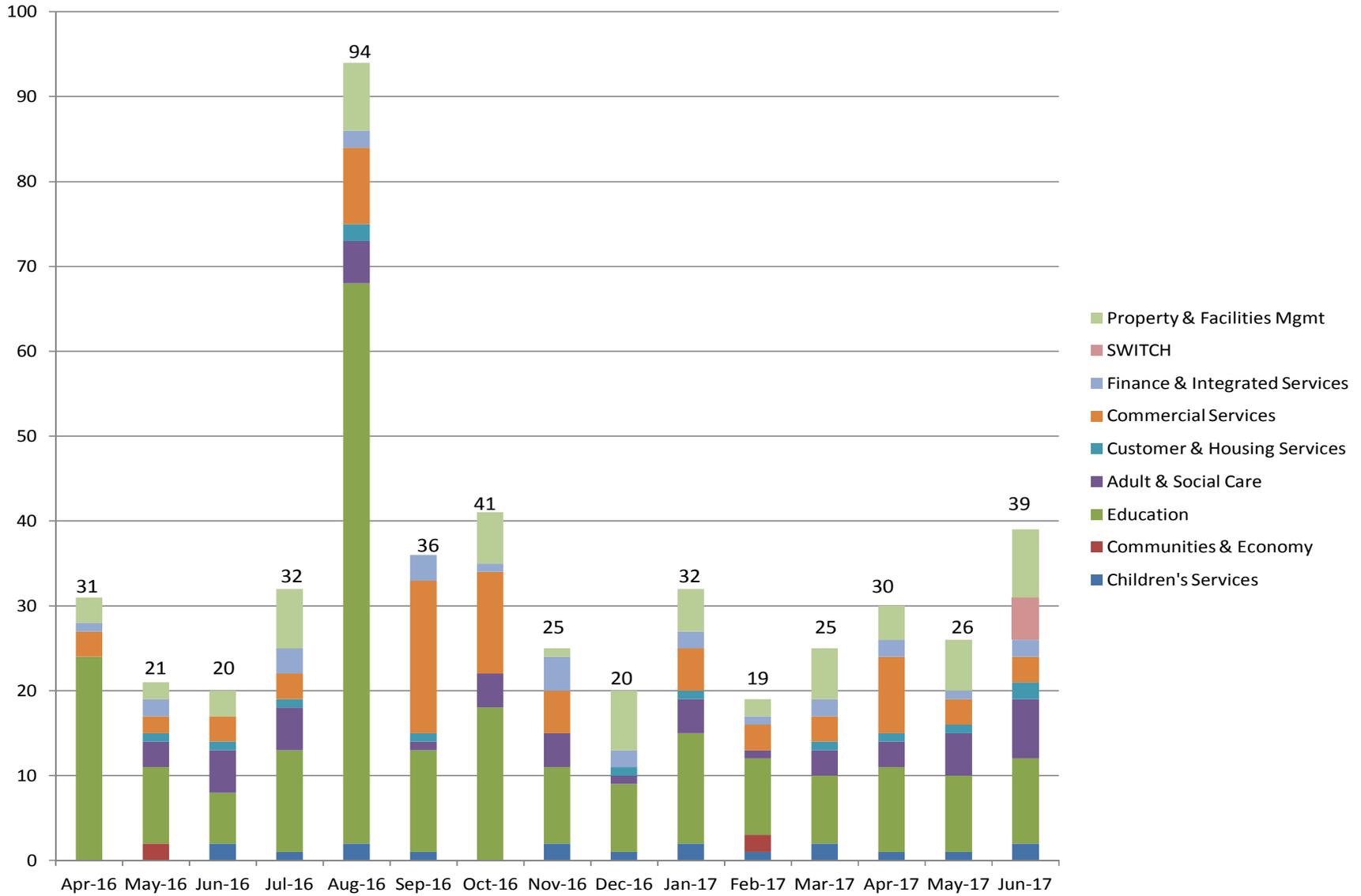
APPENDIX 5 – Age Profile by Job Grade - Local Government Workers



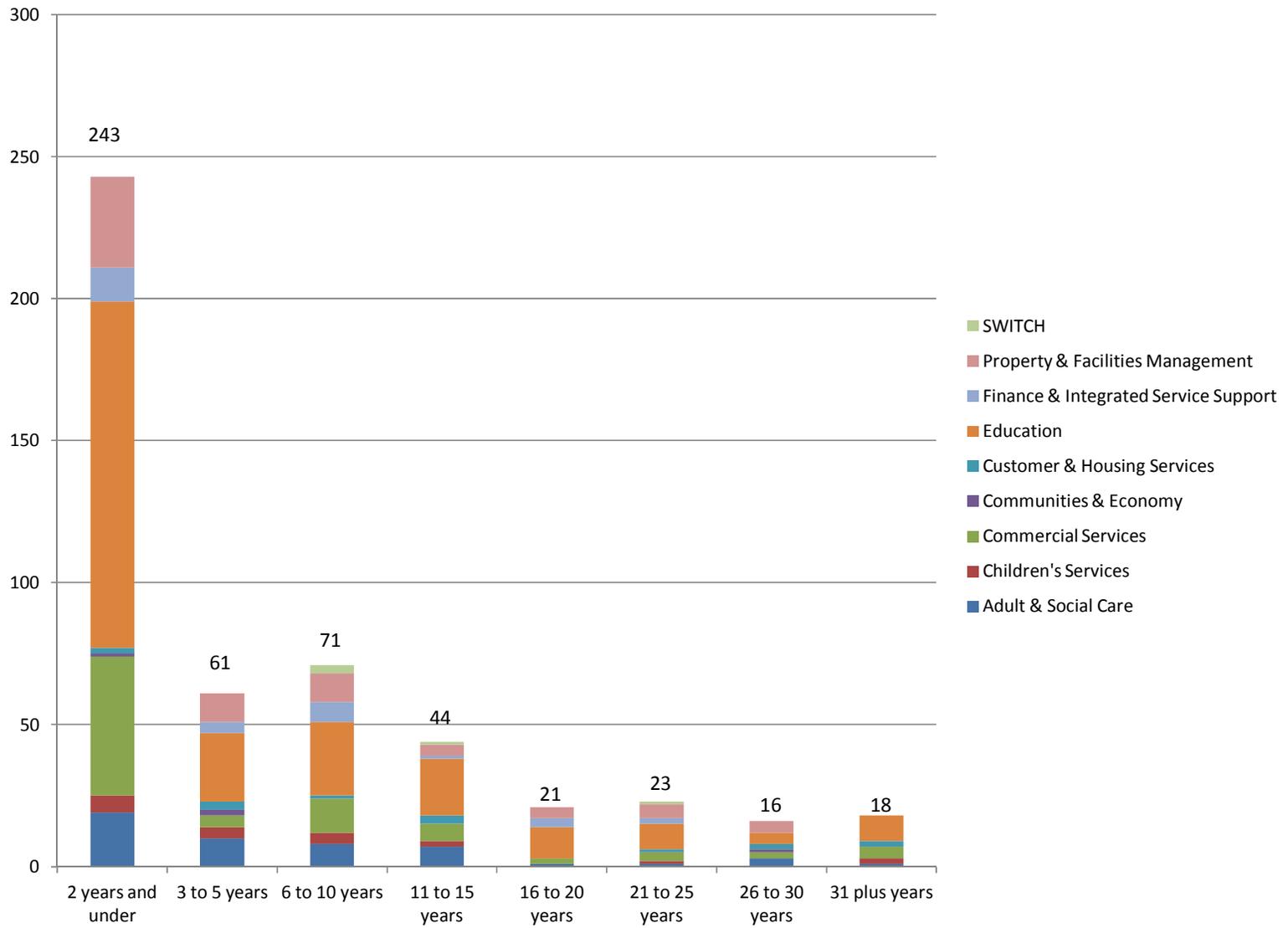
APPENDIX 5 – Age Profile by Job Grade - Teachers



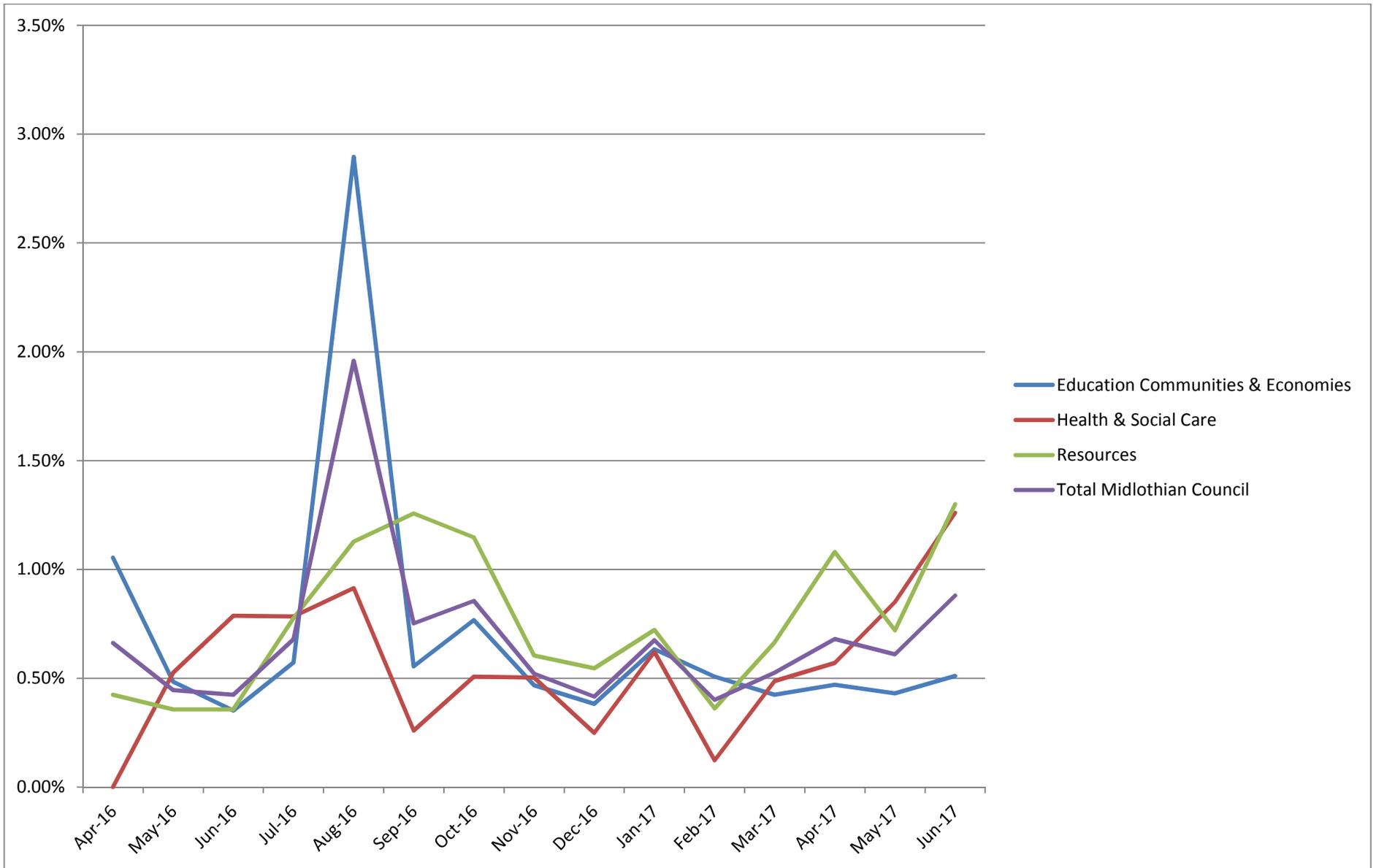
APPENDIX 6 – Monthly Breakdown of All Leavers

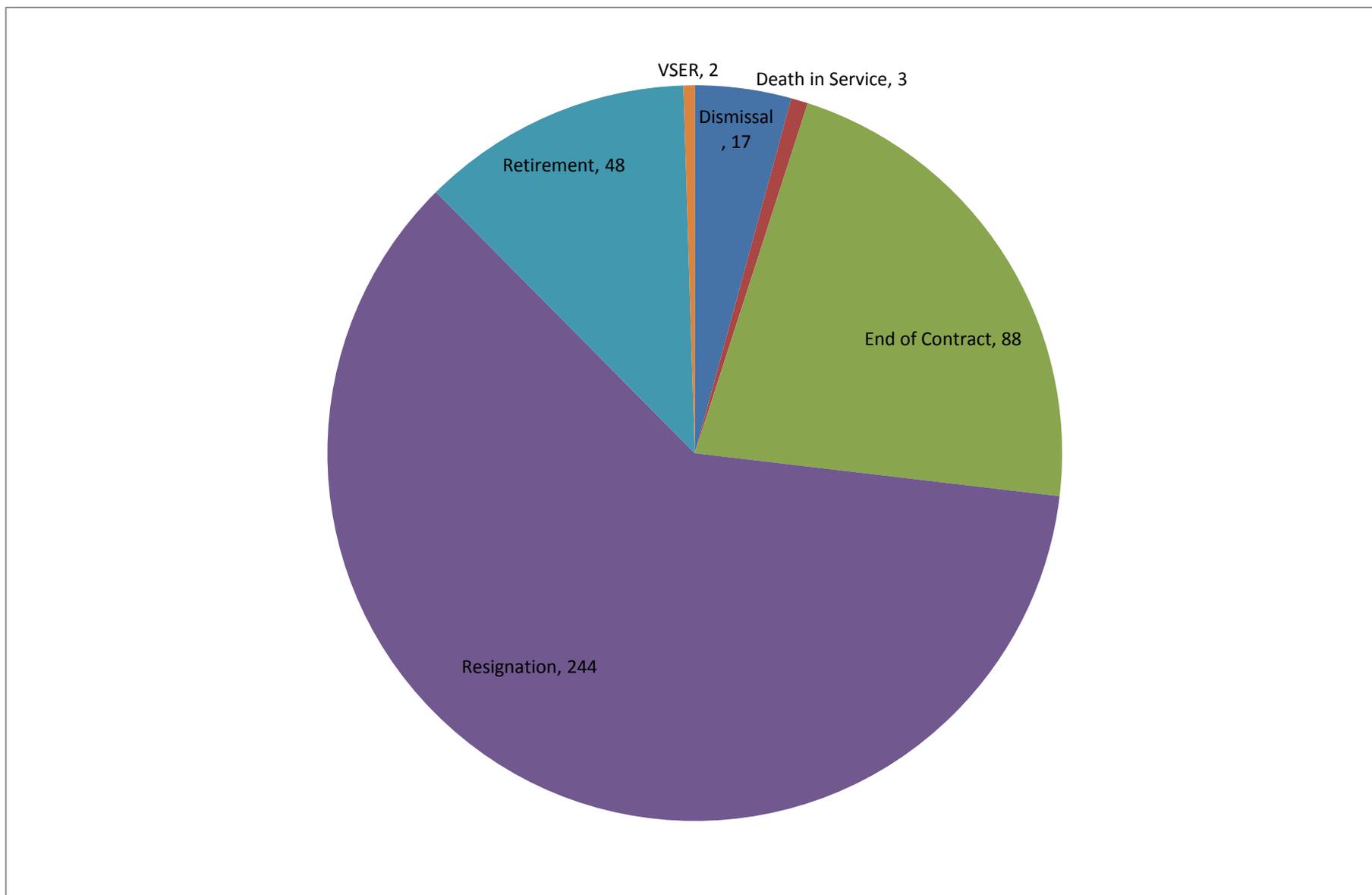


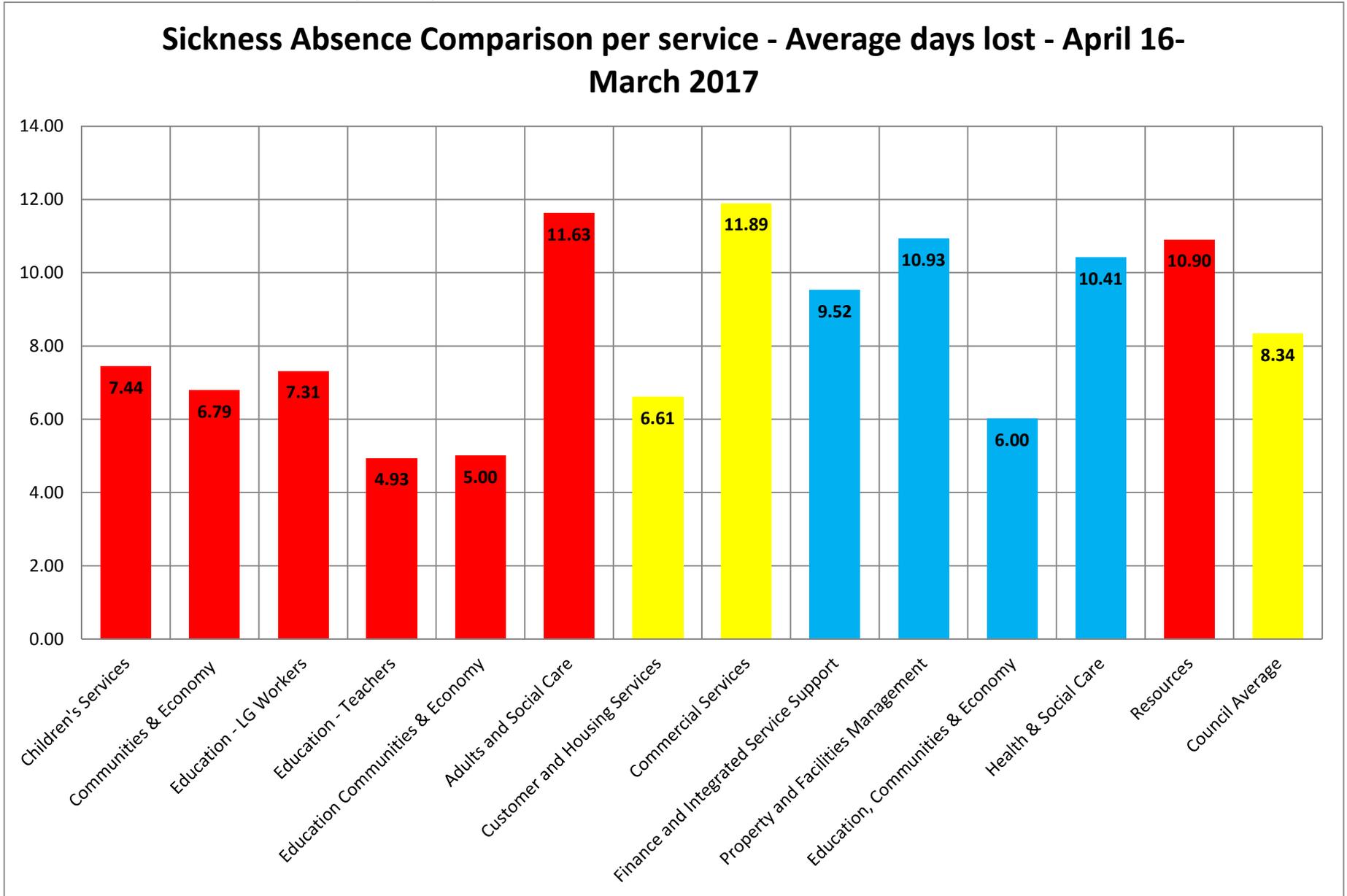
APPENDIX 7 - Length of Service of All Leavers (April 2016-June 2017)



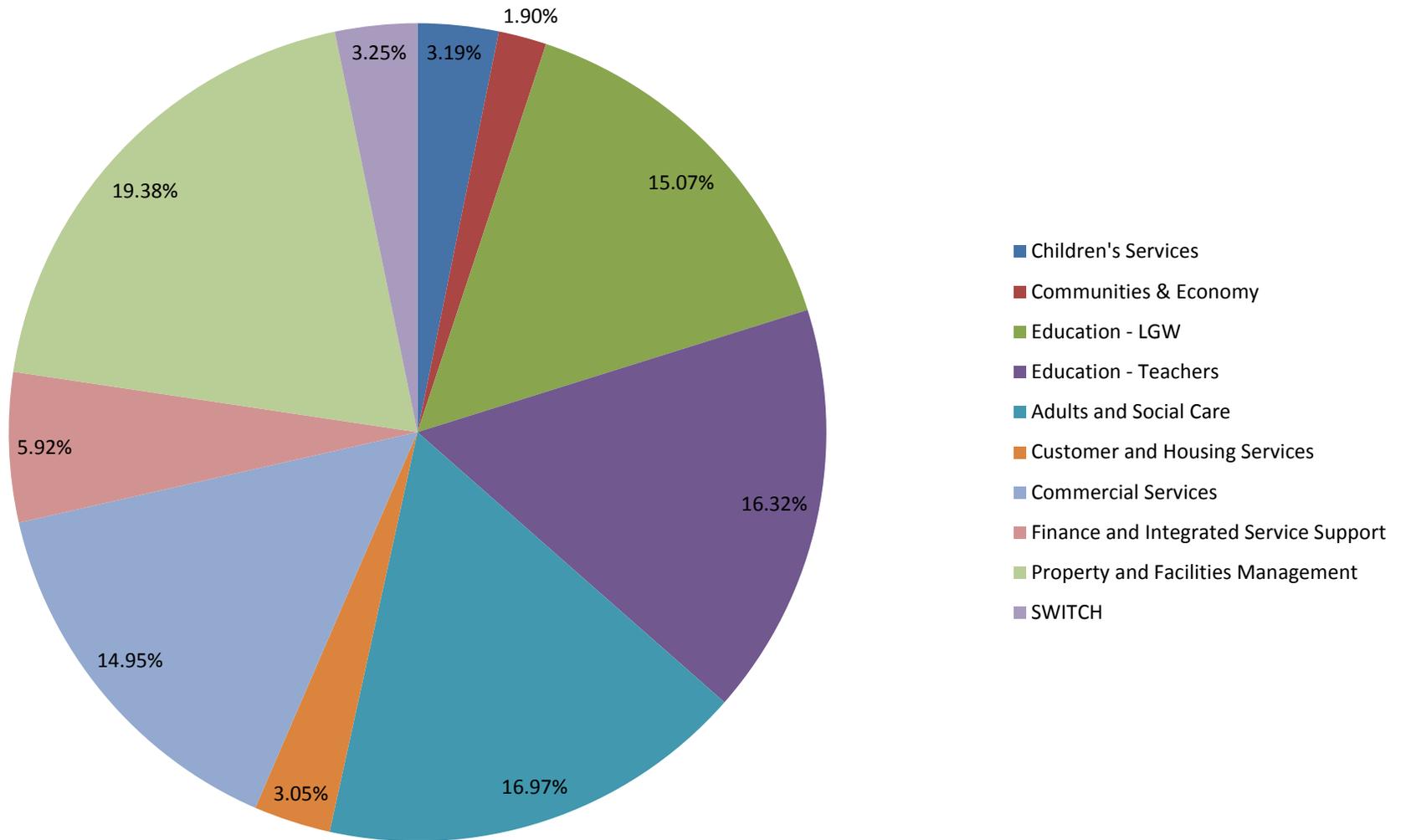
APPENDIX 8 – Monthly Turnover Trends -All employees

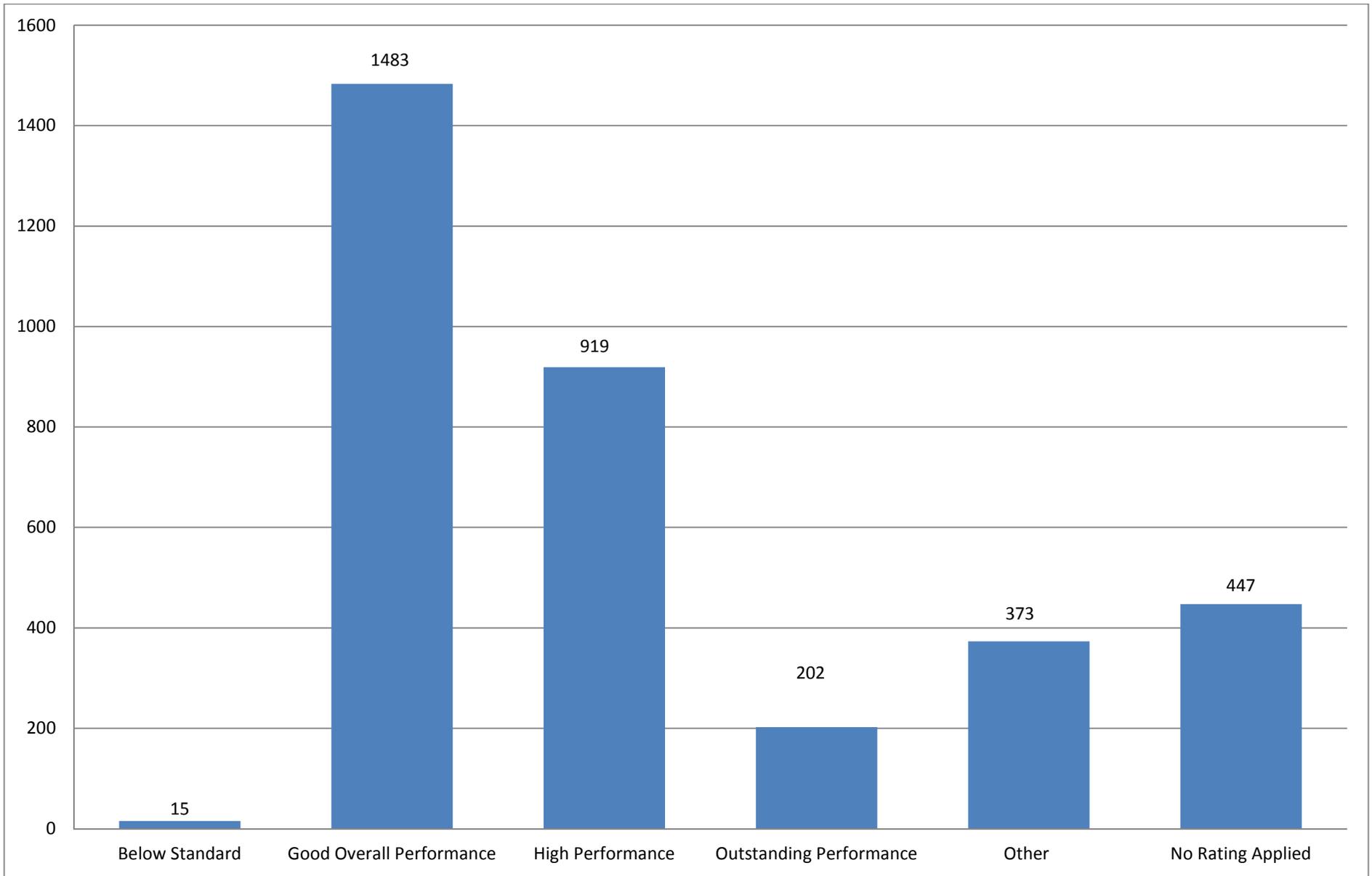


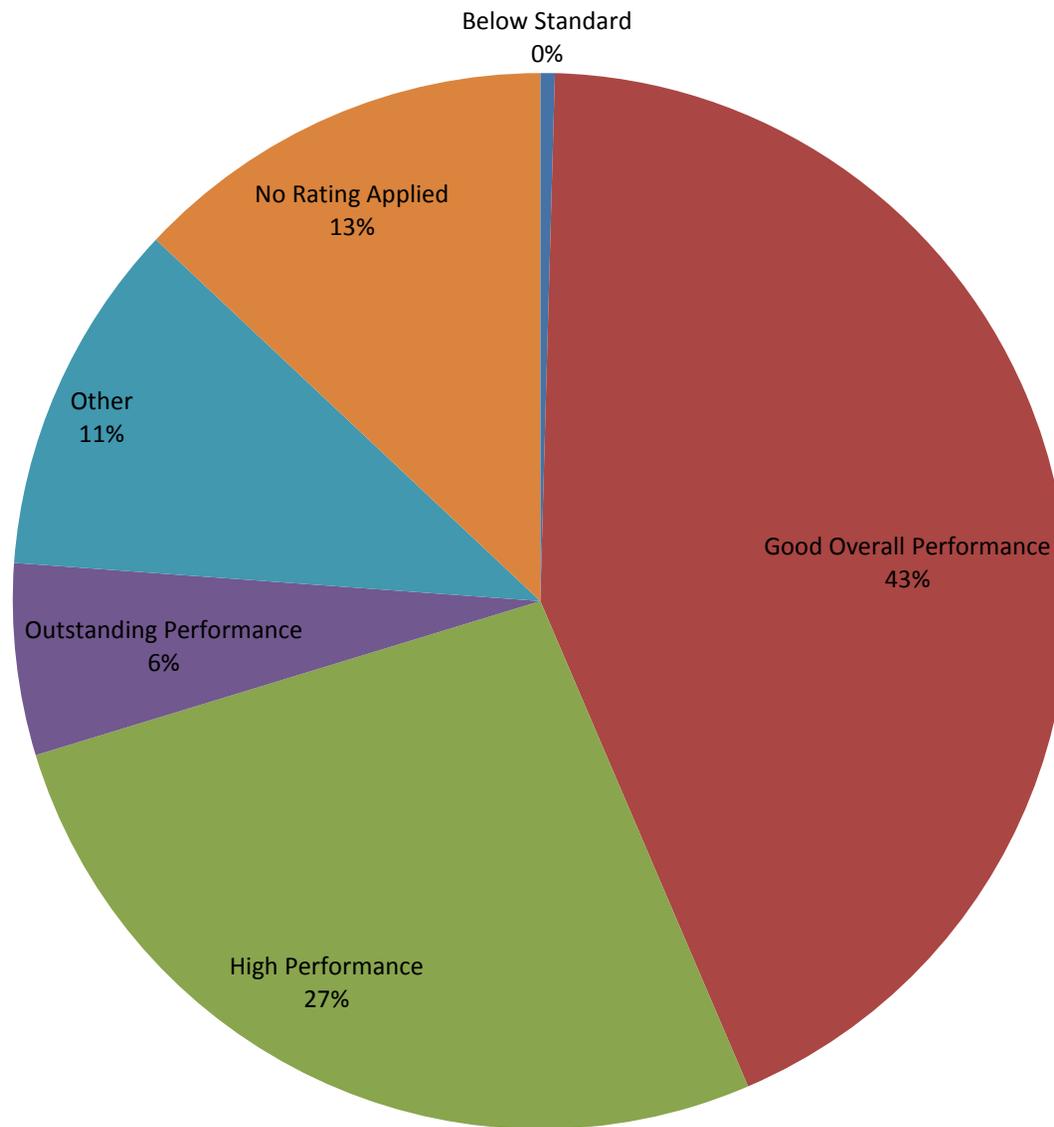




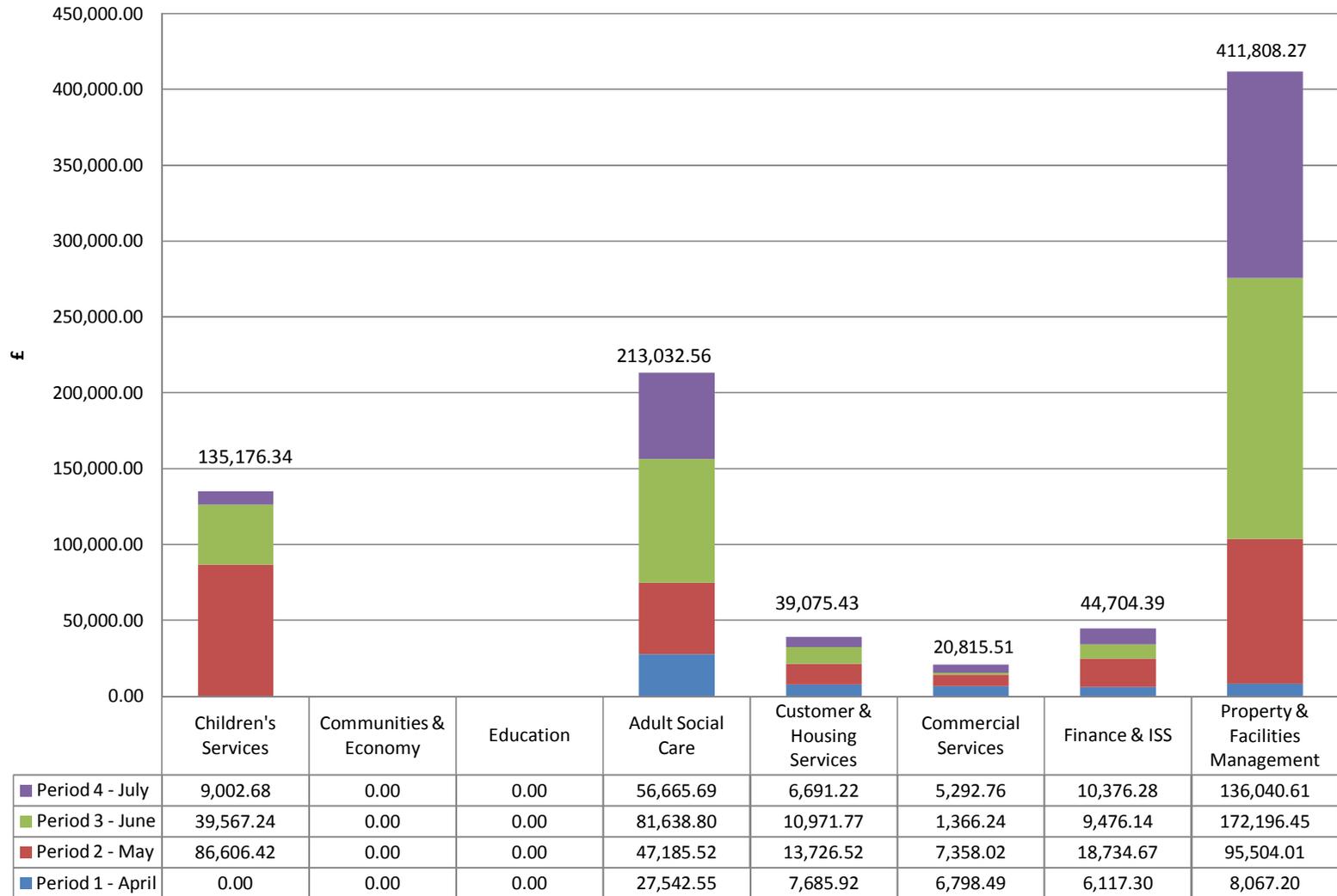
Sickness Absence by Service - Percentage of Total Days Lost April 2016 to March 2017

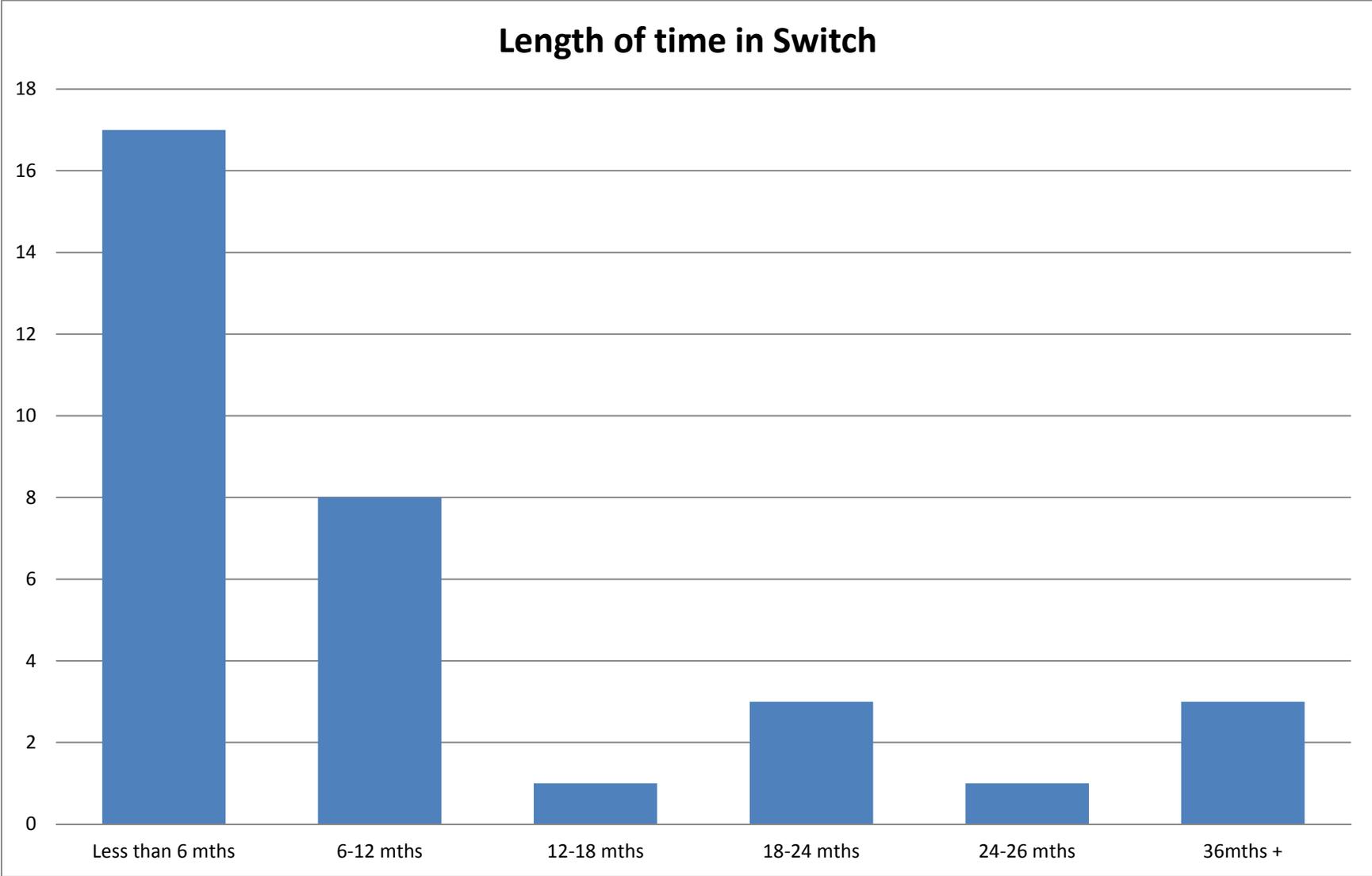




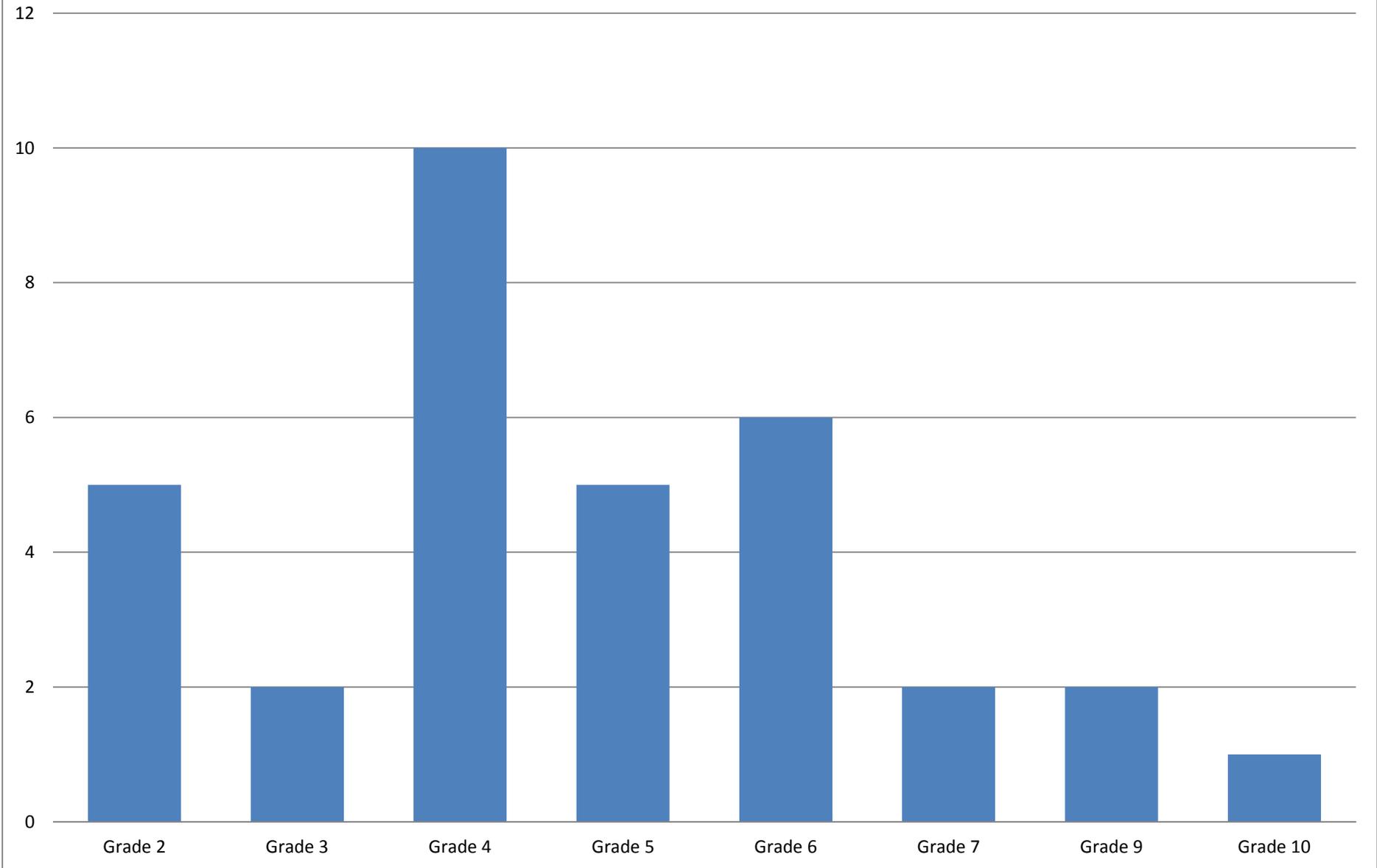


Agency Spend April – July 2017





Grade of Switch Employees



Integrated Impact Assessment Form

Promoting Equality, Human Rights and Sustainability



Integrated Impact Assessment Form

Promoting Equality, Human Rights and Sustainability

Title of Policy/ Proposal	Workforce Strategy
Completion Date	October 2017
Completed by	Marina Naylor
Lead officer	Gary Fairley

Type of Initiative:

Policy/Strategy

Programme/Plan

Project

Service

Function

Other Statement of Intent.....

New or Proposed

Changing/Updated

Review or existing

1. Briefly describe the policy/proposal you are assessing.

Set out a clear understanding of the purpose of the policy being developed or reviewed (e.g. objectives, aims) including the context within which it will operate.

The purpose of the strategy is to ensure that Midlothian Council continues to have a workforce that is able to deliver positive outcomes for the people of Midlothian. This first draft of the workforce strategy sets out an approach to supporting, developing and reshaping the workforce now and in future in response to changes whether as a consequence of national or local issues. It is underpinned by the Council's values and vision.

2. What will change as a result of this policy?

Midlothian Council along with all other Councils in Scotland is required to complete a workforce strategy. Both Audit Scotland and the Council's external auditors will expect to see a workforce strategy that sets out plans for the workforce over the medium term. The Audit Scotland Report 'Local Government in Scotland: Performance and Challenges 2017' reiterates that with reducing budgets and workforce, Councils will find delivering improvements increasingly difficult. It is critical, therefore, that Councils have in place workforce strategies and plans that target effort on priority areas.

Midlothian is the fastest growing council area in Scotland; the Council lead this change with our partners and communities. The finalised Workforce Strategy will help ensure the Council has the right people at the right time and who have the right skills, knowledge and attitude to provide services confidently and competently within this context.

This draft Workforce Strategy is an important stage in outlining the organisation's approach to articulating how workforce issues will be managed to ensure the Council has the people and skills to manage change and deliver service. Together with the finalised workforce strategy there will also be a more detailed Council wide workforce plan, which will set out the actions required to deliver the workforce strategy, and eight service specific workforce plans, which will set out the service specific workforce actions. These are being developed alongside the budget proposals and together will form cohesive plans for the management of workforce issues.

3. Do I need to undertake a Combined Impact Assessment?

High Relevance	Yes/no
The policy/ proposal has consequences for or affects people	y
The policy/proposal has potential to make a significant impact on equality	y
The policy/ proposal has the potential to make a significant impact on the economy and the delivery of economic outcomes	n
The policy/proposal is likely to have a significant environmental impact	n
Low Relevance	
The policy/proposal has little relevance to equality	
The policy/proposal has negligible impact on the economy	
The policy/proposal has no/ minimal impact on the environment	
If you have identified low relevance please give a brief description of your	

reasoning here and send it to your Head of Service to record.

If you have answered yes to high relevance above, please proceed to complete the Integrated Impact Assessment.

4. What information/data/ consultation have you used to inform the policy to date?

Evidence	Comments: what does the evidence tell you?
Data on populations in need	Workforce data from various HR systems. Workforce strategy only impacts Council employees
Data on service uptake/access	N/A – proposal only at present
Data on quality/outcomes	N/A – proposal only at present
Research/literature evidence	Workforce planning best practice /Chartered Institute of Personnel & Development (CIPD) Guidance
Service user experience information	Reflected in Service-specific action plans
Consultation and involvement findings	Consultation with relevant Trade Union will be ongoing
Good practice guidelines	Workforce planning guidelines from Audit Scotland
Other (please specify)	None
Is any further information required? How will you	No

gather this?	
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5. How does the policy meet the different needs of and impact on groups in the community?

	Comments – positive/ negative impact
<p>Equality Groups</p> <ul style="list-style-type: none">• Older people, people in the middle years,• Young people and children• Women, men and transgender people (includes issues relating to pregnancy and maternity)• Disabled people (includes physical disability, learning disability, sensory impairment, long-term medical conditions, mental health problems)• Minority ethnic people (includes Gypsy/Travellers, migrant workers, non-English speakers)• Refugees and asylum seekers• People with different religions or beliefs (includes people with no religion or belief)• Lesbian, gay, bisexual and heterosexual people• People who are unmarried, married or in a civil partnership	<p>The workforce as a whole is under consideration. Employees within the protected characteristic groups may be disproportionately affected if their posts come under review when trying to secure alternative employment. Accordingly, during the development and implementation of the Workforce Strategy strict monitoring of protected characteristics will be undertaken and a full Integrated impact Assessment undertaken to ensure no unlawful actions result and mitigating actions are identified and used as required. Consultation with Trade Unions will be an important aspect of identifying any equality concerns that may arise.</p>

<p>Those vulnerable to falling into poverty</p> <ul style="list-style-type: none"> • Unemployed • People on benefits • Single Parents and vulnerable families • Pensioners • Looked after children • Those leaving care settings (including children and young people and those with illness) • Homeless people • Carers (including young carers) • Those involved in the criminal justice system • Those living in the most deprived communities (bottom 20% SIMD areas) • People misusing services • People with low literacy/numeracy • Others e.g. veterans, students 	<p>The workforce as a whole is under consideration. Any employees falling within any of the groups within this section may be disproportionately affected if their posts come under review when trying to secure alternative employment. Accordingly, during the development and implementation of the Workforce Strategy strict monitoring of categories within this section will be undertaken and a full Integrated impact Assessment undertaken to ensure no unlawful actions result and mitigating actions are identified and used as required. Consultation with Trade Unions will be an important aspect of identifying any equality concerns that may arise.</p>
<p>Geographical communities</p> <ul style="list-style-type: none"> • Rural/ semi rural communities • Urban Communities • Coastal communities 	<p>N/A</p>

6. Are there any other factors which will affect the way this policy impacts on the community or staff groups?

Assessing and responding to equality issues will be a key aspect and taken into consideration when implementing all aspects of the workforce strategy themes. An initial Impact Assessment has been prepared in support of the draft strategy and a comprehensive Impact Assessment will be central to the continued development and delivery the workforce strategies and plans.

There are risks associated with the partial / non delivery of the actions contained within the draft workforce strategy. If the actions are not realised then this will have an impact on the workforce of the future and the Council’s commitment to achieve the right outcomes with our communities.

There are risks of not managing the workforce and the consequence could include, over or under capacity in service areas, people policies not being implemented, and lack of employees engagement resulting in reduced capacity to deliver on commitments to our communities.

Effective measures to reshape and reduce the workforce are increasingly critical in supporting the Council to manage services within the resources available.

7. Is any part of this policy/ service to be carried out wholly or partly by contractors? NO

If yes, how have you included equality and human rights considerations into the contract?

N/A

8. Have you considered how you will communicate information about this policy or policy change to those affected e.g. to those with hearing loss, speech impairment or English as a second language?

There is the option to have this policy translated into other languages or alternative formats if justifiable requests received.

9. Please consider how your policy will impact on each of the following?

Objectives	Comments
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Equality and Human rights	
Promotes / advances equality of opportunity e.g. improves access to and quality of services, status	Ensure equality of treatment of the workforce through equalities monitoring and actions
Promotes good relations within and between people with protected characteristics and tackles harassment	Supported by People Policies: Resolution (for :Local Government Workers (LGW)); Bullying and Harassment for Teachers
Promotes participation, inclusion, dignity and self control over decisions	n/a
Builds family support networks, resilience and community capacity	n/a
Reduces crime and fear of crime	n/a
Promotes healthier lifestyles including <ul style="list-style-type: none"> • diet and nutrition, • sexual health, • substance misuse • Exercise and physical activity. • Lifeskills 	Healthy Working Lives supports employee Health and Wellbeing
Environmental	Not applicable section
Reduce greenhouse gas (GHG) emissions in East Lothian (including carbon management)	
Plan for future climate change	
Pollution: air/ water/ soil/ noise	
Protect coastal and inland waters	

Enhance biodiversity	
Encourage resource efficiency (energy, water, materials and minerals)	
Public Safety: Minimise waste generation/ infection control/ accidental injury /fire risk	
Reduce need to travel / promote sustainable forms or transport	
Improves the physical environment e.g. housing quality, public and green space	
Economic	
Maximises income and /or reduces income inequality	Improves the economic circumstances of Midlothian residents who are also employees
Helps young people into positive destinations	
Supports local business	
Helps people to access jobs (both paid and unpaid)	
Improving literacy and numeracy	
Improves working conditions, including equal pay	
Improves local employment opportunities	

10. Is the policy a qualifying Policy, Programme or Strategy as defined by The Environmental Impact Assessment (Scotland) Act 2005?

No

11. Action Plan

Identified negative impact	Mitigating circumstances	Mitigating actions	Timeline	Responsible person

12. Sign off by Head of Service/ NHS Project Lead

Name Gary Fairley

Signature

Date 27/09/2017

