

Notice of meeting and agenda



Midlothian Council

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

Date: Tuesday, 09 February 2016

Time: 14:00 - TBC

John Blair
Director of Resources

Contact:

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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, including publication via the internet. The Council will comply with its statutory obligations under the Data Protection Act 1998 and the Freedom of Information (Scotland) Act 2002.

1 Welcome, Introductions and Apologies

Including any apologies received from Members who are unable to attend

2 Order of Business

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

3 Declaration 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

4a Minutes of Meeting - For Approval

Note of meeting of Midlothian Council of 15 December 2015 (circulated) – submitted for approval as a correct record.

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

Meeting	Date of Meeting
Cabinet	17 November 2015 2-433 to 2-434
	17 November 2015 2-435 to 2-439
Planning Committee	17 November 2015 4-273 to 4-293
General Purposes Committee	10 November 2015 5-287 to 5-295
Local Review Body	24 November 2015 7-131 to 7-133

5 Questions to the Council Leader

None received

6 Motions

None received

7 Public Reports

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14	Commercial Waste Collection: Trade Waste Charges for 2016/17 - Report by Head of Commercial Operations	95 - 100
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19	Refugee Donations Centres - Report by Director, Resources	143 - 148
20	Borders Railway - Hop on Hop off Bus - Report by Director, Resources	149 - 156
21	Police and Fire and Rescue Board and Community Safety and Justice Partnership Board - Report by Head of Customer and Housing Services	157 - 160
22	Dalkeith Town Centre Seminar - Report by Director, Resources	161 - 162

8 Private Reports

THE COUNCIL IS INVITED (A) TO CONSIDER RESOLVING TO DEAL WITH THE UNDERNOTED BUSINESS IN PRIVATE IN TERMS OF PARAGRAPHS 6 AND 14 OF PART 1 OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973 - THE RELEVANT REPORTS ARE THEREFORE NOT FOR PUBLICATION; AND (B) TO NOTE THAT NOTWITHSTANDING ANY SUCH

- 23** Newbattle Centre Delivery Update - Report by Head of Property and Facilities Management
- 24** Processing of Blue Bin Recycling Material - Report by Head of Commercial Operations
- 25** Parking in Midlothian Update - Report by Head of Commercial Operations
- 26** Proposed Rosewell Community Hub - Report by Director, Resources

Pre-Election Publicity Guidance

Report by Kenneth Lawrie, Chief Executive

1 Purpose of Report

This report invites the Council to approve guidance on publicity in the approach to both the Scottish Parliamentary Election on 5 May 2016 and the forthcoming European Union Referendum..

2 Background

- 2.1** On 24 March 2015, the Council approved updated Pre-Election Period Guidance. This guidance was designed to cover all elections, including Referendums.
- 2.2** This guidance has been further updated to incorporate lessons learned from the General election and the Midlothian West by-election both held last year. The amended guidance is attached hereto (**Appendix 1**)
- 2.3** The notice of election for the Scottish parliament will be published on 14 March and it is suggested that the Council enters the pre-election period for this election on that date.
- 2.4** The Government has not yet announced the date of the European Union Referendum. In terms of the European Union Referendum Act 2015, the Government must give a minimum of 10 weeks notice of the referendum. Accordingly, it is proposed that the Council enters a long pre-referendum period from that announcement on the basis that there will be a further short pre-referendum period starting 28 days before the date of the referendum when more onerous rules will be in effect.

3 Report Implications

3.1 Resource

There are no financial or human resource implications in this report.

3.2 Risk

There are risks in relation to the Council's governance arrangements and reputation if up-to-date pre-election guidance is not in place and fully adhered to during the pre-election period.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

3.4 Impact on Performance and Outcomes

Approval of the guidance will enhance the Council's governance arrangements and thereby help to achieve best value.

3.5 Adopting a Preventative Approach

Having approved guidance will provide certainty for both candidates and Council staff in their actions and prevent dispute thereby ensuring internal resources are used in a more efficient and effective manner.

3.6 Involving Communities and Other Stakeholders

The proposed Midlothian Council guidance is an updated version of the guidance previously approved by the Standards Committee and the full Council

3.7 Ensuring Equalities

An EqlA is not required

3.8 Supporting Sustainable Development

This report does not contribute to sustainable development

3.9 IT Issues

There are no IT implications arising from the report

4 Recommendations

The Council is invited to approve the Pre-Election Publicity Guidance shown at **Appendix 1** and that such Guidance takes effect from the dates specified in paragraphs 2.3 and 2.4 respectively.

Date 21 January 2016

Report Contact:

Alan Turpie Tel No 0131 271 3667
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Background Papers:

Representation of the People Act 1983
Political Parties, Elections and Referendums Act 2000
European Union Referendum Act 2015

Appendix 1

Pre-election period guidance – Midlothian Council

Use ctrl+click to browse this document using the links.

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1. Applicability

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Elections / referendums

These guidance notes apply to all elections: local government, Scottish parliament, UK parliament and European parliament. Some provisions also apply to by-elections (discussed in section 5). The guidance will also apply to referendums (and, in particular, the forthcoming European Union Referendum) In the case of Referendums, references in this guidance to political parties and candidates should be interpreted as referring to Designated Organisations, Permitted Participants and campaigners as appropriate.

Where there may be specific issues relating to particular elections these are covered in the notes.

Timescales

Although the formal pre-election period begins with the issuing of the notice of election, care should be taken in the few days immediately before this to avoid any potential perception of political partiality.

'Independent' organisations

Care should be taken to ensure that projects, initiatives or organisations funded by an authority do not create the potential for allegations that public money is being used in support of a party or candidate. This is likely to be less of an issue where funding is general, as opposed to funding for, say, communications activity by an organisation.

2. Key points

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While there are some specific areas that required detailed advice, the essence of this guidance is:

- Council staff must discharge their duties in a politically neutral way at all times.
- There is particular sensitivity around this political neutrality in the run-up to an election.
- Particular care needs to be taken to ensure that any events, publicity or other communications are politically neutral.
- Council facilities and resources must not be used in support of a political party or election candidate.
- Councillors, if standing as a candidate in any election, are still entitled to use Council facilities and resources whilst acting on constituency business.
- Unless otherwise stated, it should be assumed that normal Council business will continue.
- Unless otherwise covered by this guidance, staff should respond positively to requests for information or advice from parties or candidates.

3. Background and timing

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What is the pre-election period?

It is the period between the announcement of an election and the date of the election. It is generally taken to be from the publication of the notice of election until polling day, inclusive of both days. This is the definition referred to in the Code of Recommended Practice on Local Government Publicity, which guides local authorities on fulfilling the requirements of section 2 of the Local Government Act 1986.

In respect of the forthcoming European Union Referendum, the period will run from the announcement of the date of the Referendum with specific, more onerous rules operating in the period from 28 days before the day of poll.

The main significance of the pre-election period is in the need for heightened sensitivity, to ensure that public resources are not used in any way that might influence the result of an election.

The pre-election period has commonly been known as ‘purdah’. However, this is felt by some to be an inappropriate term because of its cultural and religious origins in referring to the separation of women from men.

Timing of the pre-election period

Local authorities have some discretion on the exact timing of the publication of the notice of election, although it needs to be within a timeframe which is set out in legislation according to individual elections.

The section of a local authority responsible for elections management should communicate to its elected members and staff the date of the pre-election period. It is usually helpful if this is done several months in advance to help with event and other planning.

In some authorities, convention – although not law – means that the pre-election period is effectively observed a few days before it officially begins.

It is worth noting that the civil service tends to use the date of dissolution of parliament as the beginning of its pre-election period, as opposed to the notice of election. This convention derives from UK parliament election dates previously not being fixed. However, all elections now follow a timetable which is set out in legislation in advance. This can lead to the UK and Scottish governments, and their agencies, using different pre-election period dates however.

Legal and other obligations

Local authorities are prohibited by section 2 of the Local Government Act 1986 from publishing any material which appears to be designed to affect public support for a political

party. Publicity is defined very widely. It includes 'any communication, in whatever form, addressed to the public at large or to a section of the public.'

The Council also has duties under common law to taxpayers which prohibit the use of public funds and the activities of Council officers where the Council is not fulfilling its statutory functions. Unless otherwise specified in this guidance, any support given to political parties or election candidates is very likely to breach this obligation.

For the avoidance of doubt, it should be noted that these duties apply at all times but the implementation is particularly sensitive during the pre-election period.

Staff and elected members also have obligations under their respective codes of conduct.

Between the time of publication of a notice of an election and polling day, publicity should not be issued which deals with controversial issues, or which reports views or policies in a way that identifies them with individual members and groups of members.

The following publicity activities should therefore not take place during the formal election campaign period -

- Any proactive media releases/ media activity, including photocalls, involving cabinet portfolio holders, election candidates or elected members or mentioning any political party.
- The publication of any Council material (with the exception of election-related materials) that identifies, in any way, an election candidate or a political party.

Reactive media inquiries are business as usual and may involve the relevant cabinet portfolio holder.

Any other activities will require to be considered in terms of the legislation and the Code of Conduct.

4. Premises

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Definition

Council premises can include schools, offices, depots, stores and care homes where access is generally controlled or limited.

It can also include other spaces which might generally be open to the public but where there is an element of control, e.g. leisure centres and parks.

In this context, it is not taken to include public roads and pavements.

Use as offices and for public meetings

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The Local Government Act 1986 prevents local authorities from allowing Council premises to be used to promote support for a political party. However, there are some exceptions.

An authority may allow political parties to rent Council owned premises for use as offices, where such facilities are provided on a first-come, first-served basis on normal commercial terms.

Under the Representation of the People Act 1983 parties or candidates are entitled to use a school room for a public meeting in a Council run school within the candidate's constituency. The let will be free of charge, but the Council is entitled to be reimbursed for heating, lighting and other utilities, as well for any damage caused to the room by the let.

Candidates or their agents are required to give reasonable notice and any booking should not interfere with existing arrangements such as prior bookings or school hours.

In terms of the Representation of the People Act 1983, the Council must also prepare and keep for each constituency which is wholly or partly in its area, a list of rooms in school premises and a list of "meeting rooms" which candidates are entitled to use. Candidates are also entitled to inspect a list of these rooms. The list is attached as an appendix to this guidance.

During a referendum, "Designated Organisations" may also use these rooms on the same basis as above during the 28 day period prior to the Referendum in terms of schedule 12 of the Political Parties, Elections and Referendums Act 2000

Visits to Council premises by candidates

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As the election approaches, candidates may wish to visit Council premises to meet residents, e.g. in residential homes, or to be seen within the area, or to become more

familiar with Council facilities. The Council has previously allowed such visits subject to management rules but it has now been decided that, subject to the exceptions listed below, no candidate shall be allowed to visit Council premises from the date of nomination until the close of poll.

This moratorium will not apply however in the following circumstances:

- Premises rented by the Council to third parties on a commercial basis where entry shall be at the discretion of the tenant
- School rooms and other meeting rooms made available to candidates in terms of the Representation of the People Act 1983
- Visits at the invitation of a resident to their room in a Council residential home or hostel
- Visits to Council premises for business and Council meetings; and
- Any activity in a Council managed public open space which has been approved by the Chief Executive (or his nominee).
- Visits to Council premises by an elected member whilst acting in that capacity

Use of Council premises for publicity

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Visits by candidates

The media may request the use of a council establishment to highlight a general aspect of the election. This may or may not involve election candidates or parties. The decision on whether to agree or not to such media requests will be taken by the relevant Director in consultation with Communications and Marketing.

In reaching their decision, the Director should consider if such use by the media will favour one particular candidate or party, any sensitivities around the particular venue and its users, and the possible staff resource implications. Whatever decision is reached, it should be equally applied to all parties and candidates.

If the media is involved in a visit, employees must not be photographed, recorded or televised with prospective candidates. The consent of clients or service users must be sought and not assumed. The Council has media relations consent forms in place for situations where the people involved are under 16 or deemed to be vulnerable adults, and consent in these situations must be recorded and retained as per normal practice for media consents. The Director(s) will be advised on this aspect by Communications and Marketing.

An individual who lives in a Council residential home or hostel has a right, as an elector, to invite candidates and the media into their own room.

Visits by politicians other than candidates

It is likely to be permissible for a sitting politician, who is not affected by a forthcoming election, to visit Council premises and seek publicity for this. However, any candidates should not have a formal role at such events and Council staff should not facilitate any publicity involving election candidates, e.g. interview requests or photo opportunities.

Please note that a visit by an elected member of the Council, even if a candidate in the election, on constituency business should always be permitted.

Visits to Schools

The franchise for the Scottish Parliamentary Election on 5th May 2016 has been extended to 16 and 17 year olds. Accordingly, unless otherwise approved by the Director, Education, Communities and Economy, no visits by politicians, candidates or campaigners will be permitted to secondary schools during teaching time in the pre-election period for that election.

Party political broadcasts

Council premises should not be used for the filming of party political broadcasts.

Candidate's posters and other advertising

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Political posters are not permitted on streetlights, other street furniture (e.g. traffic lights, railings and benches) and roads (including verges, central reservations and roundabouts).

The Council will not object to A Boards being placed on the pavement outside polling stations on the day of poll provided these boards do not obstruct the public right of passage. The question of whether an obstruction is being caused will be a matter for Lothian and Borders Police.

Party political or campaigning material should not be placed on notice boards or displayed in Council buildings. This will include, for the avoidance of doubt, the display of materials visible in the windows of all offices in Council buildings, including those made available for use by elected members.

Surgery notices

Sitting MPs, MSPs, MEPs and councillors may have surgery notices displayed in Council premises. These can continue to be displayed during the pre-election period providing it is the usual notice which is being displayed.

There is one exception to this rule: sitting politicians for a particular election who no longer hold office once the notice of election is published whose posters must be removed. For example, an MP ceases to be an MP in the pre-election period for the UK Parliament elections and should have their posters removed. Other sitting politicians may continue to



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publicise their surgeries and, in particular as Councillors remain in post until the day of poll for a local government election any such posters should not be removed.

5. Publicity

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General

As the definition of publicity is very broad, and any content subject to interpretation, each situation has to be discussed on its own merits. Publicity can cover news releases, publications, events, photos and videos. It also includes online and social media communications as well as 'traditional' publicity.

In determining whether publicity should be allowed, the main factors to take into account are:

- The content and style of the material.
- The time and circumstances of the publication.
- The likely effect of the material on those to whom it is directed.
- Whether the material promotes or opposes a point of view on a question of political controversy which is specifically identifiable as the view of one political party but not the other.
- Whether or not the material contains references to any political party or to person identified with a political party.
- Where the material is part of a campaign, the effect that the campaign appears to be designed to achieve.
- The extent to which any activity is 'business as usual' or where the timing might be beyond the reasonable control of the authority.

The key test is whether a particular act can be perceived as seeking to influence public opinion or to promote the public image of a particular candidate, or group of candidates (whether or not they are existing members).

Specific points on local government elections

Public statements (reactive and proactive) may need to quote the relevant councillor responsible for a particular portfolio. Great care should be taken to ensure that any content is clearly and directly relevant to the service or issue being discussed and reflects an agreed Council decision or policy. It must not be a general comment on the position or achievements of the sitting administration.

Any Council newspapers or newsletters should not be published during the pre-election period. Routine publications advising on council services, such as Tonezones or the Midlothian Snowsports Centre at Hillend, may be published during the pre-election period.

It is worth noting that councillors remain as councillors until the day of poll for a local government election.

Opening ceremonies or other events

Official openings or events, whether or not specifically designed to attract publicity, should not take place during the pre-election period before a local government election. Any variation on this must be agreed by the relevant Director and be justified on the grounds of exceptional unavoidable and/or unforeseen circumstances.

Media requests

In general, media requests for general filming or photo opportunities around elections should be treated as they would be normally. The only issue that would arise is if there is any question of the media outlet taking a particular stance that may be, or may be perceived to be, in favour of one party or candidate.

Requests to organise or cover hustings events would normally be permissible on the basis that they are open to all relevant candidates. In the case of broadcasters, there are strict rules that apply to maintain political neutrality and an authority should assume that the broadcaster concerned will meet its own obligations in this regard.

By-elections

Particular care should be taken to avoid any publicity in the ward or constituency affected by a by-election during the period after the notice of election has been issued.

Depending on the circumstances, it may also be appropriate to stop normal Council publicity on the day before and the day of polling.

Referendums

The Council may not publish any promotional material relating to a referendum within a period of 28 days prior to the referendum polling date in terms of section 125 of the Political Parties, Elections and Referendums Act 2000. This restriction is on all material regardless of political content or neutrality.

In terms of that Act, publish is defined as “make available to the public at large, or any section of the public, in whatever form and by whatever means.” “Promotional Material” is also widely defined as material which:

- Provides general information about the referendum
- Deals with any of the issues on which the referendum is being held
- Puts any argument for or against any issue on the referendum or
- Is designed to encourage voting at the referendum.

Schools and other educational establishments may wish to teach pupils about the EU and the terms of the Referendum and this should not be affected by the prohibition, Head Teachers and heads of other educational establishments should however seek clearance and guidance from the Director, Education, Communities and Economy if they receive requests for Referendum related activities from outside bodies before agreeing to them.

Social Media

The Council hosts a number of social media profiles. Nothing will be permitted on any of these pages to promote political messages, support for a particular candidate(s) or any other political content. Any such messages, whether posted by or on behalf of the Council or by third parties, will be removed.

Councillors will be entitled at all times, including during the pre-election period, to post any political content or viewpoint on their own social media accounts even if the account refers to the Councillor as an elected member. It is only the use of the Council's social media for electioneering purposes that is prohibited by this guidance.

6. Other issues

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Staff candidature

If a Council employee in a political restricted post wishes to stand for election (whether to the Council, Scottish parliament, UK parliament or European parliament) they must resign their post.

A Council employee not in a politically restricted post may stand for election to the Council without resigning their post.

Staff - other political activity

Staff in politically restricted posts should not undertake any political activity at any time.

Staff in posts that are not politically restricted may carry out political activity. However, if they are a witness for any election-related documents or otherwise personally involved in support for a particular party or candidate, they must not be involved with polling or counting.

Working relationships between staff and councillors

Some employees may have a close working relationship with councillors. It is important that this close working relationship is not compromised in any way. If an employee is asked by a councillor to provide assistance with a matter which is clearly party political or which does not have a clear link with the work of the Council, they should politely refuse and inform the councillor that they are referring the matter to their line manager for guidance. This rule also applies if a councillor seeks assistance of behalf of a candidate in the elections.

Use of Council facilities and resources by councillors

Facilities and resources provided by the Council for councillors to help them carry out their duties must never be used for party political or campaigning activities. This includes computer equipment, telephones, stationery and secretarial support. This is not an exhaustive list and councillors should check if they are not sure what is appropriate.

Communications by councillors to their constituents come within the definition of publicity detailed above, except where they are in response to particular issues initiated by their own constituents. Use of Council facilities for unsolicited mailings during this period should be made with extreme caution. To avoid any suggestion that actions may be motivated by the forthcoming elections, councillors should not issue communications to constituents in a form or style which they have not used before.

Freedom of Information requests

There are no implications for FOI or other information requests covered by legislation. These should be handled as normal.

7. Questions and answers

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The following are examples of issues which have arisen previously. It must be remembered that the final advice will turn on the exact circumstances and these FAQs are only given to provide an indication of the type of issues you should be considering. They are not a substitute for specific, detailed advice.

1. **A controversial item is on the agenda for a meeting of the Council or a Committee which will be held during the pre-election period. Should consideration of the item be postponed until after the election?**

No. The work of the Council should continue and the item should be considered.

2. **A school has been approached by a candidate in the forthcoming election who wishes to meet pupils and have a general discussion with them about topics of concern to them. Is it okay to allow the visit?**

No, this does not constitute “business as usual” and as such the visit will come under the moratorium in terms of section 4

3. **Officers have been asked to attend an event to give advice on Council services. Is this okay?**

Whether or not it would be appropriate for officers to attend would depend on the nature of the event, who was running it and when it is being held. If the event is associated with a particular political party and is being held during (or a day or two before the beginning of) the pre-election period then officers should not attend. If it is being held outwith this period, then you would have to decide whether the event was designed to affect support for one political party. If so, then again officers should not attend.

4. **Is it okay for an election candidate to take photographs outside a Council office or facility?**

This should not be encouraged but cannot be prevented. Candidates and officials should be aware that photography in and around schools is controlled, as any existing parental consent, whether express or implied, in relation to photographs taken for school purposes cannot be regarded as extending to the use of photographs in connection with any political campaigning.

5. **What do I do if a candidate/political party refuses to accept my decision?**

Contact your Director, who can discuss the issues raised with the Chief Executive and let you and the candidate/party know the outcome of these discussions.

6. **A candidate turns up at Council premises for a pre-arranged business meeting but there are media following them. Should the media be allowed in?**

No. This is allowing a council facility to be used for a party political activity.

7. A public consultation meeting is scheduled during the pre-election period as part of the formal planning process for a new school. Can it go ahead?

Yes. This is both normal business and there are significant costs attached to any delay.

8. A party wants to use a council-managed public space for their campaign launch. Should it be allowed?

There is a convention that certain public spaces are used for campaign activity. It is generally acceptable for these to take place so long as the events are limited, e.g. around 1 hour and that there is equal opportunity for all parties or candidates to use them. The council resource/effort in facilitating these should also be minimal, e.g. enabling access to a space.

9. The council was intending to facilitate a debate on an important issue to our area. Should it be cancelled?

The debate must be open to participation by all parties and candidates, and it may be advisable to limit the media participation (e.g. reactive rather than proactive). With those caveats, it could go ahead, but thought would still need to be given to whether or not the issue at hand was likely to be particularly divisive along party lines.

10. A councillor wants to give their view on a matter debated at committee to the media. Is this allowed?

Any councillor at any time is at liberty to do this. The tests are whether they are using council resources to do so and, if so, whether the view is (or could be perceived to be) political in nature.

11. A charity which receives funding from the council has taken an advert in a political party's newsletter. Is this allowed?

There are two relevant issues here: what is the council's funding for (e.g. a general grant or for a specific purpose such as communications) and what is the advert for (e.g. notice of an event or self-promotion)? Generally, this is a low-risk activity so long as there is nothing overtly political about the organisation's activity or its advert.

12. There is an event scheduled for the launch of a new service. Can local councillors be invited? And what about other politicians?

Such events are generally very inadvisable before a local government election and should be avoided before other elections. If the latter, local councillors can be invited, although this should be avoided if one of the councillors is a candidate. If the Director has agreed the event can go ahead, then all candidates for that ward should be invited.

13. We want to highlight a new initiative. Can the relevant cabinet member be involved?

No. Proactive publicity of this kind can go ahead without elected member involvement. We will use a service user or manager in these circumstances.

- 14 **A partner organisation has asked to use a council venue for the launch of an initiative. A minister will be attending and significant media presence is expected. Can we facilitate this?**

Yes. Hiring of council venues is business as usual.

8. Contacts and further information (Back to [contents](#))

General advice on pre-election period guidance

Alan Turpie, Legal Services Manager, alan.turpie@midlothian.gov.uk, 0131 271 3667

APPENDIX

(A) List of Rooms in School Premises

(i) Primary Schools

Bilston Annex	73 Myrtle Crescent, Bilston, Roslin
Bonnyrigg	Cockpen Road, Bonnyrigg
Burnbrae	144 Burnbrae Road, Bonnyrigg.
Cornbank St James	34 Marchburn Drive, Penicuik
Cuiken	150 Cuiken Terrace, Penicuik
Danderhall	59 Edmonstone Road, Danderhall
Glencorse	Graham's Road, Milton Bridge, Penicuik
Gorebridge	2C Barleyknowe Lane, Gorebridge
Hawthornden	Polton Avenue Road, Bonnyrigg
King's Park	20 Croft Street, Dalkeith
Lasswade	7A Pendreich Drive, Bonnyrigg
*Lawfield	26 Lawfield Road, Mayfield
Mauricewood	11 Muirhead Place, Greenlaw Mains, Penicuik
Mayfield	Stone Avenue, Mayfield
Moorfoot	41 Borthwick Castle Road, North Middleton
Newtongrange	Sixth Street, Newtongrange
Paradykes	3 Mayburn Walk, Loanhead
Rosewell	85 Carnethie Street, Rosewell
Roslin	8 Pentland View Place, Roslin
Sacred Heart	Crockett Gardens, Penicuik
St Andrew's	Gowkshill, Gorebridge
St David's RC	Kippielaw, Lauder Road, Dalkeith
St Luke's RC	Stone Avenue, Mayfield
**Loanhead & St Margaret's RC Primary Schools Campus	36 Edgefield Road, Loanhead
St Mary's RC	62A Polton Street, Bonnyrigg
St Matthew's RC	32 Carnethie Street, Rosewell
*Stobhill	1 Bonnybank Road,, Gorebridge
**Strathesk	4 Eastfield Farm Road, Penicuik
*Tynewater	32 Crichton Road, Pathhead
Woodburn	5 Cousland Road, Dalkeith

/(ii)

(ii) Secondary Schools

Beeslack Community High School	Edinburgh Road, Penicuik	01968 678060
Dalkeith Schools Community Campus	Cousland Road, Dalkeith	0131 660 0268
Lasswade Centre	Eskdale Drive, Bonnyrigg	0131 271 4530
Newbattle Community High School	64 Easthouses Road, Dalkeith	0131 663 4191
Penicuik High School	39A Carlops Road, Penicuik	01968 674165



Midlothian

In respect of primary schools marked *, all enquiries regarding their availability and bookings thereof should be made with Karen McGowan, Operational Manager, CLD East Team, Gorebridge Primary School, 2C Barleyknowe Lane, Gorebridge, EH23 4XA – Telephone 0131 271 5697 or 5621 (Fax 0131 271 5740).

In respect of primary schools marked **, all enquiries regarding their availability and bookings thereof should be made with Jake Herriot, Operational Manager, CLD West Team, Lasswade High School Centre, Eskdale drive, Bonnyrigg, EH19 2LA – Telephone 0131 271 4535

In respect of all other primary schools, all enquiries and bookings thereof should be made with Mhairi MacLennan, School Lets, Education and Children's Services Division, Midlothian Council, Fairfield House, 8 Lothian Road, Dalkeith – Telephone 0131 271 3705 (Fax 0131 271 3751).

In respect of Dalkeith Schools Community Campus, all enquiries and bookings thereof should be made with the BAM FM Office, 4 Cousland Road, Dalkeith EH22 2PS - Telephone 0131 660 0268.

In respect of other secondary schools, all enquiries regarding their availability and bookings thereof should be made direct to the relevant school office.

(B) List of Meeting Rooms

The following premises are available for meetings. The relevant booking telephone number is shown.

Poltonhall Recreation Ground	0131 663 7579
Rosewell Pavilion	0131 663 7579
Waverley Park Pavilion	01875 821739
King George V Park Pavilion, Bonnyrigg	0131 663 7579
Penicuik Town Hall	01968 664061
Roslin Community Hall	0131 440 0293
Loanhead Leisure Centre	0131 440 4516
Bilston Pavilion	0131 440 4516
Danderhall Community Centre	0131 663 9280
Danderhall Pavilion	0131 663 9280
King's Park Pavilion, Dalkeith	0131 663 2219
Pathhead Pavilion	0131 663 2219
Newtongrange Leisure Centre	0131 663 4276
Mayfield Leisure Centre	0131 663 2219
Gorebridge Leisure Centre	01875 821739
Birkenside Pavilion	01875 821739
Dalkeith Arts Centre	0131 271 3982

Trade Union Bill

Report by John Blair, Director, Resources

1 Purpose of Report

The purpose of this report is to provide Elected Members with the response, dated 7 December 2015 from the UK Government Minister following a letter submitted to the UK Government as a result of a Council Motion on 22 September 2015.

2 Background Information

- 2.1** On 22 September 2015, the Council agreed to a motion moved by Councillor Pottinger and seconded by Councillor Russell with an amendment moved by Councillor Parry and seconded by Councillor Coventry as follows:

Council notes the Conservative Government has recently presented a Trade Union Bill that will restrict the ability of this council to engage in good industrial relations practices with our workforce and their representatives.

Council believes the collection of union dues through the check-off arrangement, from which the council receives income, is part of our collective and contractual arrangements with the trades unions and one which we will defend and support.

Council commits not to use agency staff to break or weaken industrial action and to continue to support arrangements that afford trade union representatives sufficient resources to enable them to carry out their functions to ensure the continuation of good industrial relations.

The Leader of the Council commits to writing to the Secretary of State for Business, Innovation and Skills stating Council's opposition to this Bill and our resolve not to co-operate with any attacks on facility time or check off, and to write to the First Minister calling on the Scottish Government to stand with other local authorities in opposing the proposals in this Bill.

Further, Midlothian Council agrees with the Scottish Government and the SNP MP's at Westminster that the only realistic way to prevent changes in the current bill would be to devolve powers over employment law to Scottish Parliament through the Scotland Bill.

2.2 Following the Council meeting of 22 September 2015, a letter was submitted to the Secretary of State for Business, Innovation and Skills on 12 October 2015 stating the Council's opposition to the Trade Union Bill.

2.3 A copy of the response from the Department for Business Innovation and Skills dated 7 December 2015 is attached to this report in Appendix 1 for consideration by Elected Members.

3 Report Implications

3.1 Resource

There are no Resource implications as a result of the recommendation contained within this report.

3.2 Risk

There are no risk implications arising directly from this report.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

3.4 Key Priorities within the Single Midlothian Plan

Not applicable.

3.5 Impact on Performance and Outcomes

There is no impact on Performance Outcomes as a consequence of the recommendation contained within this report.

3.6 Adopting a Preventative Approach

Not applicable.

3.7 Involving Communities and Other Stakeholders

There are no Community or Other Stakeholder considerations as a consequence of the recommendation contained within this report.

3.8 Ensuring Equalities

There are no Equalities issues as a consequence of the recommendation contained within this report.

3.9 Supporting Sustainable Development

There are no Sustainable Development issues as a consequence of this report.

3.10 IT Issues

There are no direct IT issues as a result of the recommendation in this report.

4 Recommendations

Council is recommended to;

- (a) Consider the response from the Department for Business Innovation and Skills contained in Appendix 1 of this report.

9 February 2016

Report Contact:

Name: Kyle Clark-Hay, Democratic & Document Services Manager

Tel No 0131 270 5796

Kyle.Clark-Hay@midlothian.gov.uk



Department
for Education

Cllr Catherine Johnstone
Council Leader
Midlothian Council
Midlothian House
Buccleuch Street
Dalkeith
EH22 1DJ



Department
for Business
Innovation & Skills

Nick Boles MP
Minister of State for Skills

1 Victoria Street
London
SW1H 0ET

T +44 (0) 20 7215 5000
E enquiries@bis.gov.uk

www.gov.uk/bis

Our ref: 2015/22749

7 December 2015

Cllr Johnstone

Thank you for your letter of 12 October to Sajid Javid, about Midlothian Council's motion regarding the Trade Union Bill. I am replying as the Minister responsible.

The Trade Union Bill relates to employment rights, duties and industrial relations, all of which are clearly reserved matters. This is why the Government is confident that the Trade Union Bill is consistent with the devolution settlements.

As part of our proposals we have announced our intention to end the practice of state-run trade union subscription payments, removing a taxpayer-funded administrative burden on employers. This reform will give employees greater control over their subscriptions, allowing them to set up their own direct debit with their chosen trade union, as well as consumer protection under the Direct Debit Guarantee.

Regarding facility time, we will require public sector employers to publish information along similar lines required of Government departments by the Cabinet Office's Facility Time Framework for the Civil Service. These publication requirements are aimed at promoting transparency and public scrutiny of facility time, encouraging public sector employers to moderate the amount of money spent on facility time in light of that scrutiny.

Turning to agency workers, our changes to the regulations banning employers from hiring agency staff during strike action will help businesses to continue providing their customers with basic services during industrial action. This is not a matter of threatening the jobs of striking workers: hiring temporary agency workers would not have any impact on a worker's right to keep their job, and striking workers will retain all protections they already have.

Nothing we are proposing weakens the voice of workers in the workplace, nor reduces their right to decide whether or not to participate in a trade union. What the Trade Union Bill will do is to strike a fairer balance between the rights of unions and their responsibilities towards the rest of society.

I hope this is helpful in clarifying the Government's position.

W. K. ...

Nick Boles

NICK BOLES MP

Financial Strategy 2016/17 to 2020/21**Report by Gary Fairley, Head of Finance and Integrated Service Support****1 Purpose of Report**

This report provides Council with a further update on the Financial Strategy 2016/17 to 2020/21, specifically the 2016/17 budget position.

It includes:-

- An update on the 2016/17 Scottish Government grant settlement;
- The latest budget projections for 2016/17;
- A recommendation to consider Council Tax levels for 2016/17;
- An update on the other strands of the Financial Strategy, Delivering Excellence and the Transformation Programme;
- An update in respect of budget savings proposals;
- An update on reserves.

2 Background

A report setting out the Financial Strategy for 2016/17 to 2020/21 was considered and approved by Council on 22 September 2015, with an update reported on 15 December 2015. Today's update focuses specifically on the 2016/17 budget following the publication on 16 December 2015 of the Scottish Government's 2016/17 budget and proposed grant settlement.

The reduction in grant funding for 2016/17 reinforces the importance of the Financial Strategy and of its core objective of securing the Council's continued financial sustainability during what is and will continue to be an extended period of significant financial constraint coupled with increasing service demands and increasing customer expectations.

3 Scottish Government Grant Settlement

The Scottish Government's draft budget for 2016/17 together with details of the proposed local government grant settlement was published on 16 December 2015. The proposed grant settlement was subsequently amended on 24 December 2015, with further amendments made on 13 January 2016. The latest version of finance circular 7/2015 sets out the total revenue funding proposed for local government together with the individual grant allocations for each council. In total local government will receive £9,693.431 million which represents a year on year reduction of 3.31%.

The proposed settlement for Midlothian is £149.830 million with an additional £1.686 million of unallocated monies anticipated to be distributed at a later point in time bringing the total expected grant funding for 2016/17 to £151.516 million. This is £3.480 million less than previously incorporated in the budget projections.

Alongside the publication of the Scottish Government's budget, the Deputy First Minister wrote to the COSLA President, copied to all Council Leaders, confirming the package of measures that make up the settlement to be provided to local government in return for the provisional funding allocations set out in the circular. The letter proposed further discussions to consider the approach to implementing the measures set out in the budget including agreement on the scale and retention of cashable efficiency savings for local authorities' contributions for social care to the health and social care partnerships.

On 27 January 2016, following the conclusion of these discussions, the Deputy First Minister wrote again to the COSLA President, copied to all Council Leaders confirming the final details of the Local Government Finance Settlement for 2016/17. A copy of this letter is enclosed as appendix 1. The letter invites local authorities to agree the terms of the settlement and requires those Council Leaders who intend to take up the offer and agree the full package of measures to write setting out their position, including on Council Tax no later than 9 February 2016.

The Deputy First Minister's letter confirms that in order to access all of the funding involved, of £408 million, local authorities must agree to deliver all of the measures and will not be able to select elements from the package. The measures are set out in full in appendix 1 and are summarised below:-

- £250 million will be provided from the health budget to integration authorities in 2016/17 for social care. £125 million is provided to support additional spend, including making progress on charging thresholds for all non-residential services. £125 million is provided to help meet a range of existing costs faced by local authorities. This includes delivering the Living Wage of £8.25 per hour for all social care workers from 1 October 2016.
- The protection of teacher numbers. The measure for implementation of this target will be the maintenance at a national level of the pupil teacher ratio at a value of 13.7.
- To continue the Council Tax freeze for a ninth consecutive year.

Any council that does not sign up to the complete package will not receive their share of the integration funding of £250 million (£3.600 million), support for teachers of £88 million (£1.550 million) and the Council Tax freeze support of £70 million (£1.154 million). For Midlothian this amounts to £6.304 million.

The Deputy First Minister's letter also advises that where a council signs up and then does not deliver on any of the specific commitments the government reserve the right to take action to remove access to or recover that element of additional funding support.

In terms of Council Tax on its own, the conditions attached to the settlement are such that an increase of approximately 16% (equivalent to £194 per annum for a Band D property) would be required to offset the loss of government grant. In view of the conditions attached to the Grant Settlement it is recommended that Council maintain the Band D Council Tax for 2016/17 at the existing level of £1,210.

The Midlothian Integrated Joint Board's share of the £250 million is expected to be £3.600 million. Discussions with the Board's Chief Officer, Chief Financial Officer and NHS Lothian have resulted in a provisional agreement to utilise £1.800 million for additionality with the remainder contributing to cost pressures, including deliver of the Living Wage for Social Care staff from 1 October 2016, which are provided for in the revised budget shortfall. Fuller details of the proposed allocation of resources to the Integrated Joint Board will be set out in a Financial Assurance report which will be presented to the Special Council meeting called for 8 March 2016.

The expectation remains that the next Scottish Government will publish a three year budget in the autumn of 2016. Only at that point will there be clarity on the level of grant funding local government can expect for future years. Given the extent of the reduction in the 2016/17 grant, it is considered prudent to take a more pessimistic view on future year's settlements than incorporated in previous Financial Strategy reports. However given the timing and continued uncertainty on aspects of the 2016/17 settlement and the influence decisions on Income Tax and Local Taxation will have on the Scottish budget further work is required to assess the implications for the 2017/18 to 2020/21 budget projections and as such these will be reported to Council later in spring.

4 Council Tax

The budget projections set out later in this report are based on continuation of the Council Tax freeze with Band D Council Tax remaining at £1,210. They do however reflect the additional income from an increase in the number of properties. Appendix 2 sets out the Council Tax levels for 2016/17 based on a continuation of the freeze.

Whilst the Council has a statutory duty to set its Council Tax for the following financial year commencing 1 April, by 11 March it is recommended that Council sets Council Tax at today's meeting to allow the Council Tax billing to be progressed.

5 Cost of Services

Given the timing and uncertainty of the 2016/17 grant settlement attention has been focussed on updating the 2016/17 budget position given that Council has a statutory duty to determine the 2016/17 budget by 11 March 2016.

The projected budget shortfall for 2016/17 as set out in table 1 is based on the current cost of service provision for 2015/16 together with inflationary cost and other uplifts. It also provides for costs arising from the General Services Capital Plan, both by way of debt charges to finance borrowing costs and revenue implications of investment.

Table 2 provides the latest analysis of the principal year on year budget changes which reflects the following key assumptions and cost drivers. Table 3 provides a summary of the movements from the last report:

- In respect of pay the budget provides for the second year of the two year pay deal. This includes a commitment for the minimum hourly rate from April 2016 to the 2015 Living Wage of £8.25 plus 1%, which equates to £8.33 per hour. The budget also includes a provision to fund costs arising from the ongoing Review of Local Government Pay and Grading;
- The impact of Pension Reform and anticipated changes in the Council's contribution towards employee pensions;
- Incremental pay progression;
- Contractual inflation linked to existing contractual conditions, many of which mirror pay inflation assumptions;
- Actual and projected forward purchasing prices for energy costs;
- Anticipated impact of contracts due for renewal during the period;
- Impact of current demand for services;
- Demographic impact of future demand for services;
- Future interest rate forecasts provided by the Council's Treasury Advisers;
- An updated assessment of the resources required in respect of Free School Meals and The Children and Young People (Scotland) Act 2014 based on actual and planned expenditure;
- Any new government policy requiring budgetary growth will be fully funded through increased Scottish Government grant, including the any amendment to the Education Bill to legislate for 25 hours of primary teacher class contact time;
- Council Tax income continues to grow in line with previous trends and planned future housing growth.

The latest projected budget shortfall reflecting the assumptions set out in sections 3 to 5 is as follows:-

Table 1: Budget Shortfall 2016/17 – 9 February 2016

	2016/17
	£m
Cost of Services	199.747
Less: Council Tax	(40.600)
Less: Scottish Government Grant	(151.516)
Budget Shortfall	7.631

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 teacher numbers and teacher pupil ratio; and
- Growing demand for services through demographic pressures.

In broad terms the budget shortfalls set out in table 1 arise for the following reasons:

Table 2: Analysis of Shortfall – 9 February 2016

	2016/17
	£m
Opening Shortfall / (surplus)	(2.844)
Pay Inflation and Progression	2.882
Pensions Reform	2.041
Contractual Inflation	0.713
Demographics: Care	1.060
Demographics: School Rolls	1.937
Demand pressures: Children	0.500
School Estate Investment	0.520
Waste Disposal Costs	0.171
Borrowing Costs	(0.511)
Food Waste Collection	0.302
Scottish Government Grant	2.900
Council Tax Income	(0.600)
Financial Discipline	(0.416)
Decriminalised Parking and Traffic Wardens	0.112
Home to School Transport Service Demand	0.157
Re-profiling of Homeless service re-provision	0.108
Share of £250m for Social Care	(1.700)
Other Changes	0.299
Total	7.631

Table 3: Analysis of Changes since Last Report – 9 February 2016

	2016/17
	£m
Previous Reported Shortfall	4.950
Movements:	
Scottish Government Grant	2.900
Share of £250m for Social Care	(1.700)
Pay Inflation and Progression	(0.492)
Contractual Inflation	(0.300)
Demographics: Care	0.132
Demographics: Schools	1.349
Demographics: Children	0.112
Decriminalised parking and Traffic Wardens	0.112
Home to School Transport Service Demand	0.157
Re-profiling of Homeless service re-provision	0.108
Other Changes	0.303
Projected Shortfall	7.631

6 Financial Strategy

6.1 Delivering Excellence

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

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

- Realise savings of the scale and magnitude required and to continue to deliver high quality services by engaging staff, partners, stakeholders and citizens to determine the nature of service delivery, the level of service standards and the method of delivering these services;
- To perform successfully in this environment, the Council will require to forward plan for the period beyond known financial settlements, to prioritise the services to be delivered and to clearly identify those services which will no longer be funded or indeed provided or may be provided through alternative mechanisms or approaches; and
- To ensure that there is achievement of the outcomes and priorities of the Council and Community Planning Partners.

Actions which contribute to the Financial Strategy, particularly for later years will be developed through the framework.

6.2 Transformation Programme

The existing Transformation Programme is essential to the delivery of sustainable change and delivery of the Council's Financial Strategy. It remains a major focus with a continued drive towards delivering on the agreed outcomes and targets for programme which includes:

- Customer Service;
- Education;
- Services to Communities;
- Children's Services; and
- Integrated Service Support.

The savings targets incorporated in the Financial Strategy have been updated to reflect the current profile of savings.

Table 4: Council Transformation Programme Cumulative Additional Savings – 9 February 2016

	2016/17
	£m
Children's Services	0.224
Services to Communities	0.250
Education	0.473
Customer Service	0.175
Integrated Service Support	0.840
Totals	1.962

The savings targets set out in table 4 and are predicated on the outcomes of the reviews and any subsequent decisions taken by Council and so remain indicative.

6.3 Asset Management

The position remains as previously reported.

6.4 Efficiency and Financial Discipline

As reported on 15 December 2015 the Chief Executive had asked each Director to bring forward savings options for consideration. To date this has identified operational savings as summarised in appendix 3 which total £0.674 million in 2016/17 rising to £1.022 million in later years.

6.5 Budget Savings

Officers are continuing to develop savings proposals which would impact on the 2016/17 budget. Given the impact of the grant settlement and subsequent receipt of final proposals on 27 January 2016 it is considered prudent to delay determination of the budget. Accordingly, the Director Resources has called a Special meeting of the Council on 8 March 2016 to give consideration to savings proposals and to determine the Revenue Budget for 2016/17. The savings proposals will be reported to the meeting of the Business Transformation Steering Group (BTSG) on 22 February 2016 for its consideration before the Special meeting of Council.

6.6 Summary of Financial Strategy

The final projections incorporating impact of the various strands of the Financial Strategy are as follows in table 5. A service by service analysis of the 2016/17 draft budget is attached as appendix 3.

Table 5: Financial Strategy 2016/17 – 9 February 2016

	2016/17
	£m
Budget Shortfall (Table 1)	7.631
Less Strands:	
Impact of 2015/16 approved savings	(0.987)
Transformation Programme (6.2)	(1.962)
Asset Management (6.3)	(0.135)
Operational Efficiency and Financial Discipline (6.4)	(0.674)
Remaining Budget Gap	3.873

On 16 December 2014 Council approved that any remaining budget gap for 2016/17 be offset from the budgeted surplus which would be transferred to reserves. At that time the anticipated remaining budget gap for 2016/17 was £2.223 million.

7 Governance and Timeline

Each element of the Financial Strategy continues to have clear governance in place to ensure the timely delivery of the work stream, with proposals being reported through Business Transformation Steering Group and then to Council as appropriate.

The timetable outlined in previous Financial Strategy reports provided for budget decisions and Council Tax for financial year 2016/17 to be agreed by Council today and for updated projections and indicative budgets to be set out for later years.

As indicated earlier given the timing of the 2016/17 settlement further work is required to update the 2017/18 to 2020/21 budget projections and these will be reported to Council later in the year.

To facilitate Council Tax billing for 2016/17 it is recommended that Council set a Council Tax for 2016/17 at today's meeting and that savings proposals and determination of the 2016/17 budget are considered at the Special Council meeting on 8 March 2016. This enables members to meet the statutory 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.

Furthermore in terms of governance, members are also reminded that in terms of Section 112 of the Local Government Finance Act 1992 (as amended) it is an offence to participate in any vote in respect of setting Council Tax where the member has unpaid Council Tax. Members are required to disclose the fact this section of the act applies to them and not vote on any question with respect to the matter.

8 Focussing Resources to Key Priorities

The Financial Strategy is designed to ensure that available resources are as far as possible targeted on delivery of improved outcomes, particularly against the key priorities of Early Years, Positive Destinations and Economic Growth. The Midlothian Community Planning Partnership continues to 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 Delivering Excellence framework and Transformation Programme have a key role in ensuring that resources are directed towards the priorities set out in the Midlothian Single Plan.

9 Reserves

The latest projection of useable reserves as at 31 March 2016 as reported elsewhere on today's agenda are as follows:-

Table 6: Useable Reserves – 31 March 2016

	Total	Uncommitted
	£m	£m
General Fund Reserve	18.117	13.134
HRA Balance	24.520	2.224
Capital Fund	19.170	19.170
Repairs and Renewal Reserve	3.000	0.000
Total Useable Reserves	64.807	34.528

It is necessary for the Council to retain reserves to meet unplanned or unforeseen costs. In terms of the General Fund, Council agreed on 4 February 2014 that a prudent level of general reserve be around £8.000 million or 4% of net expenditure. Whilst the General Reserve exceeds this level the financial pressures facing the Council will require utilisation of reserves to balance budgets in the short term and to allow investment in areas where longer-term savings can be achieved. There will also be substantial one-off costs associated with further staff release and the reserve may also be required as a buffer to offset the risks associated with slippage in savings plans.

The uncommitted balance on Capital Fund is retained to provide for unforeseen capital expenditure and to provide flexibility between financial years, its utilisation is subject to annual review.

The repairs and renewal reserve is fully committed. An update on the position with the HRA balance is encompassed in a separate report on today's agenda.

10 Report Implications

10.1 Resources

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

10.2 Risk

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

- The delivery of the conditions attached to the 2016/17 grant settlement;
- The resource implications associated with charging thresholds for non residential Social Care services;
- Decision by Scottish Government on future years grant settlements and grant distribution;
- The next Scottish Governments response to the commission on Local Tax Reform;
- Non-delivery or late delivery of planned savings, including those arising from reductions in the staffing establishment;
- Future year pay award settlements and the implications of future years Living Wage increase;
- Impact of economic climate on range of factors including: inflation, interest rates, employment, tax and income levels, service demands;
- Cost pressures exceeding budget estimates;
- Impact of Welfare Reform and pension changes;
- The costs of implementation of national policies varying from the resources provided by government; and
- Capital investment requirements and associated cost.

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

10.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

10.4 Impact on Performance and Outcomes

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

10.5 Adopting a Preventative Approach

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

10.6 Involving Communities and Other Stakeholders

The Delivering Excellence Community Engagement report approved by Council on 22 September 2015 set out proposals for engagement and consultation on the service and financial challenges Council faces and the options which will emerge to address these. This will be adapted to highlight the implications of the 2016/17 grant settlement on the Council budget and the measures taken to address this.

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

10.7 Ensuring Equalities

There are no equality implications arising directly from this report. As part of the development of budget proposals to be considered on 8 March 2016 each proposal which affects people will have an EQIA prepared together with the overarching EQIA encompassing the revenue budget.

10.8 Supporting Sustainable Development

There are no direct sustainability issues arising from this report.

10.9 IT Issues

There are no direct IT implications arising from this report.

11 Summary

The report provides:-

- An update on the 2016/17 Scottish Government grant settlement;
- The latest budget projections for 2016/17;
- A recommendation to maintain a Band D Council Tax of £1,210 for 2016/17;
- An update on the other strands of the Financial Strategy, Delivering Excellence and the Transformation Programme;
- An update in respect of budget savings proposals;
- An update on reserves.

12 Recommendations

Council is recommended to:-

- a) Note the update in respect of the Scottish Government Grant Settlement as set out in section 3;
- b) In view of the conditions attached to the Grant Settlement set a Band D Council Tax of £1,210 as set out in appendix 2;
- c) Note the operational savings summarised in appendix 3;
- d) Note that, subject to recommendations b) and c) the remaining budget gap for 2016/17 is £3.873 million as summarised in section 6.6;
- e) Note that a further Financial Strategy update for 2016/17 will be reported to the Special Council meeting on 8 March 2016 and that a further update, setting out revised projections for 2017/18 to 2020/21 will be presented to Council in the spring.

Date 01 February 2015

Report Contact:

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Deputy First Minister and Cabinet Secretary for Finance, Constitution and
Economy
John Swinney MSP

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E: dfm@gov.scot

Councillor David O'Neill
President
COSLA
Verity House
19 Haymarket Yards
Edinburgh
EH12 5BH



Copy to: The Leaders of all Scottish local authorities

27 January 2016

Dear David

I write now to confirm the final details of the Local Government Finance settlement for 2016-17, following the conclusion of our partnership discussions to consider the package of measures contained in my initial letter of 16 December 2015.

This funding package is focussed on delivery of our joint priorities to deliver sustainable economic growth, protect front-line services and support the most vulnerable in our society.

I have considered the representations made to me by COSLA and this is reflected in the detail of the settlement and the package of measures included in this letter. My aim throughout our extensive discussions has been to reach an agreement with councils around the implementation of these commitments. I invite local authorities to agree the terms of the settlement.

The measures set out in the settlement offer must be viewed as a package to protect shared priorities and intensify a journey of reform. In order to access all of the funding involved, of £408 million, local authorities must agree to deliver all of the measures set out below and will not be able to select elements of the package.

Integration Fund

The offer being made is that £250 million will be provided from the Health budget to integration authorities in 2016-17 for social care:

That of the £250 million, £125 million is provided to support additional spend on expanding social care to support the objectives of integration, including through making progress on charging thresholds for all non-residential services to address poverty. This additionality reflects the need to expand capacity to accommodate growth in demand for services as a consequence of demographic change.

That of the £250 million, £125 million is provided to help meet a range of existing costs faced by local authorities in the delivery of effective and high quality health and social care services in the context of reducing budgets. This includes our joint aspiration to deliver the Living Wage for all social care workers as a key step in improving the quality of social care. The allocation of this resource will enable councils to ensure that all social care workers including in the independent and third sectors are paid £8.25 an hour. This assumes that private and third sector providers will meet their share of the costs. The Government would prefer implementation on the 1 April but we accept COSLA's point that preparatory work will be required to ensure effective implementation. We therefore agree to an implementation date of 1 October. In 2016-17, Councils can allocate up to £125 million of their 2015-16 costs of providing social care services to Integrated Joint Boards including the uprating of staff to the Living Wage. This will ensure an overall benefit to the provision of health and social care of £250 million. To ensure transparency for the flow of funding support for local authorities and delivery of the Living Wage commitment the arrangements will be signed off at a local level by the appropriate Integration Authority Section 95 Officer.

Teacher Numbers

The Scottish Government has been consistent that the protection of teacher numbers is a central part of our priority to raise attainment. Following our discussions and the further representations COSLA has made, the Scottish Government have agreed that the measure for the implementation of that target, against a forecast that pupil numbers will increase over the coming academic year, will be the maintenance at a national level of the pupil teacher ratio.

The objective will be to maintain the pupil teacher ratio nationally at a value of 13.7 (the same level as in 2015) in local authority schools as shown in the Teacher and Pupil Census published in December 2016 and the teacher and probationer commitments in 2016-17. In order to support delivery, the Scottish Government will continue to monitor these commitments throughout the year.

Council Tax Freeze

The Scottish Government was elected on a commitment to freeze the council tax for the entirety of this Parliamentary session and is committed to delivering this policy. Many local authorities have a commitment to freeze the Council Tax over a similar timescale. Against the questions of the wider revenue-raising challenges raised in the Budget the Scottish Government believes that it is important to provide protection for household incomes in what has been a very financially challenging period for many households.

The Scottish Government has now received the report from the Commission on Local Tax Reform and the Government believes now is not the time to dispense with the protection the freeze offers. Looking ahead we will be bringing forward plans for reform of the present Council Tax, reflecting the principles of the report, and we are committed to working in partnership with local government on the implementation of that.

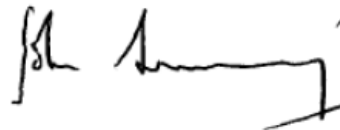
For 2016-17 individual local authorities will again require to agree to work with the Scottish Government to deliver a council tax freeze for the ninth consecutive year.

Any council that does not sign up to the complete package will not receive their share of the Integration Funding (£250 million), support for teachers (£88 million) and the council tax freeze support (£70 million). Should that be the case, steps will be taken to recover the latter two elements that have been distributed from the individual council's allocations in the local government finance settlement in-year.

If in the event, however, a council that does sign up then does not deliver any of the remaining specific commitments on council tax freeze, social care spend, including delivery of the £8.25 per hour Living Wage or national teacher targets then the Scottish Government reserves its position to take action to remove access to or recover that element of the additional funding support earmarked to deliver each of the remaining specific measures. In the case of pupil teacher ratio not being maintained nationally then the Scottish Government reserves its position to recover monies allocated to individual authorities whose pupil teacher ratio rises. This action will be proportionate and apply only to that element of the funding for a specific measure that a local authority subsequently does not deliver as set out in the paragraph above.

I will require those Council Leaders who intend to take up the offer and agree the full package of measures to write to me to set out their position, including on the council tax. Given that I am setting out changes to the proposals we previously discussed, I want to give local authorities every opportunity to consider these issues in full. Leaders should therefore provide their response to me by no later than Tuesday 9 February 2016.

I fully understand the pressures on budgets, which is being felt across the whole of the public sector, but I firmly believe that the funding proposals I have set out for local government protects our shared priorities and delivers practical financial support to intensify the pace of reform. I hope you and your fellow Council Leaders can agree that in the circumstances the proposals deliver a strong but challenging financial settlement. The key to addressing this challenge is reform and local government is a key partner in our programme to reform and improve public services.

A handwritten signature in black ink, appearing to read 'John Swinney', with a stylized flourish at the end.

JOHN SWINNEY

MIDLOTHIAN COUNCIL

Council Tax for Financial Year 2016/17

This statement gives details of the 2016/17 Council Tax payable in respect of a chargeable dwelling in each of the valuation bands specified in Section 74(2) of the Local Government Finance Act 1992 determined in accordance with Section 74(1) of the Act **Based on Band D Council Tax of £1,210.**

Band	Range of Values		Band D	Council
	From	To	Proportion	Tax
	£	£		£
A	-	27,000	6/9	806.67
B	27,001	35,000	7/9	941.11
C	35,001	45,000	8/9	1,075.56
D	45,001	58,000	9/9	1,210.00
E	58,001	80,000	11/9	1,478.89
F	80,001	106,000	13/9	1,747.78
G	106,001	212,000	15/9	2,016.67
H	212,001	upward	18/9	2,420.00

DIRECTORATE SUMMARY 2016/17 BUDGET OPERATIONAL SAVINGS

	INCREMENTAL				CUMULATIVE			
	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
EDUCATION, COMMUNITIES & ECONOMY								
Education	0.063	0.037	0.000	0.100	0.063	0.100	0.100	0.100
SUB TOTAL	0.063	0.037	0.000	0.100	0.063	0.100	0.100	0.100
HEALTH AND SOCIAL CARE								
Adult and Social Care	0.134	0.137	0.100	0.371	0.134	0.271	0.371	0.371
SUB TOTAL	0.134	0.137	0.100	0.371	0.134	0.271	0.371	0.371
RESOURCES								
Commercial Operations	0.115	0.000	0.000	0.115	0.115	0.115	0.115	0.115
Finance & ISS	0.213	0.074	0.000	0.287	0.213	0.287	0.287	0.287
Property & Facilities	0.149	0.000	0.000	0.149	0.149	0.149	0.149	0.149
SUB TOTAL	0.477	0.074	0.000	0.551	0.477	0.551	0.551	0.551
TOTAL	0.674	0.248	0.100	1.022	0.674	0.922	1.022	1.022

MIDLOTHIAN COUNCIL

Appendix
1

REVENUE BUDGET 2016/17 SUMMARY

Service Function	Budget 2016/17 £
Management and Members	1,640,852
<u>Education Communities and Economy</u>	
Children's Services	15,526,823
Communities and Economy	4,313,771
Education	81,941,322
<u>Health and Social Care</u>	
Adult Social Care	36,593,860
Customer and Housing Services	11,938,366
<u>Resources</u>	
Commercial Services	15,942,812
Finance and Integrated Service Support	12,932,455
Properties and Facilities Management	13,313,382
Lothian Valuation Joint Board	555,551
Centrally Held Budget Provisions	620,895
Non Distributable Costs	1,338,436
GENERAL FUND SERVICES NET EXPENDITURE	196,658,525
Loan Charges	7,143,639
Investment Income	(300,000)
Council Transformation Programme savings targets	(1,962,000)
Operational Savings	(674,000)
Allocations to HRA, Capital Account etc.	(4,877,164)
NET EXPENDITURE	195,989,000
Scottish Government Grant	151,516,000
Council Tax	40,600,000
TOTAL FUNDING	192,116,000
BUDGET GAP	3,873,000

Financial Monitoring 2015/16 – General Fund Revenue**Report by Gary Fairley, Head of Finance and Integrated Service Support****1 Purpose of Report**

The purpose of this report is to provide Council with information on performance against revenue budget in 2015/16 and details of the material variances.

2 Background**2.1 Budget Performance**

The detailed budget performance figures shown in appendix 1 result in a projected net overspend of £1.058 million which is 0.54% of the revised budget for the year.

Performance against budget has improved by £0.305 million from that reported at quarter 2. Detailed information on material variances is contained in appendix 2 which identifies each variance, explains why it happened, outlines what action is being taken to control variances and details the impact of that action.

The main areas of variance are outlined below.

Pressures

- Demand led pressures in Children's Services;
- Expenditure pressures in Residential Care Homes for older people;
- Demand led pressures for the Community Care Resource Panel;
- Homeless accommodation;
- Waste collection and disposal costs; and
- Slippage in planned Transformation Savings.

Favourable Movements

- Council Tax income received;
- Borrowing Costs associated with the General Services Capital Plan and Treasury Management savings;
- Energy costs;
- Customer Income and Running costs at Midlothian Snowsports Centre; and
- Savings in employee costs with vacant posts being held pending service reviews.

2.2 Council Transformation Programme Funding

Council approved utilisation of £5.868 million of General Fund Reserve to fund costs associated with the ongoing transformation programme. At the report date £2.697 million of this has been applied with future commitments of £0.911 million identified for the remainder of 2015/16 through to 2017/18. This leaves £2.260 million as uncommitted.

2.3 General Fund Reserve

During 2014/15 and as part of 2015/16 budget setting monies distributed by the Scottish Government were set aside for potential costs associated with new areas of service provision for young people, particularly free school meals for primary 1 to 3, the increase to 600 hours per year free childcare for 3 and 4 year olds and the extension of 600 hours free childcare to eligible 2 year olds. Service provision is now established in these areas at a significantly lower cost than funding distributed mainly due to Midlothian being well equipped to deal with service expansion in dining halls and in pre-school capacity. It is now timely to return excess funding of £1.770 million to reserves. Any service pressures that may arise in these areas in future years will be considered as part of the ongoing financial strategy.

The projected balance on the General Fund as at 31 March 2016 is as follows:

	£ million	£ million
Reserve as at 1 April 2015		21.315
Less earmarked reserves utilised in 2015/16		(5.907)
General Reserve at 1 April 2015		15.408
<i>Planned movements in reserves</i>		
Planned Enhancement	2.764	
Scottish Government Grant funding previously earmarked for specific purposes	1.770	
Supplementary Estimates	(0.329)	
Council Transformation Programme Costs	(0.539)	
One-off costs of VSER	(0.274)	
Workforce Reduction Savings from VSER	0.056	
Financial Discipline	0.416	
Borders Rail	(0.300)	
Other	0.203	
		19.175
Overspend per appendix 1		(1.058)
General Fund Balance at 31 March 2016		18.117

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

	£ million
General Fund Balance at 31 March 2016	18.117
<i>Earmarked for specific purposes</i>	
Further one-off costs associated with VSER	(0.500)
Budgets earmarked for Council Transformation	(2.260)
General Reserve at 31 March 2016	15.357

The uncommitted General Fund Reserve at 31 March 2016 is projected to be £15.357 million. A prudent level of uncommitted reserves is seen to be between 2% and 4% of net expenditure which equates to between approximately £4 million and £8 million. The General Reserve shown is comfortably within this level. However, financial pressures currently facing the council may require utilisation of reserves to balance budgets in the short term and to allow investment in areas where longer-term savings can be achieved. There may also be substantial one-off costs associated with further Early Release schemes and the reserve may also be required as a buffer to offset any slippage in the achievement of planned savings.

3 Report Implications

3.1 Resource

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

3.2 Risk

Section 95 of the Local Government (Scotland) Act 1973 requires all Local Authorities in Scotland to have adequate systems and controls in place to ensure the proper administration of their financial affairs.

The assessment of performance against budgets by services is underpinned by comprehensive financial management and budgetary control arrangements. These arrangements are central to the mitigation of financial risk.

Ensuring that adequate systems and controls are in place minimises the risk of significant variances arising, and where they do arise they help to ensure that they are identified and reported on and that appropriate remedial action is taken where possible. The primary purpose of this report is to provide information on historic performance, however the material variances detailed in appendix 2 highlight that the financial management and budgetary control arrangements require continual review and enhancement if financial risk is to be effectively mitigated.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

3.4 Impact on Performance and Outcomes

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

3.5 Adopting a Preventative Approach

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

3.6 Involving Communities and Other Stakeholders

No consultation was required.

3.7 Ensuring Equalities

There are no equality implications arising directly from this report.

3.8 Supporting Sustainable Development

There are no sustainability issues arising from this report.

3.9 Digital Issues

There are no digital implications arising from this report.

4 Recommendations

It is recommended that Council note the contents of this report.

26th January 2016

Report Contact:

David Gladwin Tel No 0131 271 3113

E mail david.gladwin@midlothian.gov.uk

Background Papers:

MIDLOTHIAN COUNCIL

Appendix 1

GENERAL FUND OVERVIEW 2015/16

Function	Revised Budget £	Outturn £	(Underspend) / Overspend £
Management	1,673,310	1,673,310	0
<u>Education Communities and Economy</u>			
Childrens Services	14,949,940	15,564,940	615,000
Communties and Economy	4,936,483	4,721,483	(215,000)
Education	78,707,755	78,629,755	(78,000)
<u>Health and Social Care</u>			
Adult Social Care	38,550,772	39,692,772	1,142,000
Customer and Housing Services	12,119,407	12,181,407	62,000
<u>Resources</u>			
Commercial Services	16,038,978	16,006,978	(32,000)
Finance and Integrated Service Support	11,757,254	11,986,254	229,000
Properties and Facilities Management	13,597,892	13,141,892	(456,000)
Lothian Valuation Joint Board	555,551	555,551	0
Central Costs	1,384,909	1,547,909	163,000
Non Distributable Costs	1,338,436	1,338,436	0
GENERAL FUND SERVICES NET EXPENDITURE	195,610,687	197,040,687	1,430,000
Loan Charges	7,493,305	7,076,305	(417,000)
Investment Income	(180,285)	(300,285)	(120,000)
Council Transformation Programme savings target	(415,000)	0	415,000
Allocations to HRA, Capital Account etc.	(4,877,164)	(4,877,164)	0
	197,631,543	198,939,543	1,308,000
less Funding:			
Scottish Government Grant	156,319,000	156,319,000	0
Council Tax	40,000,000	40,250,000	(250,000)
Utilisation of Reserves	1,312,543	2,370,543	1,058,000

Financial Monitoring 2015/16 – General Fund Revenue – Material Variances**Education, Communities and Economy****Children's Services**

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
Residential and day education placements	Increase in requirement for both residential and secure placements and likelihood that secure placements will continue longer than anticipated.	591	761	786	This represents a 21% overspend on the Multi Agency Resource Group Budget of £3.6 million. The group continue to challenge new demand to keep costs under control and work to progress children in secure to allow them to move to other forms of care.
Children with Disabilities	Increased expenditure on taxis and on Direct Payments.	0	95	193	There are an increased number of people using the direct payment method to pay for their care. Demand for use of taxis has also increased. Work is planned to investigate if there are more efficient ways of delivering transport. An improvement in the quality of information provided by Barnardos has led to better forecasting.
Family Placements	Increase in requirements for placements.	88	35	76	Demand led. The team are planning to implement new working practices to minimise the length of placements through a variety of methods.
Gross Overspend		679	891	1,055	
<i>Offset by:</i>					
Vacant Posts in Midlothian Residential Services	Posts held vacant due to review of residential services which is due to be completed in September 2015.	(224)	(253)	(289)	It has been possible to hold these positions vacant due to a lower number of placements. Recruitment is underway to a new structure.
Employee Vacancies and Performance Factor	Other vacancies throughout the service.	(54)	(86)	(76)	Recruitment is underway to these vacant posts.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the	(17)	(2)	(75)	No impact on frontline service.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
	Childrens Services budget.				
Net Overspend		384	550	615	

Communities and Economy

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
Planning Income	Reduction in projection of Planning Fees	0	0	107	Volume of work in the Planning team remains constant but there is a lower cash value associated with these than previously projected.
Environmental Health and Trading Standards Shared Services	The shared service arrangement with East Lothian council came to an end on 31 st March 2015.	88	88	88	Cost sharing with East Lothian Council no longer takes place. The 2016/17 base budget reflects current arrangements.
Economic Development	Unbudgeted expenditure for the Leader Programme.	12	12	13	One-off initial set-up costs in 2015/16. From 2016/17 this programme will be funded through grant income.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Communities and Economies service budget.	50	51	12	No impact on frontline service provision.
Gross Overspend		150	151	220	
<i>Offset by:</i>					
Vacancies and Performance Factor	Vacant posts and part-year vacancies are delivering the performance factor.	(217)	(243)	(227)	Recruitment to vacant posts is ongoing and service reviews are taking place which will result in a more efficient staffing establishment.
Building Standards Income	Fee income projections exceed budget due to volume of applications.	(23)	(63)	(195)	Changes to Building Regulations in October 2015 has resulted in a higher than anticipated volume of applications that prior to changes in order to allow work to proceed under the old regulations.
Landlord Registrations	Income is projected to be higher than budget.	(19)	(25)	(13)	Demand led.
Net Underspend		(109)	(180)	(215)	

Education

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
PPP Contracts	Insurance costs are lower than provided for in the contract which leads to a refund from the contractor. Assumptions regarding the rate of inflation to be applied in 2015/16 were too cautious.	(67) (30)	(67) (27)	(67) (33)	Windfall Income. This will be addressed in the 2016/17 budget setting process.
Vacancies and Performance Factor	Vacant posts and part year vacancies within the service are offsetting the performance factor. The Children's Services review has resulted in part year vacancies within the Pathways service.	(33) 0	(48) (18)	(16) (13)	Recruitment to vacant posts is progressing. Recruitment to posts within the Pathways service has been completed.
Home to School Transport	Current estimates of demand are higher than set in the budget. The variance has increased significantly since quarter 2 as the cost of routes required for the new school year has become apparent.	0	(12)	157	The Travel Team is working to ensure that routes to school are commissioned or delivered at the most economically advantageous cost to the Council.
Service Training Budgets	The redesign of the Scottish Qualification for Headship Scheme and slippage in other training programmes.	0	0	(40)	No impact on frontline service.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Education Service budget.	2	(6)	(66)	No impact on frontline service.
Net Underspend		(128)	(178)	(78)	

Health and Social Care

Adult Social Care

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
Residential Care Homes for Older People	Projected overspend mainly on staffing costs at Newbyres Village (£274k) due to the requirement to use locum staff and overtime to cover gaps in the rota.	223	261	291	<p>The projected overspend in this year is mainly as a result of additional staff on shift cover over and above the amount allowed for in the budgeted establishment. This includes day, night and activity staff and domestic staff and is a result of the level of needs of the residents. The cost of this is around £200k. This has been partially mitigated by changes made to staffing rotas.</p> <p>Managers continue to actively manage sickness absence levels at the home and this will be maintained to ensure a sustained reduction.</p> <p>Due to staff registration requirements 10 staff were suspended and these shifts required to be covered. Management are working with the Scottish Social Services Council to get a speedy resolution.</p> <p>The formal phase of the staffing review is due to start in February 2016. Appropriate staffing levels will be addressed as part of this to ensure that the budget reflects the staffing requirements of the home.</p>
Community Care Resource Panel	Assessed needs are currently more than budgeted. The budget is £28 million and is demand led and subject to demographic pressures. Individual packages of care are sometimes in excess of £100k per annum and as a consequence projections in this area can be	(362)	252	876	<p>The Resource Panel will continue to allocate resources where a critical or substantial need has been identified. Scrutiny of all applications is ongoing to ensure effective spend to meet assessed needs. A review of resource panel procedures is currently underway and this will ensure that robust management information systems remain in place. Increased capacity within reablement will be used to carry out reviews of care packages.</p>

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
	volatile.				<p>National Minimum Wage requirements have resulted in changes to the rates that we need to pay some of our providers for overnight support which has increased expenditure by £375k. Work is ongoing to mitigate the cost of this through care package reviews.</p> <p>Two young people with learning disabilities who have complex needs require support above the normal levels that are provided in order to ensure their safety and wellbeing. Projected spend includes £931k for these care packages. Work is ongoing to find more sustainable solutions to these issues which will take effect from April 2016.</p>
Home Care / Rapid Response Team	A projected overspend on employee costs including staff travel and overtime due to the volume of care packages being provided by the Home Care service.	207	174	190	The service continues to prioritise hospital discharges and will continue to maintain a track record of facilitating discharges on time. Working patterns are being reviewed to ensure that overtime and staff travel is minimised.
Non-achievement of staffing related budget	Planned budget savings from staffing reviews will not take effect until either 2016/17 or 2017/18.	201	201	179	Timescales for reviews mean savings will not be realised as early as anticipated but are on target for 2016/17 and 2017/18.
Fieldwork Staffing	Non-achievement of performance factor and use of agency staff to cover vacancies.	109	155	98	There have been staffing changes within this service and also Adult Protection referrals have increased significantly. The service has faced challenges from increased demand and the implementation of Self Directed Support. Due to the demands on the service and pressures from waiting lists all posts require to be filled with agency staff being used to cover for vacancies. As this is a frontline service with essential staffing ratios the performance factor is being removed from the 2016/17 base budget.
Gross Overspend		378	1,043	1,634	

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
<i>Offset by:</i>					
Client Income	Contributions from clients towards their care packages are higher than anticipated.	(130)	(56)	(189)	No impact on frontline service.
Public Protection	Scottish Government funding provided specifically for Adult Support and Protection requirements. Some spend relevant to this funding is in the form of care packages and is met from the Resource Panel budget.	(57)	(81)	(108)	No impact on frontline service but underspend offsets care and support costs related to protection issues.
Criminal Justice	An element of the Scottish Government funding is used to fund the management and administration of this service.	(43)	0	(50)	No impact on frontline service.
Learning and Development	Spend has been constrained to counter pressures elsewhere in the service.	(36)	(102)	(99)	No impact on frontline service and offsets cost of essential cover for front-line staff with mandatory training requirements.
Cherry Road, Community Action Team and Shared Lives	Vacant Posts	68	93	(41)	<p>These are registered services and adequate staffing levels are a requirement of the Care Inspectorate. Cherry Road supports service users with complex needs and appropriate staffing levels must be maintained. A staffing review is now complete with 2015/16 a transitional year in terms of filling posts.</p> <p>As this is a frontline service with essential staffing ratios the performance factor is being removed from the 2016/17 base budget.</p>
Other non material variances	Miscellaneous over and underspends covering the remaining areas of the Adult Social Care budget.	25	53	(5)	No impact on frontline service.
Net Overspend		205	950	1,142	

Customer and Housing Services

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
Homelessness accommodation	Refurbishment works at Pentland and Midfield House have been delayed and anticipated reuse of these properties to replace existing B&B use is expected to commence in Summer 2016. Savings anticipated for 2015/16 will not be achieved.	151	209	249	The budget provided for an average 82 B and B places per week until 1 st August and 36 spaces thereafter once Pentland and Midfield House were available for use. Average occupancy is currently 70 places. Action is continually being taken to reduce this with alternative options being developed across all available tenures.
Private Sector Leasing	Housing Benefit Shortfalls and Voids have resulted in a projected overspend.	0	0	60	This is consistent with 2014/15 and has been identified as a pressure in the 2016/17 Base Budget. It is due to the Welfare Reform impact on eligible costs.
Housing Allocations	Switch Placement Costs as a result of service review.	0	0	45	No Impact of frontline service.
Other non material variances	Miscellaneous variances covering the remaining areas of the Customer and Housing Service budget.	(3)	(17)	16	No impact on frontline service.
Gross Overspend		148	192	370	
<i>Offset by:</i>					
Council Tax Reduction Scheme	Council Tax Benefits granted are lower than budgeted and are consistent with 2013/14 and 2014/15 positions.	(70)	(113)	(160)	Whilst the 2015/16 budget was adjusted to reflect a decreasing trend in expenditure, it is projected that payments will decrease further than originally anticipated. This has been reviewed further when developing the 2016/17 base budget.
Housing Benefit Overpayment Recoveries	Housing Benefit overpayment recoveries are anticipated to be greater than budgeted.	(53)	(53)	(133)	This is consistent with the 2014/15 outturn position and has been reviewed when developing the 2016/17 base budget. An action plan is being developed to ensure that recoveries can be regularly and accurately accounted for as Welfare Reform changes are implemented.
Vacancies and Performance Factor	Vacant posts within the Revenues service.	0	(42)	(15)	No impact on frontline service.
Net Overspend / (Underspend)		25	(16)	62	

Resources

Commercial Services

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
Waste Disposal Charges	The sale price of recyclate has dropped significantly since the budget was prepared.	110	118	145	During 2014/15 the price per tonne for recyclate reached a peak of £27.20 which was reflected in the average budget price of £20.75. To date in the current financial year the average price has been £9.66. Prices in this market are very volatile.
Trade Waste	Customers are encouraged to reduce residual waste and recycle more. As recycling is charged at a lower price to customers this has led to a drop in income.	0	94	96	Collection costs are the same for both recyclate and residual waste. A separate report is being presented to Council on Trade Waste.
Land Services	A drop in hard landscaping one-off jobs is anticipated as a consequence of an inability to recruit and retain suitable staff.	30	30	35	Total loss of income is £150k and this is offset by savings in staff costs of £120k. A recruitment exercise has now been completed.
Gross Overspend		140	242	276	
<i>Offset by:</i>					
Fuel Costs	The budget provided for an average price of £1.12 per litre. The average price to date is £0.86 per litre.	(129)	(147)	(150)	Fuel prices have been low during the recent period but can be volatile.
Bus Shelters	Reactive repairs budget.	0	0	(60)	Due to the reactive nature of works spend can vary between years.
Street Lighting Electricity	The budget provided for an average price of 9.97 pence per kwh. The average price currently being charged is 9.09 pence per kwh.	(50)	(50)	(51)	Consumption and the prevailing price will be closely monitored as the year progresses.
Waste Vehicle Costs	Need for external hires is currently less than budget due to relatively new fleet.	0	0	(47)	Budget has been reviewed as part of 2016/17 budget development.
Net Overspend / (Underspend)		(39)	45	(32)	

Finance and Integrated Service Support

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
Mi-Future	The costs of staff in SWITCH during the year are projected to exceed budget. £66k of the projected variance relates to staff on unfunded placement. The majority of the remainder relates mainly to staff whose placements are at a lower grade than their displaced post.	166	115	115	6 months budget is moved to Switch with displaced employees. The Mi-Future team continues to work towards a satisfactory resolution for each employee in SWITCH and when compared to severance costs SWITCH remains a cost effective solution.
Archive facility - the former Hopefield Primary School	The former Hopefield Primary School was being used as an archive and also for other storage until the fire on 17 th May. Alternative permanent storage arrangements with Iron Mountain have an anticipated cost of £24k in 2015/16 which is not budgeted.	77	77	24	No budget was provided as it was anticipated this facility would not be in operational use. Permanent off-site storage costs will be incorporated in the 2016/17 base budget.
Central Postages	The volume and cost of postages exceeds budget.	72	90	79	Despite changing suppliers and securing better prices the volume and mix of postages continues to exceed budget. Work continues to address this.
Protecting Vulnerable Groups and Public Sector Network disclosure checks	The volume of disclosure checks will exceed budget.	50	50	6	Work is ongoing to establish the level of retrospective checks still to be undertaken.
Employee Performance Factor	The budgeted employee performance factor is expected to be over achieved.	25	(48)	(14)	Delays in recruitment to vacant posts have resulted in a reduction to anticipated staff costs for the year.
Bank Charges	The shift towards electronic payments has led to increased transaction costs.	16	16	19	A review of bank charges is underway with the aim of negotiating lower rates with service providers.
Net Overspend		406	300	229	

Properties and Facilities Management

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
Bonnyrigg Leisure Centre	Security and Rates costs for the former Leisure Centre.	51	25	25	Demolition and building works are now underway. A partial refund of rates has been received.
Property costs for former Loanhead Social Work centre	Building is now demolished. Property costs were incurred up to handover date to demolition contractor.	8	8	8	One-off costs.
Gross Overspend		59	33	33	
<i>Offset by:</i>					
Snowsports Income	Tubing party income and consequent impact on cafe.	(90)	(90)	(127)	First full year of operation has shown higher than expected income. This has been incorporated into 2016/17 budget development.
Ski Matting	Use of existing stock has led to an underspend.	0	0	(51)	On-going budget requirements will be reviewed.
Utilities	Energy prices are lower than budgeted.	0	0	(102)	Any spells of exceptionally cold weather in the remaining part of the financial year will impact on this saving.
Catering Staffing	Difficulty recruiting to vacancies	0	0	(95)	Efforts continue to recruit to vacant posts targeting entry level applicants where appropriate.
Catering Meal costs	Meal costs are lower than budgeted as a consequence of movements in meal numbers and also suppliers prices.	0	0	(87)	Menus are reviewed regularly to maintain economy, maximise nutritional value and minimise wastage.
Property Investment Account	Lower than budgeted levels of voids during the year has led to higher levels of income than anticipated.	0	0	(27)	No impact on frontline service.
Net Underspend		(31)	(57)	(456)	

Other

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional Information / Action taken
Loan Charges	Since setting the 2015/16 budget the cost of borrowing to finance the	(197)	(477)	(417)	Projects that have slipped will now fall into 2016/17 so borrowing costs are only delayed.

	<p>General Services Capital Plan has reduced due to:</p> <ul style="list-style-type: none"> (a) Re-phasing of projects which has allowed deferral of long-term borrowing; (b) Reduction in borrowing costs through lower than forecast interest rates; (c) Increase in projected investment returns through utilisation of higher yield investment products, in accordance with investment strategy. 				
Central Costs	<p>Insurance costs – higher than budgeted estimated settlement costs for existing claims.</p> <p>Insurance costs – there has been an increase in premiums as a consequence of claims experience and additional coverage for a certain class of property.</p>	110	190	92	Detail of these claims is being reviewed and any mitigating action required will be put in place.
		72	71	71	This will be reflected as a budget pressure in future years.
Transformation Savings - Procurement	A target of £350k for procurement savings was set for 2015/16 which mainly reflected slippage in targeted savings for previous years. It is projected that £165k of this will be achieved.	185	185	185	<p>Procurement plans are currently being refreshed and this may identify further savings in 2015/16.</p> <p>Contract savings have been made or are planned for 2015/16 which impact on the Capital Account and the Housing Revenue Account.</p>
Transformation Savings - Maximising Attendance	The target of £155k will not been achieved in 2015/16.	155	155	155	Work continues to generate savings through maximising attendance.
Transformation Savings – Income Maximisation	The Target of £75k will not be achieved in 2015/16.	75	75	75	Progress towards efficiencies in this area will be consumed into the Delivering Excellence agenda.

Investment Income	Increased dividend income from the Council's shareholding in Lothian Buses.	0	0	(120)	This has been built into the 2016/17 base budget.
Council Tax and Community Charge Income	A continued growth in Band D equivalents results in a higher than budgeted Council Tax yield.	(230)	(250)	(250)	The continued growth in Band D equivalents will be factored into Council Tax income budgets for future years.

General Services Capital Plan 2015/26 Quarter 3 Monitoring

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

1 Purpose of Report

The purpose of this report is to provide Council with information on the projected performance of the General Services Capital Plan against budget for 2015/16.

2. Background

2.1 2015/16 Budget

The Quarter 2 monitoring position for the General Services Capital Plan for 2015/16 was presented to Council on 3 November 2015 and, after accounting for known rephasing of projects and project under/overspends, forecast expenditure of £20.380 million and funding of £16.865 million, therefore giving a forecast in-year borrowing requirement of £3.515 million.

2.2 Adjustments to 2015/16 Budget

Expenditure

The forecast expenditure of £20.380 million, as reported at Quarter 2, has been adjusted as outlined in Tables 1 and 2 below:-

Table 1: New Projects

Project	Description of amendment to budget	Project Budget £000's
Purchase of 7 Eskdaill Court, Dalkeith	Purchase as part of Dalkeith Town Centre feasibility	700
Electric Vehicles – Powerpoint Installation*	Charging point for electric vehicles on Council buildings	61
Corporate Telephony Services Upgrade	Upgrade to Council telephony system to maintain PSN compliance	54
Hopefield Primary School demolition**	Demolition of Hopefield Primary School (Council share of costs)	39
EWiM – Buccleuch House Ground Floor	Refurbishment of ground floor of Buccleuch House	33
Webcasting Council, Cabinet & Committee Meetings	Equipment and software to facilitate the webcasting of various Council meetings	19
Total		+906

* Note that this project is fully funded through Scottish Government grant

** Note that this project is part financed through the recovery of insurance monies.

In addition, the upgrade to the Council's website has now been approved by Business Transformation Board, with £0.125 million to be funded out of the existing unallocated funding in the plan.

Table 2: Rephasing of project budget

Project	Description of amendment to budget	Previous 2015/16 Budget £000's	Revised 2015/16 Budget £000's	2015/16 Budget Movement £000's
New Gorebridge Primary	Detailed cashflow received from contractor	2,972	3,421	+449
New Bilston Primary	Detailed cashflow received from contractor	2,928	3,162	+234
Street Lighting Upgrades	Acceleration of spend for replacement of columns on A701	496	646	+150
Back Office – UPS devices	Asset replacement – acceleration of roll-out	10	40	+30
Saltersgate Alterations	Spend classified as revenue in 2014/15 therefore not required from 2015/16 capital budgets	159	154	-5
Woodburn Family Learning Centre	Slippage in project expenditure	327	305	-22
Lasswade High School inc. MUGA	Delay in design works for MUGA of 1 month	202	172	-30
New recycling facility – Penicuik	Slippage in works	50	1	-49
Newbattle Centre Preparatory Works	Ongoing impact of ESA 10 delay	1,140	1,050	-90
Member's Environmental Improvements	Revised profile of spend based on in-year spend to date	280	140	-140
Paradykes & Roslin Preparatory Works	Start of on-site works now programmed for April 2016 with payments linked to milestones	667	523	-144
Paradykes Primary Replacement & Loanhead Hub	Start of on-site works now programmed for April 2016	500	0	-500
Roslin Primary Replacement	Start of on-site works now programmed for April 2016	500	0	-500
Total		10,231	9,614	-617

This therefore gives a revised budgeted expenditure of £20.669 million for 2015/16.

Funding

In line with this, the budgeted level of funding available to finance the plan has also been adjusted from the Q2 forecast funding of £16.865 million to £17.569 million, to reflect:-

- An increase of £0.061 million in Other Contributions, reflecting the award for full funding of the installation of charging points for Electric Vehicles;
- An increase of £0.314 million in Government Grants, reflecting:-
 - A reduction of £0.022 million of the Scottish Government's Early Year's Childcare Funding, rephased into 2016/17 in line with project expenditure;
 - An increase of £0.141 million of the Scottish Government's Early Year's Childcare Funding, to part-fund the refurbishment works at Bonnyrigg Leisure Centre for the Bright Sparks Nursery; and
 - A reduction of £0.195 million in the level of General Capital Grant funding which had been earmarked to fund Public Sector Housing Grants and Contaminated Land;
- An increase of £0.329 million in the application of developer contributions, reflecting the rephasing of expenditure in the plan; and

Borrowing

The forecast level of borrowing reported at Quarter 2 was £3.515 million. Based on the rephased expenditure and funding levels outlined above, the rephased budgeted borrowing required has reduced to £3.100 million.

2.3 Quarter 3 Projected Performance against Budget

Expenditure

Expenditure to 6 December 2015 is £8.014 million with a projected expenditure outturn of £20.877 million. At this stage it is anticipated that budgets for the projects detailed in Appendix 1 will be fully spent in the current year with the following exceptions:-

Table 3: Adjustment to expenditure budget of projects

Item	Description of adjustment to expenditure budget	Rephased Budget 2015/16 £000's	Projected Outturn 2015/16 £000's	Projected (Underspend)/ Overspend £000's
Bright Sparks	Design variances required due to complex alteration to existing building	356	564	+208

It is therefore expected that there will be a net overspend against budget for the year of £0.208 million. Options to fund this are currently being explored and include the utilisation of Early Year's Childcare Funding.

Funding

Funding received to 6 December 2015 is £10.171 million with a projected total funding available to finance the capital plan in 2015/16 of £17.569 million, in line with the rephased budget.

Borrowing

The rephased budgeted level of borrowing for 2015/16 was £3.100 million. Based on the revised expenditure and funding levels as outlined above, the projected estimate of the level of borrowing required to fund the investment identified in Appendix 1 is £3.308 million. The impact of this on the Council's borrowing costs is reflected in the Financial Monitoring 2015/16 – General Fund Revenue report elsewhere on today's agenda.

2.4 Overall Position 2015/16

Based on the above, the projected performance against budget for 2015/16 is shown in the table below:-

Table 4: Projected performance against budget for 2015/16 at Quarter 3

Item	2015/16 Budget At Q2 £000's	Rephased 2015/16 Budget At Q3 £000's	Actual To 06/12/15 £000's	2015/16 Projected Outturn £000's	2015/16 Variance £000's	2015/16 Carry Forward £000's
Expenditure	20,936	20,669	8,014	20,877	208	617
Funding	16,865	17,569	10,171	17,569	0	
Borrowing Required	4,071	3,100	-2,157	3,308	208	

3. Capital Fund

The Capital Fund at the start of the 2015/16 financial year was £14.853 million. Capital Receipts of £4.317 million are forecast to be received in 2015/16 (£2.256 million to 06/12/15), and will be transferred to the capital fund. This will increase the balance in the Capital Fund to £19.170 million. Officers are currently reviewing the medium to long term strategy for the utilisation of the Capital Fund and will report back in due course.

4. Report Implications

4.1 Resource

The borrowing required to finance the planned investment in 2015/16 is projected to be £3.100 million. The loan charges associated with this borrowing are reported to Council in the Financial Monitoring 2015/16 – General Fund Revenue report presented elsewhere on today's agenda.

4.2 Risk

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

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

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

4.4 Impact on Performance and Outcome

There are no issues arising directly from this report.

4.5 Adopting a Preventative Approach

There are no issues arising directly from this report

4.6 Involving Communities and Other Stakeholders

No external consultation has taken place on this report.

4.7 Ensuring Equalities

There are no equalities issues arising directly from this report.

4.8 Supporting Sustainable Development

There are no sustainability issues arising directly from this report.

4.9 IT Issues

There are no IT implications arising from this report.

5 Recommendations

Council is asked to:

- a) Note the General Services Capital Plan Quarter 3 monitoring position for 2015/16;
- b) Approve the projects as outlined in Table 1 in Section 2.2 to be added to the General Services Capital Plan.

Date 27 January 2016

Report Contact:

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Background Papers:

Appendix 1 – Detailed General Services Capital Plan Expenditure 2015/16

Appendix 1

Detailed General Services Capital Plan Expenditure 2015/16

	Rephased				
GENERAL SERVICES CAPITAL PLAN	2015/16	2015/16	2015/16	2015/16	2015/16
2015/16 Quarter 3 Monitoring	Budget	Actual	Projected	Variance	Carry
	Q3	to 06/12/15	Outturn		Forward
	£000's	£000's	£000's	£000's	£000's
RESOURCES					
Finance & Integrated Service Support					
Front Office - Device & Interactive Asset Upgrades	375	330	375	0	0
Back Office - Anti Virus Upgrades	0	0	0	0	0
Back Office - Server Replacement	160	41	160	0	0
Back Office - UPS Devices	40	32	40	0	0
Network Enterprise - Network Internet Connection	0	0	0	0	0
Network Enterprise - Network Assets (Power & Data)	75	15	75	0	0
IGS - Compliance - Data Encryption	0	0	0	0	0
IGS - Compliance - PCI	0	0	0	0	0
Disaster Recovery	0	0	0	0	0
Service Desk - ITMIS Service Improvement	50	0	50	0	0
Midlothian Website Development	5	0	5	0	0
IT Development (Education)	0	0	0	0	0
Committee Management System	15	10	15	0	0
Paperless Meetings	16	0	16	0	0
Business Application Upgrades inc. mobile working	100	16	100	0	0
Commercial Services					
Street Lighting Upgrades	646	518	646	0	0
Street Lighting LED Upgrade (Salix Funded)	200	178	200	0	0
Footway & Footpath Network Upgrades	1,000	41	1,000	0	0
Road Upgrades	1,521	587	1,521	0	0
A6106 Lugton	30	30	30	0	0
Millerhill Access Road / Site Services	100	15	100	0	0
Beeslack High School Safer Routes to School	0	0	0	0	0
Cycling, Walking & Safer Streets Projects	127	-11	127	0	0
Ironmills Park Steps	28	0	28	0	0
Emily Bing	13	0	13	0	0
New recycling facility - Penicuik	1	1	1	0	0
Waste Collection Vehicles	338	296	338	0	0
Food Waste Collection	526	374	526	0	0
Vehicle & Plant Replacement Programme	1,484	764	1,484	0	0
Electric Vehicles - Powerpoint Installation	61	61	61	0	0
Install Geogrid - Barleyknowe Lane	102	0	102	0	0
Bonnyrigg Skate Park	4	4	4	0	0
Newtongrange Wheeled Sports park	39	2	39	0	0
Loanhead Memorial Park	60	19	60	0	0
Riverside Park	26	0	26	0	0
20mph Limits	40	0	40	0	0
Vogrie Car Parking Barriers	33	0	33	0	0
CCTV Upgrade	93	0	93	0	0
Webcasting Council, Cabinet & Committee Meetings	19	0	19	0	0
Property & Facilities					
Stobhill Depot Upgrade	0	0	0	0	0
Property Upgrades inc. Lighting/Lightning	1,576	292	1,576	0	0
Purchase of 7 Eskdail Court, Dalkeith	700	0	700	0	0
Primary 1-3 Free School Meals	12	2	12	0	0
TOTAL RESOURCES	9,615	3,616	9,615	0	0

	Rephased				
	2015/16	2015/16	2015/16	2015/16	2015/16
	Budget	Actual	Projected	Variance	Carry
	Q3	to 06/12/15	Outturn		Forward
	£000's	£000's	£000's	£000's	£000's
EDUCATION, COMMUNITY AND ECONOMY					
Early Years					
Woodburn Family Learning Centre	305	1	305	0	0
Further Early Years Provisions	0	0	0	0	0
Primary					
Burnbrae Primary	23	0	23	0	0
New Bilston Primary	3,162	844	3,162	0	0
New Gorebridge North Primary	3,421	1,412	3,421	0	0
Rosewell Primary Extension	104	7	104	0	0
Corbank Primary Extension	24	-3	24	0	0
St Andrews Primary Extension	5	-13	5	0	0
Newtongrange Primary Extension	30	5	30	0	0
Paradykes & Roslin Primaries Preparatory Works	523	152	523	0	0
Paradykes Primary Replacement	0	0	0	0	0
Roslin Primary Replacement	0	0	0	0	0
Gorebridge Primary School Additional Classroom	12	12	12	0	0
Hopefield Primary School Demolition	39	164	39	0	0
Hawthornden Primary School Roof	6	6	6	0	0
Stobhill Primary School Footpath	22	22	22	0	0
Secondary					
Lasswade High School inc. 2nd MUGA	172	119	172	0	0
Newbattle Centre Preparatory Works	1,050	580	1,050	0	0
Newbattle Centre - Future Extension	0	0	0	0	0
Saltergate Alterations	154	62	154	0	0
General					
Online Payments for Schools	45	0	45	0	0
Bright Sparks	356	271	564	0	208
PPP1 Land Acquisition	27	0	27	0	0
Children and Families					
Eastfield Children's Unit	3	3	3	0	0
Woodburn Children's Unit	0	0	0	0	0
Planning & Development					
Environmental Improvements	140	38	140	0	0
Property Asset Management System	9	0	9	0	0
Dalkeith Town Centre (TCRF??)	1	1	1	0	0
TOTAL EDUCATION, COMMUNITY AND ECONOMY	9,633	3,685	9,841	0	208
HEALTH AND SOCIAL CARE					
Adult & Social Care					
Care Homes	1	1	1	0	0
Penicuik Care Home Hub	33	23	33	0	0
Penicuik Care Home Hub - Fit Out	0	0	0	0	0
Highbank OPH - Adaptations (Phase II)	0	0	0	0	0
Assistive Technology	260	24	260	0	0
Travelling Peoples Site Upgrade	17	0	17	0	0
Customer & Housing Services					
Libraries Cash Management System	-1	-1	-1	0	0
TOTAL HEALTH AND SOCIAL CARE	310	48	310	0	0
COUNCIL TRANSFORMATION					
Purchase to Pay	32	8	32	0	0
Property Services Review / Mobile Working	43	33	43	0	0
EDRMS	12	6	12	0	0
EWiM	125	180	125	0	0
EWiM Phase 2	661	438	661	0	0
Online Housing Applications	27	0	27	0	0
Corporate Telephony Services Upgrade	54	0	54	0	0
EWiM - Buccleuch House Ground Floor	33	0	33	0	0
Unallocated	125	0	125	0	0
TOTAL COUNCIL TRANSFORMATION	1,112	665	1,112	0	0
GENERAL SERVICES CAPITAL PLAN TOTAL	20,669	8,014	20,878	0	208

**Housing Revenue Account
Revenue Budget and Capital Plan 2015/16****Report by Gary Fairley, Head of Finance and Integrated Service Support****1 Purpose of Report**

The purpose of this report is to provide Council with a summary of expenditure and income to 18th December 2015 for the Capital Plan and a projected outturn for both the Housing Revenue Account and Capital Plan for 2015/16.

2 Background**2.1 Revenue Account 2015/16**

The underspend reported to Council on the 3rd November 15 was £0.497 million. This has increased by £0.348 million to £0.845 million, as shown in Appendix 1, and is due to:-

- Lower demand for reactive repairs due to continuous capital investment in existing stock will result in a projected underspend on repairs of £0.341 million;
- Pentland and Midfield House is now anticipated to open during 2016/17, the previously reported saving of £0.387 million at quarter 2 will now increase by £0.061 million to £0.448 million.
- The underspend on borrowing costs has increased by £0.049 million to £0.165 million due to rephasing of Capital expenditure and lower than forecast interest rates;
- Insurance claims in relation to three minor fire incidents will result in an overspend of £0.085 million.

The HRA reserve balance is projected to be £24.520 million at 31st March 2016. The longer term financial projections demonstrate that the majority of this will be required to finance existing investment commitments to 2029/30.

2.2 Capital Plan 2015/16

The revision of the Capital Plan reported to Council on 22nd September 2015 allowed for investment of £27.842 million in 2015/16 as shown in Appendix 2. £12.439 million will be required to be carried forward to 2016/17 due to:-

- Contaminated land issues and necessary remediation works on New Social Housing Phase 2 sites have resulted in delays within the programme and will result in slippage of £4.874 million;

- Difficulties in gaining access to a number of properties to carry out works will result in slippage of the Sanitary Ware Replacement Programme of £3.861 million;
- General slippage in the SHQS Repairs Programme and Upgrades of Central Heating Systems of £2.308 million and £0.903 million respectively;
- Pentland and Midfield House refurbishment works will not commence until the new financial year due to delays in obtaining House in Multiple Occupation Licences for the properties, therefore a carry forward will be required of £0.320 million and £0.040 million for the works respectively;
- Properties that previously declined Kitchen Replacements will now be revisited this will require a carry forward of £0.133 million.

There were no material variances reported to Council 3rd November 2015, however it is now anticipated that there will be an underspend of £0.868 million against the revised budget of £15.403 million due to:-

- A fall in the number of Mortgage to Rent cases being presented resulting in a projected underspend of £0.745 million offset by a reduction in subsidy received of £0.394 million;
- The backlog of properties requiring Aids and Adaptations has reduced significantly resulting in a projected underspend of £0.123 million;
- Earlier than anticipated receipt of Affordable Housing Contribution from Scottish Government of £0.820 million;
- An increase in the level of developer contributions received for Wester Cowden of £0.507million.

The variations on capital expenditure and receipts including carry forwards will result in a reduction of borrowing required of £1.801 million for the year.

3 Report Implications

3.1 Resource

There are no direct resource implications arising from this report.

3.2 Risk

The principal risks are around the issue of affordability, ensuring that the investment in new build and the existing stock can be made without having to impose unacceptable increases on weekly rents.

Whilst the HRA reserve balance is projected to be £24.520 million at 31 March 2016, the longer term financial projections demonstrate that the majority of this will be required to finance existing investment commitments.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

3.4 Impact on Performance and Outcomes

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

3.5 Adopting a Preventative Approach

There are no issues arising directly from this report.

3.6 Involving Communities and Other Stakeholders

No external consultation has taken place on this report.

3.7 Ensuring Equalities

There are no equality issues arising directly from this report.

3.8 Supporting Sustainable Development

There are no sustainability issues arising from this report.

3.9 IT Issues

There are no IT issues arising directly from this report.

4 Summary

The summarised financial performance for 2015/16 is:

- Capital Expenditure is anticipated to be £14.535 million for the year with a projected underspend of £0.868 million;
- A net undersend of £0.845 million is projected on the Revenue Account;
- The HRA reserve at 31st March 2016 is projected to be £24.520 million.

5 Recommendations

Council is recommended to note the contents of this report.

Date 8th October 2015

Report Contact:

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Background Papers: HRA Capital Plan and Revenue Budget

MIDLOTHIAN COUNCIL

HOUSING REVENUE ACCOUNT 2015/16

Appendix 1

	Revised Budget	Projected Outturn	Variation (Under)/Over
Average No of Houses	6,833	6,833	0
	£000's	£000's	£000's
Repairs and Maintenance			
General Repairs	5,516	5,175	(341)
Decant/Compensation	40	46	6
Grounds Maintenance	574	576	2
	6,130	5,797	(333)
Administration and Management	4,752	4,752	0
Loan Charges	8,276	8,111	(165)
Other Expenses	2,846	2,430	(416)
TOTAL EXPENDITURE	22,004	21,090	(914)
Rents			
Houses	(23,294)	(23,225)	69
Garages	(504)	(504)	0
Others	(504)	(504)	0
TOTAL RENTS	(24,302)	(24,233)	69
NET EXPENDITURE/(INCOME)	(2,298)	(3,143)	(845)
BALANCE BROUGHT FORWARD	(21,377)	(21,377)	0
BALANCE CARRIED FORWARD	(23,675)	(24,520)	(845)

HOUSING REVENUE ACCOUNT CAPITAL PLAN 2015/16

	Approved Budget 201516	Carry Forward to 201617	Revised Budget 201516	Actuals to Date	Projected Outturn	Variation (Under)/Over
	£'000	£'000	£'000	£'000	£'000	£'000
FUNDING						
Net Receipts from Sales	2,310	0	2,310	1,497	2,310	0
Grants						
-Incentivising New Build	100	0	100	920	920	820
-Mortgage to Rent	612	0	612	218	218	(394)
Council Tax on Second Homes	115	0	115	0	115	0
Developer Contributions	1,678	0	1,678	407	2,185	507
Borrowing Required	23,027	12,439	10,588	4,238	8,787	(1,801)
TOTAL AVAILABLE FUNDING	27,842	12,439	15,403	7,280	14,535	(868)

APPROVED EXPENDITURE	£'000	£'000	£'000	£'000	£'000	£'000
New Build Houses Phase 1	305	0	305	135	305	0
New Build Houses Phase 2	12,057	4,874	7,183	3,866	7,183	0
Aids & Adaptations	473	0	473	217	350	(123)
Environmental Improvements - McNeill Terrace	132	0	132	90	132	0
Energy Assistance	499	0	499	21	499	0
Homelessness - Mortgage to Rent	1,164	0	1,164	419	419	(745)
Homelessness - Pentland House Refurbishment	341	320	21	21	21	0
Homelessness - Midfield House Refurbishment	40	40	0	0	0	0
Scottish Housing Quality Standard						
-Kitchen Replacement	313	133	180	48	180	0
-Upgrade Central Heating Systems	1,753	903	850	201	850	0
-Sanitary Ware Replacement Programme	4,661	3,861	800	534	800	0
-SHQS Repairs	6,104	2,308	3,796	1,728	3,796	0
Total Expenditure	27,842	12,439	15,403	7,280	14,535	(868)

Lasswade Village 20 mph Trial

Report by Ricky Moffat, Head of Commercial Operations

1 Purpose of Report

The Council at its meeting of 16 December 2014 agreed;

“That the introduction of a 20 mph speed limit in Lasswade Village and Polton Road, Lasswade, be introduced, without delay, as a pilot project”.

A temporary traffic regulation order with a duration of 12 months was established along with the necessary regulatory road signs and markings. The speed limit area has been monitored and the trial period will expire on 31 March 2016.

Council are invited to consider the results of this pilot and whether to make this order permanent and consider whether 20 mph speed limits should be extended further across other areas of Midlothian.

2 Background

2.1 Speed Results

2.1.1 Monitoring of speeds in Lasswade Village before and after the change in speed limit from 30 mph to 20 mph has been carried out using automatic radar traffic counters. These traffic counters record the speeds, time of day and the direction that vehicles travel.

Seven main sites have been used for the surveys, as shown on the plan in Appendix 1. Five sites are on the A768 route and two are on Polton Road. Two other sites, on Church Road and Westmill Road, were also surveyed before the changes but vehicle flows were low (350 and 140 vehicles per day respectively) and average speeds were already below 20 mph so these counts have not been repeated.

The surveys generally last for seven days or more, and for twenty hours per day, seven days per week. The results can be analysed by time of day and day of week. Traffic volumes in this area were generally higher on weekdays than at the weekends, and speeds were slightly higher at weekends than during the week. Seven day averages have been compared with the five day averages for some sites – these indicated similar changes in vehicle speeds so this has not been repeated for all sites and the attached summary (Appendix 2) shows the weekday figures only.

- 2.1.2** Some minor problems were encountered with the counters but these were not considered statistically significant.
- 2.1.3** The data for each of the seven sites in each direction provides fourteen sets of figures to compare before and after the 10mph reduction in speed limit.

Of the fourteen average speeds, only five have changed by more than 1mph, and three of these five are at the two sites which are considered less reliable (one of these showed an increase of 2.2mph). The two reliable figures with the biggest change in average speeds were for northbound near the Laird and Dog Inn, with a reduction of 1.7mph, and northbound near 33 Polton Road with a reduction of 1.1mph. Overall the reduction in average speeds over the fourteen figures was 0.7mph (or 0.6mph without the four less reliable figures).

The 85%ile speeds (i.e. the speed that 85% of traffic travelled at or below) changed by similar amounts to the average, with one more site having a reduction of more than 1mph, northbound at Polton Road near the footpath to Broomieknowe.

- 2.1.4** At certain times of the day traffic speeds are restricted by the amount of traffic, so at times traffic was travelling at below 20mph, whether the speed limit was 20mph or 30mph. Another way of measuring the effect of the change in limit is to compare the proportion of vehicles travelling above set speeds. This indicated that before the 20mph limit 89% of traffic exceeded 20mph, and after the limit was lowered 88% still exceeded 20mph. As might be expected, there was more effect on those travelling at 30mph or more, and the proportion exceeding 30mph fell from 29.5% (when the limit was 30mph) to 24.2% (when the limit was 10mph below this).

The proportion exceeding 40mph also fell, from 1.0% to 0.8%. (This varied more widely between sites with over 3% exceeding 40mph at the eastern end of the 30mph limit in the before surveys and three sites having less than 0.1% exceeding 40mph).

As the limit was reduced to 20mph, the proportion exceeding the mandatory limit by 10mph or more increased from 1% to 24%, with over five thousand potential speeding offences per day to be enforced in Lasswade.

2.2 Accident Record

- 2.2.1** Since the 20 mph limit came into force on 1 April 2015, the Council have three months vetted accident data. There were no reported injury accidents in this time within the 20 mph limit. However there were no reported injury accidents in these three months in any of the previous three years. There was one accident in 2011, which involved a car pulling out from a junction in front of a stationary bus and colliding with a motorcycle which was overtaking it.
- 2.2.2** Unvetted data for August 2015 suggests there has been a pedestrian injured while trying to cross the road in the 20 mph limit, but

confirmation is awaited. In the full three years before the limit was reduced to 20 mph at the start of April 2015, there were four reported injury accidents in thirty six months, an average of one accident per nine months. This far there appears to have been one reported injury in seven months after the speed limit was changed. This period is too short and the numbers of accidents too small to be statistically significant.

2.3 Community Response

A response has been received from the Lasswade District Civic Society (Appendix 3) in support of making the 20 mph limit through Lasswade permanent.

2.4 20mph limits within Midlothian

Approval was given by Council at its meeting of 16 December 2014 to complete the introduction of lowered limits adjacent to the remaining nursery facilities in Midlothian. The legal orders have been processed with only a small number of sites to have the signing and markings laid to allow the lowered limits to be fully enforceable. This is expected to be complete by the end of February 2016.

The results from the trial in Lasswade indicate limited change in driver behaviour.

Notwithstanding the positive comments from Lasswade District Civic Society with regards to the lowered limit, it is questionable as to whether extending these limits to other areas would be viewed as value for money, particularly given the Council's financial position.

3 Report Implications

3.1 Resource

Promoting a permanent traffic regulation order for Lasswade will cost in the order of £1000, which could be met from existing budgets.

Costs, amounting to £460,000 have been detailed in the report to Council dated 16 December 2014 to extend 20 mph zones in residential areas with the first phase adjacent to schools.

It should be noted that there are ongoing maintenance costs associated with the road infrastructure to support the introduction of 20 mph areas which would place additional burdens on the Road Services budget.

3.2 Risk

The risk of establishing 20 mph speed limits with signs and road markings only is that drivers may not comply and vehicle speeds may remain unchanged. In the event this may generate requests for physical traffic calming features.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

3.4 Impact on Performance and Outcomes

A strategic plan of putting in place 20 mph limits may reduce accidents and hence improve performance on casualty reduction targets.

However, given the road safety record within the areas identified, any reductions may be minimal. However it is viewed 20 mph limits may improve the environment for walking and cycling and improve performance in Midlothian of increasing sustainable transport and reducing road traffic.

3.5 Adopting a Preventative Approach

The use of 20 mph limits provides safe environments for walking and cycling, subject to motorists obeying the lower limits. If behavioural change is achieved by strategically implementing lower limits, road casualties could be prevented.

3.5 Involving Communities and Other Stakeholders

A permanent traffic regulation order includes a compulsory consultation process including street bills and newspaper advertisements. This is in addition to writing to statutory consultees, e.g. Fire, Police, Ambulance, and Community Councils.

Dialogue has been ongoing with Lasswade and District Civic Society in relation to Lasswade and their response is attached.

3.7 Ensuring Equalities

Equality issues have been considered and the findings detailed in the equality impact assessment attached.

3.8 Supporting Sustainable Development

20 mph limits provide safe environments for walking and cycling. Walking and cycling are sustainable forms of transport and contribute to this objective.

3.9 IT Issues

There are no IT issues associated with this report.

4 Summary

This report advises Council of the findings from the 20mph trial that has been undertaken in the Lasswade village area. In addition to considering whether this lower limit should be made permanent, Council are asked to consider whether 20mph limits should be extended to other areas.

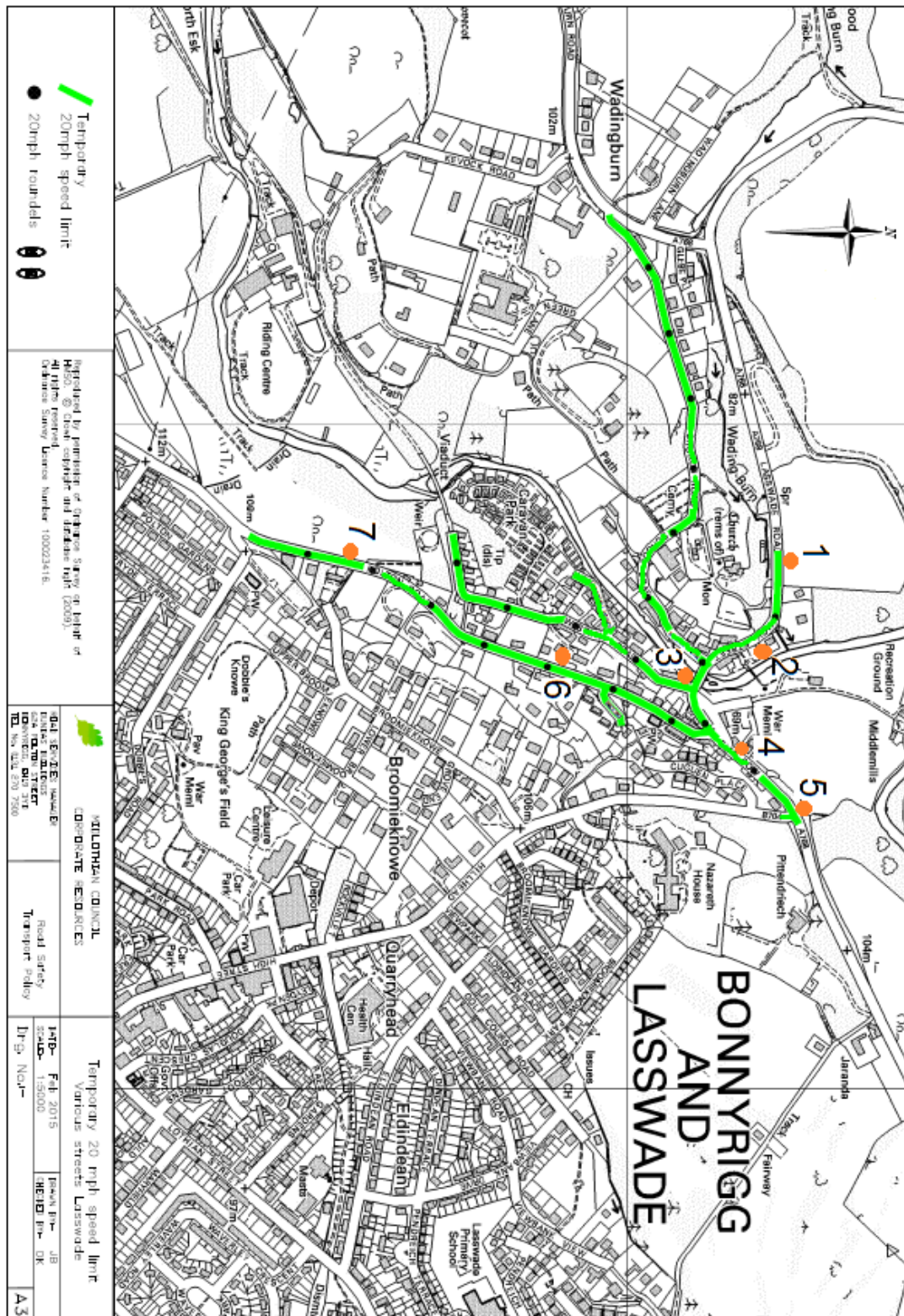
5 Recommendations

Council is asked to:-

- a) Consider the 20 mph Speed Limit pilot at Lasswade, and determine if the scheme should be made permanent.
- b) Take no action at this time to introduce any further 20mph speed limits in Midlothian

20 January 2016

Report Contact: Lindsay Haddow Tel No 0131 271 3501
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Midlothian Radar Speed check sites - Lasswade before and after limit changed to 20mph on 01/04/2015																
Route no.	Radar Speed Count Sites	Dates		Dir Ch1 heading	Average daily traffic		Speeds mph			Ch 1 %exceeding mph			Ch 2 %exceeding mph			
		from	to		Ch 1	Ch 2	Ave 1	Ave 2	85% 185% 2	20	30	40	20	30	40	
1	A768 86- o/s 20 Lasswade Road	21/03/2011	29/03/2011	W	9963	9923	29.4	25.8	34.3	30.0	95.8	35.9	0.4	90.8	5.0	0.0
	A768 233- west end of Lasswade HS	24/03/2014	31/03/2014	W*	10238	9774	28.9	29.0	34.8	33.8	89.5	39.0	1.1	96.6	30.5	0.3
	A768 86- o/s 20 Lasswade Road**	08/04/2015	20/04/2015	W	10861	10849	28.6	31.2	35.2	36.0	88.0	38.1	1.9	96.4	54.6	3.0
							0.3	-2.2	-0.4	-2.2	1.5	0.9	-0.8	0.2	-24.1	-2.7
2	A768 284-Lasswade Rd opp Laird&Dug	09/03/2015	16/03/2015	S	6369	8282	26.4	28.3	30.4	32.3	92.4	7.9	0.0	96.2	19.8	0.1
	A768 284-Lasswade Rd opp Laird&Dug	24/06/2015	30/06/2015	S	7672	8443	26.3	26.6	30.4	30.4	92.1	9.5	0.0	94.3	8.9	0.0
							0.1	1.7	0.0	1.9	0.3	-1.6	0.0	1.9	10.9	0.1
3	A768 228- S side of Lasswade Bridge	18/02/2014	02/03/2014	W	8573	9771	18.7	22.5	22.5	26.0						
	A768 285-High Street at Westmill Road	09/03/2015	31/03/2015	W	8526	8625	20.2	22.8	24.4	25.7	43.1	0.0	0.0	77.3	0.0	0.0
	A769 285-High Street at Westmill Road	01/04/2015	03/05/2015	W	8380	8510	20.1	22.4	24.3	25.5	41.2	0.0	0.0	71.5	0.0	0.0
							0.1	0.4	0.1	0.2	1.9	0.0	0.0	5.8	0.0	0.0
4	A768 286-Elm Row opp old garage	17/03/2015	31/03/2015	SW	7258	9169	29.1	29.5	34.6	34.7	93.9	35.1	1.2	94.9	38.8	1.2
	A768 286-Elm Row opp old garage	01/04/2015	07/04/2015	SW	7133	8927	29.0	29.0	34.5	34.5	94.8	32.9	1.3	94.0	34.4	1.1
							0.1	0.5	0.1	0.2	-0.9	2.2	-0.1	0.9	4.4	0.1
5	A768 229- eastern ent to Lasswade	18/02/2014	03/03/2014	W	3219	4210	31.7	31.4	37.2	37.1	96.0	62.4	3.1	92.3	60.9	3.6
	A768 229- eastern ent to Lasswade	23/06/2015	30/06/2015	W	7743*	9471*	28.4	29.1	33.9	34.6	94.3	27.9	0.8	94.8	35.3	1.1
	*NB numbers in after count too high (double counting some vehs?)															
							3.3	2.3	3.3	2.5	1.7	34.5	2.3	-2.5	25.6	2.5
6	u/c 280-Polton Road opp no 33	16/03/2015	31/03/2015	S	3313	3351	26.2	27.1	31.4	32.0	86.4	16.1	0.2	91.6	18.2	0.2
	u/c 280-Polton Road opp no 33	01/04/2015	09/04/2015	S	4051	3940	25.8	26.0	30.8	30.9	85.1	13.7	0.3	85.1	14.4	0.2
							0.4	1.1	0.6	1.1	1.3	2.4	-0.1	6.5	3.8	0.0
7	u/c 283-Polton Road oppFP to B'know	09/03/2015	16/03/2015	S	3717	4407	31.2	29.2	35.9	34.1	97.6	53.0	2.7	97.2	31.7	0.7
	u/c 283-Polton Road oppFP to B'know	23/06/2015	30/06/2015	S	2961	2897	30.5	28.3	35.4	33.0	97.2	46.7	1.8	97.4	22.9	0.3
							0.7	0.9	0.5	1.1	0.4	6.3	0.9	-0.2	8.8	0.4



Lasswade District Civic Society

OUR ASSESSMENT OF THE LASSWADE AREA 20MPH SPEED LIMIT PILOT

EIGHT MONTHS ON

The Society has maintained a continuing watch on the experience of local residents during the pilot period. There has been no formal consultation with members solely on this topic, but there has been constant interaction between the LDCS Committee and several individual members, members have been encouraged to pass their views to us, and our local representatives across our membership area have provided comment from time to time through the year.

Council officials have helpfully provided data from seven speed management sites demonstrating that there has been a small, but welcome, impact on speed levels since the pilot started. However, speeds outside rush hour times have not come down proportionately towards the new limit, and as a result relatively more motorists appear now to be breaking the law on their journeys through Lasswade.

Our expectation is that this situation will improve gradually, as motorists become aware of and accustomed to the new limit. It would also be helpful in encouraging this expected improvement if compliance was to be supported by the Police, principally by undertaking a series of mobile checks, using their hand held cameras, which will raise awareness amongst motorists. The first such check undertaken a couple of months ago will have reminded motorists of the new arrangements.

Anecdotal evidence from local residents, particularly in the vicinity of Lasswade Bridge, indicates that there is a general feeling that the traffic flow is slower and safer, and that access into and out of driveways and side roads on the A786 is easier. Certainly the Bridge has escaped further damage during this period, and the local community is supportive of measures to make the limit a permanent feature.

The Council and its officials are to be congratulated for being responsive to local concerns by both their decision to undertake the pilot and by then in implementing it in a sensible way and monitoring results. We would encourage a Council decision to make the new limit a permanent feature, or to extend the pilot for a further 2 years to enable it to become more widely recognised and complied with.

There are still issues of non-compliance in those areas where limits move from 40mph or even 60mph down to 20 mph. Speeds entering the Village are still a concern, with a significant proportion of traffic exceeding the new limit at the entry points by a substantial margin. This is shown by the Council's statistics.

So what else can be done to make the limit more effective in addition to more frequent enforcement action? We acknowledge cost issues for the Council generally at the present time which might result in high cost solutions leading to budgetary problems, but we believe that there are relatively low cost options that could be adopted and could be supported by our local councillors using some of their discretionary environmental improvements allocation, which we understand has built up to a significant level of capital and revenue reserves.

These potential options include –

- Erection of electronic “Your Speed Is....” signs at speed measurement sites 1,4 and 7, which would provide reminders to drivers that they should be reducing speed as they approach Village entry points on the steep hillside roads. There are many other locations of such signs across Midlothian, including the sign previously at Straiton on the way off the A7 and into Loanhead that seem effective at reminding drivers to slow down
- Countdown signs, showing 3, 2 and 1 bars, leading up to the places where the 20mph limit starts, would again raise visibility for drivers of the upcoming speed restrictions.
- Road markings to be updated and extended to emphasise the start of the restricted areas.

Some members have raised from time to time the difficulties experienced in turning right onto the A786 at the foot of Hillhead and also Polton Road and at the West Mill Road junction. We did debate with Council officials some time ago whether one or more additional sets of traffic lights might be a solution, but this was seen as a potentially ineffective remedy given the proximity of the junctions.

We would be interested in hearing whether there are other potential solutions here, as we can only see that these issues will become more marked in the next few years as first the new development in West Mill Road is completed and second the impact of any implementation of new housing supply under the Midlothian Local Development Plan becomes apparent. Our members would be interested to understand the parameters for effective action here.

To conclude, LDCS and its members generally fully support the continuation and extension of the 20mph pilot, and any decision not to do so would be seen as incomprehensible. We also believe that the addition of the low cost options to improve its effectiveness as referred to above could have a materially beneficial impact which would be welcomed by all.

Commercial Waste Collection: Trade Waste Charges 2016/17**Report by Ricky Moffat, Head of Commercial Operations****1 Purpose of Report**

The purpose of this report is to seek approval for a proposed price increase of 10% in financial year 2016/17 for the Council's Trade Waste Charges.

This proposal will:-

- Address a budget shortfall which has arisen due to a change in the customer base and type of waste collected by the Council.
- Ensure the Council recovers the full operating and disposal costs for providing this service.
- Recognise that the recycle market is particularly volatile at this time and reduce the potential risks in collecting and disposing of each waste stream.
- Continue to build on previous work which endeavours to support businesses in reducing material which would otherwise be sent to landfill.
- Review prices for the first time since 2014/15.

2 Background**2.1 Legal Requirements**

It is incumbent on Local Authorities, and indeed supported by Scottish Government legislation that Councils fully recover the costs associated with the collection and disposal of commercial waste.

In this regard Council's have a statutory duty to arrange for the collection and disposal of commercial waste, from commercial premises, if requested by the occupier of premises within its authority area. This is in accordance with section 45 of the Environment Protection Act 1990.

One exception to the charging levels relates to charities. A local authority can charge for the collection costs but not the actual disposal costs. Accordingly it is proposed that a sum equal to the anticipated disposal costs for this waste stream for charities is identified separately and provision is made in the Council's budget.

Currently the Council services approximately 96 charity premises/facilities.

2.2 Factors Affecting Service Delivery

Council will be aware that in late 2018 residual waste will be taken to the new energy from waste facility to be constructed at Millerhill.

Currently this waste stream is disposed of through the contract with New Earth Solutions. The actual disposal element of this waste stream is in accordance with the current contract and future disposal costs will be established utilising the contract with FCC. The disposal costs per tonne over the recent period and for 2016/17 are shown below.

	2014/15	2015/16	2016/17
Tipping Fees	£10.95	£12.23	£13.50
Landfill Tax	£80.00	£80.52	£80.93
Haulage	£9.48	£8.99	£9.32
Total	£100.43	£101.74	£103.75
Year on Year change	+1.7%	+1.1%	+2.0%

In addition to increased disposal costs, other costs will increase e.g. base staff costs increased by 1.50% in 2015/16 and are projected to increase by a further 1% in 2016/17 in addition other employers costs are projected to increase. Furthermore vehicle costs (excluding fuel) continue to rise in line with continued investment in new vehicles by the Council.

Similarly dry recyclate will continue to be disposed in accordance with the rates contained within the contract currently operated by Viridor.

However, this market is proving to be extremely volatile with significant cost increases being experienced.

In setting the rate for the disposal of dry recyclate therefore there is a requirement to ensure the Council is not exposed to further costs as a result of the depressed market and requires to offer a service which reduces the potential risk.

Furthermore the wider economic impact has been affecting customers and the number of customers choosing to use the Council trade waste service has declined over the last few years.

2.3 Price Increases

Appendix 1 outlines the proposed Trade Waste Charges for 2016/17.

2.4 Review of the Service

It is also proposed in light of the changing waste management and recycling market that the Head of Commercial Operation conducts the ongoing review of review of the service.

In the short term the following activities are planned:-

- Cessation of Season Tickets
- Rationalisation of collection frequencies.

3 Report Implications

3.1 Resource

The Trade Waste Service is provided by the Council to both internal and external customers and the following table summarises the estimated financial impact of a 10% price increase

	Internal	External	Total
Estimated cost of service provision	£313,000	£305,000	£618,000
Projected income 2016/17	£318,000	£316,000	£634,000
Net income surplus	£5,000	£11,000	£16,000
Existing Income Budget	£300,000	£369,000	£669,000
Projected Shortfall against income Budget	(£18,000)	£53,000	£35,000
Match internal income and expenditure budgets	£18,000	£0	£18,000
Increase required to 2016/17 budget	£0	£53,000	£53,000

The £18,000 of additional income from Internal Customers would be matched by an increase in Service Directorate budgets and is therefore budget neutral. It is anticipated that the Trade Waste income budget will be under-recovered by approximately £96,000 in 2015/16. A 10% increase in charges would reduce this to £53,000 which would require to be included to the 2016/17 base budget.

3.2 Risk

Given the difficult budget position facing the Council, failure to ensure that the costs of providing a waste service to commercial customers are fully recovered would exacerbate an already difficult financial position.

Similarly failure to encourage full recycling would impact on the Council's ability to fully meet its zero waste obligations.

The proposed pricing strategy as set out in this report in part mitigates the volatile nature of the recycling market.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:-

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

3.4 Key Priorities within the Single Midlothian Plan

The proposals set out in this report allow the Council to support its aim of “taking a lead in encouraging the more efficient management of waste”.

3.5 Impact on Performance and Outcomes

This report is not proposing any new services or policies. However it is necessary to increase trade waste charges to ensure the service recovers the financial costs, whilst at the same time enables the Council to meet its legal responsibilities of providing the service.

3.6 Adopting a Preventative Approach

Increasing trade waste charges ensures the Council recovers fully the costs of providing this service and encourages customers to review their approach to waste management.

3.7 Involving Communities and Other Stakeholder

No consultation is necessary as the Council is required to recover costs of collecting trade waste from Non Domestic Customers. However, the Director Resources will advise customers directly of the revised charging arrangements as proposed in this report.

Additional the Director Resources will advise the chair of the local business association directly of the proposed increase in charges as set out in this report.

3.8 Ensuring Equalities

This report is not proposing any significant changes to services and therefore has not been assessed for equalities.

However it is proposed that charities will continue to be offered a free collection service and only being required to pay the disposal costs for their waste in accordance with the legislative framework.

3.9 Supporting Sustainable Development

There are no sustainable development issues arising directly from this report.

3.10 IT Issues

There are no IT implications arising directly from this report.

4 Summary

This report proposes changes to the Council's Trade Waste service as follows;

- Revise the standard charges to reflect the operating costs incurred by the Council based on customer basis.
- Continue to encourage businesses to recycle their waste.

5 Recommendations

Council is recommended to: -

- a. Approve a 10% increase in charges and the addition of £53,000 to the 2016/17 budget
- b. Authorise the Director, Resources to advise all customers of the changes; and
- c. Introduce the revised arrangements with effect from 1 April 2016.

21 January 2016

Report Contact: Ricky Moffat, Head of Commercial Operations

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Background Papers:

Appendix 1 – Trade Waste Charges

Waste Management Trade Waste Charges

Scale of Charges

Table 1:Residual Waste

Size & Frequency		Residual			
		2012/13	2013/14	2014/15	2016/17
Bin Size	Frequency	Annual Cost £s	Annual Cost £s	Annual Cost £s	Annual Cost £s
240 Litre	1 per fortnight	-	99.09	109.00	120.00
240 Litre	1 per week	176.94	198.17	218.00	240.00
240 Litre	2 per week	353.88	396.35	436.00	480.00
360 Litre	1 per fortnight	-	134.79	148.00	163.00
360 Litre	1 per week	239.62	268.37	295.00	325.00
360 Litre	2 per week	479.24	536.75	590.00	649.00
660 Litre	1 per week	394.32	441.64	486.00	535.00
660 Litre	2 per week	788.64	883.28	972.00	1,069.00
1100 Litre	1 per week	619.78	694.15	764.00	840.00
1100 Litre	2 per week	1,239.56	1,388.31	1,527.00	1,680.00
Ro-Ro Box	1 per week	6,330.27	7,089.90	7,799.00	8,579.00
Ro-Ro Box	2 per week	12,660.54	14,179.80	15,598.00	17,158.00

Table 2: Charity

Bin Size	Frequency	Annual Cost £s	Annual Cost £s	Annual Cost £s	Annual Cost £s
240 Litre	1 per fortnight	-	65.11	72.00	79.00
240 Litre	1 per week	116.27	130.22	143.00	157.00
240 Litre	2 per week	232.56	260.47	287.00	316.00
360 Litre	1 per fortnight		83.04	91.00	100.00
360 Litre	1 per week	147.63	165.35	182.00	200.00
360 Litre	2 per week	295.23	330.66	364.00	400.00
660 Litre	1 per week	225.47	252.53	278.00	306.00
660 Litre	2 per week	450.94	505.05	556.00	612.00
1100 Litre	1 per week	342.75	383.88	422.00	464.00
1100 Litre	2 per week	685.50	767.76	845.00	930.00

Table 3:Recycling Bins etc

		2014/15	2016/17
Bin Size	Frequency	Annual Cost £s	Annual Cost £s
240 Litre	1 per fortnight	49.00	54.00
240 Litre	1 per week	99.00	109.00
360 Litre	1 per fortnight	74.00	81.00
360 Litre	1 per week	148.00	163.00
660 Litre	1 per week	272.00	299.00
1100 Litre	1 per week	452.00	497.00

Table 4:Bin Lease Charges

Lease Cost 2013/14		Lease Cost 2016/17	
Bin	Cost	Bin	Cost
240	10.8	240	11.88
360	19.2	360	21.12
660	112.8	660	124.08
1100	116.4	1100	128.04

Partnership Working Update

Report by Chief Executive

1 Purpose of Report

- 1.1** The purpose of this report is to provide Council with an update in relation to the following areas of partnership working across Midlothian and East Lothian Councils:

- Trading Standards
- Contingency Planning

2 Background

- 2.1** On 23 June 2015 Council received a Partnership Working Update Report which included an update on the position of the previously agreed pilot for Environmental Health and Trading Standards, which, in paragraph 3.2 stated:-

“The experience of the pilot partnership, the external national context, and the outcome of substantial discussion with the staff in both Councils, indicates that joining together to form a single Trading Standards service can be regarded favourably. Accordingly, work is ongoing to examine practices with a view to recommending a move to a partnership service within the next six months.”

And at paragraph 3.3 noted that further consideration would be given regarding the existing Emergency Planning (Contingency Planning) arrangements.

3 Partnership Working Updates

- 3.1** In relation to Trading Standards a report to the Joint Liaison Group on 18 January 2016 advised that:-

“The experience of the pilot partnership has demonstrated that there would be merit in moving to a permanent single service arrangement. The small size and limited capacity of each of the Councils’ teams suggest that continuation of the status quo would not be consistent with trying to develop an excellent level of services. This issue is recognised at national level, with Scottish Government clearly indicating that Councils should consider sharing of their trading standard services. A full assessment of the operational arrangements in both Councils shows that there are no significant impediments to integration. Similarly, consultations with existing staff and the trades unions have not revealed any matters which would prevent integration.

Accordingly, moving to a co-located single service has benefits for customers in terms of quality and consistency of service, for staff who will have greater opportunities for gaining wider experience and training, and for the Councils which will be able to provide the service more effectively and efficiently.”

- 3.2** At their meeting on the 18 January 2016, the Joint Liaison Group, having heard from the two Chief Executives, endorsed the proposals to proceed with a single co-located service.
- 3.3** In relation to Emergency Planning a report to the Joint Liaison Group on 18 January 2016 considered Contingency Planning Services and proposed the sharing of East Lothian’s Risk and Emergency Planning Manager for an initial 12 month period starting 1 April 2016.
- 3.4** Whilst the report noted the primary benefits of joint working relating to resilience and expertise and knowledge sharing it also noted the following:
- *Greater resilience in the ability to respond to complex and/or prolonged emergencies, due to having more trained staff with cross-boundary responsibility*
 - *Minimised duplication at regional liaison and co-ordination meetings;*
 - *Streamlined systems for plan updates, emergency contact directories and communication methods and techniques;*
 - *Shared expertise to draw on best practice including rolling-out support staff initiatives, creating a combined pool of officers to act as advisors for each Councils strategic representatives;*
 - *Development of other mutual aid initiatives for emergency responses;*
 - *Increasing capacity for future specialisation, replacing the current generalisation of contingency planning officers’ skills. This could be realised through, unifying existing training and plan development skills e.g. for hazardous sites; outbreaks of human disease; pollution; animal health or emergency rest centres;*
 - *Staff development in a larger structure would offer improved personal development opportunities leading to improved retention and promotion opportunities*

Furthermore in recent times the support of the Council in responding to emergencies has increased partly due to the changing climate conditions and a greater expectation from communities that Local Authorities will have a role in responding to emergency situations. Additionally the sharing of resources enables a flexible approach to be adopted to take cognisance of the requirements of the two Councils.

- 3.5** The initial proposal in the report is that East Lothian Council’s Risk and Emergency Planning Manager will spend up to 33.33% of his time supporting Midlothian Council over the first twelve month period to program and manage the planned joint Contingency Planning functions, allowing information to be gathered to support and refine the arrangement in due course.

As a result Midlothian Council would pay 33.33% of the cost of the Risk and Contingency Planning Manager for the twelve month period from April 2016.

- 3.6** The purpose of the initial 12 month period is to provide service resilience for both Councils, while allowing the benefits of the arrangement between the Councils to be examined more closely and based on real time joint working arrangements and experience. The report further noted that an interim update report would be provided after 6 months by the two Councils to the Joint Liaison Group.
- 3.7** The Joint Liaison Group, having heard from the two Chief Executives, at their meeting on the 18 January 2016, endorsed the proposals for an initial sharing of East Lothian's Risk and Emergency Planning Manager for a 12 month period with an update report due following the first 6 months of operation.

4.0 Report Implications

4.1 Resource

Whilst the Partnership Working proposal updates noted in this report will be progressed within the existing resource plans across both Councils there is an additional cost associated with sharing East Lothian's Risk and Emergency Planning Manager for Midlothian as noted in 3.5. The anticipated cost of the proposal as set out in this report is £20,000 which has been included in the 2016/17 base budget.

4.2 Risk

Continuing to explore partnership working arrangements ensures that services are provided in accordance with best value principles as effectively and efficiently as possible. A pre-requisite to any partnering arrangement is that the Council's resilience in these areas at least should be maintained and, if possible, should be improved.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

4.4 Key Priorities within the Single Midlothian Plan

The proposals set out in this report contribute to the Safer and Stronger Communities Partnership Working.

4.5 Impact on Performance and Outcomes

Insert text here

4.6 Adopting a Preventative Approach

As set out in section 3.4 the benefits of joint working contribute to both Councils to insure resilience and contribute to the wellbeing of both Council areas.

4.7 Involving Communities and Other Stakeholders

There has been extensive dialogue between the two Councils as part of the ongoing joint work.

4.8 Ensuring Equalities

This report has no direct impact on equalities.

4.9 Supporting Sustainable Development

The proposals outlined in this report enhance the ability of Midlothian and East Lothian Council's contingency planning capacity.

4.10 IT Issues

There are no direct IT implications arising from this report.

5 Summary

This report updates members on specific partnership working activities being progressed across council services in Midlothian and East Lothian. A principle which has been followed in all of these deliberations has been to seek opportunities which will enhance the quality of service delivery and/or allow service delivery levels to be sustained in the light of current and future budget reductions.

6 Recommendations

Council is asked to:

- (i) Note and approve the proposal for a single co-located Trading Standards service for East Lothian and Midlothian Councils.
- (ii) Note and approve the initial sharing proposals in relation to Contingency Planning and note that an update report will be presented to the Joint Liaison Group after 6 months.
- (iii) Approve the additional budget requirements for the costs associated with the 33% apportionment of the joint Risk and Emergency Planning Manager to be included in the 2016/17 budget.

Date: 18 January 2016

Report Contacts: Myra Forsyth, Joint Partnership Manager

Background papers: None

Consultation on the Catchment Areas of Schools on A701 Corridor**Report by Mary Smith, Director, Education, Communities and Economy****1 Purpose of Report**

- 1.1 The purpose of this report is to seek the Council's approval to implement the proposed establishment of a new primary school at Bilston Public Park, Bilston and creation of its catchment area, changes to the catchment areas of Roslin, Loanhead and Paradykes Primary Schools, and the relocation of Paradykes Primary School to the replacement school site at George Avenue, Loanhead. A copy of the consultation report is attached as Appendix 1 to this report. A copy of Education Scotland's report on the consultation is included in the consultation report. A file with copies of the representations made during the consultation has been placed in the Members' Library.

2 Background

- 2.1 In December 2014 officers obtained governance to undertake statutory consultation to establish the catchment area for a new non denominational primary school in Bilston and on proposals to revise the catchment boundaries for Loanhead and Paradykes Primary Schools. That consultation concluded in November 2015 and the consultation report was published on 11 January 2016 and is attached as Appendix 1 to this report.
- 2.2 There has been a period of 3 weeks for further consideration since the publication of the consultation report.
- 2.3 Overall the consultation was received positively by pupils, parents, school staff and the community. The relatively low turnout at the public consultation sessions and the small number of written responses reflects the broad acceptance of the proposals. Of the written responses, 71% of the comments across the four proposals were clear statements of support.
- 2.4 Education Scotland has carried out an independent and impartial consideration of the Council's consultation proposal and published its report on 11 January 2016, which is included in the consultation report attached.
- 2.5 The Education Scotland report summary states that the Council's proposal has the potential to be of educational benefit to children and the local communities served by the schools affected and that the majority of stakeholders supported the proposals. It identifies areas where the Council should provide further detail to parents and children. These areas are addressed in the final proposals presented to Council in this report.
- 2.6 Queries were received around pupil numbers at Loanhead Primary School, its capacity and the changes to its catchment area. A high proportion of comments related to the inclusion of development site h54 in the catchment for Paradykes

Primary School and the need for pupils from this area to cross the B702 to get to and from school. A number of options were considered when formulating proposal 3 and the proposal as set out will balance the occupancy rates of both schools at around 82-84% of capacity as the house building takes place. Over 60% of the pupils attending non-denominational primary schools from the existing streets that are proposed to transfer already attend Paradykes Primary School as a result of placing requests. The proximity of the two schools and the location of the existing and planned houses make it inevitable that some pupils will travel past one school to attend the other, and that some pupils will need to cross the main thoroughfares of the town.

- 2.7 A common topic raised during the consultation was safe routes to schools and this was noted by Education Scotland. When detailed planning work is done for a new school the access routes using all modes of transport from the housing areas in the catchment are considered and the Policy and Road Safety Team creates a School Travel Plan with safe routes to school. Walking routes, cycle paths, roads, bus routes and parking are revised, where appropriate, with lowered speed limits, additional crossings and lighting etc. Traffic flow and road design is considered in the review although it must be acknowledged that the peak times for pupils travelling to and from school are short and any impact on traffic flow is short-lived. School Travel Plans for existing schools will be reviewed in light of the changes to catchment areas.
- 2.8 During the consultation representations were made about children who are already attending, or registering to attend, one of the schools affected by the proposals and will become out of catchment when they are implemented. There have also been representations about younger siblings who will attend the schools in future years. A related query was raised regarding children already at a nursery attached to a primary school who will have a different catchment school when they start Primary 1.
- 2.9 The Council wishes to reassure all pupils already attending a school whose house is moving from the catchment of one school to the catchment of another that they can remain at their current school.
- 2.10 The transition arrangements the Council will put in place will minimise adverse effects. The Council will continue to prioritise the granting of placing requests for siblings of children already at a school.
 - In relation to Proposals 1 and 2 (establishing Bilston primary school and its catchment area, and rezoning the area of Loanhead Primary School's catchment west of the A701 to Bilston primary school).

For pupils entering Primary 1 in August 2016 and 2017, the Council will prioritise the granting of placing requests for children who would have been in the catchment had it not been for the changes. The Council will include enrolment at nursery when considering priority for pupils entering Primary 1 in August 2016 and 2017 for the schools affected by these proposals.

- In relation to Proposal 3 (transferring areas from the catchment of Loanhead Primary School to Paradykes Primary School).

Following representations during the consultation, the implementation of Proposal 3 will be delayed until the replacement Paradykes Primary School is completed, scheduled for August 2017. For pupils entering Primary 1 in the first year of the replacement school's operation, the Council will prioritise the granting of placing requests to Loanhead Primary School for children who would have been in the

Loanhead catchment had it not been for the changes. The Council will include enrolment at nursery when considering priority for pupils entering Primary 1 at Loanhead in the first year of the replacement school's operation.

Thereafter the Council will continue to support parental choice, where there are school spaces available, via normal placing request procedures.

- 2.11 Where transport is currently provided to pupils attending their catchment school, the transport will continue to be provided if their catchment school changes but they continue to attend their original school. For example this will apply to pupils from Bilston who will be attending Roslin Primary School in Primary 6 or 7 from August 2016, where it will be continued until the end of academic year in July 2018 when the last of these pupils will transition to secondary school. It will also apply to pupils from areas such as Damhead who attend Loanhead Primary School.
- 2.12 The new Bilston primary school will join the Beeslack Associated School Group. Loanhead Primary School is a member of the Lasswade High School Associated School Group and Proposal 2 will mean that children who live in the section of Loanhead Primary School catchment that lies to the west of the A701 will now progress to Beeslack High School rather than Lasswade. Transition arrangements will be put in place for a period of 3 years to allow affected pupils currently attending Loanhead Primary School to progress to Lasswade High School should they wish to.
- 2.13 The proposed changes to the catchment areas of the A701 corridor non-denominational primary schools and the relocation of Paradykes Primary School have been reviewed having regard to all relevant representations made and to Education Scotland's report. The proposals presented for approval in this report are:
1. From August 2016 establish the new primary school at Bilston Public Park, Bilston and create its catchment, rezoning all housing in Bilston from Roslin Primary School to the new school.
 2. From August 2016 rezone Damhead, Lothianburn, Nivensknowe Park, Pentland Park, Straiton Park and recently built houses at Corby Craig to the catchment of the new Bilston primary school, currently in the catchment for Loanhead Primary School.
 3. When the replacement school is ready for occupation transfer the residential areas in the vicinity of Mayshade Road and Park Avenue and housing development site h54 "Ashgrove" from the catchment area of Loanhead Primary School to the catchment of Paradykes Primary School.
 4. When the replacement Paradykes Primary School is ready for occupation relocate Paradykes Primary School to the replacement school site at George Avenue, Loanhead.
 5. By August 2016 for Proposals 1 and 2, and by completion of the replacement Paradykes Primary School for Proposals 3 and 4, review School Travel Plans for existing schools in light of the changes to catchment areas and revise them where appropriate.

In addition, the following reassurance has been given and transition arrangements will be applied:

6. Apply transition arrangements to pupils affected by Proposals 1 and 2, to give consideration to enrolment at the associated nursery for those enrolling in Primary 1 in August 2016 and 2017.
7. Apply transition arrangements to pupils affected by Proposals 1 and 2, to pupils entering Primary 1 from August 2016 to August 2017, where the Council will

- prioritise the granting of placing requests for children who would, except for the catchment changes, have been in catchment.
8. Apply transition arrangements to pupils affected by Proposal 3 to give consideration to attendance at the associated nursery for those enrolling in Primary 1 in the first year of operation of the replacement school, scheduled to be August 2017.
 9. Apply transition arrangements to pupils affected by Proposal 3, for pupils entering Primary 1 in the first year of operation of the replacement school, scheduled to be August 2017, where the Council will prioritise the granting of placing requests for children who would, except for the catchment changes, have been in catchment.
 10. Give reassurance that all pupils already attending a school, whose house is moving from the catchment of one school to the catchment of another, can remain at their current school.
 11. Apply transition arrangements to allow pupils currently in Primary 5, 6 and 7 at Loanhead Primary School who live in the area transferring from the catchment of Loanhead Primary School to the new primary school in Bilston (Proposal 2) to elect to attend Lasswade High School.

3 Report Implications

3.1 Resource

As this report considers matters in relation to catchment areas there are no direct financial implications, although there may be some costs incurred in implementing any changes that may be identified by the review of safe routes to school. Achieving better balance in occupancy rate across the primary schools in the A701 corridor will help control the cost per pupil, improve school occupancy and minimise the investment required in additional school capacity for pupils arising from new housing development in the area.

3.2 Risk

This report addresses the risk of some primary schools in the A701 corridor having insufficient capacity to provide places for all catchment pupils as a result of the expansion of settlements as set out in the Local Development Plan, while other schools in the area have spare capacity. The new primary school in Bilston and the changes to the catchment areas of the existing Roslin, Loanhead and Paradykes Primary Schools will balance demand and capacity more evenly across the school estate.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

3.4 Impact on Performance and Outcomes

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

3.5 Adopting a Preventative Approach

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

3.6 Involving Communities and Other Stakeholders

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

3.7 Ensuring Equalities

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

3.8 Supporting Sustainable Development

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

3.9 IT Issues

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

4 Recommendations

It is recommended that Council approve:

1. From August 2016 establish the new primary school at Bilston Public Park, Bilston and create its catchment, rezoning all housing in Bilston from Roslin Primary School to the new school.
2. From August 2016 rezone Damhead, Lothianburn, Nivensknowe Park, Pentland Park, Straiton Park and recently built houses at Corby Craig to the catchment of the new Bilston primary school, currently in the catchment for Loanhead Primary School.
3. When the replacement Paradykes Primary School is ready for occupation transfer the residential areas in the vicinity of Mayshade Road and Park Avenue and housing development site h54 "Ashgrove" from the catchment area of Loanhead Primary School to the catchment of Paradykes Primary School.
4. When the replacement school is ready for occupation relocate Paradykes Primary School to the replacement school site at George Avenue, Loanhead.

5. By August 2016 for Proposals 1 and 2, and by completion of the replacement Paradykes Primary School for Proposals 3 and 4, review School Travel Plans for existing schools in light of the changes to catchment areas and revise them where appropriate.

And note the transition arrangements and reassurances given as detailed in 2.13.

Date 9 February 2016

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Consultation on Catchment Areas of Schools on A701 Corridor

Consultation Report

11 January 2016

Consultation Report

Proposed establishment of a new primary school at Bilston Public Park, Bilston and creation of its catchment area

Proposed revision of the catchment boundaries of:

Roslin Primary School
Loanhead Primary School
Paradykes Primary School

Proposal to relocate Paradykes Primary School to the replacement school site at George Avenue, Loanhead.

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1. Summary of the proposals

Midlothian Council has consulted on four proposals relating to the A701 corridor:

1. To establish a new primary school at Bilston Public Park, Bilston and create its catchment area;
2. To rezone Damhead, Lothianburn, Nivensknowe Park, Pentland Park, Straiton Park and recently built houses at Corby Craig to the catchment of the new Bilston primary school, currently in the catchment for Loanhead Primary School;
3. To adjust the catchment areas for Loanhead and Paradykes Primary Schools;
4. To relocate Paradykes Primary School to the replacement school site at George Avenue, Loanhead.

Three non denominational primary schools currently serve the A701 corridor with a 2014 pupil roll totalling 657 pupils:

Primary School	Houses in Catchment	Pupils Resident	Current Class Capacity	Pupil Capacity	Pupil Roll Census 2014
Loanhead	1,655	206	7 classes	217	178
Paradykes	1,484	248	12 classes	342	250
Roslin	1,316	200	11 classes	317	229
Total	4,455	654	30 classes	876	657

The A701 corridor also has one Roman Catholic primary school: St Margaret's in Loanhead. St Margaret's is on a joint campus with Loanhead Primary School and shares some facilities such as the dining hall and playground.

Loanhead and Paradykes Primary Schools, along with Bonnyrigg, Hawthornden, Burnbrae, Lasswade and Rosewell Primary Schools are catchment schools for Lasswade High School in Loanhead. Roslin Primary School is a catchment school for Beeslack High School in Penicuik, along with Glencorse and Mauricewood Primary Schools.

The Midlothian Local Plan contains provision for significant house building in the A701 corridor on the development sites detailed in the following table.

The projected pupil product from the house building will take the school roll at Loanhead and, particularly, Roslin Primary School above capacity.

Housing Developments	Catchment	Site Reference	Proposed Units	Primary Pupil Product
Seafield Moor Road, Bilston	Bilston	H13	150	46
Seafield Road East, Bilston	Bilston	H14	198	61
Site BN1 Seafield Road, Bilston	Bilston	Hs16	350	108
Pentland Plants by Bilston	Bilston	Hs17	75	23
Penicuik Road, Roslin	Roslin	H15	50	15
Rolin Institute, Roslin	Roslin	Hs18	200	62
Roslin Expansion	Roslin	Hs19	260	80
Ashgrove, Loanhead	Loanhead	H12	268	83
Edgefield Road, Loanhead	Loanhead	Hs15	25	8
Burghlee, Loanhead	Loanhead	AHs2	175	54
			1,751	540

As a result, one new primary school and two replacement primary schools are planned for the A701 corridor, with the new primary school in Bilston scheduled to open in August 2016 and replacement Roslin and Paradykes schools scheduled for 2017. All are non denominational primary schools. The primary school in Bilston will be a catchment school for Beeslack High School.

In order to establish this new school in Bilston with a sustainable pupil population, as well as maintaining those of Roslin, Loanhead and Paradykes Primary Schools, the Council proposed adjustment to the catchment areas of these primary schools.

The proposals meant:

- All housing in Bilston would move from the catchment of Roslin Primary School to form the catchment area of the new school in Bilston.
- The residential areas at Damhead, Lothianburn, Nivensknowe Park, Pentland Park, Straiton Park and recently built houses at Corby Craig would transfer from the catchment of Loanhead Primary school into the catchment of the new Bilston primary school.
- The residential areas in the vicinity of Mayshade Road and Park Avenue and housing development site h54 "Ashgrove" would transfer from the catchment of Loanhead Primary School to the catchment of Paradykes Primary School.

2. Consultation Findings

2.1 Representations made on the proposals during the consultation period

2.1.1 Summary of written representations

In total 14 written representations were made on the proposals. In summary:

Proposal 1

Establish Bilston Primary School at Bilston Public Park and create its catchment area by rezoning all housing in Bilston, currently in the catchment of Roslin Primary School.

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

- Sensible and provides better local amenities
- Makes sense, nice community feel to walk to local school

Proposal 2

Rezone the residential areas at Damhead, Lothianburn, Nivensknowe Park, Pentland Park, Straiton Park and recently built houses at Corby Craig from the catchment area of Loanhead Primary School to the new Bilston primary school.

7 respondents made clear statements supporting the proposal, 4 did not comment on the proposal. Comments were:

- Catchments and zoning should not apply.
- Should be shared between Bilston and Paradykes.
- Sensible, although some pupils may have a longer journey.
- Corby Craig should be Bilston primary, other areas should be Loanhead Primary.
- Makes sense to include Damhead, could lead to safer routes to school if lowered speed limit on Seafield Moor Road (A703) and/or laid new paths (mentioned by two respondents).
- Table shows Bilston significantly over capacity and Roslin over capacity, need information on how this will be managed/more information so can tell what alternative catchments might be more sustainable.
- Information on impact on high school rolls should be included so can be considered.
- Will children from Damhead attending Loanhead remain entitled to transport?
- Many may choose to go out of catchment until Bilston builds its reputation up.

Proposal 3

Transfer the residential areas in the vicinity of Mayshade Road and Park Avenue and housing development site h54 "Ashgrove" from the catchment of Loanhead Primary School to the catchment of Paradykes Primary School.

5 respondents made clear statements supporting the proposal, 4 did not comment on the proposal. Comments were:

- Residents should be able to go to either school
- Makes sense
- In favour, need to address traffic speed on B702 to make safe for walking to school
- [in relation to h54 and the Mayshade area] does not make sense to make children cross main road [B702], some of whom will walk past Loanhead Primary School (mentioned by four respondents)
- Pupils crossing main road will increase traffic congestion
- h54 developers should put in direct safe route to school
- Loanhead Primary School should be extended or St Margaret's shut down

Proposal 4

When the replacement for Paradykes Primary School is ready for occupation, planned for 2017, change the location and address of Paradykes Primary School to the site of the replacement school at George Avenue, Loanhead.

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

- Should be a given and not need consultation
- Would be strange to do otherwise
- Paradykes needs upgraded but dislike hub idea as school should be safe and secure place for children so not close to roads and easily accessible to the public. Playground and parking awful there. Nursery appears to be merging with baby services but should be part of school as 3-18 curriculum

Additional comments

- Great idea the catchment for Lasswade High School should change too so all Loanhead children go to Penicuik as Lasswade at capacity
- Concerned Corby Craig residents won't utilise Bilston, some go to Loanhead at the moment
- Overall there is limited information available in consultation paper, impossible to know alternatives, concerned that Bilston and Roslin are projected to be overcapacity from the start. Positive that siblings will get priority in placement requests
- Difficult to comment without information on high school catchment areas. If Damhead (i.e. Bilston) is Beeslack then welcomed.

2.1.2 Summary of oral representations made at the public meetings held on 6th and 7th October 2015

- What impact will the changes have on children already attending Loanhead Primary School if their catchment school changes to Paradykes Primary School?

- Nursery pupils already attending Loanhead would no longer be in catchment for Loanhead when they go into P1 in 2 years – it would be better to delay the changes to the catchments areas of Loanhead and Paradykes to coincide with the date for the replacement Paradykes i.e. August 2017

2.1.3 Summary of oral representations made at the pupil consultations held on 26th October and 2nd and 3rd November 2015

- Will the name of “new” Paradykes be Loanhead Community Campus? This would cause confusion over the identity of the schools in Loanhead as Loanhead Primary School is part of the Loanhead & St Margaret’s Primary Schools & Lifelong Learning and Employability Campus.
- Does Loanhead Primary School have space for catchments pupils?
- Transport to Beeslack High School is by public bus which we pay for as we are not in catchment for Beeslack. Transport to Lasswade High School is free.
- Will the new schools have more facilities?
- Will they be open plan?
- Does the advancement of learning and the increase in the number of houses lead to the greater facilities?
- The pupils thought that it was good that the new school would have more facilities as it will be bigger and agreed that the idea of going to a school in their local area was good.
- Will children still be able to go to a different school to the one they live in the catchment for?
- What will happen to the playpark as it is good for younger children?

2.1.4 Summary of oral representations made at the staff consultation held in Roslin Primary School on 2nd November 2015

- When will the Bilston Head Teacher be appointed? Suggestion to recruit administrative support at same time as the Head Teacher.
- Transport may be deciding factor for some families, whereas others will prefer to keep their child at their current school. Concerns about possible division in the community between the schools, linked to the transport provision.
- How long will parents get to decide as classes will need to be planned and teacher numbers identified and recruited etc?
- Will the proposals reduce the numbers at Loanhead Primary School and cause concern?

- Teachers will need to do a lot of transition work with pupils, particularly those with ASN, in preparation for moving to new Bilston as there will not be a building or teacher to visit.

2.2 Education Scotland Report Summary

The proposal has the potential to be of educational benefit to children and the local communities served by the schools affected. The benefits will derive largely from the enhanced facilities and the corresponding additional capacity. The proposal has the support of the majority of stakeholders. In taking forward the proposal and finalising its report, the council should look to provide further detail in relation to the reasonable points raised by the small number of parents who responded to the consultation. It should address concerns related to safe routes to school, traffic management and the provision of crossing patrol attendants.

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

Primary School Capacity

Two respondents queried the table in the consultation document showing the projected pupil roll of the new Bilston primary school exceeding capacity (and, to a lesser extent, Roslin Primary School). Newly built developments produce more pupils per house than existing developments, before the numbers fall back as it becomes established. This means that the timing of the increase and subsequent falling back is dependent on the house builders' scheduling and this can be variable, therefore the maximum roll of the school may be different to that initially predicted. The table in the consultation document showing the new schools and their projected pupil rolls shows the new primary school in Bilston becoming overpopulated. The table shows the capacity as it will be when completed in August 2016, however the school has been designed to allow for sufficient additional classrooms to be added at a later date to accommodate the projected pupil roll as and when required, and as and when the developer contributions are available to finance it.

Queries were received around increasing or decreasing pupil numbers at Loanhead Primary School, its capacity and the changes in its catchment area. A high proportion of comments related to the inclusion of development site h54 in the catchment for Paradykes Primary School and the requirement to cross the B702.

A number of options were considered when formulating proposal 3 to alter the catchment areas for Loanhead and Paradykes Primary Schools. The proposal as set out will balance the occupancy rates of both schools at around 82-84% of capacity as the house building takes place. Over 60% of the pupils attending non-denominational primary schools from the streets that are proposed to transfer already attend Paradykes Primary School as a result of placing requests.

The proximity of the two schools and the location of the existing and planned houses make it inevitable that some pupils will travel past one school to attend the other, and that some children will need to cross the main thoroughfares of the town.

Safe Routes to School

A common topic raised during the consultation was safe routes to schools and this was noted by Education Scotland, who requested that this report address concerns related to safe routes to school, traffic management and the provision of crossing patrol attendants.

When detailed planning work is done for a new school the access routes using all modes of transport from the housing areas in the catchment are considered and the Policy and Road Safety Team creates a School Travel Plan with safe routes to school. Walking routes, cycle paths, roads, bus routes and parking are revised, where appropriate, with lowered speed limits, additional crossings and lighting etc. Traffic flow and road design is considered in the review although it must be acknowledged that the peak times for pupils travelling to and from school are short and any impact on traffic flow is short-lived. School Travel Plans for existing schools will be reviewed in light of the changes to catchment areas.

Registration/enrolment

Some of the responses asked what will happen to children who are already attending, or registering to attend, one of the schools affected by the proposals and will become out of catchment when they are implemented, and about younger siblings who will attend the schools in future years. A related query was raised regarding children already at a nursery attached to a primary school who will have a different catchment school when they start Primary 1.

All pupils already attending a school whose house is moving from the catchment of one school to the catchment of another can remain at their current school.

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

- In relation to Proposals 1 and 2 (establishing Bilston primary school and its catchment area, and rezoning the area of Loanhead Primary School's catchment west of the A701 to Bilston primary school). For pupils entering Primary 1 in August 2016 and 2017, the Council will prioritise the granting of placing requests for children who would have been in the catchment had it not been for the changes. The Council will include enrolment at nursery when considering priority for pupils entering Primary 1 in August 2016 and 2017 for the schools affected by these proposals.

- In relation to Proposal 3 (transferring areas from the catchment of Loanhead Primary School to Paradykes Primary School).
The implementation of Proposal 3 will be delayed until the replacement Paradykes Primary School is completed, scheduled for August 2017. For pupils entering Primary 1 in the first year of the replacement school's operation, the Council will prioritise the granting of placing requests to Loanhead Primary School for children who would have been in the Loanhead catchment had it not been for the changes. The Council will include enrolment at nursery when considering priority for pupils entering Primary 1 at Loanhead in the first year of the replacement Paradykes School's operation.

Thereafter the Council will continue to support parental choice, where there are school spaces available, via normal placing request procedures.

Transport to school

Similarly, where transport is currently provided to pupils attending their catchment school, the transport will continue to be provided if their catchment school changes but they continue to attend their original school.

For example this will apply to pupils from Bilston who will be attending Roslin Primary School in Primary 6 or 7 from August 2016, where it will be continued until the end of academic year in July 2018 when the last of these pupils will transition to secondary school. It will also apply to pupils from areas such as Damhead who attend Loanhead Primary School.

Secondary schools

Responses included comments around the secondary schools and the pressure on capacity at Lasswade High School. The Bilston annex has been operating as additional capacity for Roslin Primary School, which is in the Beeslack High School Associated School Group. The new Bilston primary school will join the Beeslack Associated School Group. Loanhead Primary School is a member of the Lasswade High School Associated School Group and Proposal 2 will mean that children who live in the section of Loanhead Primary School catchment that lies to the west of the A701 will now progress to Beeslack High School rather than Lasswade. Transition arrangements will be put in place for a period of 3 years to allow affected pupils currently attending Loanhead Primary School to progress to Lasswade High School should they wish to.

Lasswade High School is currently operating at capacity and in 2016 the Council will be undertaking a review of options for secondary schools to serve the A701 Corridor and Penicuik which will address this.

Implementation group

An implementation group is being set up to facilitate the opening of the new school in Bilston and the remit for this group will include involvement in recruiting the head teacher and assisting them in getting the school up and running. The transfer of teaching staff from Roslin Primary School (including

the Bilston Annex) to the new primary school in Bilston will be on a voluntary basis, with subsequent vacancies filled through recruitment.

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

The proposal to Council will be to implement as set out in the consultation documents, with effect for primary pupil intake from August 2016, the proposals to:

- Establish a new primary school at Bilston Public Park, Bilston and create its catchment area, rezoning all housing in Bilston to the new school.
- Rezone Damhead, Lothianburn, Nivensknowe Park, Pentland Park, Straiton Park and recently built houses at Corby Craig to the catchment of the new Bilston primary school, currently in the catchment for Loanhead Primary School.

And, with effect for primary pupil intake from August 2017, to:

- Transfer the residential areas in the vicinity of Mayshade Road and Park Avenue and housing development site h54 "Ashgrove" from the catchment area of Loanhead Primary School to the catchment of Paradykes Primary School.
- Relocate Paradykes Primary School to the replacement school site at George Avenue, Loanhead.

Revising Proposal 3 so that both these proposals take effect from the opening of the rebuilt school, scheduled for August 2017.

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

- In relation to Proposals 1 and 2, transition arrangements have been reviewed and will be extended to give consideration to attendance at the associated nursery for those enrolling in Primary 1 in August 2016 and 2017
- Also in relation to Proposals 1 and 2, transition arrangements have been reviewed and will be extended for pupils entering Primary 1 from August 2016 to August 2017, as the Council will prioritise the granting of placing requests for children who would, except for the catchment changes, have been in catchment
- In relation to Proposal 3, transition arrangements have been reviewed and will be extended to give consideration to attendance at the associated nursery for those enrolling in Primary 1 in August 2017
- Also in relation to Proposal 3, transition arrangements have been reviewed and will be extended for pupils entering Primary 1 from August 2017 as the Council will prioritise the granting of placing requests for children who would, except for the catchment changes, have been in catchment
- Reassurances have been made that all pupils already attending a school whose house is moving from the catchment of one school to the catchment of another can remain at their current school

- In relation to Proposal 2, transition arrangements will be put in place to allow pupils currently in Primary 5, 6 and 7 living in the area transferring from the catchment of Loanhead Primary School to the new primary school in Bilston to elect to attend Lasswade High School.
- The Council's Policy and Road Safety Team will review School Travel Plans for existing schools in light of the changes to catchment areas and revise them where appropriate

2.5 Time for further consideration

There will be a period of 3 weeks for further consideration and any further representations in respect of this report should be emailed to sandra.banks@midlothian.gov.uk by 1st February 2016.

Council will meet on 9th February 2016 to make a decision on whether to progress with the proposals, either in whole or in part.

3. Report by Education Scotland addressing educational aspects of the proposal by Midlothian Council to establish the catchment area for a new primary school at Bilston and amend the catchment areas of Loanhead, Paradykes and Roslin Primary Schools.

1. Introduction

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

1.1 HM Inspectors considered:

- the likely effects of the proposal for children and young people of the schools affected; any other users; children likely to become pupils within two years of the date of publication of the proposal paper; and other children and young people in the council area;
- any other likely effects of the proposal;
- how the council intends to minimise or avoid any adverse effects that may arise from the proposal; and
- the educational benefits the council believes will result from implementation of the proposal, and the council's reasons for coming to these beliefs.

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

- attendance at the public meeting held on Tuesday 6 October 2015 in connection with the council's proposals;
- consideration of all relevant documentation provided by the council in relation to the proposal, specifically the educational benefits statement and related

consultation documents, written and oral submissions from parents and others; and

- visits to the sites of Loanhead, Paradykes and Roslin Primary Schools, including discussion with relevant consultees.

2. Consultation Process

- 2.1 Midlothian Council undertook the consultation on its proposal(s) with reference to the *Schools (Consultation) (Scotland) Act 2010* and the amendments in the *Children and Young People (Scotland) Act 2014*.
- 2.2 The consultation period ran for six weeks, from 14 September until 3 November 2015. The council held two public meetings during this period. No one attended the meeting at Roslin Primary School and three parents attended the meeting at Loanhead Primary School. The council undertook discussions with the staff and pupils of all three schools affected by the proposal. The council also consulted the Parent Councils of all three schools affected by the proposal and the parents of pupils at the three schools. It further consulted the Community Councils of Damhead and district, Roslin and Bilston and Loanhead and district. The council received 14 responses as a result of its consultation. Ten of these were in favour.

3. Educational Aspects of Proposal

- 3.1 The proposal is of potential educational benefit. In adjusting the schools' catchment areas, travelling distances to and from school will be minimised for the majority of children, with the likelihood that more children will choose to walk to school. Beyond supporting their health and wellbeing, this should also allow for easier access for a greater number of children to attend afterschool activities. This has the potential to support the development of children's social skills, confidence, team working and wider talents. The provision of modern flexible learning spaces, inside and outdoors, will be better suited to support the delivery of the key entitlements of Curriculum for Excellence. Local communities will benefit from an increased number of school places. This includes the community of Bilston, where children will have the opportunity to complete their early and primary school education on one site. In addition, the community will enjoy access to a much improved community facility. The relocation and replacement of the current Paradykes Primary School with a larger building, will ensure additional capacity which will be required to meet increasing demand for school places resulting from recent and proposed new house building.
- 3.2 Most stakeholders who responded to the consultation were in favour of the proposal. They recognised that in establishing a new local school for the Bilston community, it made sense for the council to alter the corresponding school catchment areas. A few parents had a number of reasonable concerns. These included the need to manage traffic congestion and ensure safe walking routes to school. A small number of parents wanted more detail to understand the projected capacity of the planned new school at Bilston.

Parents and children from the Bilston area were not clear whether transport would continue to be provided for those children already enrolled at Roslin Primary School and who wanted to finish their primary years education in the same school. In taking forward its proposal, the council will need to address these concerns.

- 3.3 Children were mainly concerned about whether there would be adequate parking at the new location of Paradykes Primary School and whether the outdoor pitches would be large enough. They looked forward to having a separate space for physical education which no longer doubled up as a dining hall. They were a little anxious about crossing a busy road to get to the new school when currently there is no crossing patrol attendant. Children at Roslin Primary School were concerned about the loss of playground space and access to some of the facilities during the construction of the new school. In taking forward its proposal, the council will need to address these concerns.
- 3.4 Staff at Roslin Primary School welcomed the proposals but were anxious to know where they would be placed in August 2016. Staff at Paradykes Primary School were looking forward to new facilities, particularly the opportunity to have a much needed performance space, and additional spaces for physical education. They considered it beneficial to have links to both the community library and the leisure centre on the new site in the hope of offering more regular and varied opportunities to children to participate.

4. Summary

The proposal has the potential to be of educational benefit to children and the local communities served by the schools affected. The benefits will derive largely from the enhanced facilities and the corresponding additional capacity. The proposal has the support of the majority of stakeholders. In taking forward the proposal and finalising its report, the council should look to provide further detail in relation to the reasonable points raised by the small number of parents who responded to the consultation. It should address concerns related to safe routes to school, traffic management and the provision of crossing patrol attendants.

**HM Inspectors
Education Scotland
November 2015**

Early Years Staffing Model for Pre-School Provision
Report by Mary Smith, Director, Education, Communities and Economy**1 Purpose of Report**

To advise Council of the proposed model for the most cost effective delivery of Early Learning and Childcare for 3 and 4 year olds, which was approved by Education Transformation Board on 12 January 2016, and to seek approval to progress to consultation with key stakeholders, in accordance with the relevant provisions of the Council's Policy for Organisational Change (Local Government Employees) and Organisational Restructure (Teaching staff).

2 Background

Within the context of a changing demographic profile, economic pressures and constrained budgets Midlothian Council has recognised it needs to transform service delivery and focus resources in a way that is economically viable. It has embarked on a programme of activity that aims to deliver savings to bridge a growing budget gap. The review of Early Learning and Childcare (ELCC) staffing is one strand of Education's Transformation Project approved by the Business Transformation Steering Group.

The Curriculum for Excellence, the Children and Young People (Scotland) Act 2014 and the move to managing education provision on an associated schools group (ASG) basis, combined with a requirement to deliver savings means there is a need to ensure that all Education Service staff groups based in schools, are appropriately deployed to perform the key functions and that there is a consistent quality and breadth of provision across all our Early Year settings.

Context and Objectives of the ELCC Staffing Review:

The implementation of the expansion of hours of ELCC for all 3 and 4 year olds to 600 hrs per year from August 2014 provided an opportunity to review current practice and develop a vision for excellence in ELCC within Midlothian.

Research has shown that the single most important factor influencing the quality of provision and the outcomes for children is the quality of the workforce. All early years staff, including teachers, will continue to be deployed in all our ELCC settings, both local authority and partnership centres.

The objective is to develop a model of ELCC provision in line with the policy intention of the Children and Young People (Scotland) Act 2014 and Midlothian Council Education and Communities targeted savings. The cumulative targeted savings for this review are £352,000.

3 Proposed Structure and Rationale

The current model for the provision of 600 hours ELCC for 3 and 4 year olds is based on a minimum ratio of 1 adult to 10 children, which is a legislative requirement, with a ratio of 1 teacher to a maximum of 3 Childcare Development Workers. Each local authority ELCC setting includes teachers,

senior childcare development workers and childcare development workers. There is a small peripatetic team who provide teacher input for 3 and 4 year olds who attend partnership centres. (see table of staffing provision in section 4).

The proposed model maintains the ratio of 1 adult to 10 children and replaces the “in ratio” teachers with additional childcare development workers and allocates responsibility for operational management to the role of the Senior Childcare Development Worker.

The proposed model expands the ELCC peripatetic teaching team to provide teacher input on a more equitable basis to all pupils attending early learning and childcare provision in Midlothian.

Proposed Structure of Peripatetic Team

Early Learning Community	Number of settings/places	Staff group
Lasswade	11 settings 688 places	1 Head Teacher 3 Teachers 1 Childcare Development Worker
Dalkeith	11 settings 640 places	1 Principal Teacher 3 Teachers 1 Childcare Development Worker
Penicuik	10 settings 555 places	1 Principal Teacher 2 Teachers 1 Childcare Development Worker
Newbattle	12 settings 679 places	1 Head Teacher 1 Principal Teacher 3 Teachers 1 Childcare Development Worker

Rationale for proposed Peripatetic Team Structure:

1. Review of best practice in deployment of the Early Years workforce in ELCC to provide a rich tapestry of skills, knowledge and experience. Research indicates that the highest quality early years centres have suitably qualified teachers working alongside well qualified ELCC professionals playing complementary roles.
2. Greater flexibility of provision at less cost per place. This will allow us to target resources on areas of greatest need and help to ensure best outcomes for all Midlothian children in the years ahead.
3. Clear roles and responsibilities for peripatetic teachers and Senior Childcare Development Workers (SCDW) will be identified. The SCDW role will be re-designed.
4. A coherent approach to teacher access for all ELCC settings, which will be responsive, preventative and more focused, in order to deliver the very best quality.
5. Utilise the Early Years Collaborative Improvement Methodology to measure impact of the new model; reflect on assessments of children when they start primary school, and gather qualitative data from all stakeholders.
6. Establish an experienced and skilled professional group with greater staff retention and opportunities for career progression.

4 **Staffing Costs and Resource Implications of Implementation**

The costs and savings associated with the proposed model have been based on the current basis of allocation to our ELCC settings which is 1 adult to 10 children with a ratio of 1 teacher to a maximum of 3 childcare development workers.

The proposed model maintains the ratio of 1 adult to 10 children, replaces the 38.36 full time equivalent (fte) “in ratio” teachers with 21.69 additional childcare development workers and allocates responsibility for operational management to the role of the Senior Childcare Development Worker. This senior post is in the process of job evaluation and the costings assume an increase to grade 7.

The proposed model allocates an additional 11.2 fte teachers to the ELCC Peripatetic Team making a total of 14 teachers.

The proposed reduction in the number of teachers appears very significant however the implementation of the proposed model will not have a significant impact on the number of ELCC teachers employed in Midlothian as, for some years now, the council has struggled to fill ELCC teaching posts. At the point of the 2015 teacher census only 23 teachers were in ELCC posts compared with a baseline figure of 46 teachers, and the number continues to decline. This is in part due to teacher recruitment issues across Scotland at the moment.

The proposed model provides a budget for absence cover which includes one childcare development worker per locality (shown in section 3 as part of the Peripatetic Team) and an additional £23,000 to provide cover in line with current absence levels.

The costs and savings below show the shift from the baseline model (current level of allocation) to the proposed model, which includes a reduction of 27.16 fte teachers offset by an increase of 21.69 fte childcare development workers. Overall the proposed model delivers a saving of £368,897 and a reduction in cost per place of £144 – 7.41%.

The cumulative targeted savings for this review are £352,000

Midlothian Pre School Provision Staffing

	Baseline		Proposed Model	
	FTE	£'s	FTE	£'s
Head Teacher	2.00	£124,788	2.00	£124,788
Management Time	0.80	£35,178		
Teacher	33.50	£1,473,062		
Class Contact	4.06	£158,487		
Teacher Total	40.36	£1,791,515	2.00	£124,788
Senior CDW Grade 7 (proposed) - Grade 7			37.00	£1,136,170
Senior CDW Grade 6 (current) - Grade 6	31.50	£837,078		
Childcare Dev Worker (current) Grade 5	45.50	£1,172,902	71.50	£1,843,132
CDW 1/2dpw Cover for SCDW			4.00	£103,112
CDW - 14hrs Teacher Cover - Grade 5	13.81	£355,881		
CDW Total	90.81	£2,365,860	112.50	£3,082,414
Total School Staffing	131.16	£4,157,375	114.50	£3,207,202
Absence Cover		£64,178		£144,873
Total Including Absence		£4,221,553		£3,352,075
Early Years Peripatetic Team			Peripatetic Team	
Principal Teacher	1.00	£48,019	3.00	£144,057
Teacher	1.80	£79,150	11.00	£483,692
Partnership centre placements		£633,000		£633,000
	2.80	£760,169	14.00	£1,260,749
Total Staffing and Partnership Placement Payments	133.96	£4,981,722	128.50	£4,612,824
Teachers	43.16		16.00	
CDWs	90.81		112.50	
Total Staff Numbers	133.96		128.50	
Saving				£368,897
Midlothian AM places		1,100		1,100
Midlothian PM Places		1,070		1,070
Total Midlothian Places		2,170		2,170
Partnership centre placements		392		392
Total number of placements		2,562		2,562
Cost Per Place		£1,944		£1,800
				£144
% Reduction in cost per place				7.41%

5 Report Implications

5.1 Resource

The proposed staffing structure would result in a range of outcomes for the staff in scope, (teachers in nurseries and teachers in the Partnership Teaching Team, Peripatetic Senior Childcare Development Workers and Childcare and Development Workers and the Senior Childcare and Development Workers in our ELCC settings).

In accordance with Council policy for Organisational Change (Local Government Employees) and Organisational re structure (teaching staff), this will result in one of the following scenarios.

- Assimilation
- Job Matched

The Senior Childcare Development Worker post is currently being re – designed and staff will be recruited to the new roles. The majority of staff in scope have substantive permanent posts within Midlothian Council.

5.2 Risk

The Council is required to consult with, and have regard to the views of, representatives of parents and unions in planning its provision of Early Learning and Childcare. The proposal is in line with these requirements.

The timescales for progressing with the formal consultation period and subsequent recruitment process are short.

Any delays in progressing may impact adversely on the morale, motivation and health of staff.

The ELCC settings need to be fully staffed for the start of term August 2016 in order to meet legislative requirements.

Any delay may impact on future changes to the ELCC service that will be required in order to meet the requirements of the Children and Young People (Scotland) Act 2014

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 Key Priorities within the Single Midlothian Plan

This project supports the delivery of the Early Years priority and the “Getting it Right for Every Midlothian Child” thematic strand of the Single Midlothian plan, which aims to improve outcomes for children, young people and their families and ultimately deliver the transformation vision agreed with our Community Planning partners in 2013, “Midlothian a great place to grow.”

The proposed structure will contribute to the achievement of the 3 Single Midlothian Plan priorities:

- Early years and reducing child poverty
- Economic growth
- Positive destinations for young people

It will utilise the approaches of early intervention and prevention by ensuring that there is flexible and responsive teaching support across our ELCC settings.

The model will provide targeted support in areas where it is most needed and support the preventative spends agenda. The earlier the investment the greater the return –Heckman £1 spent in early years is equivalent to £9 spent in later childhood.

5.5 Impact on Performance and Outcomes

Access to a skilled and experienced ELCC teacher will help to ensure children have the best start in life by focusing on early intervention to address barriers to progress and deliver effective outcomes. The model will provide targeted support in areas where it is most needed and support the preventative spends agenda. In the longer term, this will lead to improved performance at school and positive destinations for school leavers.

5.6 Adopting a Preventative Approach

The proposed structures have been designed to maximise the teacher impact on learning and development within the context of prevention, early intervention, capacity building and efficient use of resources.

5.7 Involving Communities and Other Stakeholders

The model has been developed in partnership with key stakeholders. Relevant trade unions, staff, stakeholders and partners will be involved in the formal consultation process. The outcomes of the consultation will be used to inform the final service structures implemented and the way forward.

5.8 Ensuring Equalities

An Equality Impact Assessment is being prepared to consider the impact of service changes. This will be informed by the consultation process.

Underpinning Early Learning and Childcare is an ethos of equality, inclusion, and social justice and so the model will ensure equity of access to a teacher for all our children.

5.9 Supporting Sustainable Development

The proposed model will ensure that we deliver a robust and effective Early Learning and Childcare service which meets the needs of communities across Midlothian and enables us to future proof the service in light of future developments.

5.10 IT Issues

No additional IT implications have been identified.

6 Recommendations

Council is requested to:

1. Note the proposed staffing model for delivery of Early Learning and Childcare for 3 and 4 year olds; and
2. Note that Officers will progress to consultation with key stakeholders.

Date 13th January 2016

Report Contact:

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Tyne Esk LEADER Programme 2014-20: Progress Report

Report by Director of Education, Communities and Economy

1. Purpose of Report

- 1.1 The purpose of this report is to update Council on the progress of the Tyne Esk Leader Programme 2014-20 following Scottish Government approval of the Local Development Strategy and Business Plan.

2. Background

- 2.1 The LEADER programme (an acronym in French meaning links between actions for the development of the rural economy) is one element of the Scotland Rural Development Programme 2014-2020 (SRDP) which aims to improve agriculture and promote economic and community development within rural areas of Scotland.
- 2.2 The LEADER Programme in Scotland and SRDP is part of the European Union (EU) Common Agricultural Policy (CAP) and is funded by the European Commission and the Scottish Government. LEADER is a bottom-up method of delivering support to communities for rural development. Grants are awarded by Local Action Groups (LAGs) to projects that support delivery of a Local Development Strategy.
- 2.3 The aim of LEADER is to increase support to local rural community and business networks, to build knowledge and skills and encourage innovation and cooperation in order to tackle local development objectives.

Scottish LEADER Programmes are expected to contribute to seven areas of activity;

- driving community action on climate change
- enhancing rural services and facilities, including transport initiatives
- enhancing natural/cultural heritage, tourism and leisure
- supporting food and drink initiatives (e.g. short supply chains, community food)
- building co-operation with other LAGs in Scotland, UK and Europe
- equal opportunities for all in our rural communities
- sustainable development of fisheries areas (for fisheries).

There are 21 LEADER Programmes in Scotland each run by a separate LAG.

- 2.4 The previous two LEADER Programmes (Leader + 2002-06 and LEADER 2007-13) have been administered by East Lothian Council as lead and have applied throughout the rural areas of Midlothian and East Lothian. Midlothian Council has supported these programmes as a key partner providing funding towards administration support and performing some key administration functions. Midlothian's elected member with the portfolio for Economic Development, supported by the Economic Development Manager has held a voting role on the LAG for these past two Programmes making decisions on funding allocations, project approvals and strategic priorities.

3. Arrangements for the New 2014-20 LEADER Programme

- 3.1 At the close of the 2007-2013 LEADER Programme it was proposed that Midlothian Council would pursue the role as lead Accountable Body for the new 2014-20 Programme. This decision was supported by the previous LAG and both Local Authorities.
- 3.2 Midlothian Council Economic Development staff have led the development of the new Tyne Esk LEADER Local Development Strategy (LDS) and Business Plan for the 2014-20 Programme in close partnership with colleagues from East Lothian Council. These two documents were submitted and approved by the Scottish Government in November 2015. (Copies of both documents have been placed in the Members' library).
- 3.3 Midlothian Council has received an indicative funding allocation from the Scottish Government of £3.4M to administer a LEADER Programme throughout the rural areas of Midlothian and East Lothian running until the end of 2020. This programme will deliver the priorities set in the Tyne Esk LEADER LDS. This LDS has been produced and agreed by the LAG and is the result of extensive public consultation. An associated Business Plan for the Programme has also been produced which sets out the processes and structure for the strategy delivery.
- 3.4 The Tyne Esk LAG for the new 2014-20 programme has 16 individual members. All were selected through a competitive process for their skills and areas of expertise which will enable delivery of the outcomes identified in the LDS. The LAG has a minimum 51-49% split between the non-public and public sector in line with Scottish Government guidance. The chair and vice chair have been elected through a democratic process.
- 3.5 The portfolio holder for Economic Development Cllr Jim Bryant is a voting member on the LAG, supported by the Economic Development Manager who can vote by proxy in Cllr Bryant's absence. This position is mirrored by counterparts from East Lothian Council. The remaining LAG members represent various industries and sectors from throughout East Lothian and Midlothian. Community planning officers from both Local Authorities have observer status on the group to strengthen the link between the LAG and the community planning function within each area.

4. Aims, Objectives and Funding

- 4.1 The approved Tyne Esk Local Development Strategy for LEADER has the following aims, objectives and themes. This was produced as a result of extensive public consultation and in consideration of existing neighbourhood plans and local strategies.

Aim

To strengthen our rural communities: economically, socially and environmentally.

Objectives

- To support our communities to be more inclusive, resilient and to flourish.
- To create/enhance conditions for business growth and set up.
- To support the local environment, natural and built, to add value to our communities and businesses in a sustainable way.

There are two overarching priorities: community development and co-operation; and economic development.

In order to help achieve these objectives three key development themes have been identified:

- Community, co-operation and cohesion.
- Economic development, including business development and local employment.
- Enhanced environment.

Grants will be awarded to projects that can successfully demonstrate a strong link to one or more of these themes and which consider the LEADER values of innovation and cooperation.

- 4.2 Within the Tyne Esk funding allocation of £3,490,769, the Scottish Government stipulate key areas of spending:

- Administration: Up to 25% of the budget to deliver and administer the programme. This includes staff costs. A small proportion of this will be used towards administration of the Forth Fisheries Programme which covers part of East Lothian and will be led by Scottish Borders Council.
- Farm Diversification: minimum 10% of budget allocation
- Rural Enterprise: minimum 10% of budget allocation to assist businesses and business activities.
- Cooperation Projects: minimum 10% of budget allocation for collaborative projects with other LEADER areas nationally or at European level.

This leaves a remaining 45% of the budget for the main local grants programme.

- 4.3 Working within the LEADER framework, the LAG has the capability to set and review spending priorities along with minimum and maximum levels of funding awards. LEADER has the capability to fund up to 100% of project costs if agreed through the LAG. At this time further guidance is awaited from the Scottish Government as to eligibility criteria for the Programme.
- 4.4 LEADER is a rural fund and has a maximum population threshold of 150,000. This means it would not have been possible for the whole of East and Midlothian to be included within the programme. Settlements over 10,000 are also ineligible unless a strong argument can be provided for inclusion, whilst in keeping within the 150,000 population limit.
- 4.5 The LAG proposed, and this has been accepted by the Scottish Government, that the areas to be included in the Tyne Esk LEADER programme 2014-2020 are:
- All of Midlothian with the exception of Dalkeith but including Dalkeith Country Park
 - All of East Lothian with the exception of Musselburgh West and parts of Musselburgh East (but including the Wallyford and Whitecraig areas)

It was felt the rural argument to support the inclusion of these areas was less strong and omission of both reduces the overall Tyne Esk population to slightly over 150,000. This has been accepted by the Scottish Government. This represents improved coverage from the 2007-13 LEADER Programme where in Midlothian, Penicuik was ineligible along with areas of Bonnyrigg and Lasswade.

- 4.6 On approval from the Scottish Government, Midlothian Council as Accountable Body has been issued with a Service Level Agreement (SLA). This details the relationship between the Council and the Scottish Government and also the requirements, responsibilities and accountabilities of each for the Programme period 2014-20. This SLA has been issued to all 21 Accountable Bodies delivering LEADER Programmes throughout Scotland. Spend on the Tyne Esk funding allocation cannot begin until this SLA is signed by both parties.
- 4.7 A separate Memorandum of Understanding will be drafted detailing the relationship, responsibilities and accountabilities between Midlothian Council and the LAG.

5. Report Implications

5.1 Resource

Within the Tyne Esk funding award, up to 25% of this can be designated towards administration costs. The LAG has stipulated within the Local Development Strategy and Business Plan that this allocation will be utilised in full in order to effectively perform the administration function.

This budget allows for the recruitment and employment of new staff members to administer the programme. Benchmarking against similar LEADER areas with similar budget allocations has identified the requirement for three new staffing positions; a LEADER Coordinator, Project Officer and Finance Support Officer. These staff members will be employed for the duration of the Programme until the end of 2020. They will be based within Midlothian Council's Economic Development Team, reporting to the Economic Development Manager. The full costs of employment including salaries, equipment and training will be met and claimed for within the administration budget of the Tyne Esk awarded LEADER allocation. In keeping with the conditions of funding, these positions will be advertised externally.

Staff members will be located within Fairfield House. Whilst all direct staffing costs will be reclaimed from the funding allocation, an amount of in-kind costs will be applicable to Midlothian Council. This includes indirect staffing costs such as provision of office accommodation, access to supplies and services such as telephone services, office supplies, IT support and HR services. As with all European programmes, there is set guidance on record keeping and maintaining audit trails which must be retained for a period of seven years following the closure of the programme. Acknowledgement to LEADER funding support must be made clear throughout the administration and promotion of the Programme.

The LEADER staff team, working alongside the LAG, will lead on the coordination, development and management of the Tyne Esk LEADER Programme. They will ensure the effective financial and compliance management of the Programme in line with requirements of the Service Level Agreement. At this time further guidance is awaited from the Scottish Government which includes information on claims and financial monitoring. The Scottish Government are introducing an on-line system to help the management of this.

In line with previous LEADER Programmes, funding is awarded retrospectively. This means all programme costs including grant projects must be initially met by Midlothian Council as Accountable Body and claimed retrospectively on production of appropriate evidence to show defrayment of payments from the bank. Repayment claims are likely to be made on a quarterly basis by the Scottish Government. Further guidance is awaited from the Scottish Government on this process.

Detailed within the SLA between Midlothian Council and the Scottish Government is the requirement for Midlothian Council as Accountable Body to provide an annual programme report. This should include a financial and internal audit report. There may be opportunity to purchase external services such as external audit utilising the allocated administration budget if this service cannot be provided in-house.

5.2 Risk

Considerable financial and human resource has been spent in the preparation of the Tyne Esk Local Development Strategy and Business Plan which has been approved by the Scottish Government. Withdrawal from the role as lead partner or Accountable Body would result in significant delay to the opening of the programme leaving the LAG to search for another suitable organisation to take on this function. The Programme cannot open nor spend be made until this structure is in place. Local authorities are best placed to take on this role as is the case in all but one of the twenty one Scottish LEADER areas. (The only non local authority Accountable Body is the Cairngorms National Park Authority).

The SLA between Midlothian Council and the Scottish Government setting out the requirement for both partners has been examined by Midlothian Council Legal Services and no major areas of concern have been raised.

The three new staff members forming the LEADER staff team will be key in the management of the programme, ensuring financial eligibility of spend and fulfilling the requirements of the SLA. Failure to deliver on areas within the Programme or SLA does pose some financial risk in terms of reclaiming or disallowance of expenditure. This is not unique to Tyne Esk LEADER or indeed any European funded programme. To deal with such instances and provide comfort to Local Authorities, COSLA are working alongside the Scottish Government to provide a mechanism for dispute resolution for matters legal, audit or financial in nature. However key to minimising this risk is ensuring correct systems and procedures are in place and staff and the LAG work competently within the LEADER guidance. The staffing resource of this Programme has also increased substantially from those previous to ensure effective administration.

The LEADER Programme in Scotland is subject to a national delay in opening, caused by a variety of external factors. Spend on the LEADER Programme is time limited with a requirement for budgets to be allocated by the end of 2019 and project spend reclaimed early 2020. Further delay in the opening of the Programme may result in remaining unallocated grant funding as applicants take time to develop project ideas. This could limit the level of grant funding awarded and therefore local community and business benefit. There is already a high level of public awareness and interest for this Programme with a number of expressions of interest submitted.

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 nature of the Tyne Esk LEADER Programme and Local Development Strategy accords across all the themes within the Single Midlothian Plan. It aligns strongly with the Midlothian Economic Recovery Plan, the key sectors and is in fact identified within the Recovery Plan as a key action or mechanism of support. The LEADER Local Development Strategy complements the work of the existing sixteen Midlothian Neighbourhood Plans and may be a potential method of support to aid project delivery. Community planning representation on the LAG helps to encourage collaboration and support for projects strategic in nature working towards achieving joint targets.

5.5 Adopting a Preventative Approach

The key aim of the Tyne Esk LEADER Programme and Local Development Strategy is to strengthen our rural communities: economically, socially and environmentally. Providing support to strengthen our communities and make them more resilient along with improving conditions for business growth and economic development will help to create a vibrant and successful local economy with the ability to positively address local issues and adapt to change.

5.6 Involving Communities and Other Stakeholders

An extensive programme of community and public consultation took place to help shape the Local Development Strategy. This included six open geographical sessions taking place throughout East Lothian and Midlothian Six targeted consultations were held with sector specific groups; farmers, social enterprises, small and medium sized businesses and young people. Opportunity to provide views and ideas was also available through an online survey. All sessions were advertised widely via local media, press, public notices, council websites, social media, chamber of commerce and the Federation of Small Businesses (FSB), and voluntary networks.

Building on the results of these specific local consultations have been the findings from the local action and neighbourhood planning processes conducted in each authority area; the Single Outcome Agreement for each area; also taking account of national and European priorities.

The LAG which includes representatives from both Local Authorities along with business, public and third sector have been involved throughout and directly contributed to the development of the Local Development Strategy. The LAG will be the key decision making body for the Tyne Esk LEADER Programme.

5.7 Ensuring Equalities

The Tyne Esk Local Development Strategy has been assessed against Midlothian Council and East Lothian Council's Combined Equalities Impact Assessment Framework. This has assessed the strategy as potentially providing a number of positive impacts for equalities groups including the following:

- Reduced isolation for older people through, among other things, intergenerational projects
- Access to affordable childcare, to help people take up employment
- Increased engagement/activities for young people
- Improved accessibility which is advantageous for varying forms of disabilities
- Improved employability including improved access to local employment through development of community transport schemes
- Financial and digital inclusion is a specific outcome and will help those in poverty or at risk of falling into it.

The only negative finding is that due to the fact that they are not rural areas, Dalkeith and Musselburgh in East Lothian are ineligible for the Programme. However there are alternative sources of funding to support improvements for groups within these areas.

5.8 Supporting Sustainable Development

The Local Development Strategy highlights the need to involve and mobilise rural communities, enhancing cohesion and building capacity. A key objective within this is to support the local environment, natural and built, to add value to our communities and businesses in a sustainable way. This will be embedded within all LEADER activity.

5.9 IT Issues

The Scottish Government will be rolling out an on-line system (LARCs) to ease the administration of the LEADER Programme. Users of this system must adhere to The Scottish Government's IT Security.

6.0 Recommendations

6.1 It is recommended that Council:

- (1) notes the success of the bid for funding for the Tyne Esk LEADER Programme 2014-20, and the details of that funding and operational arrangements set out in this report; and
- (2) notes that Midlothian Council will act as Accountable Body for the 2014-20 Tyne Esk LEADER Programme.

Date: 18th December 2015

Report Contact: Caroline Wight, Economic Development Officer,
Tel, 0131 271 3432, caroline.wight@midlothian.gov.uk

Background Papers:

Tyne Esk Local Development Strategy and Business Plan

Refugee Donations Centres

Report by John Blair, Director Resources

1 Purpose of Report

To update the Council on the arrangements being established in association with local churches for the public, community groups, Council staff and other organisations to make donations which can be collected for onward transit to support the refugees living with camps within Europe.

2 Background

- 2.1** At its meeting on 3 November 2015 the Council considered a report by the Joint Director Health and Social Care which referred to the motion unanimously agreed by Council on 22 September 2015 which instructed officers to report on *“what support the Council could provide by acting as a central point for donations of essential items and practical support to these refugees”*.

Furthermore the report required that officers report on “how items (collected) could be delivered via a third party”.

This report sets out the proposed arrangements established by the Council together with the indicative costs based on the Council working in partnership with churches.

- 2.2** Many members of the public, including members of local churches and community organisations, are concerned regarding the current refugee crisis and are keen to offer aid to refugees – both the large numbers in camps in Europe and the relatively smaller number of refugees who may arrive in Midlothian.

On 13 January 2016 the Church of Scotland Religious Representative on the Council Education Cabinet, Rev Ruth Halley, and the Convener of Lothian Presbytery’s Church and Society Committee, Rev Sandy Horsburgh contacted churches in Midlothian to seek their urgent help with a Midlothian-wide, whole community response to the refugee crisis.

- 2.3** A loose partnership called ‘MidAid’ has been formed comprising the Council, churches, community groups and the business community working together to offer all people in Midlothian the opportunity to donate specific items which are needed.

3 Proposal Arrangements

3.1 Donations

In the initial stages, the Council and partners are linking with a distribution through Edinburgh Direct Aid (<http://www.edinburghdirectaid.org>, SC 021007) to provide urgently needed winter clothing and other aid for mainly Syrian refugees in camps in Europe. In the longer term the Council intend to use a variety of routes for getting the aid to where it is needed. However, at the moment there is an urgent need and immediate action is required.

The appeal is addressed to the whole community, not just to church members. Edinburgh Direct Aid has advised that the following items are currently required:

- Winter clothing
- Shoes and boots
- New underwear
- Toiletries
- School supplies

It should be noted that the items may be subject to change depending on the situation within Refugee camps.

3.2 Receiving Centres

Local receiving centres are being set up in the towns and villages across Midlothian which will allow donations to be received from the public, community groups, Council staff and other organisations.

A number of churches have already begun to act as receiving centres for donations and others may join in as wider publicity is released. To date the churches which are receiving donations are:

- Penicuik North Kirk
- Gorebridge Parish
- Loanhead
- Mayfield
- Newtongrange
- Bonnyrigg
- St Nicholas Buccleuch, Dalkeith

Large scale posters and banners for the front of the church buildings acting as collection centres have been prepared and a local press and publicity release is now in preparation.

3.3 Uplift and transport

The Council is providing vehicles and drivers and will be making regular uplifts from churches and transporting the goods donated to Edinburgh. The first uplift from Penicuik North Kirk took place on Wednesday 27 January 2016.

It is proposed that the Director Resources using existing Council Resources will establish arrangements to provide an uplift service of donated items to a temporary collection centre to be based at the Council's vacant archive facility in Bonnyrigg.

4 Resources

The indicative additional costs of supporting this proposal to cover publicity, signage, additional transport costs and sorting are estimated to be in the region of £2500.

The Director Resources confirms that these costs can be accommodated from within existing Divisional Revenue Budgets.

Accordingly the Director Resources will establish the necessary arrangements to monitor the levels of donations received and any associated cost implications based on the volumes.

5 Risks

There is a reputational risk if the Council does not support the Refugee Donation arrangements as set out in this report.

6 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

7 Impact on Performance and Outcomes

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

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

**8 The proposals in the report indirectly contribute to the above priorities.
Adopting a Preventative Approach**

Addressing the requirements refugees within overseas camps will assist in preventing the need for longer term or crisis support and support the international humanitarian effort.

9 Involving Communities and Other Stakeholders

It is intended to work with International Aid Agencies, communities and other organisations including the churches and faith groups as part of a Midlothian wide response to the ongoing European Refugee situation.

10 Ensuring Equalities

The Council in partnership with Church Groups will work with all individual groups and organisations who wish to support the Refugee situation.

11 Supporting Sustainable Development

There are no direct sustainable issues arising from this report

12 IT Issues

There are no direct IT issues arising from this report

13 Recommendations

Council is recommended to:-

- a) Note the establishment of local collection centres at churches as listed in section 3.2;
- b) Note the intention of the Director Resources to co-ordinate the collation and distribution of donated items in the short term at the vacant archive facility in Bonnyrigg; and
- c) Request the Director, Resources to report to Council in the event of the level of donations received being significant and resulting in any budgetary implications.

29 January 2016

Report Contact:

John Blair, Director Resources
Tel No 0131 271 3102

john.blair@midlothian.gov.uk

Background Papers:

Borders Rail – Hop on Hop off Bus**Report by John Blair, Director, Resources****1 Purpose of Report**

At its meeting of 15 December 2015 members were advised of the substantial activity that had been carried out to date in relation to Borders Rail and were provided with information pertaining to future planned work.

Within that report reference was made to the imminent return of tenders for a Hop on Hop off bus service which would allow visitors to use the railway and to access the various attractions across the Midlothian Council area.

The purpose of this report is to provide details of the proposed service and seek Council support to underwrite any shortfall in funding.

2 Background**2.1** As part of the Borders Rail Blueprint programme it had been identified that the provision of a Hop on Hop off bus linked to the railway could potentially provide a boost to the various visitor attractions in Midlothian.

On this basis, tenders were invited for the provision of a regular service during the peak months of the year. Tenders were returned at the end of December 2015 with Prentice Coach Hire having the most advantageous tender.

An integral part of this new route will be appropriate marketing and this will include the provision of bespoke signs at the various stopping points as well as dedicated leaflets and advertising.

2.2 Service Details

The service would operate from an anticipated start date in April 2016 to October 2016 on a seven day (Monday to Sunday) basis.

Due to the need to pre-register the service to allow services to begin in April 2016, the contract has been accepted following the appropriate application being made to the Traffic Commissioner.

The bus service will connect Newtongrange with a selected range of locations around Midlothian. This follows the introduction of rail services in September 2015.

The bus will operate on a 'limited stop' one way circular loop with the start and end point being the National Mining Museum of Scotland in Newtongrange.

The proposed timetable is designed to meet the arrival and departure times of trains to and from Edinburgh. A copy of the timetable is appended to this report. This is subject to discussions with the various tourist attractions.

Passengers will use the service on a "hop on hop off basis" and one ticket will provide unlimited journeys on the day of issue.

The operator has to take into account the following requirements:-

- a) The contract offered is on a "Cost Based" basis, under which all fares and concessionary scheme income is credited to the Council.
- b) The contract offered shall be based on a flat adult fare basis of £5.00 and child £3.00 per day. Concessions will apply on the service.
- c) A summary of passenger usage and revenue, lost and late/early mileage, complaints, incidents and accidents etc will be submitted to the Council on a regular frequency.
- d) The operator will be a member of Traveline Scotland.
- e) Destination display wording must be agreed with the Council's Travel Team.
- f) The Council will pay for the vehicle(s) to be liveried or 'wrapped' to reflect the service provided.

The actual timetable and stopping points are detailed in Appendix 1.

2.3 Funding Position

The tender submitted by Prentice Coach Hire amounts to £54,100. This covers all costs associated with the provision of this service as set out above. In addition marketing costs have been estimated at £15,000.

It is anticipated that the cost of this service will be met as follows;

Funders	Contribution	Notes
Potential Blueprint funding	£34,500	(i)
Visitor Attraction contributions	£12,000	(ii)
Fares income	£22,600	(iii)
Total	£69,100	

- (i) The bid to the Borders Blue Print group is yet to be confirmed but there is a strong indication that this bid will be successful.
- (ii) Similarly discussions are ongoing with the various visitor attractions and again this figure may vary dependant on the final outcome of these discussions.
- (iii) The fares income is based on 150 passengers per week on average using the service. However, as this is a new service this figure is difficult to predict the actual as the income from fares may vary.

It is proposed that the bus will be wrapped with a livery which will be unique to the service. Discussions are currently being held with Scotrail with a view to them funding the wrap.

3 Report Implications

3.1 Resource

The cost of providing the Hop on Hop off bus service is £54,100 for the period 4 April to 2 October 2016. The projected marketing costs are £15,000.

Whilst every effort will be made to secure funding to meet these costs including the promotion of the service widely to attract users there is the potential for the full cost not being met. The significant element being the number of projected customers.

Council is therefore asked to underwrite any shortfall to allow the service to begin operation.

3.2 Risk

The most significant risk is financial if the efforts to attract funding and fare income are unsuccessful. This is particularly pertinent given the current budget position facing the Council. In the event if the funding bids to partners, and contributions from visitor attractions fail, together with lower than anticipated patronage this may result in the Council having to bear the full cost of the service.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

3.4 Impact on Performance and Outcomes

It is anticipated that the provision of this Hop on Hop off service will attract visitors to use the various attractions across Midlothian. In this regard not only is it anticipated that will the service attract further visitors on the railway it will assist in safe guarding jobs at the various attractions. This will further develop Midlothian as a tourist visitor destination.

3.5 Adopting a Preventative Approach

By increasing visitor numbers the various attractions in Midlothian will benefit and allow these facilities to flourish and offer their services to a wider market, whilst attracting visitors to the Council area.

3.6 Involving Communities and Other Stakeholders

Discussions are ongoing with the various visitor attractions to both partly fund the new service but to consider creative ways in which the service can be offered.

3.7 Ensuring Equalities

Equality issues have been considered and the findings detailed in the equality impact assessment attached.

3.8 Supporting Sustainable Development

By attracting increased visitor numbers the various attractions will have an opportunity to increase the footfall and potential additional income streams.

3.9 IT Issues

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

4.0 Summary

This report provides Council with details of the proposed Hop on Hop off bus directly linked to the opening of the Borders rail service. It will provide rail users the opportunity to visit a number of attractions in Midlothian without having to rely on private cars.

The Council are being asked to underwrite any potential shortfall in funding for the new service.

5.0 Recommendations

Council is requested to:-

- Note the outcome of the tender process for a new Hop on Hop off bus service linked directly to the Borders Rail line;
- Agree that Council underwrites any shortfall up to £69,100 and that this is funded by a supplementary estimate in 2016/17 if required;

- Request the Director Resources to come forward with a report in due course at the conclusion of the service provision;

29 January 2016

Report Contact: Ricky Moffat
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Tel No 0131 561 5306

Background Papers

Stops

1	Newtongrange National Mining Museum of Scotland	0930	1100	1330	1500
2	Crawlees Road [for Ryze]	0935	1105	1335	1505
3	Newbattle Road [for Newbattle Abbey College]	0940	1110	1340	1510
4	Dalkeith, Lothian Road	0945	1115	1345	1515
5	Dalkeith High Street [for Dalkeith Country Park east]	0950	1120	1350	1520
6	Dalkeith County Hotel on High Street	0952	1122	1352	1522
7	Melville Gate Road [for Dalkeith Country Park west]	0955	1125	1355	1525
8	Gilmerton Road [for Melville Castle Hotel]	0957	1127	1357	1527
9	Butterfly World and Dobbies [main road]	1000	1130	1400	1530
10	Hillend Snowsports Centre [top of hill]	1015	1145	1415	1545
11	Boghall Farm Visitor Centre [main road]	1020	1150	1420	1550
12	Roslin [for Rosslyn Chapel, Roslin Glen C/Park]	1030	1200	1430	1600
13	Loanhead Linden Court [for Mavisbank House]	1037	1207	1437	1607
14	Lasswade Village [opp Laird & Dog]	1040	1210	1440	1610
15	Melville Dykes Road [opp Premier Inn, Table Table]	1045	1215	1445	1615
16	Newtongrange National Mining Museum of Scotland	1055	1225	1455	1625

Includes 65 minute break for the driver to allow one driver to work full timetable

Police and Fire and Rescue Board and Community Safety and Justice Partnership Board**Report by Kevin Anderson, Head of Customer and Housing Services****1 Purpose of Report**

This report seeks nominations and sets out the schedule of meetings for the Midlothian Police and Fire and Rescue Board and the Midlothian Community Safety and Justice Partnership Board.

2 Background

2.1 On 15 December 2015, Midlothian Council agreed to:

- Establish a “Community Safety and Justice Partnership Board” which will operate as the lead group for the Partnership for the revised remit.
- Establish a ‘Midlothian Police and Fire & Rescue Board’ to alter the remit and replace the statutory scrutiny requirements of the current Safer Communities and Shadow Reducing Reoffending Board.

Police and Fire and Rescue Board

2.2 The proposed amendment to the scheme of administration including the remit and terms of reference of the Police and Fire and Rescue Board are attached at Appendix 1. These terms reflect the statutory scrutiny requirements of the Safer Communities Board.

The proposed make-up of the Police and Fire and Rescue Board remains the same as the former Safer Communities Board , i.e.- 3 SNP/Coalition, 2 Labour and 1 Green.

The nominations of Councillors Adam Montgomery and Jim Muirhead (Labour) were agreed at the 15th December Council meeting.

Nominations are sought for the remaining positions on the Board.

Community Safety and Justice Partnership Board

2.3 The Community Safety and Justice Partnership Board sits within the Community Planning framework. The proposed Council membership on the Community Safety and Justice Partnership Board is 3 SNP/Coalition, 2 Labour and 1 Green.

The nominations of Councillors Margot Russell and Bryan Pottinger (Labour) were agreed at the 15th December Council meeting.

Nominations are sought for the remaining positions on the Board.

Schedule of meetings

- 2.4 It is proposed that both Boards meet 4 times a year, on the dates currently allocated for Safer Communities Board meetings:

23rd February 2016
 24th May 2016
 23rd August 2016
 15th November 2016

To enable the Community Safety and Justice Partnership Board to meet beforehand, it is proposed that the start time of the Police and Fire and Rescue Board is set at 11:00am, rather than the 10:30am start time allocated to the Safer Communities Board.

3 Report Implications

3.1 Resource

There are no resource issues arising from this report

3.2 Risk

There are no resource issues arising from this report

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

3.4 Impact on Performance and Outcomes

Not applicable

3.5 Adopting a Preventative Approach

The remit of the Board encompasses initiatives in respect of preventative measures.

3.6 Involving Communities and Other Stakeholders

This report provides detail on the remit and governance of the Police and Fire and Rescue Board. Elected Members and the Community Safety Partners have been consulted on the information contained in this report.

3.7 Ensuring Equalities

This report does not have any equalities implications

4 Recommendations

Council is invited to:

- a) Approve the remit and proposed meeting dates of the Police and Fire and Rescue Board and updated scheme of administration;
- b) Approve the proposed meeting dates of the Community Safety and Justice Partnership Board; and
- c) Make nominations for the remaining places on the Police, Fire and Rescue Board and the Community Safety and Justice Partnership Board.

2 February 2016

Report Contact:

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Email: rosie.kendall@midlothian.gov.uk

Background Papers:

Appendix 1- Midlothian Council Scheme of Administration

Midlothian Police and Fire & Rescue Board

Midlothian Council as a whole has an overall strategic role and legislative requirement in agreeing Midlothian Police and Fire and Rescue plans.

Business – The Board remit includes:

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

Membership - The Board will comprise 6 Elected Members, Including the portfolio holder for Housing and Customer Services

Officers who will attend the meeting but not sit on the board will include:

- The Local Police Commander
- The local Senior Fire and Rescue Officer plus the Service Delivery Manager for Midlothian.
- A representative from the Council's Corporate Management Team, usually the Joint Director, Health & Social Care

These officers will attend meetings from an accountability view point; they will not be part of the Board

Other partners/ sectors will be approached should there be a lack of suitable representation from the above partners/sectors.

Board Governance

This Board will report to Midlothian Council and link in to the wider Midlothian Community Planning arrangements. This governance structure of the Board will comply with the requirements of the Police and Fire Reform (Scotland) Act 2012.

Meetings

The Board will meet 4 times a year

Quorum

The quorum for meetings of the Board will be 3 Elected Members.

Minutes

The Minutes of the Board will be submitted to the next meeting of the Board for approval. They will also be submitted to the Council both for information and to allow the Council to consider any recommendations contained in them.

Dalkeith Town Centre Seminar

Report by John Blair, Director, Resources

1 Purpose of Report

The purpose of this report is to recommend that the Council requests a seminar to be held in relation to the development of Dalkeith Town Centre.

2 Background Information

- 2.1** Further to the report by the Head of Facilities and Property Management to the Council on 17 February 2015, further work has been commissioned in relation to the regeneration of Dalkeith Town Centre. In order to provide Elected Members with an opportunity to review this work, it is recommended that Councillors receive a seminar from Council Officers prior to the Easter Break.

3 Report Implications

3.1 Resource

There are no Resource implications as a result of the recommendation contained within this report.

3.2 Risk

There are no risk implications arising directly from this report.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

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

3.4 Key Priorities within the Single Midlothian Plan

Not applicable.

3.5 Impact on Performance and Outcomes

There is no impact on Performance Outcomes as a consequence of the recommendation contained within this report.

3.6 Adopting a Preventative Approach

Not applicable.

3.7 Involving Communities and Other Stakeholders

There are no Community or Other Stakeholder considerations as a consequence of the recommendation contained within this report.

3.8 Ensuring Equalities

There are no Equalities issues as a consequence of the recommendation contained within this report.

3.9 Supporting Sustainable Development

There are no Sustainable Development issues as a consequence of this report.

3.10 IT Issues

There are no direct IT issues as a result of the recommendation in this report.

4 Recommendations

Council is recommended to;

- (a) Instruct the Director, Resources to progress and arrange a seminar of Elected Members in respect of the development of Dalkeith Town Centre.

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