

MINUTES of MEETING of the MIDLOTHIAN COUNCIL held in the Council

Chambers, Midlothian House, Buccleuch Street, Dalkeith on Tuesday, 17 February 2015 at 2.00pm.

Present:- Provost Wallace, Depute Provost Coventry and Councillors Beattie, Bennett, Bryant, Constable, de Vink, Imrie, Johnstone, Milligan, Montgomery, Muirhead, Pottinger, Rosie, Russell, Thompson and Young.

Apologies for Absence:- Councillor Baxter and Mr V Bourne, Mr P Hayes and Mrs M Harkness.

1 Declarations of Interest

No declarations of interest were intimated.

2 Order of Business

The Clerk advised that:-

- (a) (i) the Minutes of Meeting of Midlothian Council of 16 December 2014, as contained in the Council Minutes Volume, had been withdrawn; (ii) an e-mail advising members of this and pointing them to the location of replacement minutes (in electronic format) had been issued earlier that day; (iii) hard copies of the replacement minutes had been tabled; and (iv) the minutes unfortunately did not reflect the attendance of Councillor Muirhead at the meeting and should be corrected accordingly; and
- (b) an additional item of business had been circulated on 13 February 2015, namely a report by the Head of Property and Facilities Management, entitled "European System of Accounts (ESA) Impact on the Newbattle Project" which would be considered as Agenda Item 20 (as dealt with under paragraph 21 below).

3 Minutes of Council

The (replacement) Minutes of Meeting of Midlothian Council of 16 December 2014 were submitted and approved as a correct record, subject to the inclusion of Councillor Muirhead in the sederunt.

4 Other Meetings

The undernoted Minutes of Meetings were submitted. The Council noted the Minutes and approved the recommendations contained therein: -

Meeting	Date
Cabinet	18 November 2014
	18 November 2014
	16 December 2014

Planning Committee	18 November 2014
General Purposes Committee	11 November 2014
Local Review Body	25 November 2014
Performance, Review and Scrutiny Committee	25 November 2014 26 November 2014
Audit Committee	9 December 2014
Midlothian Safer Communities Board	2 December 2014

5 Individual Electoral Registration

The Council received a presentation from Joan Hewton, Electoral Registration Officer (ERO), Lothian Valuation Joint Board, on Individual Electoral Registration (IER). Ms Hewton was accompanied by Brian Brown, Depute ERO.

It was explained that IER had been introduced on 19 September 2014. The aim of this was to reduce the risk of electoral fraud. Under IER, individuals who wished to register to vote could do so online through the Government Digital Service at www.gov.uk/register-to-vote where personal identifiers such as date of birth and national insurance number were checked against Government records. Other identifiers such as passport and driving licence could also be used on ERO request.

At the beginning of the canvas confirmation letters had been sent out to 61,623 electors in Midlothian who were already Government registered, which meant that around 90% of electors had already been accepted onto the system and were IER registered.

Household Enquiry Forms (HEF) were sent on 15 December 2014 to 2,343 households where there were no electors on the electoral register. Two subsequent reminders were also sent out in January 2015. This resulted in a relatively poor return of 18.5%.

In addition, invitations to Register (ITR) were sent on 15 October 2014 to 6,758 electors in Midlothian where the ERO knew an elector's name but it had not passed through the Government's Digital Service to be confirmed. Following reminders in January and February 2015 a response rate of 56% was obtained.

Ms Hewton went on to highlight various issues arising from this exercise and pointed out that personal canvasser visits had been made to 7,945 households where non returns had been made.

Household/

Household Notification Letters (HNL) had also been sent to 35,639 households on 13 February 2015. This had elicited a large response and would help to update the Electoral Register and make it as accurate as possible for the forthcoming General Election on 7 May 2015. The new Register was due to be published on 27 February 2015. However, from the Electors' perspective the matter of greatest importance was the issue of poll cards. These would be dispatched from the printer around 31 March/1 April 2015 and it was only at that stage that some electors would find that they were not eligible to vote as they had not completed the registration process. Both electors and proxies required to be IER confirmed.

Ms Hewton went on to comment on various issues relating to IER and the forthcoming UK Parliamentary General Election and specified the cut-off dates for the various types of application that could be made in relation to this. She concluded by advising that members could assist by:-

- Encouraging electors to register on-line as soon as possible;
- Encouraging postal or proxy applications to be made early;
- Responding immediately to all correspondence/communication from the ERO;
- Passing any application forms given to them immediately to the ERO; and
- Giving the voter confidence in the IER process and in the election process.

Thereafter, following questions from Members, the Provost thanked Ms Hewton for her presentation, following which she and Mr Brown withdrew from the meeting.

6 Question to Leader of the Council

It was noted that no questions to the Leader of the Council had been received.

7 Notices of Motions

(i) Bringing Ford's speed limit into line with other villages

There was submitted a Notice of Motion by Councillor Young, countersigned by Councillor Milligan, as follows:-

"Council notes:

- (a) *The serious concern from residents in Ford that the speed limit through their village is inappropriately high at 40mph.*
- (b) *That upon entering the village of Ford, drivers are greeted with signage reading "Welcome to Ford. 40MPH", which is a relatively unusual sight when entering a village in Midlothian.*
- (c)/

- (c) *That the national guidelines for speed limits on this category of road state that 30mph (not 40mph) “**should be the norm in villages where appropriate**”, but that Ford has not been categorised as a village for speed-limit purposes.*
- (d) *The importance of maintaining a consistent set of speed limits across the road network.*

Council believes:

- (a) *That within national guidelines, there will inevitably be some situations that are not adequately covered.*
- (b) *That Council should make its view clear when national guidelines do not adequately deal with local circumstances.*
- (c) *That Ford is clearly a small village, and that its residents and road users deserve to have a speed-limit appropriate for a village.*
- (d) *That designating the stretch of road through Ford as a 30mph limit would not have an adverse effect on the consistency of speed-limits across the road network, as the reasonable driver would recognise Ford as a village and would see the 30mph limit as appropriate.*

Council resolves to:

- (a) *Agree, in principle, to the introduction of a 30mph speed limit through the village of Ford; and*
- (b) *Authorise the Director Resources to initiate the necessary statutory process to make an appropriate order under the relevant roads legislation.”*

The Council thereafter heard from Councillors Young and Milligan who moved and seconded the motion respectively.

The Council then heard from Councillor Rosie who tabled and moved the following amendment to the motion:-

“Remove second (b)

Change second (c) In second line replace “a village” with “this village”.

At “Council Resolves” to remove from “resolves to” and replace with “agrees to”

- (a) *Council agrees to the request made by Councillor Beattie to the introduction of a 30 mph speed limit from Crichton Road through Ford Village and recognises the efforts of the residents of the village, Councillor Lisa Beattie and MSP Colin Beattie in achieving this.”*

Councillor Thompson seconded the amendment.

There followed discussion on the terms of the amendment. It was noted that Councillor Young had consulted with the Monitoring Officer when drafting the terms of the motion and concern was expressed that the amendment as presented did not take account of such advice. The Council heard from the Monitoring Officer on the importance of including the words “in principle” when describing any Council support for any proposed change to a 30mph speed limit in advance of implementing any formal statutory process. In light of this Councillor Rosie advised that he was therefore willing to include the words “in principle” in his amendment. The Council also heard from the Head of Commercial Operations regarding the guidelines.

A vote was then taken on the matter. 8 members voted for the motion and 9 for the amendment, which accordingly became the decision of the meeting.

(Action: Head of Commercial Operations)

(ii) New Psychoactive Substances

There was submitted a Notice of Motion by Councillor Russell, countersigned by Councillor Pottinger, as follows:-

“There has been an increase in the use of New Psychoactive Substances (NPS), more commonly known as legal highs among young people, and the wide scale sale in local shops makes them easily accessible. There have been 114 cases of NSP users being admitted to the Royal Edinburgh Hospital and tragically there have been six deaths in Edinburgh related to these lethal substances.

We are aware that this matter has been discussed at local level and in both Parliaments, but we feel that more must be done to bring about the necessary legislation to stop the sale of these substances.

We feel now that a more robust approach is needed, and that this Council must seek agreement of all parties to demand that the UK Government starts the process of legislation needed, not just to curb this practice but to ensure that these types of substance join other banned substances.

Midlothian Council therefore calls upon the UK Government to classify New Psychoactive Substances as banned substances under the Misuse of Drugs Act.”

The Council thereafter heard from Councillors Russell and Pottinger who moved and seconded the motion respectively.

The Council then heard from Councillor Thompson who tabled and moved the following amendment to the motion:-

“Delete from “We feel now” to end and insert:

Midlothian Council welcomes the actions of the Scottish Government in holding a summit on New Psychoactive Substances and publishing an evidence review on the issue; recognises an expert legal group has been established to look at what can be done within devolved powers; notes that the process of legislating further for protection on New Psychoactive Substances has already begun by the UK Government and calls on the UK Government to speed up the process of developing and introducing new legislation on this issue to give the greatest possible protection for our residents and communities.”

Councillor Constable seconded the amendment.

Thereafter, following discussion, the Council agreed to accept the wording of the amendment but with the final paragraph of the motion being retained.

(Action: Legal and Secretariat Manager)

(iii) Beeslack High School – Roof Repairs

There was submitted a Notice of Motion by Councillor Montgomery, countersigned by Councillor Imrie, as follows:-

“Beeslack High School has served its community for over 30 years, both educationally and in providing broader life experience necessary to prepare the young people within its care for their future

At present, and since June 2014 the Beeslack Parents Association has been in correspondence with education/maintenance officers to have roof repairs carried out in order to prevent further roof tiles falling into the top corridor and water dripping into buckets as a result of this. Other areas of the building are also being adversely affected. This is detrimental not only to the fabric of the building but to pupil and staff morale due to the poor state of repair in the school.

This is quite simply not acceptable, and Council agrees to full repairs being carried out to the roof at Beeslack High as a matter of urgency.”

The Council thereafter heard from Councillors Montgomery and Imrie who moved and seconded the motion respectively.

The Council then heard from Councillor Rosie who tabled and moved the following amendment to the motion:-

“Delete/

“Delete from “At present” to end and insert;

Midlothian Council notes that over the past 4 years £554,000 has been spent on maintenance and repairs at Beeslack, recognises the importance of maintaining the school estate in providing a quality education establishment; understands that initial repairs to the roof at Beeslack are already scheduled and notes the further required works are included in the 2015/16 capital budget.”

Councillor Thompson seconded the amendment.

In the course of debate reference was made to a number of issues including acknowledgement of the involvement and concerns of Beeslack Parents Association in pressing for repairs at the school; the various areas of the school affected by leaks and damage to roof tiles; the repairs required to make the building wind and watertight; the urgency and of the works; and the most suitable timing of the works. The Head of Property and Facilities Management also advised that guttering works (c £7,000) were presently taking place at the school and that it was normal for major repairs, such as the major works proposed at Beeslack, to take place over the summer holidays because of health and safety issues due to scaffolding etc.

Thereafter a vote was taken on the matter when 8 members voted for the motion and 9 for the amendment which accordingly became the decision of the Council.

The Head of Property and Facilities Management also confirmed that major works at the school would be programmed for the 2015/16 calendar year and that provision for this would be allowed in the capital plan if not already included.

(Action: Head of Property and Facilities Management)

8 Positive Destinations and Plans for 2015 – Developing Midlothian’s Young Workforce

There was submitted report, dated 7 January 2015, by the Director, Education, Communities and Economy, outlining the significant improvements which had been made in supporting young people in Midlothian achieve positive destinations on leaving school. The report noted that in 2014, the number of young people achieving a positive destination had increased by nearly 5%. The key factors which had contributed to this improvement were highlighted as well as the approaches that would be taken to continue to support young people in 2015.

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The report acknowledged and commended the progress made in improving positive destinations for young people and advised that the Positive Destination figures, collated by the national skills body Skills Development Scotland, showed that 93.9% of school leavers in Midlothian found a job, enrolled in college or training or secured another positive destination such as volunteering. This compared with 89.2% in 2013. The latest figures were also 1.6% higher than the national average and only six other councils had more favourable outcomes than Midlothian.

The report also sets out key factors that would be essential to achieving the target of 95% in 2015 and meet the recommendations of the Commission for Developing Scotland's Young Workforce.

Decision

- (a) To welcome the report and recognise the improvement in supporting young people to achieve positive destinations;
- (b) To acknowledge and praise the efforts of staff, partners and young people that had resulted in this improvement;
- (c) To approve the ambitious target of achieving 95% positive destinations in 2015; and
- (d) To support the approaches that would be developed further to meet the recommendations contained within Developing Scotland's Young Workforce.

(Action: Director, Education, Communities and Economy)

9 Midfest 2015

There was submitted report, dated 10 February 2015, by the Director, Resources:-

- (a) advising of the success and outcomes arising from the second Midfest 2014 festival held in Dalkeith Country Park on 5 and 6 September 2014;
- (b) outlining the resource and financial implications for the Midfest 2015 festival; and
- (c) advising of the intention to use the Midfest 2015 festival as an opportunity to promote Midlothian as part of the opening of Borders Railway.

The report advised that the Director, Resources, had led the event planning for the 2014 festival under the auspices of the Legacy 2014 Active and connected themes as part of the Commonwealth Games 2014 celebration. In addition a Midfest Safety Advisory Group had been established following consultation with Police Scotland. This Group included key partners involved in/

in the organisation of the event and proved to be highly satisfactory in establishing close working relationships, protocols and aided the decision making processes for the event. A formal debrief of the 2014 event was held on 4 December 2014 which included all parties. Comments arising from this were summarised in the report and information was also provided on the festival structure and activities undertaken.

The report advised that the 2014 event had been funded largely by the utilisation of the Members Ward Environmental Capital budget on a one off basis. Accordingly it was necessary to explore funding options if the Council was minded to continue with the event in 2015. In this regard the following options were presented:-

Option A – Utilisation of Reserves

To earmark the sum of £30,000 from reserves to fund the Midfest 2015 based on the indicative costs for 2015. The Head of Finance and Integrated Service Support had advised Council at its meeting on 16 December 2014 of the need to address the budget shortfall in 2016/17 and beyond.

Option B – Introduce an Entry Fee

To consider the introduction of an entry fee for the Sunday Midfest event. Indicative prices suggested could be £5 for adults and £2 for concessions with family tickets costing £12. Various promotional incentives including early bird tickets could be introduced. The income generated would be dependent on a number of factors and contribute to the running costs.

Option C – Seek External Funding

The option of seeking external funding continued to be explored and may in part offset the running costs.

The report advised that irrespective of the options chosen, the Council was invited to underwrite the costs of Midfest 2015 to allow the Director, Resources to progress the necessary event planning and Safety Advisory Group agenda at an early stage.

Decision

- (a) To note the success of Midfest 2014;
- (b) To approve Options B and C;
- (c) To agree to underwrite the costs of Midfest 2015 to allow the Director, Resources to progress the necessary event planning and Safety Advisory Group agenda at an early stage;
- (d) To instruct the Director Resources to continue to explore opportunities for reducing costs and maximising external funding opportunities if possible; and

- (e) To note the intention to provide update reports to the Council as required.

(Action: Director, Resources)

10 Approval of Nominations for The Queen Elizabeth Fields Challenge

There was submitted report, dated 20 January 2015, by the Director, Resources, recalling that following a presentation to elected members and officials by Fields in Trust on 19 January 2012, officers from the Landscape and Countryside and Sport and Leisure Sections had been requested to nominate suitable open spaces as areas for Queen Elizabeth Fields designation. Thereafter a report had been presented to the meeting of Midlothian Council on 26 June 2012. The Director's report now gave an update on the matter.

The report reminded the Council that in Scotland the Queen Elizabeth Fields Challenge was headed by its Patron, Prince William, the Earl of Strathearn, and was being promoted by Fields in Trust, formerly known as the National Playing Fields Association, to celebrate the Diamond Jubilee of Her Majesty Queen Elizabeth in 2012 and create a permanent, tangible and relevant legacy arising from the London 2012 Olympics and the Glasgow Commonwealth Games in 2014.

Local authorities had been asked to nominate areas to be designated by the public in recognition of their importance relating to sport, play or recreation. A wide range of sites had been sought, including gardens, children's play areas, bicycle trails, nature reserves and sports pitches. These had to be owned by the nominee and were to be seen as being at the heart of the community and offering facilities or space for the improvement of general health and wellbeing.

The following sites in Midlothian's main settlements were felt to be suitable candidates for Queen Elizabeth status based on the aforementioned criteria and the list had been updated to take cognisance of the comments raised previously by the Council. Plans relative thereto are shown at **Appendices I to XI** hereto:-

Area	Town	Size (Ha)	Appendix	Note
Cowden Park	Dalkeith	3.67	I	June 2012
Penicuik Playing Fields	Penicuik	4.48	II	June 2012
Arniston Park	Gorebridge	2.41	III	June 2012
Poltonhall Playing Fields	Bonnyrigg	7.00	IV	June 2012
Ironmills Park	Dalkeith	15.43	V	June 2012
Mayfield Park	Mayfield	6.48	VI	June 2012
Welfare Park	Newtongrange	6.79	VII	June 2012
Roslin Park	Roslin	2.39	VIII	February 2015
Rosewell Park	Rosewell	4.85	IX	February 2015
Danderhall Park	Danderhall	3.22	X	February 2015
Vogrie Country Park	Gorebridge	105.00	XI	February 2015

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The report advised that it was not proposed that nominated sites would be renamed given the limited resources being offered through the scheme but would form a protected legacy.

Additionally, it was explained that there was an obligation on the Council that should a part or all of one of these sites be required for development, the Council would need to agree with Fields in Trust another site to compensate for the loss. In accordance with Scottish Planning Policy on open space, agreement could also be reached on an increase in the quality of local open spaces rather than a replacement site.

In presenting his report, the Head of Commercial Operations advised that the plan for Poltonhall Playing Fields (as contained at Appendix D to his report) was an older version which did not reflect the decision of the Council on 26 June 2012. The correct plan is included at **Appendix IV** hereto.

Decision

- (a) To confirm the acceptability of the nominated sites for designation as Queen Elizabeth Fields, as set out in the table above and **Appendices I to XI** hereto; and
- (b) To approve the submission of the applications to Fields in Trust for consideration.

(Action: Head of Commercial Operations)

11 Asset Management Rationalisation - Dalkeith Town Centre Feasibility Study

There was submitted report, dated 10 February 2014, by the Head of Property and Facilities Management, recalling that at a Council briefing on 7 October 2014, the Head of Property and Facilities Management had been requested to provide a report to Council on the cost of a full feasibility study into the opportunities to regenerate Dalkeith Town Centre and detail the scope of the study.

The Head of Property and Facilities Management's report now quantified the cost of this study and provided a programme overview of the continued rationalisation of the office estate and consequential building closures within the property portfolio currently occupied by the Council.

The report also provided further information on the Effective Working in Midlothian Review of Council Headquarters Options which had been presented to the briefing on 7 October 2014.

The report explained that the Council currently had a significant presence in the centre of Dalkeith across its largely office based workforce. In addition, it owned a number of commercial units and residential dwellings. The intention was to consolidate these assets and to acquire others through Compulsory Purchase Orders and create a new town centre attracting investors, partners and tenants in addition to existing occupiers.

It was explained that external commercial and development expertise would be required to provide a robust review of the regeneration options that would be managed and complemented by the existing officers within the Council's EWiM Team. Details were also provided on the outcomes/aims of the following roles that would be necessary to produce the feasibility study report for the Council:-

- Master Planner/ Architectural Consultant
- Structural Engineer Consultant
- Building Services Consultant
- Quantity Surveying Consultant
- Estates Consultant
- Environmental Consultant

The report concluded by recommending that the Council:-

- (a) note the report and progress made to date following the Council briefing;
- (b) agree to instruct the further investigation of Dalkeith Town Centre Regeneration Options which would include a New Council Headquarters, Library/Arts Centre and Contact Centre; and
- (c) approve a supplementary estimate in 2014/15 of £180,500 as set out in section 5 of the report to meet external fees and costs.

Councillor Rosie, seconded by Councillor Thompson, moved approval of the recommendations.

As an amendment Councillor Russell moved that the Council put the feasibility study on hold for now and await a better financial position, particularly in view of:-

- the many savage cuts that had been made in grants to voluntary groups;
- the hiked up costs for community alarms;
- the closure of the taxi card scheme to new applicants;
- the other town centre regeneration projects which had failed in the past due to finances;

and that once the Council's finances were stable a seminar be held on what form regeneration might take and how to shape a new town centre with retail, community and leisure facilities.

Councillor Bennett seconded the amendment.

After further contributions the matter was put to the vote. Thereupon 8 members voted for the amendment and 9 for the motion, which accordingly became the decision of the meeting.

(Action: Head of Property and Facilities Management)

12 Signing up to Scotland's Digital Participation Charter

There was submitted report, dated 23 December 2014, by the Joint Director, Health and Social Care, inviting the Council to become a partner in a national drive to promote digital participation and the development of online skills.

It was explained that the UK Government, the Scottish Government and Midlothian Council were all committed to promoting the greater use of digital technology in delivering services and promoting citizen participation. The UK Government was promoting the "digital by default" agenda, most notably through the processes for claiming benefit. In this regard it was explained that it would only be possible to claim Universal credit through an online process which would be introduced in Midlothian in the spring.

Work on Midlothian's Customer Profile had shown that 15% of the Midlothian population had no interest in going online. In Midlothian, channel shift work (i.e. providing channels that were appropriate to the customer and the organisation) involved focussing support on these 15% of residents who needed help in face to face contexts, with the support partly funded by savings created by persuading the 85% of residents to use the Council's cheaper channels, in most cases the Council's website, to request services.

The report also explained that Scottish Government was funding a number of programmes to ensure that Scots could take advantage of new technologies. This included the provision of high speed broadband, with the Council part-funding these infrastructure improvements and a number of projects intended to target digital exclusion.

Digital inclusion work was being co-ordinated in Scotland by the Scottish Council for Voluntary Organisations (SCVO) who had agreed a Digital Participation Programme with a leadership group for this work drawn from the public, private and third sectors. A Charter had been drawn up for organisations to sign as a symbol of their commitment to ensuring that every resident had the access, motivation, and basic online skills required to fully participate in the digital world. Charter signatories were asked to commit to the following:-

- "1. Ensuring that all of our staff and volunteers have an opportunity to learn basic digital skills, and that they take advantage of this opportunity
2. Encouraging and supporting our staff and volunteers to help other people learn basic digital skills, and help other organisations to embrace digital tools
3. Contributing resources and practical support for digital participation initiatives in Scotland in whatever ways we can
4. Channelling our efforts through the Digital Participation Programme, so that our activities can be coordinated for maximum impact and measured consistently
5. Using common language based on digital participation and basic digital skills, to make our thinking and actions as clear as possible"

Decision/

Decision

- (a) To agree that the Council become a signatory to the Digital Participation Charter;
- (b) To remit to the Head of Customer and Housing Services, or his delegate, to progress the matter; and
- (c) To remit to the Head of Customer and Housing Services, to provide briefings for any member(s) who so wished on the progress of channel shift within the Council and other issues such as digital inclusion/exclusion.

(Action: Head of Customer and Housing Services)

13 Adjournment and Reconvention

At this point (4.05pm) the Council adjourned for a short break and resumed at 4.19pm when the following members were in attendance:-

Provost Wallace, Depute Provost Coventry and Councillors Beattie, Bennett, Bryant, Constable, de Vink, Imrie, Johnstone, Milligan, Muirhead, Pottinger, Rosie, Russell, Thompson and Young.

The Council noted advice from Mr John Blair, Director, Resources (who in terms of Standing Order 18.3 was deputising at the meeting for the Chief Executive) that in the absence the Section 95 Officer, Mr Gary Fairley, Head of Finance and Integrated Service Support, he would be presenting the next five financial reports, supported by his colleague, Gary Thompson, Senior Accountant Projects & Treasury.

14 Financial Monitoring 2014/15 – General Fund Revenue

There was submitted report, dated 2 February 2015, by the Head of Finance and Integrated Service Support, providing information on performance against the Revenue Budget in 2014/15 and detailing material variances.

The detailed budget performance figures showed a projected net underspend of £1.430 million, which was 0.72% of the revised budget for the year. Performance against budget had also improved by £1.096 million from that reported in December for Quarter 2 and information was provided about the most significant developments.

Detailed information on material variances was set out in an appendix to the report and this identified each variance, explained why it happened, outlined what action was being taken to control variances and detailed the impact of that action.

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The report also commented on the following:-

- The Council Transformation Programme;
- Voluntary Severance and Early Retiral;
- The General Fund Reserve; and
- The City Deal Proposal.

With regard to the last bullet point, the report recalled that information about the City Deal proposal had been presented to the Council on 16 December 2014. This outlined the potential benefits arising from investment across the Edinburgh City Region which would complement opportunities already presented by the Borders Railway development.

At this stage the cost of developing a proposal for the City Deal was estimated to be approximately £0.500 million, which would be shared amongst partners. Midlothian's share was anticipated to be £0.025 million, which would require to be funded by a supplementary estimate. Given the estimated General Fund Reserve position as set out in the report and the potential long-term benefits that were envisaged from this investment, the Council was recommended to approve funding, with a further detailed report to be brought forward in the near future.

The report advised that the uncommitted General Fund Reserve at 31 March 2015 was projected to be £8.102 million. A prudent level of uncommitted reserves was seen as being between 2% and 4% of net expenditure which equated to between approximately £4 million and £8 million. While the General Reserve as shown was at the prudent end of this scale it was pointed out that there could be additional one-off costs associated with service transformation and workforce reduction, and the reserve might also be required as a buffer to offset any further slippage in the achievement of planned savings.

Decision

- (a) To approve a supplementary estimate of £0.025 million for the Council's contribution to the City Deal Proposal; and
- (b) To otherwise note the content of the report.

(Action: Head of Finance and Integrated Service Support)

15 Housing Revenue Account Capital Plan and Revenue Budget 2014/15 – 2017/18

There was submitted report, dated 13 January 2015, by the Head of Finance and Integrated Service Support, providing updates on the:-

- Housing Revenue Account (HRA) Capital Plan for 2014/15 – 2017/18; and
- Projected outturn against the revised budget for 2014/15.

The report explained that the HRA Capital Plan for 2014/15 to 2017/18 now provided for:-

- £0.343 million and £0.40 million for the refurbishment of Pentland House and Midfield House respectively; and
- £4.487 million to be carried forward to 2015/16.

The summarised financial performance for 2014/15 was as follows:-

- Capital Expenditure to 21st December 2014 was £6.369 million and it was anticipated that this would be £15.976 million for the year;
- A net underspend of £0.500 million was projected on the Revenue Account; and
- The HRA reserve at 31st March 2015 was projected to be £21.173 million.

Decision

To note the content of the report.

16 Treasury Management and Investment Strategy 2015/16 & Prudential Indicators

There was submitted report, dated 27 January 2015, by the Head of Finance and Integrated Service Support, seeking the Council's approval to the Treasury Management and Annual Investment Strategies for 2015/16 and the Prudential and Treasury indicators contained therein.

Detailed information was contained in the following appendices to the report:-

Appendix 1: Permitted Investments

Appendix 2: Prudential Indicators

Appendix 3: Treasury Management & Annual Investment Strategy Statement for 2015/16

It was explained that the Treasury Management and Investment Strategies outlined in the report, and in the detailed document included at Appendix 3 to the report, had been formulated to comply with the revised Codes of Practice and relevant Regulations and provide the framework for achieving best value in the management of the Council's borrowing and investment portfolios.

It was also noted that a report on the Treasury Management and Investment Strategy 2015/16 and Prudential Indicators had been considered and noted by the Audit Committee on 3 February 2015.

Decision

- (a) To approve the Treasury Management and Investment Strategy for the 2015/16 financial year, as summarised in Section 2.1 of the report and as detailed in the in-depth main report attached at Appendix 3 to the report;

- (b) To approve the list of Permitted Investments outlined in Appendix 1 to the report;
- (c) To adopt the Prudential Indicators contained in Appendix 2 to the report; and
- (d) To grant permission for total borrowing to be taken up to the Authorised Limit for Borrowing of £334.1m (as shown in item 4.2 of Appendix 2 to the report) if market conditions indicated that this was prudent.

(Action: Head of Finance and Integrated Service Support)

17 General Services Capital Plan 2014/15 Quarter 3 Monitoring

There was submitted report, dated 29 January 2015, by the Head of Finance and Integrated Service Support, providing information on the projected performance against budget for the General Services Capital Plan 2014/15.

The report recalled that the Quarter 2 monitoring position, as reported to Council on 16 December 2014, projected expenditure of £16.998 million and funding of £12.027 million, giving a borrowing requirement of £4.971m for 2014/15.

It was explained that this budget had now been increased to £17.192m million to take account of new projects included since 16 December 2014. In line with this, the expected level of funding available to finance the Plan had also increased to £12.221 million, to reflect additional expenditure on two projects. However, as both of these were fully funded, there was no change to the budgeted in-year borrowing requirement of £4.971 million.

The report also commented on the position with regard to expenditure, funding and borrowing. Based on the foregoing, the projected performance against budget for 2014/15 was summarised as follows:-

GENERAL SERVICES CAPITAL PLAN				
2014/15 Q3 Monitoring	Re-phased			
	2014/15	Actual to	2014/15	2014/15
	Budget	P9	Outturn	Variance
	£'000	£'000	£'000	£'000
EXPENDITURE				
Resources	9,387	5,000	9,440	53
Education, Community & Economy	6,084	1,578	4,918	(1,166)
Health & Social Care	406	84	167	(239)
Council Transformation	1,315	148	1,315	-
Total Approved Expenditure	17,192	6,809	15,840	(1,352)
FUNDING				
Government Grants	8,157	5,320	8,157	-
Receipts from Sales	4,159	4,140	4,159	-
Transfer to Capital Fund	(4,159)	(4,140)	(4,159)	-
Developer Contributions	3,715	1,314	3,040	(675)
Other Contributions	349	155	349	-
Total Available Funding	12,221	6,789	11,546	(675)
Approved Borrowing Required	4,971	20	4,294	(677)
Debt Outstanding at 01 April	107,675		107,675	-
Borrowing arising from Capital Plan	4,971		4,294	(677)
Debt Repayments	(4,194)		(4,194)	-
Debt Outstanding at 31 March	108,452		107,775	(677)

Decision

To note the Quarter 3 General Services monitoring position for 2014/15.

18 Financial Strategy 2015/16 to 2017/18

There was submitted report, dated 10 February 2015, by the Head of Finance and Integrated Service Support, providing the Council with a further update on the delivery of the Financial Strategy approved by Council on 4 February 2014, and incorporating the final 2015/16 budget for approval. The report included:-

- An update on Scottish Government Grant Settlement;
- The final 2015/16 budget for approval;
- An update on the budget projections for 2016/17 to 2017/18;
- An update on delivery of the strands of the Financial Strategy, including the Transformation Programme; and
- An update on reserves.

It was explained that the total revenue funding for Local Government at national level (including Non Domestic Rates) was £9,845 million. It was estimated that Midlothian Council would receive £154.996 million, which represented an £0.899 million increase from the figure reported to Council on 16 December 2014.

With regard to the Scottish Government Grant Settlement, the report advised that the Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy, wrote to all Council Leaders on 5 February 2015 setting out the terms of a revised settlement offer and commitment with regard to teacher numbers which superseded that set out in the 9 October 2014 settlement letter. A copy of the 5 February 2015 letter was appended at Appendix 1 to the report. This invited Council Leaders to write to the Deputy First Minister by no later than 20 February 2015, to formally agree for 2015/16 to protect the number of teaching posts in their authority to secure:-

- The maintenance as a minimum of the total number of teachers employed at 2014/15 levels and also the maintenance, as a maximum, of the pupil teacher ratio for schools at the 2014/15 levels, both as reported in the pupil and teacher census published in December 2014; and
- Places for all probationers who required one under the teacher induction scheme.

The report advised that, in return, provided the Council signed up to the terms of the offer, its share of the £41 million already included in the settlement to support teacher numbers would continue to be available from the start of the new financial year as planned. Provided this commitment was met, as confirmed in the publication of the annual pupil teacher census statistics in December 2015, the Scottish Government would make available a share of an additional £10 million in recognition of the general budget pressures authorities were facing, to help ensure the delivery of the teacher numbers commitment.

COSLA's position on the matter was also explained. Essentially, COSLA did not regard the Scottish Government's letter as fair and equitable with regard to financing targets and sanctions on the issue of teacher numbers. It called on the Scottish Government to re-engage in national discussion on this and considered it imperative that no Council was sanctioned as a result of workforce planning issues. The President of COSLA had written to the Depute First Minister to convey this position and to seek a meeting during the week commencing 9 February 2015.

The report also highlighted that the budget projections in the Financial Strategy were based on a continuing Council Tax freeze (a condition of The Scottish Government Grant Settlement for 2015/16) with Band D Council Tax remaining at £1,210.

The final projection for 2015/16 and updated projections for later years of the impact of the various strands of the Financial Strategy were summarised as follows:-

	2015/16	2016/17	2017/18
	£m	£m	£m
Budget Shortfall	2.095	10.700	16.600
Less Strands:			
Transformation Programme	1.526	3.842	5.167
Workforce Strategy			
• Management Review	0.220	0.409	0.409
• VSER	1.026	0.933	0.844
Terms & Conditions	-	-	-
Asset Management	0.214	0.277	0.277
Procurement	0.200	0.350	0.505
Service Reviews	0.219	0.328	0.328
Efficiency/Financial Discipline			
• Financial Discipline	0.571	0.571	0.571
• Operational Savings	0.284	0.341	0.341
• Remaining Efficiency Target	-	0.288	0.738
Budget Savings	0.599	2.088	2.475
Shortfall / (Surplus)	(2.764)	1.273	4.945

It was pointed out that on 16 December 2014 the Council had agreed that the projected deficit in 2016/17 be offset by the projected surplus in 2015/16. It was stressed however that ultimately the achievement of savings would be dependent on decisions taken by Council and it was pointed out that there was a continuing challenge in later years with savings of £4.945 million projected to be required to address the 2017/18 budget shortfall.

The Council's attention was also drawn formally by the Director, Resources, to the key risks and issues set out in the report. It was explained that the Financial Strategy aimed to mitigate a number of these by setting out forward plans and the early identification of future saving proposals. Alongside this the Mi-Future programme had been designed and implemented to increase flexibility across the workforce.

The/

The report concluded by recommending that Council:-

- “(a) Receive a verbal update on the ongoing attempts by COSLA to seek a collective solution to teacher numbers;
- (b) Subject to a) consider the terms of the revised settlement offer as set out in appendix 1 (of the report), specifically whether or not it agrees to deliver the revised teacher commitment, and authorise the Leader of the Council to write to The Depute First Minister to convey the Council’s position;
- (c) Subject to any changes arising from recommendations a) and b) approve the 2015/16 budget as summarised in appendix 2 (of the report).
- (d) Note that the projected deficit in 2016/17 will be offset by the projected surplus in 2015/16.
- (e) Note the remaining projected budget shortfall for 2017/18 of £4.945 million and the proposals to address this as set out in the report.”

The Council heard from Councillor Thompson, Leader of the Council, regarding the motion which had been approved at the Special COSLA Leaders meeting on 6 February 2015. He advised that he had not supported this motion and instead had supported acceptance of the Depute First Minister’s offer on teacher numbers. He therefore moved approval of the report’s recommendations on the basis that the Council should authorise him to write to the Depute First Minister to confirm the Council’s commitment to maintaining teacher numbers in Midlothian. The motion was seconded by Councillor Constable.

As an amendment Councillor Muirhead, seconded by Councillor Imrie, moved that in view of the new information now presented, particularly regarding the latest projection regarding the high level of useable reserves at 31 March 2015, the Council should agree:-

- that reserves should not be maintained at a higher level than was prudent; and
- that in view of the considerable increase in reserves now reported, and in terms of finalising and approving the budget at this meeting, to re-visit some of the cuts made at the last meeting with a view to helping to alleviate some of the difficulties that these would cause, in particular by:-
 - Removing the charging for in-house day service provision (£30,000)
 - Scrapping Telecare charges (£174,000);
 - Remove the closing of the Taxi card scheme (£4,000); and
 - Reversing the cuts in grants to voluntary organisations.

Reference/

Reference was also made during debate to the availability of places for Labour Group members on the Business Transformation Steering Group and Midlothian Safer Communities Board and the reasons these had not been taken up.

On a vote being taken, 7 members voted for the amendment and 9 for the motion, which accordingly became the decision of the meeting. The 2015/16 budget is as summarised at **Appendix XII** hereto.

(Action: Head of Finance and Integrated Service Support)

19 Midlothian Local Development Plan: Draft Action Programme Consultation

With reference to the Addendum to the Minutes of 16 December 2014, there was submitted report, dated 10 February 2015, by the Director, Education, Communities and Economy, advising of the responses received to the pre-publication consultation on the Draft Midlothian Local Development Plan Action Programme, and seeking approval of the amendments to the Programme.

The consultation had taken place between 19 December 2014 and 23 January 2015 and the parties contacted and those who had responded included Key Agencies, Scottish Ministers and named parties having a responsibility to carry out an action or actions. 73 invitations to comment had been issued and 20 contacts had responded. Copies of these had been placed in the Members' Library for information as had a summary schedule of the 90 separate points submitted.

The responses received included comments and observations from all the relevant Key Agencies, Homes for Scotland and a number of house builders and/or their agents. These related generally to the policy actions, infrastructure requirements and supplementary guidance sections of the Action Programme and specifically to the housing land allocations phasing programme, the infrastructure delivery timescales and the developer contributions process.

The report gave an overview of the responses received, commenting particularly on:-

- Infrastructure Requirements
- Transport Requirements
- Developer Contributions Process
- Supplementary Guidance
- Other Actions

With regard to Transport Requirements, the report advised that notwithstanding their general support for the recent transport appraisal of the Proposed Plan, Transport Scotland had raised a number of concerns about the transport policies and infrastructure requirements of the Action Programme/

Programme and the pre-publication version of the Proposed MLDP. It was intended therefore that there would be ongoing dialogue with Transport Scotland on this.

Having considered all of the representations received on the draft pre-publication Action Programme, the report advised that a number of relatively minor and modest amendments were being recommended. An inventory of these was appended to the report. It was considered that the recommended amendments provided greater accuracy and clarity of interpretation, and therefore did not comprise any substantive change to the Proposed Midlothian Local Development Plan, as approved by Council on 16 December 2014 for publication.

Decision

To approve the proposed amendments to the Action Programme, as detailed in the Appendix to the report, for the purposes of formal representation alongside the Proposed Midlothian Local Development Plan, subject to any non-material editing required in preparation for publication.

(Action: Director, Education, Communities and Economy)

20 Note of Seminar of 27 January 2015

There was submitted and noted the Note of Seminar of the Council of 27 January 2015 on Self Directed Support, as shown at **Appendix XIII** hereto.

21 European System of Accounts (ESA) - Impact on the Newbattle Project

There was submitted report, dated 12 February 2015, by the Head of Property and Facilities Management, providing an update on the effect of the recent European Directive ESA10 on the delivery programme for the Newbattle replacement school and associated community facilities.

Appended to the report was a copy of a response given in the Scottish Parliament on 2 February 2015 by the Cabinet Secretary for Finance, Employment and Sustainable Growth, to a written question asking for an update on the non-profit distributing (NPD) pipeline of infrastructure investment.

It was explained that revenue funded design build finance maintain (DBFM) projects were previously classified under European System of Accounts 1995 (ESA95) guidance. This guidance however had recently been updated and was now termed the European System of Accounts 2010 (ESA10).

It was explained that the Scottish Futures Trust (SFT) and the Scottish Government had been working for several months on a solution to determine how revenue funded hub DBFM projects were classified under this updated guidance (ESA10) as it had an impact on how these projects were budgeted for.

The/

The report advised that the Scottish Government were engaging with the UK Office for National Statistics, who decided on classification matters, and had agreed that SFT consider the options available to introduce contractual changes to satisfy the new rules. Given the particular governance and shareholder structures that applied to hubs, this would take time to agree and implement with partners.

The impact of the delay to the Schools for the Future programme affected eight projects including the Newbattle replacement school and associated community facilities. The Scottish Futures Trust (SFT) no longer expected the eight hub DBFM health and school projects planned to reach financial close during 2014/15 to do so. This included Newbattle but could also have consequential delays for the Paradykes and Roslin projects.

As SFT provided two thirds of the funding required for the school, construction would not start on Newbattle until this issue had been resolved. Current work on the design for Paradykes and Roslin primary schools was not affected by this delay, however the funding of these projects was dependent on a successful outcome to the classification and contractual changes in relation to ESA10 as this was linked to the Newbattle project.

The report advised that HubCo were continuing to work towards financial close in anticipation of a contractual solution being progressed. A Stage 2 report, confirming the result of market testing the final design prior to financial close, was expected during March 2015. The position with regard to Midlothian Council was also set out in the report.

The Head of Property and Facilities Management, answered members' questions on the report and advised that while all the agencies were working hard to find a solution, until there was financial close there could be no guarantees about funding. He also advised that there was currently no certainty over the start date for Newbattle, but the hope of all the agencies involved was that there might be a resolution of the ESA issue early in the new financial year.

The Head of Property and Facilities Management also confirmed that the start date for Newbattle would not now be in 2014/15. A completion date of Christmas 2016 had originally been planned but because of the delay, which it was thought could be at least six months, it now looked as though project completion might fall during Easter exam time in 2017. If that was the case then from an educational point of view it might be better to avoid disruption to pupils by putting back the opening of the school to June 2017. However, there was currently no certainty over any of these matters.

He also advised that representations had been made by both the Council and HubCo to access set-aside contingency monies, not only to start the Newbattle project but more importantly to cover contractors on-costs given rising tender prices and inflationary costs.

There/

There was criticism from members over the role of the SFT given that they had not yet managed to resolve the problem, notwithstanding that ESA10 had been introduced several years ago and they had commissioned external financial advice on no less than five occasions, none of which appeared to be correct. In particular, it was queried how much money SFT had spent on this external financial advice.

Criticism was also levelled at the lack of intervention by Audit Scotland, particularly when they had previously monitored closely the compliance of local authorities and organisations such as SESTRAN and SEPA with ESA10.

Decision

- (a) To note the delay in progress on the Newbattle project as detailed in the report;
- (b) To express disappointment at the circumstances which had given rise to the delay, particularly as the introduction of the ESA Regulations had been known for some time;
- (c) To query the amount of expenditure which had been incurred by SFT on the five external financial advice reports they had commissioned; and
- (d) To receive update reports by the Director, Resources in due course.

(Action: Head of Property and Facilities Management)

Sederunt

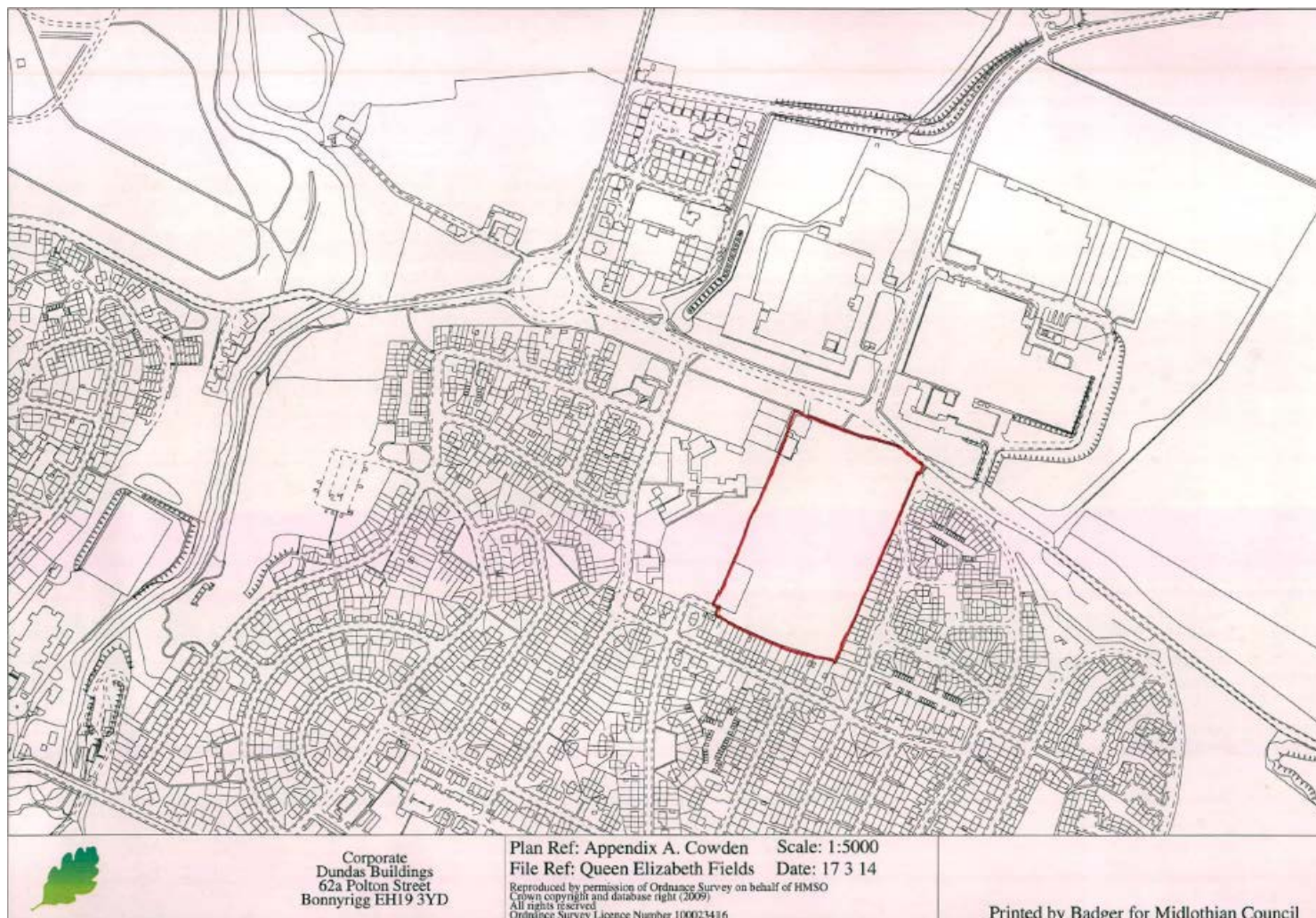
Councillor Constable and Councillor de Vink withdrew from the meeting during discussion of the foregoing item at 5.09pm and 5.16pm respectively.

The meeting terminated at 5.19pm.

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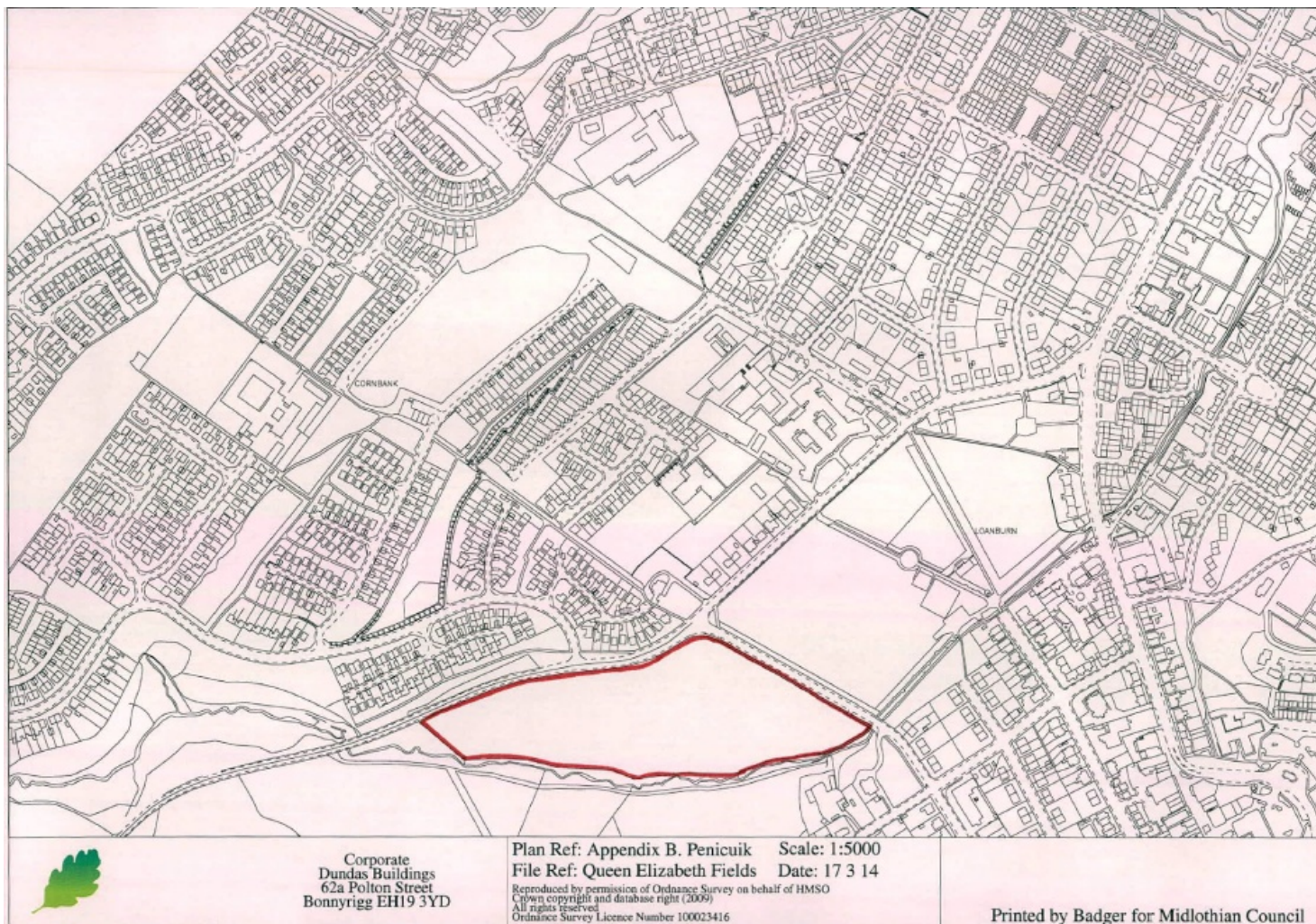
Appendix I

(relative to paragraph 10)



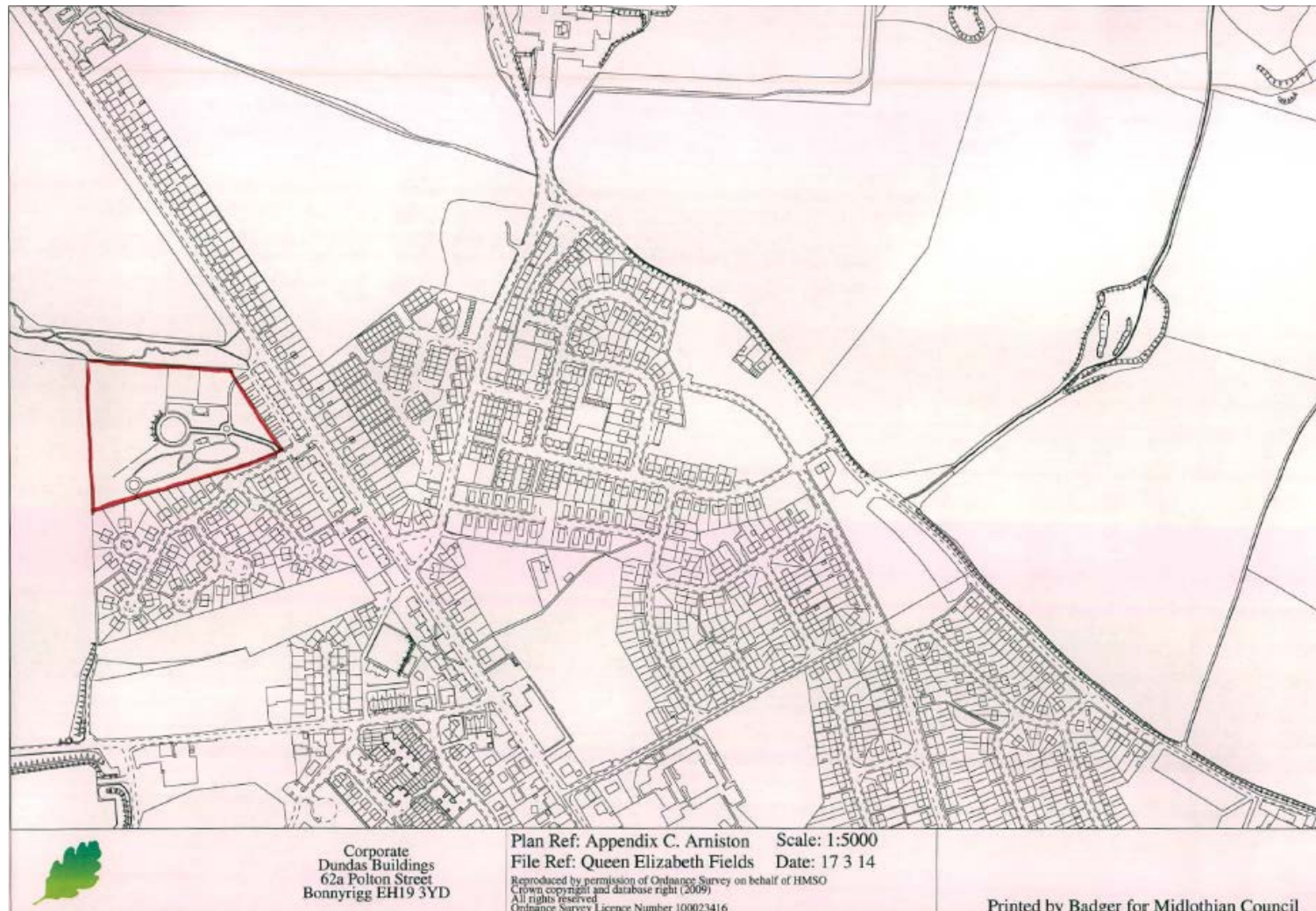
Appendix II

(relative to paragraph 10)

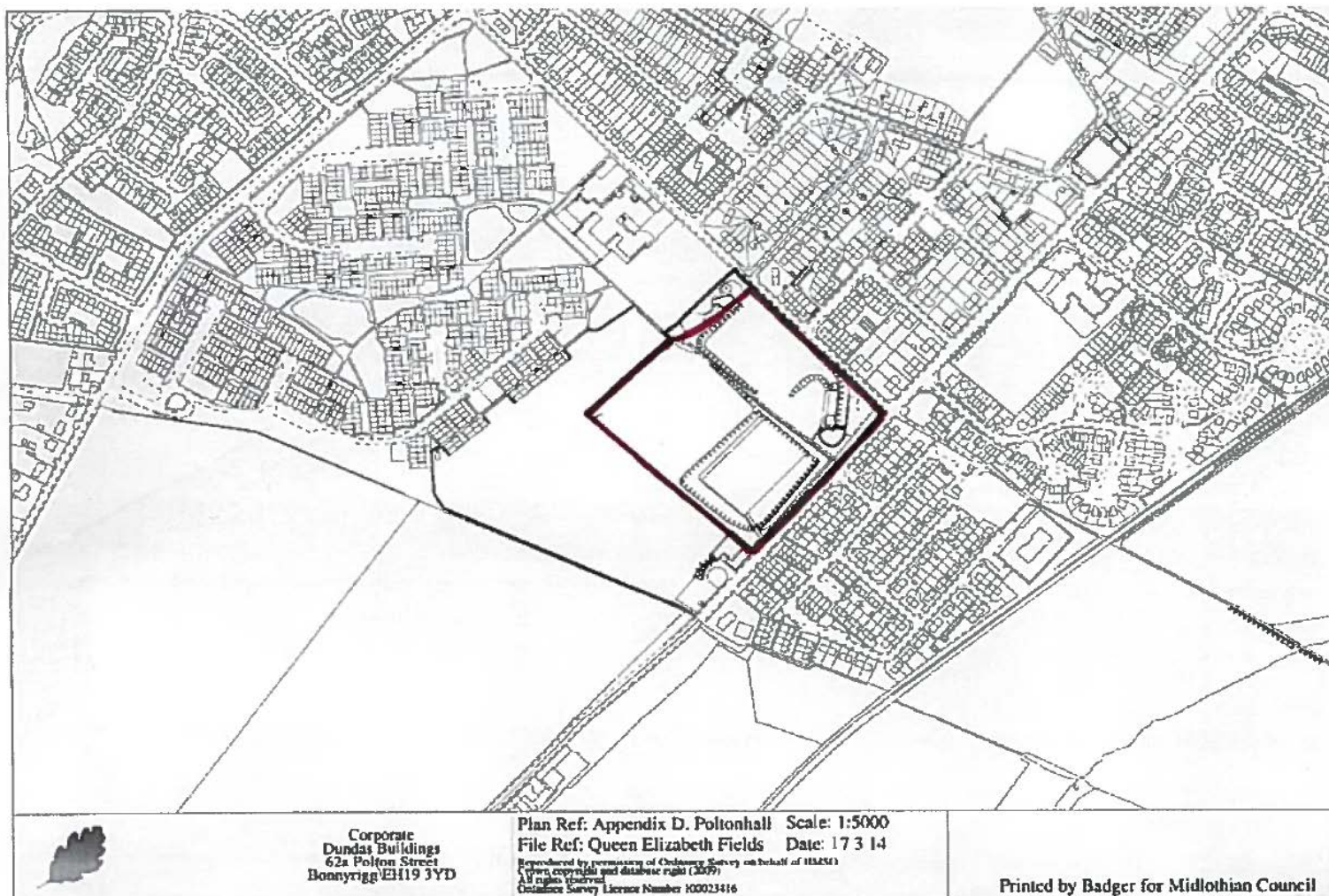


Appendix III

(relative to paragraph 10)

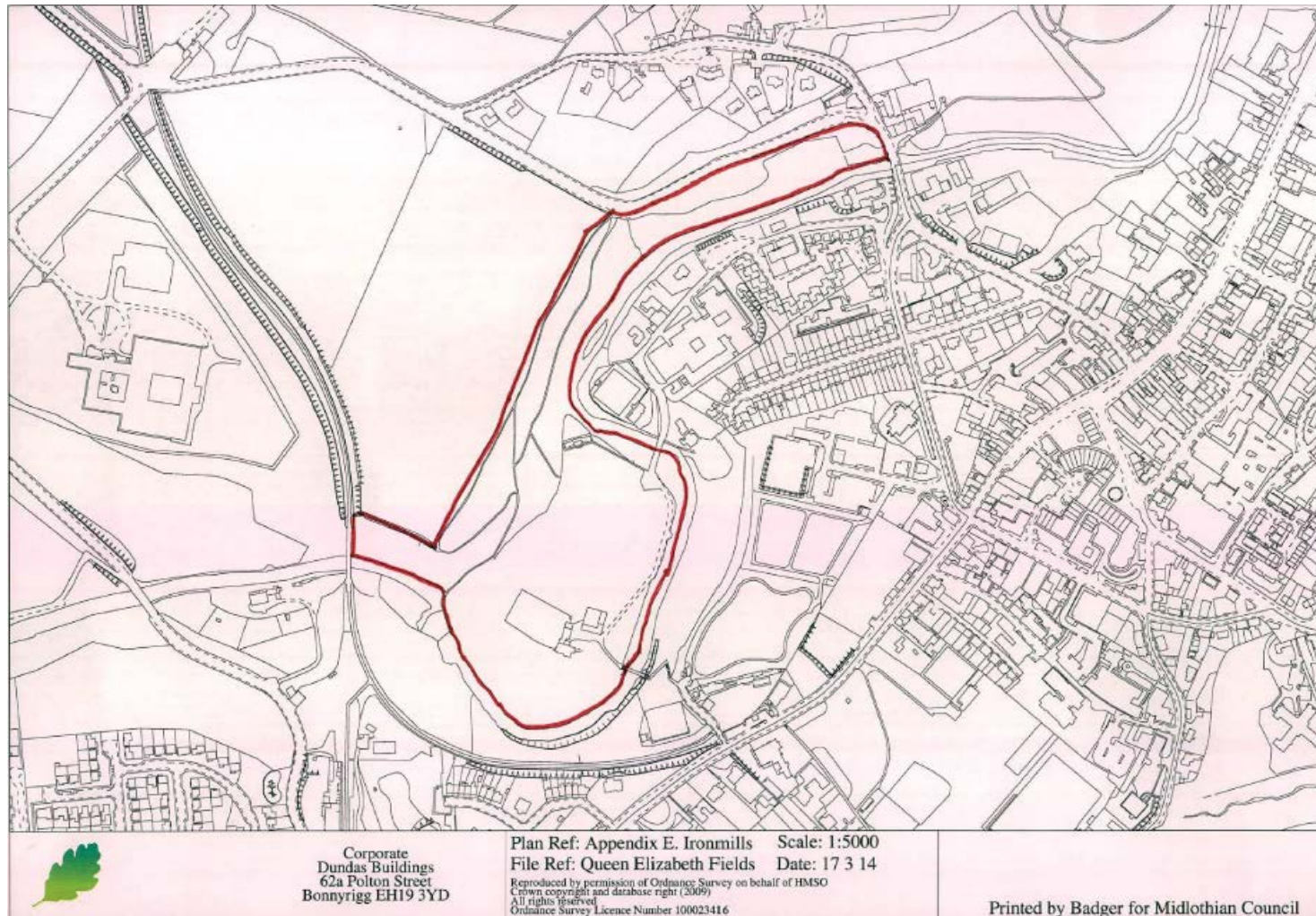


Appendix IV
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Appendix V

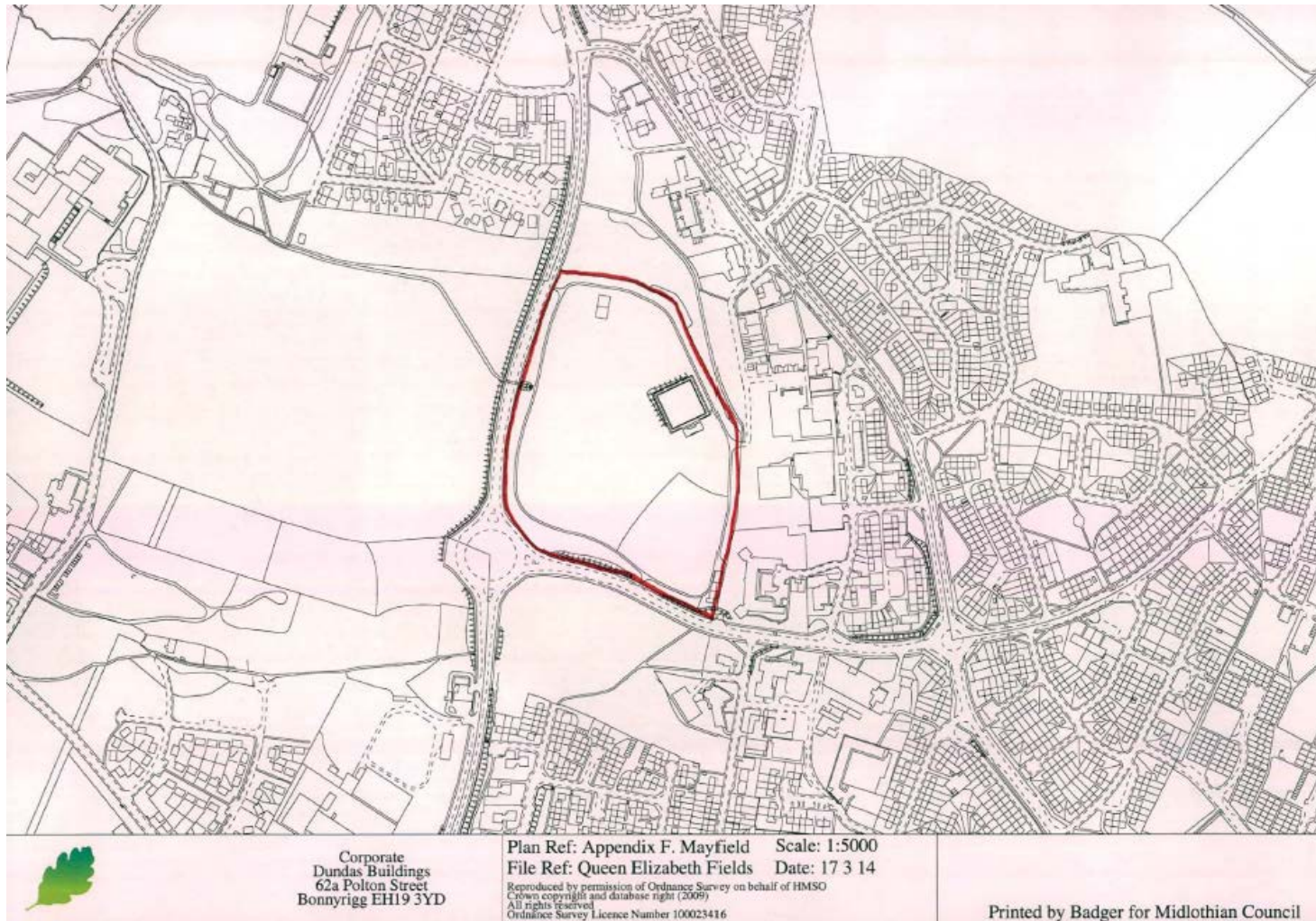
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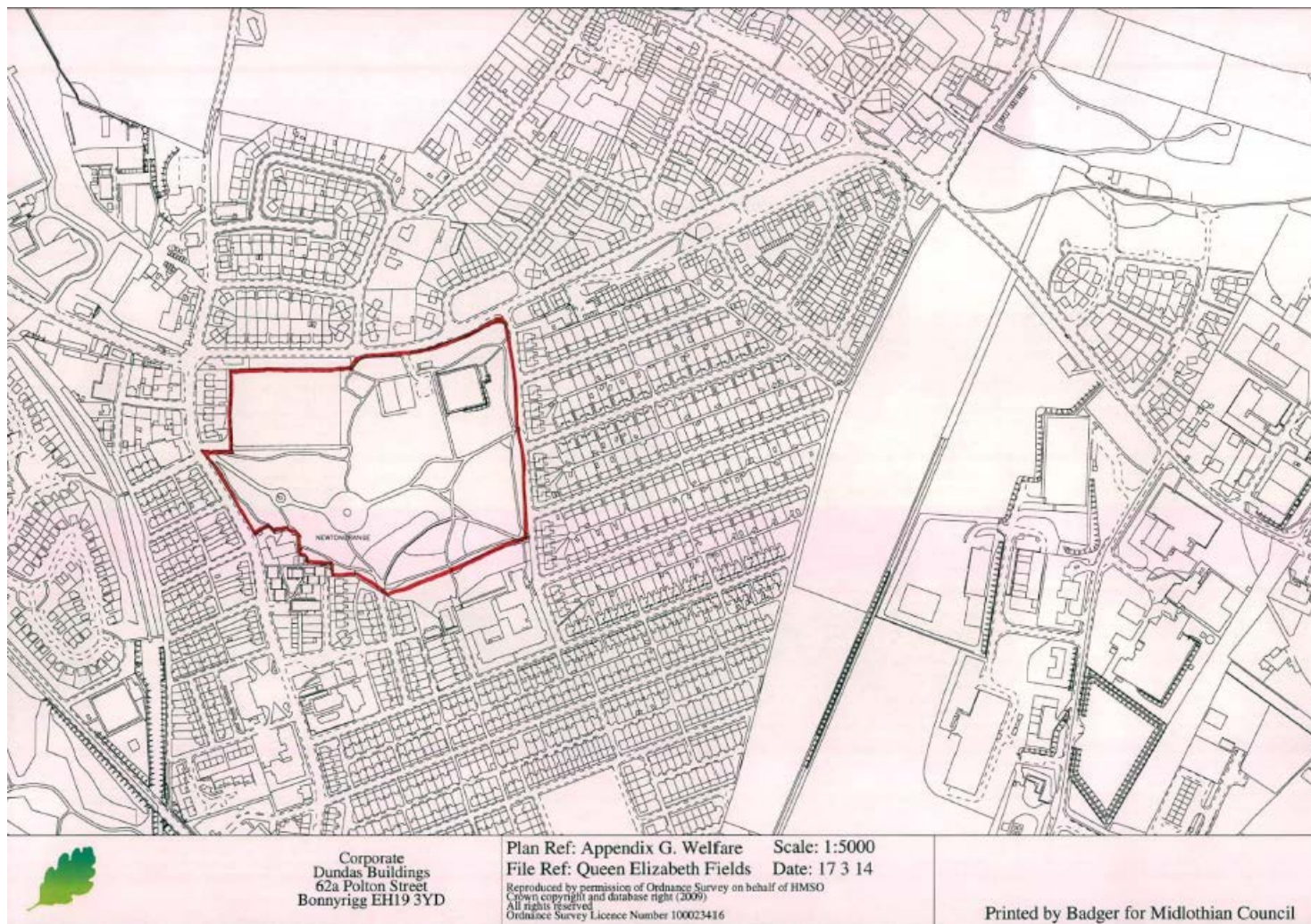
Appendix VI

(relative to paragraph 10)



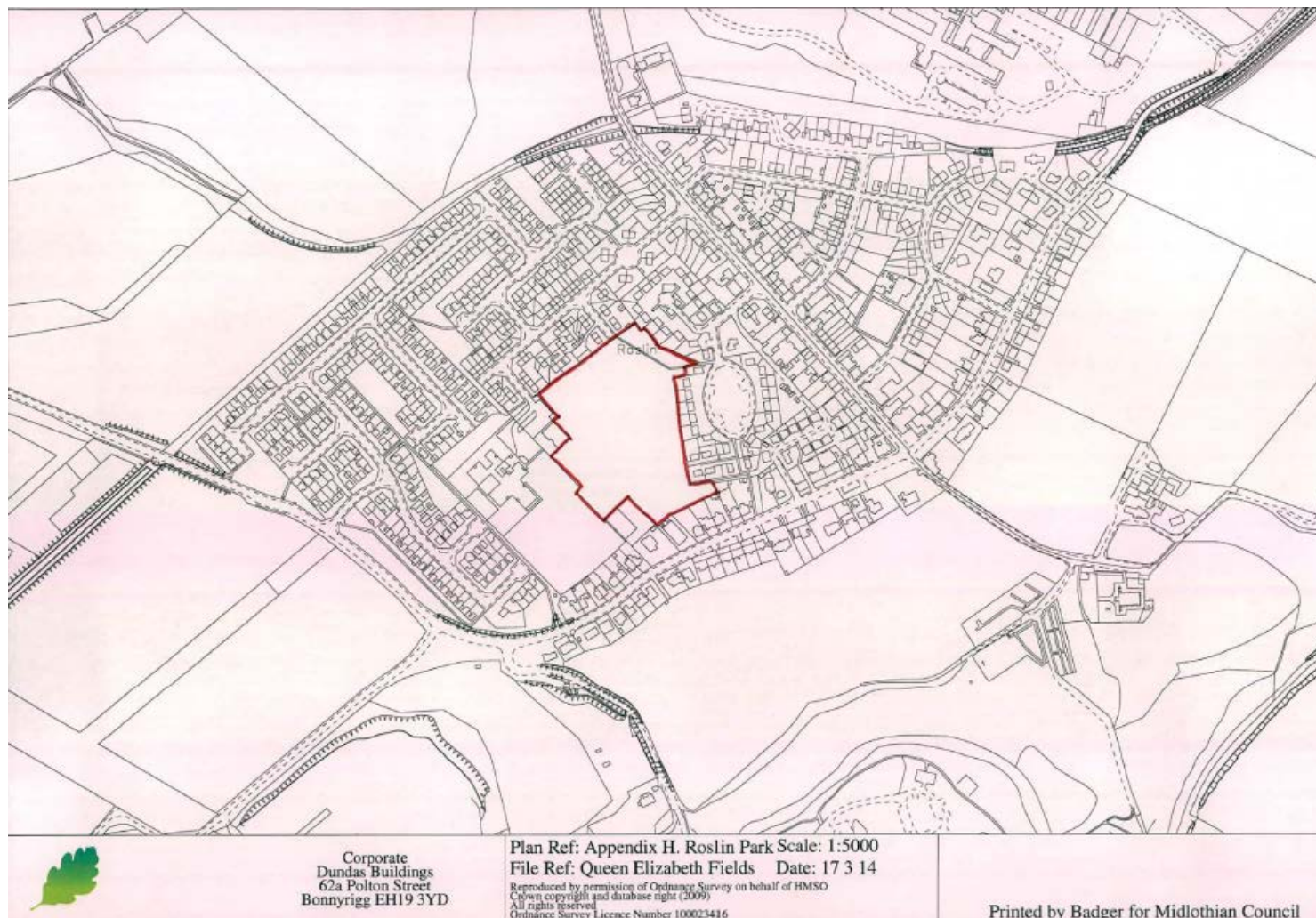
Appendix VII

(relative to paragraph 10)



Appendix VIII

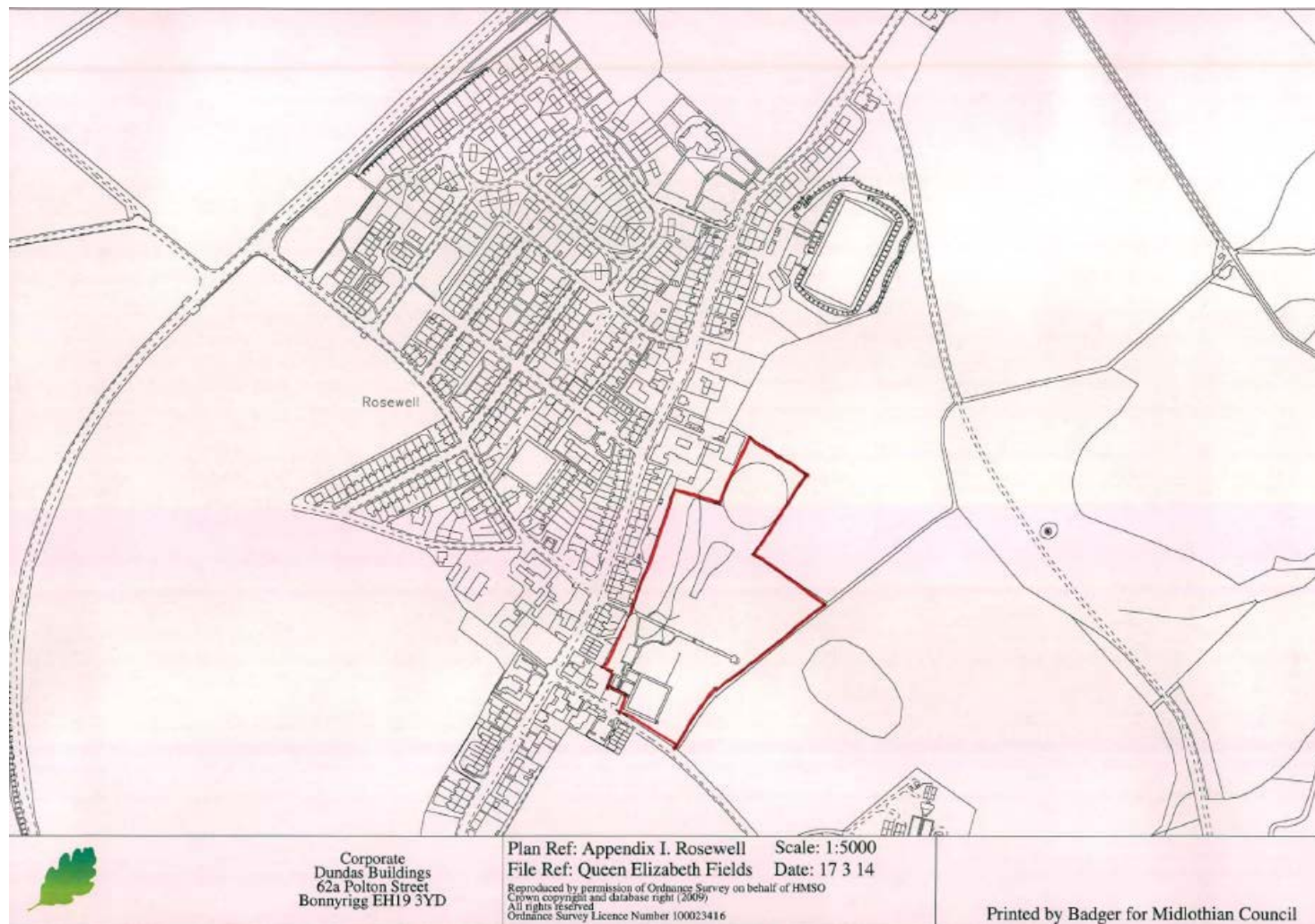
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Appendix IX

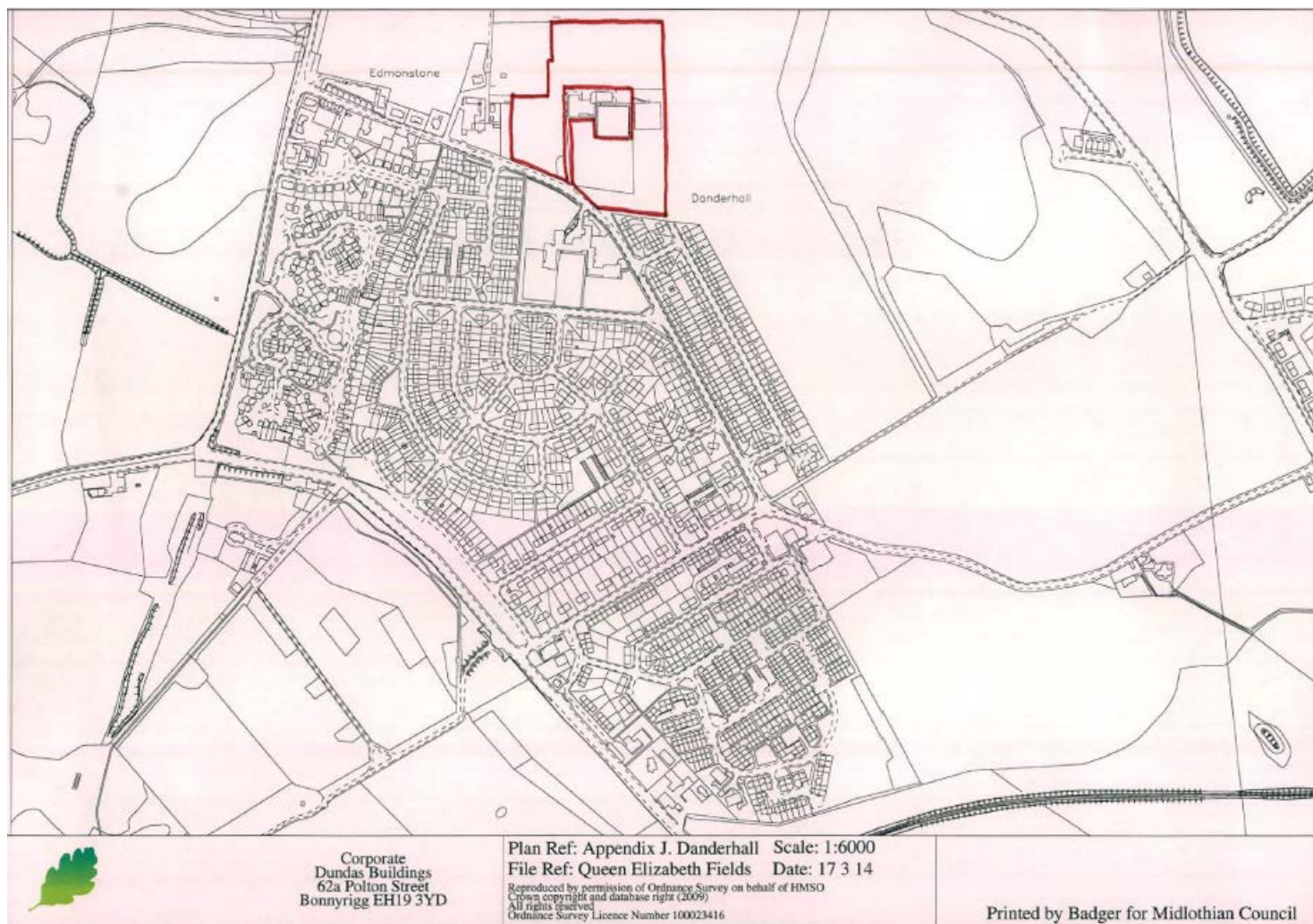
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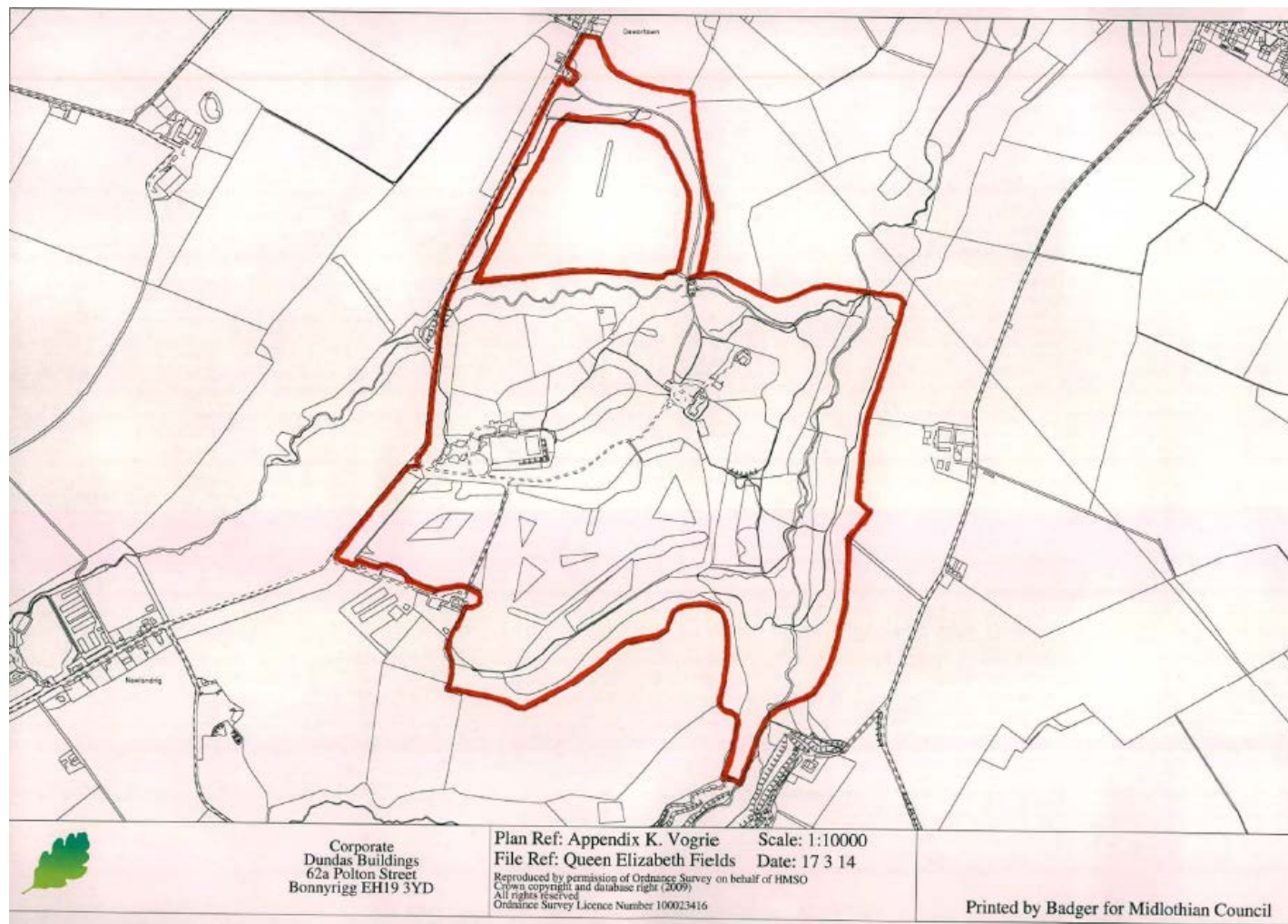
Appendix X

(relative to paragraph 10)



Appendix XI

(relative to paragraph 10)



Appendix XII

(relative to paragraph 18)

REVENUE BUDGET 2015/16 SUMMARY

Service Function	Budget 2015/16 £
Management and Members	1,587,685
<u>Education Communities and Economy</u>	
Children's Services	16,817,198
Communities and Economy	2,500,235
Education	76,258,191
<u>Health and Social Care</u>	
Adult Social Care	37,487,139
Customer and Housing Services	11,989,267
<u>Resources</u>	
Commercial Services	15,270,479
Finance and Integrated Service Support	11,431,538
Properties and Facilities Management	13,241,050
Lothian Valuation Joint Board	555,551
Centrally Held Budget Provisions	2,292,000
Non Distributable Costs	1,338,436
GENERAL FUND SERVICES NET EXPENDITURE	190,768,769
Loan Charges	7,493,305
Investment Income	(180,285)
Council Transformation Programme savings targets	(973,000)
Allocations to HRA, Capital Account etc.	(4,877,164)
NET EXPENDITURE	192,231,625
Enhancement of Reserves	(2,764,375)
Scottish Government Grant	154,996,000
Council Tax	40,000,000
TOTAL FUNDING	192,231,625

Appendix XIII
(relative to paragraph 20)

NOTE of SEMINAR of MIDLOTHIAN COUNCIL held in the Council Chambers, Midlothian House, Buccleuch Street, Dalkeith on Tuesday, 27 January 2015 at 11.00 am.

Present:- Provost Wallace and Councillors Baxter, Beattie, Bennett, Bryant, Constable, Johnstone, Milligan, Muirhead, Pottinger, Rosie, Russell and Thompson. Mr V Bourne (Religious Representative)

Apologies for Absence:- Depute Provost Coventry and Councillors Imrie, Montgomery, Young and, de Vink.

1 Declarations of Interest

No declarations of interest were intimated.

2 Self Directed Support

Introduction and Background

The Joint Director, Health and Social Care explained that Self Directed Support (SDS) , which had been introduced with effect from 1 April 2014, was intended to give the recipients of social care packages greater control over the delivery of their individual care package. It remained the responsibility of the local authority to ensure that the service provided, from whatever source, met the needs of the client and produced the desired outcome.

Clients could now opt to have the service which had been determined to meet their needs, provided via one of the following methods, viz:-

- Direct Payment; or
- Directing the Available Support; or
- Service arranged by the local authority; or
- A combination of the foregoing options for different aspects of the service.

The Council needed to ensure that clients and potential clients were aware of their options and that they had a right to make choices on the methods of service delivery within the parameters of the methods defined by statute.

3 Presentation

The Council thereafter received a presentation from the Head of Adult Social Care (Alison White); the Self Directed Support Project Lead (Graham Kilpatrick); and the Carers representative on the Project Board (Douglas Hendry)

The presentation, in addition to an overview of SDS, provided detailed information on SDS principles; SDS options; Case Studies; the Care Pathway; Service Provision; Eligibility Criteria; Levels of Need; Assessment; Individual Budget Calculation; Carers Charging; Examples of SDS; and Implementation Plans.

The presentation particularly highlighted that service provision had to be “Safe; Effective; Affordable; and Lawful “.

4 Questions

Following questions from Members, the following points were particularly noted:-

- (a) That all support for clients was “outcome” based;
- (b) That discussions with clients on the SDS options open to them included details of the budget allocated to meet the client outcomes
- (c) That changes in client circumstances would automatically lead to a review of the client budget allocation;
- (d) There were circumstances where family members could be paid for providing SDS but these were governed by national practice guidance;
- (e) To date there has been a small increase in the number of people requesting direct payments, with most clients opting for the Service arranged by the local authority. A small number of clients had requested service under option 2;
- (f) There was no indication to date that the tender process for care at home packages had been or would be adversely affected by clients opting for support other than that provided by the local authority;
- (g) A client budget allocation could be provided for the provision of aids and adaptations;
- (h) All client budget calculations were directly related to the eligibility criteria and a client would only receive a budget if they met the eligibility criteria;
- (i) All overall Council budgets (i.e. not individual client budget allocations) were calculated taking into account demographic pressures;

- (j) All charging related to service provision was subject to a financial assessment (except telecare);
- (k) The majority of state benefits were taken into account when a financial assessment of clients was undertaken; and
- (l) The initiatives being taken across the Council to ensure that young carers were as fully supported as was possible.

The meeting terminated at 12.35 pm.