Corporate Solutions Performance Report 2022/23

Corporate Solutions will "deliver forward looking services fit for a modern 21st Century organisation and put the citizen at the centre of Service Redesign".

Corporate Solutions encompasses Finance, Human Resources, Digital, Customer and Communication Services, Legal & Governance and Corporate Resources.

This report presents the Q4 performance for Corporate Solutions and a summary for the 2022/23 reporting year. Corporate Solutions supports the whole Council delivering services to internal and external stakeholders; with responsibility for leading the Council's Medium Term Financial Strategy and ensuring organisational compliance, developing the workforce and advancing transformation.

Achievements for 2022/23

Finance

- Presentation to Council of a full suite of financial monitoring reports for Quarter 3 to promote sound financial governance.
- Development of a detailed Medium Term Financial Strategy with particular focus on 23/24 base budget and Local Government Finance Settlement.
- The finance team continue to provide in-depth financial input to key revenue and capital projects embedded in the Medium Term Financial Strategy.
- Benefits claims - reducing the processing times for change of circumstances from 12 days in Q3 to 5 days in Q4 bringing this indicator on target for the last quarter of the year.
- Scottish Welfare Fund - £815,042 was awarded from the Scottish Welfare Fund. 7,790 applications were assessed for crisis grants of which 4,083 met the criteria and resulted in payments.
- Processing of Community Care Grant applications totalling 1,457 of which 490 payments were made.

Workforce

- As part of the ongoing review of People Policies:
    - Council agreed to 10 days of miscarriage leave to be incorporated into the suite of family leave policies and committed to the Miscarriage Association's pledge.
    - IVF treatment leave has been added to our suite of family leave offerings.
    - Revisions are underway on the Whistleblowing Policy and Overpayments Policy.
    - A Hybrid Working policy has been drafted for consultation and implementation.

- o Work has commenced on the development of the Wellbeing Strategy which will focus on the financial, physical and psychological wellbeing of the workforce.
  - o A new Recruitment Strategy is in development which will set out our objectives in attracting, recruiting and on-boarding talent to the organisation. Alongside this the HR service has worked with the Communications Service to develop recruitment documentation for Local Government Worker job adverts, designed to promote Midlothian's offer as an employer of choice.
- The Corporate Workforce Plan was launched earlier in the year with a roll out of workforce planning templates across all services. Succession planning is ongoing to further understand the organisation and its current environment, analyse the current and potential workforce, determine future workforce needs and identify gaps against future needs.
- Continuation of a rolling programme of Wellness@Midlothian initiatives to ensure we continue to support the positive health and wellbeing of our staff. A coaching programme is planned in for roll out later in 2023.
- First phase of hybrid working staff survey was conducted with 1,000 staff members responding. This provided valuable insights into staff wellbeing whilst working from home/in the community or other work setting. Feedback from the survey is now being considered and actions put in place as a result of the findings. In addition, a Hybrid Working Teams news channel was launched in April supported by online staff sessions providing an overview of the projects visions, current work streams and events.
- As part of transformational activities, the Human Resources Business Partners continue to contribute a significant amount of resource working with services supporting service reviews.
- Work also continues with services on employee relations cases across the council supporting managers and providing guidance.
- Our Employment and Reward and Business Applications teams successfully implemented the Local Government Worker pay award and associated backdated payments.

Digital

- Continued progression of the Digital Services Strategy ensuring the Council has the capacity and skills to take forward the associated investment and delivery of plans.
- **Hybrid Working project:** Over the year, workspaces have been upgraded across Midlothian and Fairfield House. Over 1000 corporate laptops have been migrated to Global Protect and upgraded to Windows 10 version. In addition, approximately 1,000 mobile phones have been migrated to new platforms to allow better integration with Microsoft Office 365(M365) plans. A new desktop booking application has been launched to enable staff to easily find and book a workspace.
- **Target Operating Model:** A new structure was agreed to strengthen the core staffing of Digital Services and Phase 1 is almost complete.
- **Education strategy**: New Web Filtering software has been successfully piloted in schools. A new Wi-Fi network for Chromebooks and iPads has been introduced. A 3rd

party Wi-Fi audit for schools has taken place and the actions are being implemented to improve coverage and capacity. Significant planning for phase 2 and phase 3 of the strategy has been completed.

- **Digital enabled projects**: a number of business applications have been upgraded throughout the year and those continue to improve customer and staff experience including ITRENT, ManageEngine systems, Nutanix, Mosaic, TotalMobile, OpenRevenues, Civicapay, Civica Automation and Committee Management System.
- This quarter, Business Services successfully rolled out a **Print and Post service** across our Revenues team which ensures that customer correspondence in relation to the Revenues and Benefits service are sent out timeously, whilst reducing internal resource, postage and stationary costs required to do so.

- **Cyber Security resilience:** A Cyber Incident Response partner was established to provide incident management and forensic support. A number of phishing exercises for staff have been conducted this year. The team deployed a Meta Learn to MS Teams to provide cyber security training to all staff. This was supported by Cyber Scotland Awareness week with an information publicity campaign.
- **M365**: A Project Board has been established to deliver M365 and security and compliance assessment has been completed by Insight to help manage the data protection risks of compliance.

Customer

- Work continues on implementing the Customer Services Platform (CSP) for Midlothian Council:
  - This year saw the launch of the FOI/EIR module which introduced a new public FOI disclosure log, in addition to the Council's Publication scheme, making more information easily accessible to members of the public.
  - The Registrars module launched in Q3 allowing customers to request and pay for replacement birth, death and marriage certificates online, at a time that is more convenient to them; and has reduced the demand on the team through introducing this self-service functionality.
  - The customer feedback module was launched in April 2023. Further information on performance will be contained within the Q1 2023/24 report.
  - The work programme for CSP was reviewed in 2022, with a further 20 modules identified for implementation in the first half of 2023. These include civic licence applications and environmental health service requests. CSP is crucial to the way the Council transforms the customer experience through redesigning key services that will improve the end to end customer journey.
  - Other modules in progress are missed refuse bins, assisted collections, additional recycling containers, bulky uplifts and Subject Access Requests. These are all in either design, configuration, build or test phases prior to launch.

- In support of the cost of living crisis, two additional 'Warm and Well' Hubs in Danderhall and Loanhead Libraries were launched this quarter (to complement the hubs launched in Lasswade and Newbattle) to help our communities with the cost of

living crisis. All sites provide free soup and hot drinks plus access to all other library resources including free books, Wi-Fi, PC access and information.

- Library Services has remained busy this year with the majority of activities and events, which had been suspended due to COVID, having resumed. Highlights this year include:
    - The launch of the NHS 'Near Me' video appointment service in Gorebridge Library. This pilot project provides a safe, secure private space for appointments and supplies the technology and support for people to access them. Midlothian is one of 10 library services across the country providing this service.
    - Book Week Scotland 2022 which saw 51 events take place across libraries with almost 2000 people attending.
    - In partnership with the University of Edinburgh's Engineering Department which tied in with the 'Gadgeteers' theme pop-up engineering sessions were held across the county including rocket launching and bridge building.
    - Through Scottish Government COVID Relief Funding, the library services launched a new Bibliotherapy service for people living with long term health conditions. The 'Writing for Wellbeing' course received very positive feedback.
    - Gorebridge Library was selected as one of the first in Scotland to host a 'Lend and Mend Hub' as part of a trailblazing pilot project managed by the Scottish Library and Information Council. The hub, which is funded by the John Lewis Partnership £1m Circular Future Fund will help the local community and wider to repair, reuse and upcycle everyday items.

- Physical Library visits have increased significantly this year with 383,702 visits for this year compared to 156,250 for 21/22. As a result, virtual library visits has decreased from 225,804 in 2021/22 to 170,797 this year. Overall, total library visits has increased by 45% this year compared to last.

Procurement

- Work continues on the development of the SME/Procurement strategy. The team have reviewed and streamlined the non-competitive action process, the request for procurement and developed a non-regulated procurement process and new contract database. The team are working to implement a review of the procurement arrangement across the Council including continuing to explore options for joint working with neighbouring councils, populating and maintenance of the new contract database.
- The team continues to utilise framework agreements with Scotland Excel which provides an easier route to market and delivers value for money.
- A range of high value/complex contracts continue to be awarded and key activities include overhaul of Contract Database and City Deal participation. A follow up review of upcoming expiring contracts within Health and Social Care began this year. The review will look for opportunities to extend services, and consolidate opportunities for efficiency.

- Progress being made for consultation on a new procurement structure, designed to increase the capacity and capability in this area.
- The Annual Procurement Report 2021/22 was presented to Council in December 2022.
- The Procurement Service have been working closely with the Economic Development Service to strengthen the relationship with local suppliers and deliver against the Local Procurement Strategy. A number of 'Meet the Buyer' events has taken place this year, as well as a specific work stream on local tradespeople as part of the Building Maintenance Transformation programme. Further information is contained within the Place Q4 update.

Challenges and risks

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

Risk
The Council's Strategic Risk Profile is presented retrospectively to Audit Committee quarterly. For 2022/23, the most critical risks to the Council are Financial Sustainability, Climate Change and the Change Programme. Corporate Solutions is key to the delivery of mitigating actions to these risks; through strategic planning and the Medium Term Financial Strategy, and driving forward the Council's transformation programme to derive change and redesign services.

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

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

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

Cost of Living Crisis

Midlothian's citizens are facing significant financial challenges. The impact on households is already being noted across the UK with 93% of adults reporting an increase in their cost of living in March 2023 (Office for National Statistics; Francis-Devine et al, 2022). The UK is currently facing an unprecedented wave of increasing prices, bills and tax challenges. The 41 year high inflation rate of 10.4% is the main driver of the cost of living crisis which has outstripped wage and benefit increases. The price rises will impact low-income households hardest as a larger proportion of their costs are on energy and food.

The Resolution Foundation estimates that absolute poverty is set to rise in the short-run, from 17.2% in 2021-22 to 18.3% in 2023/24 (or an additional 800,000 people in poverty).

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

In Q3 2022/23, the Council established four 'Warm and Well' hubs in the Lasswade, Newbattle, Danderhall and Loanhead libraries, as safe and warm spaces that all Midlothian citizens can access. The hubs provide free hot food and drinks, the opportunity to socialise with others and access free wifi to work, study, as well as enjoy books, jigsaws and games.

Across the year, requests for crisis funding remains consistently high, with over £815k awarded from the Scottish Welfare Fund and 9,247 applications for Crisis Grants and Community Care Grants. Application numbers across quarter 1 to 3 average 2,150 with the highest number of applications received during Q4 of 2,778. This demonstrates the significant challenge faced by our communities.

Growing Council

Midlothian is projected to have the highest percentage change in population size of all mainland council areas in Scotland. From 2018 to 2028, the population of Midlothian is projected to increase from 91,340 to 103,945. This is an increase of 13.8%, which is in contrast to a projected increase of 1.8% for Scotland as a whole, with a 40.9% increase in older people over 75. In addition, Midlothian has 10 zones which fall into the most deprived areas giving a local share of 8.7% living in the most deprived areas in Scotland.

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

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

Midlothian's approved Capital Strategy sets out the infrastructure required to meet those demographic pressures and includes the financial contributions Midlothian will make to the

Edinburgh and South East Scotland City Region Deal. Encompassing five main themes the City Region Deal will bring significant investment across the regions with total investment of circa £1.3 billion across:

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

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

The Capital Investment Strategy sits centrally within the Council's future planning activities and in doing so has to reflect the demands of Council services to ensure positive outcomes are achieved in the right place, at the right time for the maximum benefit to Midlothian. The extensive capital programme, totalling £0.8bn, delivers new schools, a record investment in council housing, improved community infrastructure, investment in the local transport network and in innovative developments such as the new low carbon heat network in Shawfair. In light of the challenging financial landscape the Capital Programme has been subject to a review and a reprioritisation.

Opportunities

The Council's transformation programme provides the framework for opportunities to change the way services are improved and delivered to be more efficient. Corporate Solutions has a particular focus on the delivery and acceleration of the Capital Programme, delivering digital first approaches, embedding automation to improve customer access to services and hybrid working. The redesign of services and the changes to build back better are predicated on the overarching principle that in delivering services, whether commissioned internally or externally, we will keep our communities, our employees and our environment safe, at the same time as meeting our commitment to being carbon neutral by 2030.

The key activity the service is focused on includes:

- Securing continued financial sustainability and maintaining strong financial management across the Council through the delivery of the Council's **Medium Term Financial Strategy** (MTFS) incorporating Capital Strategy and Capital Investment plans, Reserves Strategy and Treasury Management Strategy;

- Nurturing a highly motivated and effective workforce through the delivery of the **Workforce Strategy** and the development of Service Workforce Plans;
- Digital first and embracing data insight and analytics by developing and implementing a refreshed **Digital Strategy** and Digital Learning Strategy;
- A refresh of the **Customer Services Strategy** and implementation of the online payments and services (CSP) platform;
- A refreshed **Procurement Strategy** and Contract Delivery Plan.

Medium Term Financial Strategy

The core objective of the Medium Term Financial Strategy is to secure the Council's financial sustainability during an ongoing period of financial constraint coupled with acute service demand pressures and increasing customer expectations.

The Medium Term Financial Strategy is not only about balancing the budgets, it provides a means to ensure as far as possible that the limited resources available to the Council are targeted on delivery of improved outcomes, particularly against the key priorities of:

- Reducing the gap in learning outcomes
- Reducing the gap in health outcomes
- Reducing the gap in economic circumstances
- Reducing Midlothian carbon emission to net zero by 2030

Workforce Strategy

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

The Workforce Strategy is an important tool to outline the organisation's approach to articulating how workforce issues will be managed and ensures the Council has the people and skills to manage change and deliver services effectively and efficiently.

Digital Strategy and Digital Learning Strategy

Supported by the appointment of SOCITIM Advisory (Society for innovation, technology and modernisation) as a strategic partner and led by the Digital First Board, work progressed to deliver an ambitious new digital strategy, *Digital Midlothian 2021-2023, "Empowering People, Enabling Growth"*. Aimed at improving the way services are delivered to Midlothian citizens, the strategy sets out how local outcomes will be improved by delivering digital services to digitally connected communities.

Among the aims set out in the new strategy are plans to:

- Refresh the council's approach to customer service, focussing on 'digital first', while making sure alternatives remain in place for those who need them
- Have a council website that meets customer needs , enabling customers to request and pay for services online and to log in to see their interactions
- Implement an update service, so that customers contacting the council online can receive follow up text messages or emails
- Look at opportunities to automate and better integrate processes so that staff can focus on the things that matter most to customers
- Enable people to stay independent and healthy for longer by using data and technology
- Introduce bookable online and face-to-face appointments so that customers don't have to waste time queuing or travelling and to help the council reduce costs
- Review and improve online engagement with customers, including online consultations, communications and social media
- Promote Midlothian as a digital destination, creating an environment that attracts leading digital businesses to the area and supporting the innovation of start-ups
- Cultivate digital skills in our communities, ensuring that young people have access to the technology and support that they need to improve educational outcomes and to prepare them with the skills they need for the future
- Reduce digital exclusion and empower learners of all ages, enabling online access and supporting them to develop digital skills
- Support Midlothian to achieve high speed connectivity, smart infrastructure and resilient cyber defences.

Customer Service Strategy

The Customer Service Strategy defines the key drivers that will enable Midlothian Council to deliver a high level of service to our communities. It outlines the commitment to provide choice to the customer in the way services are accessed and provided. This includes innovation, partnership working and optimising the use of technology within resource constraints. The strategy will help us to change the way we deliver services utilising the latest technologies and linking to national frameworks.

As one of the fastest growing areas in Scotland, the Council cannot support more customers using the current resources, systems and processes. This means that the adoption of digital and automated processes will be key to continuing to provide a seamless customer journey, satisfying enquiries at the first point of contact and meeting increased demand.

Customer self-service and new automated processes can help deliver some key services without customers dealing directly with a member of staff and could truly transform the way the Council deliver services. Increasing the pace of digital transformation, particularly in front-facing customer services, will be a service and corporate priority.

There continues to be a steady volumes of calls via our Contact Centre, with 163,113 calls received during 22/23 compared to 168,692 for 21/22. As well as webforms and social media, the contact centre have dealt with 13,000 emails in Q4, an increase from 9,000 during Q3. Call handling performance during quarter 4 has reduced to 56% of calls answered

within 60 seconds compared to 64% in Q3. The decrease in call handling performance is due to seasonal impacts of severe weather and service activity such as Council Tax billing and garden waste service. As a result of high call volumes, Q4 saw an increase in call abandonment rate to 9% from 6% in Q3.

Procurement Strategy

The procurement function has a central role in supporting the Council to achieve its strategic priorities within a constrained financial envelope. Procurement allows the Council to repurpose its spending power to drive our key strategic priorities and to secure the best possible value and outcomes for Midlothian. Effective procurement can maximise the value of every pound spent in terms of jobs, skills and supply chain opportunities in the local community. We will aim to address economic, social and environmental considerations at all stages of the procurement cycle within the rules of open, fair and transparent competition.

The Procurement team, in conjunction with Economic Development, have developed a Small and Medium Enterprise (SME) Strategy to support and assist local businesses to win contracts fairly and transparently in a competitive market. We will further develop our collaborative and commercial relationships with key partners as part of our strategic category management approach, to deliver the best possible outcomes for the citizens of Midlothian.

		11			10			45			3			27			0	

11 Quarterly Reporting Corporate Solutions PIs - On Target

10 Quarterly Reporting Corporate Solutions PIs - Off Target

45 Quarterly Reporting Corporate Solutions PIs - Data only

3 Quarterly Reporting Corporate Solutions PIs - Data not available

27 Quarterly Corporate Solutions All Service Risks

0 Quarterly Corporate Solutions High Service Risks

Quarterly Reporting Corporate Solutions PIs - Off Target

...	Code & Title	Gauge	Value	Target	Next Update Due	Last Update	History
🔴	**CORPS.MPI.04** % of invoices paid within 30 days of invoice receipt (Corporate Soluti…		94.4%	95.0%	01 Jul 2023	Q4 2022/23	
🔴	**CORPS.P.3.4b** All recovery overpayments - as a % of all HB overpayment debt		5%	20%	01 Jul 2023	Q4 2022/23	
🔴	**CR.CC.2** % of contact centre calls answered within 60 seconds		56%	90%	01 May 2023	Q4 2022/23	
🔴	**CR.CC.4** % of contact centre calls abandoned		9%	5%	01 May 2023	Q4 2022/23	
🔴	**CSE.LPI.03** Average processing time for new claims (internally calculated)		41 days	25 days	01 Jun 2023	Q4 2022/23	
🔴	**CORPS.MPI.05** % of Service PIs that are on target/ have reached their target.		78.57%	90%	01 Jul 2023	Q4 2022/23	
🔴	**CORP7** Corporate Indicator - Percentage of income due from council tax received by…		94.2%	94.2%	01 Apr 2023	2021/22	
🔴	**CORP8** Corporate Indicator - Percentage of invoices sampled and paid within 30 day…		90.0%	95.0%	01 Jul 2023	Q4 2022/23	
🔴	**CORPS.SPSO.04.1** Average time in working days to respond to complaints at stage 1		5.404	5	01 Jul 2023	Q4 2022/23	
🔴	**CORPS.SPSO.05.1** Percentage of complaints at stage 1 complete within 5 working …		80.7%	95%	01 Jul 2023	Q4 2022/23	

← 1 of 1 →