

## Corporate Solutions Performance Report Q2 23/24

***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 Human Resources, Digital, Customer & Communication, Legal & Governance, Corporate Resources, Transformation PMO and Continuous Improvement.

Corporate Solutions supports the whole Council delivering services to internal and external stakeholders; playing a key role in the delivery of the Council’s Medium Term Financial Strategy and ensuring organisational compliance, developing the workforce, and advancing transformation.

### Transformation and opportunities

#### Transformation Blueprint (2023-2028)

We are committed to building on the learning and new ways of working that were adopted during the pandemic and renewing our focus on delivering our key priorities at the most local level possible. Rooted in the creation of a wellbeing economy, the vision of our new 5-year strategy focuses on reducing inequalities at the same time as looking after the health of our planet. Specifically, we have three main aims:

- Individuals and communities have improved health and learning outcomes.
- No child or household live in poverty.
- Significant progress is made towards net zero carbon emissions by 2030.

The pandemic has accelerated the financial challenges that we are facing. Reprioritisation and redesign is crucial to balancing the financial position, as well as preparing for further challenges, continued growth and unknown changes that we will face.

The Blueprint sets out key areas of concern that need to be addressed over the next five years. We will continue to work to address the inequalities that our communities face, respond to the demands of being the fastest growing local authority in mainland Scotland, and delivering our vision of being a great, green place to grow.

#### Transformation Blueprint Objectives

1. Support the Council to address the 5-year funding gap outlined in the Medium-Term Financial Strategy (MTFS)
2. Follow the Money to ensure that the services we commission, contracts we manage and digital solutions we use deliver value for money.
3. Develop an organisational workforce that is flexible ensuring that all staff have the necessary skills to work effectively supported by digital technologies that fit for a 21st century workforce.
4. Design a workplace for the future delivering services in a holistic and integrated

way.

5. Drive forward multi-agency transformation to deliver systems-level change resulting in joined-up service delivery which improve outcomes.

The Council's transformation blueprint 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.

## Challenges

### 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 challenges.

Financial Services continues to ensure the Council has robust financial management arrangements in place with a full suite of financial monitoring reports for quarter two 23/24, presented to Council in November 2023. The team continue to provide in-depth financial input to key revenues and capital projects embedded into the Medium Term Financial Strategy.

### Growing Council

In recent Census results, Midlothian is projected to have the highest percentage change in population size of all mainland council areas in Scotland with an increase of 16%. 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 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.

### **Economic pressures**

Inflation, as well as rising energy costs, are affecting the construction industry in Scotland. The UK is 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 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.

### **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.

### **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.

## Risk

The Council's Strategic Risk Profile is presented retrospectively to Audit Committee quarterly. 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.

## Customer Engagement

**Aligned to the Transformation Blueprint, priorities for 2023/24, key work streams below:**

### Short term:

- Continued rollout and implementation of Customer Service Platform
- Reviewing service delivery across all Contact Centre teams
- Increased use of eBooks
- Active promotion of library space for Council and partner services, and enable out of hours access for communities

### Medium term:

- Rollout of the Hub & Spoke model with libraries providing and facilitating increased local service provision
- Customer Engagement Strategy development including revised communications and engagement plan

### Long term:

- Increase income within Registrars through alternative ceremony offer
- Community and school library redesign; including the mobile library service

## Key achievements this quarter:

### Summer Reading Challenge

This quarter was a hugely successful year for the Summer Reading Challenge. The theme was Ready, Set, Read! based around the power of play, sport and games. Over 1,000 children signed up for the challenge (a 15% increase on last year) with 55% of those completing the challenge (a 4% increase on the numbers finishing last year). Nearly 130 events were attended by over 4,000 children and their families and over 21,000 items of junior stock were issued over July and August. Libraries saw 668 new child memberships which reflects the positive engagement of the Summer Reading Challenge.

*"Thank you for a lovely afternoon at the Summer Reading Challenge presentation. What an incredible turnout and a wonderful way to celebrate the children's reading achievements. It is so heartening to see Dalkeith Library being a central hub for the community; long may that continue. Well done to the team and thank you again."*

*"The Summer Reading Challenge is a family tradition now! We love it!"*

*"Was great coming to the library cause I get bored during the holidays, and loved collecting the stickers, and I won a prize for the most basketballs in the net"*

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*"They (children) love seeing their name on the chart"*

## Lend and Mend Hub

August saw the official launch of Gorebridge Library's Lend and Mend Hub with 30 people attending the opening event. The Hub provides free access to sewing machines and other equipment to allow communities to repair, re-use and upcycle their own items. Gorebridge is one of nine library partners across Scotland in a project funded by the John Lewis Partnership's Circular Future Fund and managed through SLIC (the Scottish Library and Information Council).

Taking a co-design approach, the hubs have been developed with insight and expertise from local teams and library members to ensure services are tailored to community needs. Funding granted from The John Lewis Partnership's £1m Circular Future Fund has been used for the equipment, training and space upgrades needed to deliver the projects. Following their launch, each library hub will also introduce an education programme to support new skills development, helping to reduce inequality through equitable access to resources. The first focus will be on 'mending', and several workshops and sessions have already been held with groups such as the SHRUB Cooperative, to teach people the first steps of repairing and re-making.

This is an example of how the library service is transforming and thriving, responding to community needs and giving people access to resources that they may not otherwise have. In line with the Council's commitment to Net Zero by 2030 and the Climate Change Strategy, the promotion of circular economy activities can change the way we use and consume to make the way we live greener, as well as upskill residents and foster new social connections. It is anticipated that this pilot will help develop a long-term model for libraries to be a hub of circular economy activities and work is ongoing to identify external funding to roll out Lend and Mend in other locations within the county.

## Channel shift

Channel shift work continues with the introduction of the 'Contact Us' module and grit bin service request application. Several other service requests are in test phase and due to go live in the coming weeks focused around waste services. Data shows a slight decrease in telephone calls and a small increase in customer contact received digitally. Overall, customer contact volumes remain consistent compared to those figures for the same period last year. Call abandonment rate has improved to 5% this quarter from 9% in Q4. This abandonment rate calculates the total number of calls that come into the call queue and then leave the queue. There is no ability to ask why calls are abandoned - callers may choose to hang up because they would rather not wait, or they have called at an inopportune time. Front-end messages are updated on contact centre lines to provide information to the customer waiting, for example, if a whole street of bins had been missed, this would be reflected in the front-end message. Lines also have messages directing people online to carry out transactional activity.

## Communications and promotion

Our communication and marketing team continue to support services across the Council by promoting key initiatives on our social media platforms, news releases, website and community radio channel. Successes this quarter include:

**Encouraging eligible families to apply for free school meals and clothing grants** through a dedicated communications campaign. Short videos were created with school children and the Council's food

nutritionist and posted across all social media platforms. Facebook and Twitter posts featured key messages pointing people back to the Free School Meals/Clothing Grant webpages to apply. As a result, in terms of the webforms being received, the majority of those were applications for these supports. The best performing Facebook post reached 8,077 views and 5,635 views via Twitter.

**Maximising participation of the annual summer reading challenge** in libraries. The best performing Facebook post reached 15,621 news feeds with 589 people engaging, and this year had a 15% increase in participation in the challenge as noted above.

**Increasing application rates for short term lets** through clear communication on our website and social media platform. The best performing Facebook post reached 7,719 news feed and 1,480 views via Twitter.

**Promotion of customer consultations and surveys** including:

- Fostering campaign (led externally and supported by the Council's communications service)
- Auchendinny to Rosewell stretch of Core Path (best performing social media post reached 80,468 news feeds with 7,824 engagements)
- Newtongrange former pool site (a series of scheduled Facebook posts publicising an in-person consultation event and signposting to an online questionnaire had a total reach of 112,814)
- Midlothian Local Development Plan engagement actions (Facebook posts for the development plan, with a total reach of 22,066, engagement rate 2825 (12%) and Facebook posts for open space strategy, with a total reach of 16,722, total engagement was 759 (4.5%)).

## Human Resources

To achieve the Council's strategic priorities, we recognise that people are our most important asset. Our workforce strategy highlights that we need to attract the best talent, grow our own talent ensuring there are clear progression pathways, ensure our workforce feel engaged, valued and motivated and importantly, empower our staff to enable them to reach their full potential.

Our workforce vision is to work as **One Council** using our knowledge, experiences and sense of shared endeavour to collaborate and think creatively and innovatively so that our people can deliver life-changing impacts for our communities. Our new ways of working mark a clear desire for cultural change and a shift towards a more agile and modern operating model.

**Our workforce are key to the delivery of the Transformation Blueprint. In order to ensure a thriving workforce areas of focus for 2023/24 will be:**

- Investment in Organisational Development through a focused programme of work
- Completion of workforce plans in all services, with a particular focus in at risk areas
- Rollout of the Wellbeing Strategy
- Delivery of the Recruitment and Retention Strategy

### Key achievements this quarter:

#### Wellbeing

Work continues on the development of our Wellbeing Strategy which will focus on the financial, physical, and psychological wellbeing of our workforce and ensure employees have access to advice, guidance and initiatives which support their health and wellbeing.

The rolling programme of Wellness@Midlothian initiatives continues this quarter to ensure we are supporting the positive health and wellbeing of our staff. Wellbeing events and initiatives including on-site visits, webinars, e-learning and training have been organised for the remainder of 2023. The coaching programme rolled out this quarter was well received and resource is being explored to build on this programme and provide additional support to managers.

During July to September 2023, 16 wellbeing events were held internally and externally covering cost of living supports, wellbeing and mental health awareness, health checks and coaching. 110 staff attended various events organised in house. Events included on site visits by Capital Credit Union, webinars from Money Advice Scotland, drop in sessions from Citizen Advice in Midlothian, Trauma Level 1 & 2 courses, SQA Coping Strategies Course, a Mindfulness course delivered by Health and Social Care Partnership, health checks from Sport & Leisure and the first tranche of our Edinburgh College Coaching Course.

The HR team have been working with procurement to renew the contracts for physiotherapy provision for staff and the non-financial benefits platform. Non-financial benefits will be relaunched during Q3 to enable savings for the Christmas period.

### 21<sup>st</sup> century workforce - workforce strategy, recruitment and retention

Activity is ongoing to develop and implement the work streams under our workforce strategy, and progress Blueprint theme 2 '21<sup>st</sup> century workforce'. A consultation has taken place with the Trade Unions on what potential changes needs to take place to disciplinary, resolution, maximising attendance at work, performance improvement policies and these will be included in the transformation workstream plan.

The introduction of shared cost additional voluntary contributions has been approved and work is now underway with procurement and Employment and Reward for implementation. When finalised, a communications plan will support the roll out to all staff to encourage take up to the scheme.

A new programme for welcome, induction, long service recognition and leavers has been developed. This includes a refreshed face to face induction programme for all new staff and existing staff in changed roles; and will be supported by a range of online resources provided at onboarding. 2024 will also see the introduction of long service recognition and a revised approach to learning from employees exiting the organisation, enabling us to learn from employee experiences, understand the reasons for leaving and promote Midlothian as an employer of choice.

## Digital Services

**Digital solutions underpin the Transformation Blueprint. Key work streams for 23/24 include:**

- Review and refresh of the Council's Digital Strategy, including reprioritisation of projects to enable change and transformation
- Development of a Data Strategy and pilot projects such as the secure sharing and analysis of collective, operational level NHS & Council data
- Continued rollout of compliance and cyber security protective measures, including attainment of PSN and Cyber Essentials certification, and actioning any related recommendations
- Implementation of Microsoft O365 capabilities and applications to enable organisational efficiencies, collaboration and data driven decision making
- Delivering service improvements in frontline teams through projects such as digital transformation of Neighbourhood Services

- Continue the roll-out of the Customer Services Platform to promote channel shift
- Equipped for Learning: upgrade classroom Audio Visual estate with interactive smart screens and support the pilot of Virtual Class delivery
- Upgrading Call Centre digital infrastructure elements
- Refreshing / improving quality and coverage of corporate WiFi network
- Ensure all digital aspects of Council operations are well supported and operational

### Key achievements this quarter:

The Office 365 rollout programme continues this quarter with core applications deployed to 50% of all council users after the delivery of multiple cross Council employee training sessions. The launch of the expanded MS teams functionality creates department and project channels for collaboration and file sharing. Efficiency tools have been launched including planner and whiteboard. Linkage (federation) of Microsoft account with NHS and other local authorities enabling chat, video-calling, and efficient calendar appointment scheduling (free/busy status visibility).

As part of the equipped for learning project, 182 panels (interactive smart boards) were upgraded across 12 schools this quarter.

**Cyber Security resilience:** Qualys scanning completed to identify and reduce vulnerabilities across the network.

### Core Infrastructure improvements this quarter:

- Education access and utilisation of the internet is now more secure via the *LightSpeed* roll-out which blocks inappropriate websites, and alerts staff to any potentially concerning internet searches/usage from pupils. As of Q2, 96% of devices across Education are now running Lightspeed.
- CITRIX environment fully upgraded to provide enhanced performance and security.
- Replacement of ageing air con units in the Fairfield and Midlothian comms rooms now significantly reduces the risk of critical outage due to over-heating server equipment.
- Replacement of the ageing and out of support WiFi hardware giving improved coverage and performance across Midlothian House and Fairfield House.
- Successful upgrade to new hyperconverged hardware (Corporate Nutanix) and migration of 130 servers.
- New switching technologies successfully installed to support the upcoming upgrade and hardware replacement for Commvault backup system.
- New modular units have been cabled for networking and telephony in Kings Park, Rosewell, Roslin and LWHSC.

## Corporate Resources

### Key priorities for the service in 2023/24

- Redesign of business processes to achieve efficiencies across all of Corporate Resources
- Making more use of current applications to enable self-service e.g., viewing Council Tax and rent accounts online
- Continued upgrade of applications

## Key achievements this quarter:

As part of the UK government's support to consumers with their energy costs this winter via the Energy Bills Support Scheme (EBSS) and Alternative Fuel Payments (AFP), Business Services successfully administered these schemes this quarter through verification of applications against the criteria set by UK government, approval/rejection of application and payments to successful applicants. Over 7300 direct payments were made for Free School Meals during holidays, Energy Bill Support Scheme, Ukrainian Host Payments and Business Covid Recovery Grants.

Work continues for the rollout of invoice approval processes. Fushiebridge Depot was the most recent high volume invoice service to fully onboard to invoice approval in Q2, and work to onboard Fleet Services and Property Maintenance is taking place now. Moving away from paper-based invoicing to invoice approval system management allows for a greater level of audit, performance management and data, leading to more up to date financial monitoring and real time reporting. The Business Applications Team continue to work with Scottish Government's e-commerce team on next steps for the e-invoicing programme and onboarding of suppliers to this service. Currently, the rate of invoices paid on time across the Council is an average of 92% each quarter (target is 95%). For Q2, over 41k invoices were paid in total and the average no of days an invoice was paid was 11.8 days.

This quarter the Operational Support team worked closely with Housing Services to review and enhance the information published on our website with the aim of improving customer access to information and reducing the volume of enquiry type calls received.

The Revenues and Benefits team continue to support the cost of living crisis. Requests for crisis funding continue to remain consistently high, with 49% of the revised Scottish Welfare Fund (SWF) budget allocated in Q2. (90% of the original budget). 3,513 applications have been received for Crisis Grants this year (1,730 during Q2). 749 received for Community Care Grants (385 during Q2). This demonstrates the significant challenge faced by our communities. The newly approved SWF processing team will not only allow the team to respond and address the current backlog of other processing activities but also analyse the reasons for the high number of applications and refusals to identify preventative activity to mitigate people reaching this crisis point.

The percentage of current housing rent arrears sits at 11.77%, a slight increase from this period last year of 10.45%. In year Council tax collected year to date is 52.4% showing a decrease from collection rates this time last year of 54.8%.

## Legal and Governance

### Key priorities for the service in 2023/24:

- Delivery of the 2024 UK Government elections including voter Identity implementation
- Review of the Council's governance framework with revised Standing Orders and Associated Scheme(s)
- Implementation of the new Subject Access Request portal
- Development of the new Procurement Strategy, with a focus on social value, the introduction of a Council wide approach to Community Benefits, and an increased focus on local procurement
- Aligned to the Transformation Blueprint, undertake a review of Contract and Grant Management

## Key achievements this quarter:

**Legal:** This quarter, legal services negotiated and concluded 3 settlement agreements via ACAS in respect of 3 Employment Tribunal complaints. Section 75 agreements were settled for Newbyres, Gorebridge for 96 homes and a small-scale housing development at Roberston Bank, Gorebridge with in house legal fee received. In addition, 3 land sales for garden sales were completed, 1 minute of waiver, 1 tree preservation order, 1 charging order and the completion of 4 house purchases on the open market to support the Council's social housing programme.

Attendance in court to protect Council's interests and to deliver suitable outcomes for children and vulnerable adults and input was provided to the Mental Health Law Review consultation.

**Procurement:** The Procurement Service welcomed a new Interim Procurement Manager to lead the team this quarter after almost a 12-month vacancy in this role. Significant work has been undertaken since this appointment was made including:

- An overhaul of the Contract Database
- Procurement have researched and investigated the use of a Concession contract, identifying and benchmarked a suitable tender and prepared all necessary tender documentation including suitable Terms and Conditions with support from legal services.
- The Council's standard Terms and Conditions for all other contracts have been updated with support from legal services.
- The procurement strategy peer review process has been streamlined to ensure audit trail and accountability.
- The Non-Competitive forms and templates have been reviewed and updated to ensure compliance with Regulations and Standing Orders.

A short life working group has been established to review contracts within Health and Social Care including the appointment of a dedicated Procurement Officer. A programme of work is being developed to bring all off-contract spend onto relevant frameworks. A key piece of work that has commenced with HSCP and Procurement is involvement in the development of the Scotland Excel (SXL) Care and Support Contract which SXL are retendering with a go live date of April 2024. This approach provides a route to compliant commissioning for almost £16.5m of social care expenditure. It is anticipated that this would reduce the resource that would need to be invested in commissioning and avoid costs associated with a recommissioning / tendering process and could potentially mitigate some of the inflationary budget risks associated with a recommissioning exercise. Programmes of work like this are part of the Transformation Blueprint 'Follow the Money' theme, looking at commissioning, contracting and identifying savings and efficiencies that can be made across the organisation.

## Quarter 2 - Corporate Solutions-



Quarterly Reporting Corporate Solutions PIs - Off Target						
Code & Title	Gauge	Value	Target	Last Update	History	
<b>CORP.DIGITAL.11</b> % of IT helpdesk incidents complete within 48 hours		49%	60%	Q2 2023/24		
<b>CSE.LPI.03</b> Average processing time for new claims (internally calculated) (quarterly)		46 days	25 days	Q2 2023/24		
<b>CSE.LPI.04</b> Average processing time for change of circumstances (internally calculated)		17 days	8 days	Q2 2023/24		
<b>CORPS.MPI.01</b> Performance against revenue budget		£25.671m	£25.062m	Q2 2023/24		
<b>RHM.r.01.1</b> % of in-year Council Tax collected ytd (cumulative)		52.4%	95.2%	Q2 2023/24		
<b>RHM.r.02.1</b> % of current Housing Rent arrears (total)		11.77%	7.5%	September 2023		
<b>CORPS.SPSO.05.1</b> Percentage of complaints at stage 1 complete within 5 working days		88.89%	95%	Q2 2023/24		
<b>CORPS.SPSO.05.3</b> Percentage of complaints escalated and complete within 20 working days		66.67%	95%	Q2 2023/24		

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