

# Notice of Meeting and Agenda



## Midlothian Council

**Venue:** Virtual Meeting

**Date:** Tuesday, 29 June 2021

**Time:** 11:00

**Executive Director : Place**

**Contact:**

Clerk Name: Verona MacDonald, Democratic Services Team Leader

Clerk Telephone: 0131 271 3161

Clerk Email: [verona.macdonald@midlothian.gov.uk](mailto:verona.macdonald@midlothian.gov.uk)

**Further Information:**

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**1 Welcome, Introductions and Apologies**

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**2 Order of Business**

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

**3 Declaration of Interest**

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

**4 Deputations**

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**5 Minutes**

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| <b>5.1</b> | Minute of Meeting of Midlothian Council of 11 May 2021 | 4 - 13 |
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**6 Questions to the Council Leader**

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None

**7 Motions**

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| <b>7.1</b> | Motion by Councillor Milligan, seconded by Councillor Hackett redacted | 14 - 14 |
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**8 Public Reports**

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- |            |  |         |
|------------|--|---------|
| <b>8.1</b> | Best Value Assurance Update - Report by Chief Executive  | 15 - 38 |
| <b>8.2</b> | Single Midlothian Plan 2021 - 2022 - Report by Chief Executive   | 39 - 43 |
| <b>8.3</b> | Service Plans 2021- 2022 - Report by Chief Executive   | 44 - 50 |
| <b>8.4</b> | Annual Complaint Handling 2019-20 and Revised Complaint Handling Procedure - Report by Chief Executive     | 51 - 61 |
| <b>8.5</b> | Equality Plan 2021-25 and Equality Outcomes and Mainstreaming Progress 2019-21 - Report by Chief Executive | 62 - 66 |
| <b>8.6</b> | Gaelic Language Plan 2021-2026 - Report by Chief Executive   | 67 - 72 |
| <b>8.7</b> | Digital Midlothian 2021 - 2023 - Report by Chief Executive   | 73 - 78 |
| <b>8.8</b> | Covid Financial Update - Report by Chief Officer Corporate Solutions                                       | 79 - 93 |

<b>8.9</b>	Financial Monitoring 2020 - 2021 General Fund Revenue - Report by Chief Officer Corporate Solutions	94 - 111
<b>8.10</b>	Housing Revenue Account - Report by Chief Officer Corporate Solutions	112 - 121
<b>8.11</b>	General Services Capital Plan Outturn 2020-21 - Report by Chief Officer Corporate Solutions	122 - 132
<b>8.12</b>	Treasury Management Outturn 2020-21 (to follow)	
<b>8.13</b>	Wider Scope Review of Treasury Management by EY (to follow)	
<b>8.14</b>	Tenant Participation and Customer Engagement Strategy 2021-24. - Report by Executive Director Place	133 - 137
<b>8.15</b>	Approval of Voluntary Sector Grants 2022 to 2025 - Report by Chief Officer Children's Services, Partnerships and Communities	138 - 142
<b>8.16</b>	Denominational School Review - St Margarets RC Primary School - Report by Executive Director Children, Young People and Partnerships	143 - 153
<b>8.17</b>	Instrumental Music 2021-22 1 Year Proposal (to follow)	
<b>8.18</b>	Building Rationalisation and Housing Re-development (to follow)	

## **9 Private Reports**

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| <b>9.1</b> | Destination Hillend - Proposed Redevelopment of Midlothian Snowsports Centre - Report by Executive Director Place |
| <b>9.2</b> | Beeslack Replacement High School- A701 Corridor Site Selection - Appraisal - Report by Executive Director Place   |

## **10 Date of Next Meeting**

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The next meeting, which will be held virtually via MS Teams, is scheduled for 24 August 2021



## Midlothian Council

Date	Time	Venue
11 May 2021	11.00 am	MS Teams

### Present:

Provost Smaill (Chair)	Depute Provost Russell
Councillor Milligan – Council Leader	Councillor Muirhead – Depute Council Leader
Councillor Cassidy	Councillor Curran
Councillor Hackett	Councillor Hardie
Councillor Imrie	Councillor Johnstone
Councillor Lay-Douglas	Councillor McCall
Councillor McKenzie	Councillor Munro
Councillor Parry	Councillor Wallace
Councillor Winchester	

### In attendance:

Dr Grace Vickers, Chief Executive	Kevin Anderson, Executive Director Place
Fiona Robertson, Executive Director Children, Young People and Partnerships	Gary Fairley, Chief Officer Corporate Solutions
Alison White, Chief Social Work Officer	Derek Oliver, Chief Officer Place
Alan Turpie, Monitoring Officer	Verona MacDonald, Democratic Services Team Leader

### 1. Welcome and Apologies for Absence

The Provost welcomed everyone to the meeting and made specific mention of Councillor McKenzie who was attending his first meeting of the Council since being elected. Intimation of an apology for absence was made on behalf of Councillor Alexander. It was further noted that apologies had also been received from Mr Bourne and Mrs Morton, Religious Representatives to the Cabinet.

## 2. Order of Business

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The Provost confirmed the order of business was as per the agenda circulated. He advised that, in terms of Standing Orders, he had accepted a late Motion from Councillor Cassidy due to there being an urgency to consider its terms. He advised the Motion would become Item 7.1.

## 3. Declarations of interest

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Councillor Curran indicated his intention to declare an interest at Item 8.7.

## 4. Deputations

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None received.

## 5. Minutes of Previous Meetings

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5.1 The Minute of meeting of Midlothian Council of 23 March was unanimously approved and the Provost was authorised to sign as a true record of the meetings.

5.2 The following Minutes were previously circulated to Members for approval, noting, information and consideration of any recommendations contained therein:

Meeting	Date of Meeting
Performance, Review and Scrutiny Committee	22 September 2020
Special Local Review Body	23 November 2020
General Purposes Committee	24 November 2020
Local Review Body	30 November 2020
Performance, Review and Scrutiny Committee	9 December 2020
Special Local Review Body	14 December 2020
Planning Committee	12 January 2021
Business Transformation Steering Group	8 February 2021
Midlothian Integration Joint Board	11 February 2021
Special Midlothian Integration Joint Board	11 March 2021
Elected Members Seminar – Local Housing Strategy	22 April 2021

## 6. Questions to the Leader of the Council

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None

## 7. Notice of Motion

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In light of the Provost's decision (Item 1 above), the following emergency Motion was considered –

*“In light of the recent Covid pandemic, parking fees in Dalkeith were put on hold. This has proven to be very helpful in supporting local business and residents alike. The re-introduction of fees has had an immediate negative effect which can be seen throughout the community as a whole. In light of this we have cross party agreement in re-instating the deferment of payments until 31 December 2021 with a view to reviewing all Midlothian Council town centre car parks”.*

Councillor Cassidy moved the emergency Motion which was seconded by Councillor Curran. With no Member being otherwise minded the Motion was unanimously approved.

## 8. Reports

Report No.	Report Title	
<b>8.1</b>	<b>Result of By-Election – Letter dated 26 March 2021</b>	
<b>Decision</b>		
The Council noted the terms of letter dated 26 March 2021, circulated with the agenda, confirming the result of the Midlothian East By-Election.		
<b>Action</b>		
Chief Executive; Executive Directors and Chief Officers		

Report No.	Report Title	Report by:
<b>8.2</b>	<b>Declaration of Acceptance of Office</b>	<b>Chief Executive</b>
<b>Outline of report and summary of discussion</b>		
The report advised that, following his election at the By-Election to fill the casual vacancy which had arisen in Electoral Ward 5 – Midlothian East, Councillor Stuart McKenzie had made a formal Declaration of Acceptance of Office.		
<b>Decision</b>		
The Council noted the terms of the report.		
<b>Action</b>		
Chief Executive; Executive Director Place		

Report No.	Report Title	Report by:
<b>8.3</b>	<b>Committee and Licensing Board Appointments</b>	<b>Executive Director Place</b>
<p>The Executive Director Place spoke to the terms of the report regarding current Committee vacancies resulting from the resignation of Councillor Kenneth Baird and resultant election of Councillor Stuart McKenzie – Ward 5 Midlothian East following a By-Election on 25 March 2021.</p> <p>Councillor Parry, seconded by Councillor Cassidy, moved that Councillor McKenzie be appointed to the vacancies on the Local Review Body, Petitions Committee and Licensing Board and Councillor McCall be appointed to the Appeals Committee. No other nominations were received for the vacant positions.</p>		
<b>Decision</b>		
<p>The Council unanimously agreed the following appointments:-</p> <p>(a) Local Review Body, Petitions Committee and Licensing Board – Councillor McKenzie;</p> <p>(b) Appeals Committee – Councillor McCall</p> <p>Council further agreed any Elected Member who is not already a member of the Licensing Board but who is interested in sitting on the Board, should be invited to undertake the relevant training required.</p>		
<b>Action</b>		
Executive Director Place		

Report No.	Report Title	Report by:
<b>8.4</b>	<b>Midlothian Integration Joint Board – Appointment of Vice Chair</b>	<b>Joint Director Health and Social Care</b>
<b>Outline of report and summary of discussion</b>		
The Council heard from the Executive Director Place who spoke to a report which requested the nomination of one of the 4 Elected Members who presently serve as voting members on the Midlothian Integration Joint Board as Vice-Chair for the period until the next scheduled local government elections in May 2022.		
<b>Decision</b>		
The Council unanimously agreed to appoint Councillor Milligan as Vice-Chair to the Midlothian Integration Joint Board for the period up to the next scheduled local government elections in May 2022.		
Joint Director Health and Social Care		

Report No.	Report Title	Report by:
<b>8.5</b>	<b>Older People's Champion</b>	<b>Executive Director Place</b>
<b>Outline of report and summary of discussion</b>		
The Executive Director Place spoke to the terms of a report which invited consideration to establish the role of Older People's Champion.		
The Council unanimously agreed to establish the role of Older People's Champion and appointed Councillor Russell to the position.		
<b>Action</b>		
Executive Director Place		

Report No.	Report Title	Report by:
<b>8.6</b>	<b>A Public Holiday to mark The Queen's Platinum Jubilee in 2022</b>	<b>Executive Director Place</b>
<b>Outline of report and summary of discussion</b>		
The Executive Director Place spoke to the terms of a report which invited consideration to grant an additional day's leave as a public holiday and/or designate an existing annual leave day as a public holiday in respect of the leave arrangements for the Council's Local Government workforce to mirror the Platinum Jubilee Bank holiday arrangements. In respect of staff on teaching terms and conditions the arrangements will be covered by the determination of school term dates. He noted the UK will celebrate Her Majesty The Queen's 70th anniversary as monarch in June 2022 which is the first time any British monarch has reached this historic milestone. The commemorations are being arranged jointly with The Royal Household and the UK Government's Department for Digital, Culture, Media and Sport.		
<b>Decision</b>		
The Council unanimously agreed to grant an additional day as a public holiday for the local government workforce group to match the planned change by the UK Government which will introduce an additional bank holiday on Friday 3 June 2022 with the existing UK May bank holiday weekend in 2022 moved to Thursday 2 June thus providing a 4 day weekend to celebrate Her Majesty The Queen's Platinum Jubilee.		

<b>Action</b>
Executive Director Place

**Sederunt: Councillor Curran, in relation to his business interest in the taxi/private hire trade, declared an interest in the following item and left the meeting**

Report No.	Report Title	Report by:
<b>8.7</b>	<b>Civic Licensing Possible Extension</b>	<b>Executive Director Place</b>
<b>Outline of report and summary of discussion</b>		
<p>The Executive Director Place spoke to the terms of a report which advised of the effect of extending civic government licences, which have not expired, by one year and to request that the Council determines how it wishes to proceed.</p> <p>The Legal Services Manager advised that in terms of Section 12 of the Civic Government legislation, full recovery of the costs of administering a licensing scheme had to be achieved. Mr Anderson advised the Council understood resultant costs of providing the one year extension would be met from Covid funding. The Chief Officer Corporate Solutions further addressed the issue and advised the income the Council would usually enjoy from applications for renewal of civic government licences would not be achieved and whereas the Council would not be reimbursed the financial impact will be mitigated as a result of Covid funding. He further advised that it was too early in the current financial year to know whether the level of funding would be sufficient.</p> <p>Councillor Hackett enquired as to the position regarding local gala day committees paying licensing fees.</p>		
<b>Decision</b>		
<p>The Council unanimously agreed to allow existing holders of licences granted in terms of the civic government legislation to apply for a one year extension at a zero rated fee and delegated the process of determining the framework including consideration of the query made by Councillor Hackett to the Provost in consultation with the Legal Services Manager.</p>		
<b>Action</b>		
Provost; Legal Services Manager		

**Sederunt: Councillor Curran returned to the meeting at 11.27 am**

Report No.	Report Title	Report by:
<b>8.8</b>	<b>Elected Members Seminar – Building Rationalisation</b>	<b>Executive Director Place</b>
<b>Outline of report and summary of discussion</b>		
<p>The Executive Director Place spoke to the terms of a report advising of a recommendation from a meeting of the Business Transformation Steering Group held on 26 April 2021 to hold an Elected Members Seminar to consider a housing led regeneration opportunity in reducing the number of buildings which are no longer suitable or required and maximise the value of surplus properties through the appropriate disposal of assets.</p>		
<b>Decision</b>		
<p>The Council unanimously agreed to hold an Elected Members Seminar with a report thereon coming before the June Council meeting.</p>		
<b>Action</b>		
Executive Director Place		

Report No.	Report Title	Report by:
<b>8.9</b>	<b>Local Housing Strategy 2021 – 2026</b>	<b>Executive Director Place</b>
<b>Outline of report and summary of discussion</b>		
<p>The Council heard from the Executive Director Place who spoke to the terms of a report which provided the finalised Local Housing Strategy 2021 – 2026.</p> <p>Councillor Wallace noted the numbers on the waiting list have remained at a high level and suggested the Scottish Ministers be asked to reduce rents in the private housing sector by way of imposing a rent freeze. Mr Anderson advised the limited turnover of housing stock was a contributory factor. He further advised he intended reporting to Council separately and in the future regarding rent pressure zones and the consequences which are complex.</p> <p>Councillor Parry noted the placing of persons in private rented accommodation can lead to debt issues and that the use of shared properties can often be expensive in terms of the cost of the modifications required and asked how many properties had been let in this way. Mr Anderson advised he was aware of the affordability issue regarding private rented accommodation but this was included in the assessment carried out. He undertook to provide Councillor Parry with the information requested regarding shared properties.</p> <p>Councillor Johnstone noted there was no mention of caravan parks in the Strategy and enquired about a Care for Repair service. In response Mr Anderson confirmed caravan or mobile home parks are managed by Environmental Health. He also advised a Care for Repair service had been looked at in the past and could be considered again when evaluating different options.</p> <p>The Council Leader, Councillor Milligan noted the current housing allocation system is imposed by the Scottish Government and on a needs basis. He did not know what else the Council could do within the confines of the system.</p> <p>The Provost suggested consideration be given to higher incentives to release houses including a comparison with other local authorities. Mr Anderson advised incentives had been increased for the release of larger properties but that this could again be looked at.</p> <p>Thereafter, Councillor Curran moved the terms of the report and suggested a report come before a future meeting regarding rent pressure zones, Care for Repair and incentives. No Member was otherwise minded.</p>		
<b>Decision</b>		
The Council unanimously approved the Local Housing Strategy 2021 – 2026 and agreed that a report come before a future meeting for consideration regarding rent pressure zones, Care for Repair and incentives.		
<b>Action</b>		
Executive Director Place		

Report No.	Report Title	Report by:
<b>8.10</b>	<b>Council House Building Programme Update April 2021</b>	<b>Executive Director Place</b>
<b>Outline of report and summary of discussion</b>		
<p>The Executive Director Place spoke to the terms of a report which provided an update on the status of the overall housing programme on approved sites and</p>		

proposed new sites for the building programme and other initiatives for the target delivery. The Provost noted the Audit Committee intended analysing the cost of building a new house and asked for an indicative figure. Mr Anderson advised on average the cost excluding land was between £125k and £150k.

#### Decision

The Council unanimously noted the:-

- (a) content of the report and the progress made on Phases 2 to 4;
- (b) new sites proposed to complete Phase 3 and Phase 4;
- (c) proposals to acquire houses from private developers and;
- (d) projected costs/budget expenditure appended to the report

#### Action

Executive Director Place

Report No.	Report Title	Report by:
<b>8.11</b>	<b>Rapid Rehousing Transition Plan – Homeless Prevention Fund</b>	<b>Executive Director Place</b>
<b>Outline of report and summary of discussion</b>		
<p>The Executive Director Place spoke to the terms of a report which outlined proposals to pilot a Homeless Prevention Fund as part of the Rapid Rehousing Transition Plan with the objective of enabling households to remain in their current accommodation or, where this is not possible, to secure alternative settled accommodation without the need to access temporary accommodation.</p> <p>The Provost and Councillor Curran suggested a mid-term progress report after 12 months would be welcome. Mr Anderson confirmed it was his intention to provide a progress report and a final outcome report.</p>		
<b>Decision</b>		
<p>The Council unanimously approved:-</p> <ul style="list-style-type: none"> <li>(a) the development of a Homeless Prevention Fund and Procedure and;</li> <li>(b) allocated £30,000 for the pilot project from the Homelessness budget with a mid-term progress report after 12 months and a final outcome report</li> </ul>		
<b>Action</b>		
Executive Director Place		

Report No.	Report Title	Report by:
<b>8.12</b>	<b>Accelerated Roads Capital Programme – Residential Streets</b>	<b>Executive Director Place</b>
<b>Outline of report and summary of discussion</b>		
<p>The Chief Officer Place spoke to the terms of a report which outlined current performance and sought approval for additional capital expenditure in order to accelerate resurfacing of the unclassified road and associated footway infrastructure, targeting residential estates.</p> <p>Councillor Hardie in welcoming the report advised that residents across the district would be pleased.</p> <p>Councillor Parry and the Provost requested Ward members and Community Councils be notified in advance of the proposed programme of works. Councillor Russell suggested additional communication to residents would be beneficial.</p>		

Councillor Muirhead in welcoming the report and planned works, expressed frustration in relation to newly surfaced roads being dug up. In response, Mr Oliver advised with the exception of any emergency repairs, Roads can work with the utility companies to ensure this does not happen.

#### Decision

The Council unanimously approved:-

- (a) additional capital expenditure of £5 million over the next 2 financial years to deliver an accelerated resurfacing programme for the unclassified roads network in residential streets and;
- (b) an additional £2.5 million per annum be added to the General Services Capital Plan - Road Asset Management Plan/Footway and Footpath Asset Management Plan, for financial years 2021-2022 and 2022-2023.

#### Action

Executive Director Place

Report No.	Report Title	Report by:
<b>8.13</b>	<b>UK Levelling Up Fund</b>	<b>Executive Director Place</b>
<b>Outline of report and summary of discussion</b>		
<p>The Executive Director Place spoke to the terms of a report which informed of the Levelling Up Fund, announced at the UK Government's 2020 Spending Review to focus on capital investment in local infrastructure aimed at having a visible, tangible impact on people and places, and support economic recovery. In doing so, it will also create opportunity across the country, prioritising bids that invest in regeneration and growth in places in need and areas of low productivity and connectivity. The report noted officers were drafting and collating projects and initiatives to be considered for inclusion in a bid.</p> <p>Councillor Parry expressed concern regarding the priority levels being set by the UK Government without COSLA or Scottish Government consultation.</p> <p>Councillor Imrie suggested the Council should be seeking a meeting with officials from the Scotland Office. He advised the Fund would prioritise area of deprivation and any bids should include information as to how it would make a difference to deprivation.</p> <p>Councillor Hardie advised a railway link to Penicuik had been looked at a number of year ago and wondered why it was not being considered for a funding bid. In response, Mr Anderson advised the first round of bids had to evidence infrastructure, however this could be explored for the second round of bids. Councillor Wallace referred to a survey undertaken some time ago by Heriot Watt University and suggested that residents of Penicuik would not use a railway if the site of the station was on a single track road. He advised that Fund was a power grab by the UK Government to retain money in Westminster. In response, Councillor Hackett welcomed the funding and stated the Scottish Government had cut funding to local authorities by 7%.</p> <p>Councillor Hardie, seconded by Councillor Winchester, moved approval of the terms of the report and with no other Member being otherwise minded, this became the unanimous decision of the Council.</p>		
<b>Decision</b>		
The Council agreed to:-		

(a) submit eligible grant submissions to benefit Midlothian from the newly announced UK Levelling Up Fund and; (b) to authorise officers to prepare a funding bid for each of the 2 relevant categories in the first round of funding.
<b>Action</b>
Executive Director Place

Report No.	Report Title	Report by:
<b>8.14</b>	<b>Learning Estate Strategy Statutory Consultations</b>	<b>Executive Director Children, Young People and Partnerships</b>
<b>Outline of report and summary of discussion</b>		
The Executive Director Children, Young People and Partnerships spoke to the terms of a report which provided an update on the timeline of school projects included in the learning estate strategy and highlights those projects which require statutory consultation to be undertaken as a result of change of location and/or the redistribution of catchment areas and requested delegated authority to undertake the statutory consultations required for the implementation of the Learning Estate Strategy with the exception of projects involving potential school closures.		
<b>Decision</b>		
The Council unanimously noted the terms of the report and approved the request to delegate authority to undertake the statutory consultations required for the implementation of the Learning Estate Strategy with the exception of projects involving potential school closures.		
<b>Action</b>		
Executive Director Place		

The meeting then moved to private consideration of the following report:-

#### 9.1 Replacement of Head of Adult Services – Report by Joint Director Health and Social Care

The meeting concluded at 1 pm.

# MIDLOTHIAN COUNCIL LABOUR GROUP

Item 7.1

**Midlothian Council**  
**29<sup>th</sup> June 2021**

## **Notice of Motion**

This Council thanks and congratulates the many local groups and individuals for their efforts, particularly during the current pandemic, to improve our streets, parks and other open spaces by volunteering for litter picks, gardening and public space maintenance, etc.

We call on officers to prepare a report on how the Council currently supports these and similar groups and how we can improve that support offer moving forward.

Further, we thank the Cross Cutting Services Review – Waste Services for their proposal that the Council provides more efficient public space bins and calls on a report from officers as to when this will be implemented.

We also note reports coming from Council areas in other parts of the United Kingdom who have worked with private enforcement companies to pursue and prosecute those who cause the litter in the first place, targeting dog fouling, litter, and fly-tipping. We understand that it has been suggested that this work can be achieved at zero cost to the local authorities and, in turn, has the potential of providing more capacity to our hard-pressed environmental health service for delivering specialist and technical public health and safety duties.

We therefore request that officers look at whether a similar arrangement would be something that could be considered for introduction here in Midlothian, with a report provided to the next Council meeting after the summer break.

*Moved*



**Councillor Derek Milligan**

*Seconded*



**Councillor John Hackett**

**Best Value Assurance Report Update****Dr Grace Vickers, Chief Executive****Report for Noting****1 Recommendations**

Council is asked to:

- a) Note the updates to the Best Value Assurance Report Improvement Action Plan, some of which have now been superseded as a result of the response to the Covid-19 pandemic, the Midlothian Route Map and the new strategic transformation boards which are in place.

**2 Purpose of Report**

The purpose of this report is to provide Council with an update regarding Best Value and the previously presented Improvement Action Plan put in place following publication of Midlothian's Best Value Assurance Report by the Accounts Commission on 4 July 2019 which was presented to Council on 20 August 2019 and followed by a subsequent update on 11 February 2020 and 17 November 2020.

**Date: 31 May 2021****Report Contact:**

Myra Forsyth, Continuous Improvement Manager

[myra.forsyth@midlothian.gov.uk](mailto:myra.forsyth@midlothian.gov.uk)

### 3 Background

**3.1** Audit Work to support the Best Value Assurance Report (BVAR) for Midlothian Council was carried out between January and March 2019. The audit focused on 5 key questions:

1. Does the council have clear strategic direction?
2. How well is the council performing?
3. Is the council using its resources effectively?
4. Is the council working well with its partners?
5. Is the council demonstrating continuous improvement?

The audit work was carried out by a team of auditors and best value auditors from Ernst & Young and Audit Scotland and involved an extensive review of documentation and interviews with elected members, council officers and partners.

**3.2** The BVAR report published by Audit Scotland recognised that the Council had delivered a number of ambitious projects since the Council's last Best Value report in 2012, in particular in relation to schools, community campuses, housing and transport. Other key points noted in the report advised that:

- The council still needs to focus on some key requirements for Best Value, including financial sustainability, financial management and transformation.
- There are risks around the council's successful delivery of change due to its past track record and the scale of the challenge in both the medium and longer term.
- Elected members need to work together to urgently agree the medium-term financial strategy and transformation programme.
- Performance across services is mixed and the council is among middle performing councils using benchmarking indicators.
- The council makes good use of data to understand and improve its performance.
- Partnership working continues to be a strength at the council.

**3.3** The report also set out the Accounts Commission Findings and identified a set of recommendations for the Council. The recommendations detailed below were therefore used to develop the improvement action plan, an update of which is detailed in Appendix C:

- As a matter of urgency, officers and elected members need to work together to develop and agree the medium-term financial strategy and progress the council's transformation plans.
- The council needs to develop and sustain more constructive relationships between members and between members and officers. It needs to implement effective cross-party governance arrangements to ensure that it delivers the medium-term financial strategy and transformation plans.

- The council needs to ensure that workforce planning reflects the medium-term financial strategy.
- The council should undertake a review of its capital programme, to ensure that the timeframes for delivery are achieved going forward and that monitoring and reporting mechanisms are enhanced to drive more accurate analysis and planning around capital work.
- The council need to continue to implement financial planning arrangements to address budget gaps, underpinned by robust financial budgeting and monitoring arrangements.
- The council should refine its vision in light of the outcome of consultation work through the Services with Communities transformation workstream and to ensure that it focuses its activity most effectively.
- Elected members need to exercise appropriate scrutiny at all times, take ownership for personal development plans and take up relevant training opportunities.
- The council should continue to build on positive elements of community empowerment. It should look to increase community ownership of local neighbourhood plans and work with communities to improve how they monitor progress.

**3.3** The Council being ambitious for the future of Midlothian, supported by our Vision as a Great Place to Grow, developed the Medium Term Financial Strategy (MTFS), an important step-change. The MTFS aimed to provide a clear and concise overview of future sustainability given the demand pressures and the decisions that would need to be taken in order to make headway towards addressing budget gaps covering the financial period to 2022/23.

**3.4** To further support the necessary step-change required the following key drivers were introduced:



**Diagram 1: 9 Key Driver for Change**

## 4 Progress

### 4.1 Since the introduction of the improvement plan a number of actions supporting the recommendations have progressed including:

- The Medium Term Financial Strategy was approved by Council in June 2019 with cross party recommendations made to Council in February 2021 to implement a corporate solution for the 2021/22 budget, ensuring the need for no additional service reductions at an already challenging time for communities.
- Consolidation of change and transformation plans into a single programme with a clear governance route through BTB and BTSG.
- Launch of the Council's new Senior Leadership Structure to support the strategic delivery of the Council's Vision and ambition which includes the Medium Term Financial Strategy and the Midlothian Route Map.
- New strategic transformation boards are in place which report to BTB and onto BTSG
- In their annual report for 2019/20 the external auditor, EY, noted a green rating for financial management and amber for financial sustainability. The latter reflecting the wider sustainability challenges facing the public sector. As demonstrated by the approach to secure financial balance for the 2021/22 budget the Council has continued to strengthen financial planning arrangements underpinned by robust financial budgeting and monitoring arrangements with a quarterly financial monitoring board now meeting to scrutinise the financial performance of services. A similar corporate solution will be progressed for the 2022/23 budget, the last to be determined by this term of Council. In turn this allows the leadership team to focus on the development of the next MTFS for the term of the next Council elected in May 2022.
- Alignment of change and transformation savings plans for BTB/BTSG with the quarterly financial reporting process.
- Developing more constructive relationships between members and between members and officers. The cross-party Business Transformation Steering Group (BTSG) continues to drive forward the medium term financial strategy including supporting transformation plans. Throughout the Covid-19 pandemic emergency phase, the Chief Executive has met weekly with the group leaders and deputy leaders of the three political groups as part of the regular reporting arrangements.
- Work is continuing with elected members to take ownership for personal development plans and take up relevant training opportunities including briefings, seminars and cross-party working groups. A process to capture activity centrally has also been introduced.
- The workforce strategy was approved by Council in December 2019 and further work, as part of the Covid-19 recovery phase,

is now taking place to ensure that workforce planning reflects both the bold ambition of the Midlothian Route Map including digital by default, local by default, remote working and carbon neutral approaches.

- Initial pilot of Financial Dashboard within Children's Services which will support further roll-out.
- The capital programme has been accelerated in line with the Midlothian Route Map Through and Out of the Crisis which was approved by Council in June 2020. Supporting capital projects were approved by Council in June and August 2020. Two new Heads of Development have been appointed to take forward this ambitious programme at pace. The latest iteration of the capital plans, including pipeline progress sets out investment of circa £0.8bn over the period.
- Reviews are progressing to continue to build on positive elements of community empowerment; plans to review local neighbourhood plans and work with communities to improve how they demonstrate impact. The work refocused during the pandemic to ensure community cohesion, community access to services for those most vulnerable and mitigating aspects of poverty including access to food. This involved a combined effort of informal community volunteering to more structured co-designed interventions such as the Midlothian Key Essentials Fund and income maximisation call back services. Moving forward the CPWG are considering how best to embrace these within a period of change and recovery.
- The Compact has been developed in partnership with the Third Sector in light of the outcome of consultation work through Services with Communities and has been approved by Council and endorsed by the CPP. The TRACK values of the compact underpin the ethos of partnership working the third sector.

- 4.2** Midlothian and its communities have faced an unprecedented challenge as we have grappled with how to respond to a global pandemic. Whilst this experience has been extremely challenging, it has also acted as a catalyst for change with staff across the Council rapidly adapting to working completely differently, delivering more services remotely and trying to maintain services whilst supporting people through the crisis.
- 4.3** The rapid response to the pandemic has resulted in a complete transformation of how the council works, including remote working, local by default, digital transformation and services reviewing how they operate. There are things we have paused or stopped doing and we've also started doing lots of new things. These are outlined in the Midlothian Route Map through and Out of the crisis which was approved by Council in June 2020.
- 4.4** The recently published [Local Government Overview 2021](#) report considered the initial response of councils to the pandemic and noted that service delivery and working practices have changed at an unprecedented pace and on a scale that would have been considered

impossible in the past. Further noting that the need to respond quickly has allowed councils to operate more flexibly and achieve outcomes that would have taken much longer. Midlothian's response largely reflects the key messages within the Accounts Commission overview report, some examples of changes introduced are also noted:

- a) The Covid-19 pandemic is having a profound impact on all aspects of society, including the economy, jobs, and the physical and mental health of the public
  - *In recognising that the greater negative impacts for the socio-economic disadvantaged and existing inequalities intensified, the Council, along with partners, put their initial focus on maintaining critical services delivery and protecting communities.*
- b) Relationships with communities have been vital
  - *The Council and partners worked well together as evidenced by the launch of the #KindnessMidlothian CPP campaign on 18 March, supporting people who were shielding and facilitating community support hubs.*
- c) Levels of service disruption have varied
  - *Services experiencing significant disruption in Midlothian included Education, social care and leisure whilst other core services continued on a reduced basis.*
- d) Some services were delivered virtually
  - *A significant digital response was delivered at pace and included provision of remote learning for children and young people with 4,500 chromebooks deployed and a transition to remote working for a significant number of staff calling for 727 additional laptops, 2,067 users with direct access and 430 additional smartphone devices deployed council wide.*
- e) The workforce demonstrated the versatility to take on new roles
  - *Staff redeployed from services that were closed or reduced into services facing increased pressure while working under challenging circumstances.*
- f) There were significant changes in council governance structures and processes
  - *Council initially suspended meeting schedules and adopted different approaches to decision making whilst establishing virtual meetings. Weekly meetings were initially introduced with the Leader, Depute Leader, the Administration, Group Leaders and Political Groups while weekly, then fortnightly with Community Planning Partners, to harness the collective response to the crisis.*
  - *Daily meetings took place for the Corporate Incident Management Team to monitor and respond appropriately to the crisis during the period of lockdown.*
  - *The Council committee schedule was reintroduced for virtual meetings from June 2020 and earlier this year arrangements were put in place to allow public access to Council and committee meetings.*

- g) Councils continue to face significant financial challenges, and these have been exacerbated by the pandemic
  - *As noted in 4.1 the Council has continued to strengthen financial planning arrangements and, throughout the period of the pandemic, has and will continue to monitor and report the financial impact of the current and projected position to better respond to the challenges ahead.*
- h) The Scottish Government has provided substantial additional financial support, but the nature and timing of funding has created further challenges for councils
  - *Grants awarded in Midlothian include 3349 crisis grants, 518 community care grants, 69 self-isolation grants as well as paying out £24.4m to help local business using the covid business grant and £866,130 awarded through the food and key essentials fund.*
  - *Whilst funding from Scottish Government is likely to support covering the net financial impact for 2020/21, additional funding includes significant element of one-off grants which may present financial sustainability risk in future years. In addition the approach has created an additional administrative burden.*
- i) Councils have started to plan for longer term recovery from the crisis
  - *As noted in 4.1, financial balance has been secured for the 2021/22 budget and a similar corporate solution is to be progressed for 2022/23. Securing the approach to 2022/23 allows the leadership team to focus on development of the next Medium Term Financial Strategy for the term of the next Council elected in May 2022.*
- j) There has been some ongoing learning resulting from the emergency response to the pandemic
  - *In recognising the changes introduced, such as the use of digital to support changes to service delivery in the form of remote working, the overview report notes the importance of avoiding the risk of reverting to 'business as usual' in areas where new ways of working are having positive outcomes.*

**4.5** As identified in Midlothian's Best Value Assurance Report the council has continued to strengthen financial planning arrangements underpinned by robust financial budgeting and monitoring arrangements. As highlighted earlier there was cross party recommendations made to Council in February 2021 to implement a corporate solution for the 2021/22 budget, ensuring the need for no additional service reductions at an already challenging time for communities. A similar corporate solution will be progressed for the 2022/23 budget, the last to be determined by this term of Council. In turn this allows the leadership team to focus on the development of the next MTFS for the term of the next Council elected in May 2022. The immediate and ongoing financial impact of the pandemic has been a key focus during the crisis and regular updates regarding financial

implications have been provided to both CMT and Council. The most recent updates for performance against budget and the Covid-19 Financial Update were provided to Council on 23 February 2021 and noted that services were being provided within budget with a positive variance of 0.25% against the revised budget.

**4.6** The introduction of Midlothian's Route Map supports recovery and looks to retain the best elements of the transformation which took place in response to Covid-19 making these permanent changes to the way we work and deliver services. The strategy for recovery, as we continue to respond and emerge from this crisis, is based on the creation of a Wellbeing Economy, designed to achieve wellbeing, inclusion and fairness for our communities and to protect and enhance our environment. The overarching principle is that in delivering services, whether commissioned internally or externally, that we keep our communities, our employees and our environment safe minimising exposure to Covid-19, or any other harmful agent, at the same time as meeting our commitment to being carbon neutral by 2030. The introduction of the Route Map has also resulted in the need to revisit and reset the existing change and transformation programme and the new strategic boards and in place with terms of reference to support their work. The new strategic boards report to BTB and onto BTSG.

**4.7** The Route Map builds on our 9 drivers for change as shown in table 1 and also identifies priority interventions to support recovery as listed below:

<b>Holistic Working</b>	<ul style="list-style-type: none"> <li>• One Council – joined up – services</li> <li>• All through support, minimising transition points</li> </ul>
<b>Hub and Spoke</b>	<ul style="list-style-type: none"> <li>• Local by default supported by 4 Locality Place Teams</li> <li>• Minimal service delivered centrally</li> </ul>
<b>Modern</b>	<ul style="list-style-type: none"> <li>• Digital by Default</li> <li>• Place based front facing services</li> <li>• Home working for those services able to be delivered at home</li> <li>• Digital, rather than physical attendance at meetings</li> </ul>
<b>Sustainable</b>	<ul style="list-style-type: none"> <li>• Climate Change commitment to be Carbon neutral by 2030</li> <li>• Minimising travel by committing to working as locally as possible</li> </ul>
<b>Transformational</b>	<ul style="list-style-type: none"> <li>• This strand support the delivery of the other 8 drivers for change</li> </ul>
<b>Prevention</b>	<ul style="list-style-type: none"> <li>• Continued investment in early intervention and prevention as a priority</li> </ul>
<b>Asset Based</b>	<ul style="list-style-type: none"> <li>• Local by default</li> <li>• Only retaining physical buildings where required</li> <li>• Maximising opportunities for social housing solutions</li> <li>• Eliminate Homelessness</li> </ul>
<b>Continuous Improvement</b>	<ul style="list-style-type: none"> <li>• Committed to achieving better than our previous best</li> </ul>
<b>One Size Fits One</b>	<ul style="list-style-type: none"> <li>• Our citizens come first and are known as individuals and experience services appropriate to best meet their needs</li> </ul>

Priority interventions to support recovery:

- Economic Renewal
- Accelerated Capital Programme for Housing and the School Estate
- Education Recovery Plan
- Hub and Spoke Place Service Delivery
- Health and Social Care Transformation
- Digital by default, Remote working and Carbon Neutral by 2030 approaches to the workplace and active travel

**4.8** As a result of our recovery and renewal plans captured in Midlothian's Route Map, change and transformation plans that were in place have been superseded. In order to deliver the 'new' normal and continue with the transformation and pace required as we move through the crisis, it has been necessary to review and reset delivery plans moving forward supported by the new strategic transformation boards.

**4.9** The previous Change and Transformation Programme and associated savings will be monitored and reported as part of the established quarterly financial monitoring process. In light of Covid-19 a further exercise with the relevant accountants was undertaken to ensure that all savings aspects of the programme are captured and transitioned for future scrutiny to the existing quarterly Financial Monitoring activity and a transition report presented to BTB to ensure a formal audit trail of the change in approach is recorded.

**4.10** To continue the focus on delivering against the Route Map the following strategic Boards have been introduced:

- Economic Renewal Board
- Capital Strategy Board
- Hub and Spoke Place Based Solutions Board
- Remote Working Board
- Digital First Board
- Carbon Neutral by 2030 Board
- Children Young People and Partnership Board
- HSCP Transformation Board

Continuing to adopt the 9 drivers for change ensures development of a more holistic programme and ensures that the vision, ambition and intended transformation has a strategic and forward facing focus.

**4.11** Working in partnership with Nesta, an innovation foundation which focusses on people powered results, work was also undertaken to gather staff experiences during the pandemic from a range of services across the Council. The output of the work undertaken with Nesta and a staff survey produced a Listen and Learn report which has also been used to further inform the continuous improvement and transformation activities being taken forward by services. The activities identified are informed by the recommendations within the Listen and Learn report and are set out against the drivers for change, previously identified,

and as represented in appendix D. This approach will ensure that plans put in place are created with a holistic approach and avoid the risk of any silo based development of plans within services.

- 4.12** Resetting the Council's approach to transformation and continuous improvement in line with the Road Map and the Listen and Learn Report ensures a continued focus on Best Value. With the plan development ensuring continued good governance via BTB and BTSG, effective management of resources informing the development of delivery plans, and a focus to deliver improved outcomes to Midlothian's residents, businesses and visitors.

## **5 Report Implications (Resource, Digital and Risk)**

### **5.1 Resource**

No additional resources are required as result of this report, however future improvement planning actions will consider any future resource requirements.

### **5.2 Digital**

There are no IT issues arising from this report. The new Digital First Board will be a key strategic driver to deliver at pace the ambition of the Midlothian Route Map.

### **5.3 Risk**

The Council has a statutory duty to respond to the published findings and the supporting improvement action plan responds to these duties in part.

### **5.4 Ensuring Equalities (if required a separate IIA must be completed)**

Whilst equalities is a key requirement for Best Value organisations, there are no direct equalities issues to be considered for this report.

### **5.4 Additional Report Implications (See Appendix A)**

See Appendix A

## **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Background information/Links**

**Appendix C – Best Value Assurance Report Recommendations Action Plan**

**Appendix D – Listen and Learn Report Extract**



## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

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

- Reducing inequalities in learning outcomes
- Reducing inequalities in health outcomes
- Reducing inequalities in economic circumstance
- Reducing the impact of climate change

Best Value guidance identifies two cross-cutting themes which Best Value organisations should fully embrace across all activities by which they deliver their outcomes. The cross-cutting themes are Equality and Sustainability.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☒ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☒ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

Resetting the Council's approach to transformation and continuous improvement in line with the Road Map and the Listen and Learn Report ensures a continued focus on Best Value.

### **A.5 Involving Communities and Other Stakeholders**

The Best Value Assurance Report was produced following engagement with both officers and partners and following a significant review of documentation available, including documents from partners and communities.

## **A.6 Impact on Performance and Outcomes**

The duty of Best Value in Public Services is as follows:

- To make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance,
- To have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development.

The above considerations informed both the Medium Term financial Strategy and Midlothian's Route Map through and out of the crisis.

## **A.7 Adopting a Preventative Approach**

The Best Value duty supports the need to consider preventative approaches where appropriate and possible.

## **A.8 Supporting Sustainable Development**

Sustainability is a key requirement for Best Value organisations and this informs the continuous improvement activities across Council.

## APPENDIX B

### Background Papers/Resource Links (insert applicable papers/links)

1. Best Value Assurance Report Midlothian Council  
[https://www.audit-scotland.gov.uk/uploads/docs/report/2019/bv\\_190704\\_midlothian.pdf](https://www.audit-scotland.gov.uk/uploads/docs/report/2019/bv_190704_midlothian.pdf)
2. Midlothian – Listen and Learn Report  
[https://www.midlothian.gov.uk/downloads/download/731/esta\\_listen\\_and\\_learn\\_report\\_for\\_midlothian\\_council\\_-\\_september\\_2020](https://www.midlothian.gov.uk/downloads/download/731/esta_listen_and_learn_report_for_midlothian_council_-_september_2020)
3. Local Government in Scotland Overview 2021  
<https://www.audit-scotland.gov.uk/report/local-government-in-scotland-overview-2021>

## Appendix C - Best Value Assurance Report Recommendations: Action Plan

The Action Plan is based on recommendations identified in the Best Value Assurance Report (BVAR) published by the Accounts Commission on the 4 July 2019. As a result of the Covid-19 pandemic a number of previously agreed actions have been superseded as a result of changes introduced to respond to the crisis (further information is included within the actions noted below).



1. As a matter of urgency, officers and elected members need to work together to develop and agree the medium-term financial strategy and progress the council's transformation plans.





**Actions associated with this recommendation were complete prior to March 2020.**

Action	Due Date	Status	Progress	Comment & Planned Improvement Action
Medium Term Financial Strategy (MTFS) to be agreed by Council.	30-Jun-2019	✓	100%	<b>Q3 19/20: Complete.</b> The MTFS was approved at Council in June 2019 with further work being progressed to identify savings for the remaining budget gap
MTFS and Transformation Programme governance framework via BTSG to be agreed by Council.	30-Jun-2019	✓	100%	<b>Q3 19/20: Complete.</b> The MTFS was approved at Council in June 2019. Further work to agree a revised terms of reference looking towards longer term planning was undertaken.
MTFS and supporting Transformation Programme plans, reporting and monitoring arrangements to be put in place.	31-Aug-2019	✓	100%	<b>Q3 19/20: Complete.</b> Changes introduced to align quarterly financial monitoring with BTB/BTSG reporting and report templates revised to reflect the changes introduced, including a consolidated plan for change and transformation. However, the Council is committed to continuous improvement and work is ongoing to streamline reporting and monitoring processes.

**Update** - On 20 March 2020 the council moved to critical service delivery in response to the Covid-19 Pandemic. The rapid response to this pandemic resulted in a complete transformation of how the council works, including remote working, digital transformation and rapid response. To support recovery and renewal from the pandemic the Council agreed a strategy in the form of their Route Map through and out of the crisis. This new strategy seeks to both support recovery and to retain the best elements of the transformation which took place in response to Covid-19 and make these permanent changes to the way the council delivers its services. The Covid-19 crisis has created a very different way of working and rapid learning for Midlothian Council at all levels. The Route Map sets out a flexible and iterative renewal plan by Midlothian Council, in association with partners, to recover from the Covid-19 pandemic and resulted in the need to refocus and refresh previous transformation plans.

**2. The council needs to develop & sustain constructive relationships between members & between members & officers. Implement effective cross-party governance arrangements, ensure that it delivers the medium-term financial strategy & transformation plans.**




**Note that existing plans were superseded as a result of the Council's COVID-19 response and the necessary changes introduced in the immediate, recovery and renewal phases.**


Action	Due Date	Status	Progress	Comment & Planned Improvement Action
All Elected Member development day – Roles and Responsibilities, Cross-party working group frameworks etc	30-Jun-2020		100%	<b>Q2 20/21: Complete</b> - Due date initially reset as a result of COVID however activity and changes introduced during the crisis have superseded this planned action as Elected Member development discussions have been completed via email and further activity relating to member development is covered under recommendation 7.
Elected Member and Officer Protocol developed	31-Aug-2019		100%	<b>Q3 19/20: Complete.</b> Proposal developed and approved by CMT and presented to September BTSG who asked that further consideration by members take place and additional information be provided by officers re existing multi-ward protocol. Protocol will be progressed in Q4 as part of BVAR 2.2b.
Elected Member and Officer Protocol agreed and implemented	30-Sep-2020		100%	<b>Q2 20/21: Complete</b> - Due date initially reset as a result of COVID however activity and changes introduced during the crisis resulted in the protocol being superseded. Changes to how Elected Members and Officers work together were introduced in order to respond effectively in terms of information sharing and decision making during the crisis and a virtual meetings protocol, alongside additional regular meetings for Group Leaders and Groups with officers was introduced
Refreshed Scrutiny Training/Guidelines/Checklist	30-Jun-2020		100%	<b>Q2 20/21: Complete.</b> Due date initially reset as a result of COVID however activity and changes introduced during the crisis have superseded this action and as a result it has been closed and replaced with refreshed development of an Elected Member Development Programme as noted in recommendation 7.

**Update** - This recommendation was effectively superseded as a result of necessary changes introduced to address restrictions introduced by the pandemic. In order to work together effectively during the lockdown period of the pandemic members and officers were required to adapt to a virtual environment with increased frequency of communication which has supported the development of more constructive relationships. Initially the Chief Executive/Officers held separate weekly meetings with the Leader and Group Leader, the Administration, Group Leaders and there was also the opportunity for a meeting for all groups. In addition the frequency of the Community Planning Partnership increased to fortnightly. A protocol and revised reporting templates were also introduced to support members using the virtual meeting environment. Individual member development needs have also been sought as a result of the changed working environment and further development to support elected members moving forward is required.

### 3. The council needs to ensure that workforce planning reflects the medium-term financial strategy.

Note that existing plans were superseded as a result of the Council's COVID-19 response and necessary changes introduced in the immediate, recovery and renewal phases.


Action	Due Date	Status	Progress	Comment & Planned Improvement Action
Review and update the Council's Workforce Strategy and associated Service Workforce Plans to fit with the revised priorities and finances as per MTFS.	<del>31-Aug-2020</del> TBA		75%	<p><b>Q2 20/21:</b> Update - Due date initially reset as a result of COVID however responses and subsequent changes introduced during the crisis now call for this action and target date to be reviewed. Internal Audit follow-up of actions will be undertaken concurrently.</p> <p>The workforce strategy was refreshed and presented to Council in December 2020 Service workforce plans were expected to be updated to reflect both MTFS and new leadership structure but this has been disrupted by the focus on the response to the pandemic. Services are currently preparing new service plans reflecting the new leadership structure, route map and approved nesta recommendations and the service workforce plans will flow form that over the remainder of the year. To assist, a revised workforce planning template will be available to Chief Officers to ensure consistency of approach to workforce planning moving forward and to ensure they align to both the MTFS and service plans.</p> <p><b>Update 2021:</b> Co-designed with Nesta, a significant piece of transformational work is almost complete within Neighbourhood Services that will see the introduction of a 'people powered strategic framework' that will transform how the council works as a team together with our communities to support people in Midlothian to feel safe and secure, living well locally. Moving forward, this strategic framework will form the basis of how we shape and test new ways of working in partnership with local communities in other areas of the Council.</p> <p>An Employee Health and Wellbeing Strategy has also been created and subject to staff consultation, as part of a review of the Workforce Strategy to ensure we continue to deliver employee-led wellbeing interventions to promote and support the health and wellbeing of our workforce.</p> <p>Work is also underway to create a talent management strategy and employee engagement strategy to ensure we attract, engage, retain, nurture, develop and deploy our staff in the most effective and efficient ways to deliver our ambitious agenda.</p>
Develop data analytics to support real time reporting for managers in relation to people and financial data	<del>31-Aug-2020</del> TBA		50%	<p><b>Q2 20/21:</b> Update - Due date initially reset as a result of COVID however responses and subsequent changes introduced during the crisis now call for this action and target date to be reviewed.</p> <p>Proof of concept developed for HR data and financial dashboard piloted for Children's Services. Pandemic has resulted in resources being diverted but this will be progressed as part of refreshed digital strategy and be a key focus on the newly formed Digital led transformation board.</p>
Develop data analytics for a data set to support Elected Member and Officer understanding and decision making with	<del>30-Sep-2020</del>		25%	<p><b>Q2 20/21:</b> Financial Dashboard were piloted successfully for Children's Services in 2019/20 and this has assisted in identifying areas where business processes which support/impact on the service can be improved</p>

Action	Due Date	Status	Progress	Comment & Planned Improvement Action
regards to financial performance	TBA			and where more detailed information is sought by managers ( for example transport costs at client level rather than service level) . Building on the Children's Services pilot the plans were to roll out to other services and doing so as part of the transition to support the new leadership structure. Further work to do this was delayed as a consequence of the onset of the pandemic and also the loss of expertise previously committed to this work.
Ensure workforce planning and profiles reflect the changing pressures on services due to the growing population	30-Sep-2020 TBA		25%	<p><b>Q2 20/21:</b> Update - Due date initially reset as a result of COVID however responses and subsequent changes introduced during the crisis now call for this action and target date to be reviewed. (See first action above)</p> <p><b>Update 2021:</b> Significant co-design work has been undertaken with staff and Nesta to redesign how we deliver our Neighbourhood Services to our communities, seeing the creation of new collaborative partnerships and co-designing solutions with local people.</p> <p>A revised workforce planning template will be available to Chief Officers to ensure consistency of approach to workforce planning moving forward and to ensure they align to both the MTFS and service plans.</p>

**Update** - The Route Map through and out of the crisis is filled with hope and ambition to rebuild Midlothian following the global pandemic. It represents a significant shift for the council in order to help Midlothian deliver services which are digital by default with services delivered at the most local level, within the resources available, and enabling those who can work remotely to continue to do so. This ambition calls for a significant refresh and refocus of the existing workforce strategy and planned service workforce activity across the Council. Changes to working practices also call for policy changes to be developed to respond to the new ways of working.

**4. The council should undertake a review of its capital programme, to ensure that the timeframes for delivery are achieved going forward & that monitoring & reporting mechanisms are enhanced to drive more accurate analysis & planning around capital work.**

**Actions associated with this recommendation were complete prior to March 2020.**



Action	Due Date	Status	Progress	Comment & Planned Improvement Action
Re-establish Capital Programme Board framework and reporting responsibilities including Review of Capital Plan and programme to achieve more accurate forecasting and delivery	30-Jun-2019		100%	<p><b>Q3 19/20:</b> Capital Plan and Asset Management Board has implemented a gateway review and reporting process (at this point for all projects over £1m). This has subsequently been complemented by the roll out of project flash reports to allow BTSG oversight of progress in delivering capital projects and to keep all members informed of progress in their ward. The gateway review process is designed to strengthen the overall governance of projects, provides a means to more effectively monitor projects against the agreed milestones and allows risks to be monitored and managed effectively. Whilst framework is in place work continues to</p>

Action	Due Date	Status	Progress	Comment & Planned Improvement Action
				ensure it is fully embedded across all £1m plus projects to ensure consistency.

**Update** - Whilst the action supporting this recommendation is complete it is useful to note that within the Route Map through and out of the crisis priority interventions are identified, one of which is an Accelerated Capital Programme for Housing and the School Estate.

**5. The council need to continue to implement financial planning arrangements to address budget gaps, underpinned by robust financial budgeting and monitoring arrangements.**


**Note that existing plans were superseded as a result of the Council's COVID-19 response and necessary changes introduced in the immediate, recovery and renewal phases.**

Action	Due Date	Status	Progress	Comment & Planned Improvement Action
Develop data analytics to support real time reporting for financial data and budget monitoring (see Item 3 above)	<del>31-Aug-2020</del> 31-Mar-2021		50%	<b>Q2 20/21:</b> Financial Dashboard were piloted successfully for Children's Services in 2019/20 and this has assisted in identifying areas where business processes which support/impact on the service can be improved and where more detailed information is sought by managers ( for example transport costs at client level rather than service level) . Building on the Children's Services pilot the plans were to roll out to other services and doing so as part of the transition to support the new leadership structure. Further work to do this was delayed as a consequence of the onset of the pandemic and also the loss of expertise previously committed to this work.
Refresh governance structure on the delivery of savings and in relation to MTFS following June Council.	31-Aug-2019		100%	<b>Q3 19/20: Complete.</b> The MTFS was approved at Council in June 2019. Further work also undertaken to progress a revised terms of reference looking towards longer term planning.

**Update** - The unprecedented economic turbulence and scale of required state intervention will inevitably have both short and longer term implications for public finances across the UK and Scotland which will require the Council to reassess its medium and longer term financial planning and investment programme as the full financial, economic and fiscal impact of the pandemic becomes clearer in the months ahead and indeed as the Council in response re-shapes its priorities moving forward. Members should note that the financial position remains fluid as the impact and consequences of the pandemic both for Council services and for communities across Midlothian continue to evolve. Further updates on the financial position and outlook will be provided to the Council on a regular basis recognising that the financial impact of the pandemic will continue to evolve.

**6. The council should refine its vision in light of the outcome of consultation work through the Services with Communities transformation workstream and to ensure that it focuses its activity most effectively.**





**Actions associated with this recommendation were complete prior to March 2020.**

Action	Due Date	Status	Progress	Comment & Planned Improvement Action
MTFS informed by outcome of Our 2040 Vision exercise and the following 4 key themes from various consultation activities: •One Council: Working with you, for you •Preventative and Sustainable •Efficient and Modern •Innovative and Ambitious	31-Aug-2019		100%	<b>Q3 19/20: Complete.</b> Following refresh of transformation and change programme the Services with Communities workstream sits within the One Council: Working with you, for you MFTS strand and a supporting programme of activity has been identified and is being taken forward by the Strategic Service Redesign Manager. Consultations to be negotiated on appendix A of the MTFS to take place March/April 2020 onwards. The council and its partners are working to a shared vision for the area through the Single Midlothian Plan and continues to work with its communities to deliver improvements. It is currently taking action to further improve its relationships with the third sector. A draft Compact document with the third sector was produced Dec 2019 Vision being used to inform Third sector climate funding bid. Climate change prioritisation work underway based on 2040 vision. Midlothian Council has declared a climate emergency and a 4th key priority is being considered for community planning. The new Compact between the Council and the Third Sector was agreed by Council in October 2020.

**Update** - The Route Map and strategy for recovery, is based on the creation of a Wellbeing Economy, designed to achieve wellbeing, inclusion and fairness for our communities and to protect and enhance our environment. Our overarching principle is that in delivering services, whether commissioned internally or externally, that we keep our communities, our employees and our environment safe minimising exposure to Covid-19, or any other harmful agent, at the same time as meeting our commitment to being carbon neutral by 2030.

**7. Elected members need to exercise appropriate scrutiny at all times, take ownership for personal development plans and take up relevant training opportunities.**




**Note that existing plans were superseded as a result of the Council's COVID-19 response and necessary changes introduced in the immediate, recovery and renewal phases.**


Action	Due Date	Status	Progress	Comment & Planned Improvement Action
Develop an Elected Member Development Programme (including use of 360 Tool)	<del>30-Jun-2020</del> TBA		60%	<b>Q4 20/21:</b> Update - As noted previously and in an update report to CMT in December 2020, an outline programme has been identified and whilst further engagement is required with members to identified individual session content, elected member briefings/seminars have continued to be delivered and recorded for those sessions identified as particular areas of interest. The recent lockdown has delayed progress of those areas noted within the development programme and the due date initially reset to end of June 2021.
Introduce an Elected Member Learning and Development commitment and personal development plans?	<del>30-Jun-2020</del> TBA		60%	<b>Q4 20/21:</b> Update - As noted in report to CMT December 2020 Personal Development Plans have been made available to all members and some individual PDPs have been completed. The due date has been extended to allow for the delay caused due to the further lockdown and a final review of take-up will be completed over the coming months.
Re-establish a central Training Records system for Elected Members	30-Jun-2020		100%	<b>Q2 20/21: Complete</b> – Process set up to capture scheduled development sessions activity centrally prior to Covid-19, further checks carried out in Q2 confirmed process was still in place.
Improve the quality of reports to ensure they are readily understood and Elected Members are clear on what decisions they are being asked to make.	30-Jun-2020		100%	<b>Q2 20/21: Complete</b> - In order to support the virtual meeting environment members are required operate within during and following the initial lockdown a virtual meeting protocol and revised reporting template were introduced to provide further clarity of the purpose of the report and key information required.

**Update** - The arrival of the pandemic and the 'new' normal as a result has resulted in the need to revisit the type of development and the delivery options which would suit members moving forward. Engagement with the Improvement Service following the initial progress through the Route Map phases will better inform options for development moving forward. In addition, to support members' transition to a virtual meeting environment a new protocol and reporting template were introduced. Ongoing engagement with members regarding developing a programme has continued throughout the period.

**8. The council should continue to build on positive elements of community empowerment. It should look to increase community ownership of local neighbourhood plans and work with communities to improve how they monitor progress.**

**A number of the actions associated with this recommendation were complete prior to March 2020.**

Action	Due Date	Status	Progress	Comment & Planned Improvement Action
Introduce a formal mechanism for reporting against all Neighbourhood Plans	30-Jun-2020		100%	<b>Q3 19/20: Complete</b> A mechanism for reporting NP progress is in place, with updates going to the Community planning working group.
Review community engagement, capacity and ownership of Neighbourhood Plans and potential opportunities for wider membership of community councils or formalising wider network of community groups	30-Jun-2020		100%	<b>Q3 19/20: Complete.</b> Community councils constitution allows for 16 year olds upwards to join, links have been made with Midlothian youth platform through the CPP planning process . CC's have taken ownership of neighbourhood plans in rural communities where they are now a standing item on agendas. Some CC"s have co-opted community groups to membership through the powers in the revised constitutions. Federation and other third sector groups will be lead partners in review of NP processes.
Review possible declining trend in Citizens Panel questions: •Ability to influence decisions •Involvement in community and identify areas for improvement	31-Dec-2019		100%	<b>Q3 19/20: Complete.</b> Areas for improvement have been identified, and actions have begun, see notes below : Adult Citizens panel returns reduced in this year's summer survey, but an additional 350 children and young people took part in a modified citizen's panel process. A refresh of panel members is now planned The review of neighbourhood planning is underway. This will consider the ways that communities can exert greater influence on the SMP. Discussions have been held with colleagues in Council about the new place planning rights under the Planning Act 2019, the new economic development strategy town centre regeneration goals, and the Public health "healthy places "initiative. Participatory budgeting approach to elected members local environmental improvement budget is underway in Dalkeith and Danderhall. 4 community asset transfers have now been agreed at council all have required community support, 3 formal participation requests have been received and dealt with; Town centre master planning in Mayfield is being led by 5 anchor community organisations supported by the Council. The Federation of community councils has been undertaking further training to increase their capacity to represent residents. The Council undertook stakeholder consultation on the medium term financial strategy. A Place standard approach involving residents in defining core issues in their communities has been undertaken in Bonnyrigg, Mayfield, Gorebridge, Dalkeith and Penicuik so far. The Bonnyrigg place standard weekend engagement event involved slightly over 2500 people. The IJB undertook an extensive public engagement process to devise its most recent plan. Stakeholder joint planning groups continue to influence planning of adult health and social care services. The champions group of care experienced young people influence the planning of care services. The 100 day challenge on mental health support for young people resulted from survey work undertaken by Midlothian Youth platform and involved young people directly in redesigning services and support. Each parent council and pupil council is engaged in developing how learning is delivered. A formal participation request around the new Gorebridge Secondary school has been received and responded to. Early pre – formal

Action	Due Date	Status	Progress	Comment & Planned Improvement Action
				consultation process has begun in relation to the A701 secondary school. Public engagement processes on Community Asset transfer have been undertaken in relation to Bonnyrigg After school club, Loanhead after school club and Bonnyrigg Rose Community Football Club asset transfer requests. Service user joint planning groups have participated in the delivery of a new Community Justice plan Service user joint planning groups have participated in the delivery of a new IJB delivery plan Third sector summits are held with IJB directorate, the third sector adult and youth and children's forums meet regularly with Council , the youth and children work group meet each week before the GIRFEMC board to agree points they wish to raise on the agendas and responses to proposals coming from CPP partners
Review future models (as a result of reduced internal capacity) for working with communities in designing and delivering services	01-Aug-2022		30%	<b>Q3 20/21:</b> A capacity building model is being undertaken to increase the skills, knowledge and experience across the council to support key staff to be able to work with communities from different Council sectors to co design and deliver services. The most recent joint work in this area has been with regard to Neighbourhood Services which involved local representatives and the third sector being supported to engage and influence service design.

**Update** - The Route Map and strategy for recovery, is based on the creation of a Wellbeing Economy, designed to achieve wellbeing, inclusion and fairness for our communities and to protect and enhance our environment. Our overarching principle is that in delivering services, whether commissioned internally or externally, that we keep our communities, our employees and our environment safe minimising exposure to Covid-19, or any other harmful agent, at the same time as meeting our commitment to being carbon neutral by 2030.

# Midlothian's Future Vision

Built on staff insights and grounded in the 9 drivers for change





## **Single Midlothian Plan 2021-22**

### **Report by Chief Executive**

### **Report for Noting**

#### **1 Recommendations**

It is recommended that Council notes the publication of the Single Midlothian Plan 2021-22 to meet the legal requirements of the Community Empowerment Act.

#### **2 Purpose of Report/Executive Summary**

This Community Planning Partnership (CPP) Board's thematic partnership developed the attached annual plan, outcomes and indicators for 2021-22. The final draft was approved on Wednesday 31<sup>st</sup> March 2021.

**Date:** 21 May 2021

**Report Contact:** Joan Tranent

[Joan.Tranent@midlothian.gov.uk](mailto:Joan.Tranent@midlothian.gov.uk)

### 3 Background

The Community Planning Partnership established under the Local Government Act 2003, and strengthened legislatively by the Community Empowerment Act 2015, is required to publish a Local Outcomes Improvement Plan each year. This plan must set out what shared local outcomes the partners are pursuing within the outcomes framework established by the National Delivery Group for Community Planning

- 3.1 The Midlothian Community Planning Partnership is a statutory board, under the terms of the Community Empowerment Act 2015. Governance arrangements include elected member direct involvement in the partnership structures. The governance arrangements confirm the link between statutory boards for adult health and social care (Integrations Joint Board, IJB) and Community safety and justice board (CSJPB) and the CPP Boards. There are also three other thematic partnership groups: Getting It Right for Every Midlothian Child, with its statutory duty to deliver an integrated children and young peoples' plan. Improving Opportunities for the People of Midlothian with a remit for addressing inequality, increasing employability and delivering the statutory duty to have a plan for community learning and development; and Sustainable Growth which brings together physical development planning with economic development, housing and environmental actions.
- 3.2 The Council agreed in 2012/13 to adopt the Single Midlothian Plan as its strategic plan and to require services to have regard to the outcomes set out in this when creating their annual service plans.
- 3.3 In 2020 the CPP board extended its top priorities to include a shared commitment to address the climate emergency as set out in the motion adopted by Council in December 2019, reaffirming this at the board meeting on 25<sup>th</sup> February 2020.
- 3.4 The normal shared planning cycle of the partners is detailed in the plan, however it should be noted that Covid-19 has impacted on our ability to progress plans and to undertake full consultation sessions. This said whilst we did not manage to meet on a face to face basis in November virtual consultation took place over two half day sessions in December 2020 and January 2021.
- 3.5 The CPP agreed in 2018 to continue to focus on the follow priorities for the period 2019-22
  - Reducing the gap in learning outcomes
  - Reducing the gap in health outcomes
  - Reducing the gap in economic circumstances

A forth priority was added in 2020 in recognition of the climate emergency declaration of Scottish Government and all 32 councils in Scotland.

Reducing carbon emissions in Midlothian to net zero by 2030.

- 3.6 The CPP Board remains committed to working using three approaches: Preventive intervention; Changing access; Capacity building and co-production.

### **3.7 Area Targeting:**

Given our legal requirement under the Community Empowerment Act 2015 we have a locality outcome improvement plan for the communities which fall into the top 20% of SIMD. The CPP has set a clear shared target of closing the gap in those three areas (Dalkeith Central/Woodburn, Mayfield/Easthouses & Gorebridge) however recognises that new small areas across the county have emerged and so closing the gap for residents affected across all areas of the county is of primary importance.

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

The Single Midlothian Plan for 2021-22 comprises outcome indicators agreed with Community Planning partners. The designated members of the CPP Board are now required by law under the Community Empowerment Act 2015 Section 9 (3) to provide joint resourcing of actions to improve agreed outcomes, and to jointly resource the CPP processes to enable community participation in decision making. In particular, the 5 core partners (Council, NHS, Fire, Police and Scottish Enterprise) must co-facilitate the arrangements for community planning.

Emerging from the pandemic will require a collaborative approach across the CPP Board to ensure we are aware of any new demands/themes placed upon our communities as our lives return to 'normal'.

### **4.2 Risk**

The Covid-19 pandemic has seriously disrupted all aspects of life in Midlothian. The new plan reflects the impact of this and as such appropriate targets have been agreed.

### **4.3 Ensuring Equalities**

Equalities issues are key, and a separate section of the plan identifies the proposed specific improvement actions by partners for 2021-22, an impact assessment has been completed for the three year strategy for 2021-22.

## **Appendices**

**Appendix A –Report Implications**

**Appendix B - Single Midlothian Plan 2021-22**

## APPENDIX A – Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

Not applicable

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- ☒ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☒ Sustainable
- ☒ Transformational
- ☒ Preventative
- ☒ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☒ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### A.4 Delivering Best Value

Best Value delivery is a core principle of community planning working arrangements

### A.5 Involving Communities and Other Stakeholders

The SMP is a product of wide ranging community engagement processes.

### A.6 Impact on Performance and Outcomes

The report sets out the single shared plan for Midlothian developed with partners including outcomes, indicator targets and baselines that council service plans relate to.

### A.7 Adopting a Preventative Approach

Preventative approaches are a core approach of community planning partnership working.

### A.8 Supporting Sustainable Development

The CPP is committed to support the Council carbon neutral target.

## Appendix B Single Midlothian Plan 2021 - 2022 (attached)

## **Service Plans 2021/22**

**Report by Dr Grace Vickers, Chief Executive**

### **Report for Decision**

#### **1 Recommendations**

Council is recommended to approve the 2021/22 Service Plans.

#### **2 Purpose of Report**

This report presents the 2021/22 Service Plans for Council approval.

**Date:** 9 June 2021

**Report Contact:**

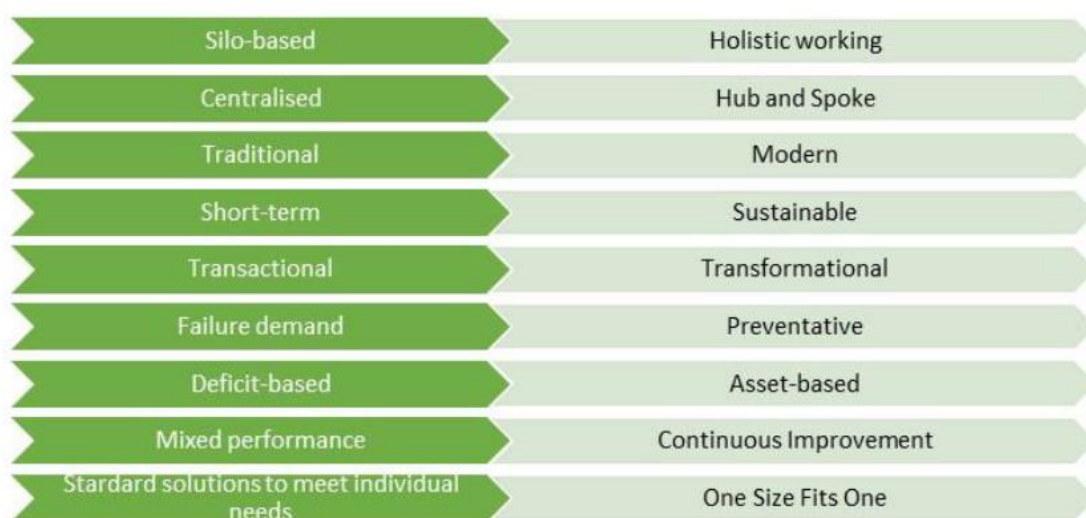
Myra Forsyth

Continuous Improvement Manager

[myra.forsyth@midlothian.gov.uk](mailto:myra.forsyth@midlothian.gov.uk)

### 3 Background

- 3.1 Councils have a statutory duty to demonstrate continuous improvement on how they deliver services. This was introduced in the Local Government (Scotland) Act 2003 to ensure that we secure Best Value. Under this legislation each council is obliged to:
- Work with its partners to identify a clear set of priorities that respond to the needs of the local community and be organised to deliver those priorities.
  - Meet and clearly demonstrate that it is meeting the community's needs.
  - Operate in a way that drives continuous improvement in all of its activities.
- 3.2 The Council delivers its priorities through the Community Planning Partnership and the Single Midlothian Plan.
- 3.3 Chief Officers have developed their service plans; managers and performance officers have been working together with community planning colleagues to ensure alignment between service priorities and SMP priorities.
- 3.4 The Council being ambitious for the future of Midlothian, supported by our Vision as a Great Place to Grow, developed the Medium Term Financial Strategy (MTFS), an important step-change. To further support the necessary step-change required the following key drivers where introduced:



**Diagram 1: 9 Key Drivers for Change**

- 3.5 Midlothian and its communities have faced an unprecedented challenge as we have grappled with how to respond to a global pandemic. Whilst this experience has been extremely challenging, it has also acted as a catalyst for change with staff across the Council

rapidly adapting to working completely differently, delivering more services remotely and trying to maintain services whilst supporting people through the crisis.

- 3.6 The rapid response to the pandemic has resulted in a complete transformation of how the council works, including remote working, local by default, digital transformation and services reviewing how they operate. There are things we have paused or stopped doing and we've also started doing lots of new things. These are outlined in the Midlothian Route Map through and Out of the crisis, which was approved by Council in June 2020.
- 3.7 The output of the work undertaken with Nesta, an innovation foundation which focusses on people powered results, and a staff survey produced a Listen and Learn report which has also been used to further inform the continuous improvement and transformation activities being taken forward by services. The Drivers for Change set out in the Listen and Learn report are shown in Appendix C.

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

Resource implications have been considered and identified during individual Service Plan development

### **4.2 Digital**

Specific Digital issues are considered within individual Service Plans as appropriate.

### **4.3 Risk**

This report seeks to ensure that the Council and partners have strategic and sustainable plans for future service delivery. Chief Officers will consider, on an ongoing basis, possible risk exposures to the successful achievement of all priorities.

### **4.4 Ensuring Equalities**

Each service plan is subject to an Integrated Impact Assessment (IIA) which are available within the electronic Members' Library within CMIS.

### **4.4 Additional Report Implications (See Appendix A)**

See Appendix A

## **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Background information/Links**

**Appendix C – Listen and Learn Report Extract**

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

The Single Midlothian Plan informs all Service Plan activity with a key requirement that all plans demonstrate the services contribution to the SMP outcomes and priorities.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☐ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☐ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

The Service Plans identify activities which deliver across the key drivers for change streams.

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

The Service Plans identify activities which deliver across the key delivery streams.

### **A.4 Delivering Best Value**

Service Plans demonstrate the services delivery of Best Value and provide the basis for ongoing oversight and management of Best Value duties.

### **A.5 Involving Communities and Other Stakeholders**

Service Plans demonstrate the services contribution to the SMP outcomes and priorities which are identified following a range of consultation and engagement activities with communities and stakeholders.

**A.6 Impact on Performance and Outcomes**

Service Plans demonstrate the services contribution to the SMP outcomes and priorities and will provide the basis for ongoing performance management.

**A.7 Adopting a Preventative Approach**

All plans consider the adoption of a preventative approach to service delivery.

**A.8 Supporting Sustainable Development**

The development of the Single Midlothian Plan and Service Plans represent a robust approach to supporting sound planning of council services. This is further demonstrated by the development of the Route Map.

## APPENDIX B

### Background Papers/Resource Links

1. Midlothian's Route Map through and out of the crisis  
[https://www.midlothian.gov.uk/news/article/2977/council\\_approves\\_route\\_map\\_out\\_of\\_covid-19](https://www.midlothian.gov.uk/news/article/2977/council_approves_route_map_out_of_covid-19)
2. Midlothian – Listen and Learn Report  
[https://www.midlothian.gov.uk/downloads/download/731/nesta\\_listen\\_and\\_learn\\_report\\_for\\_midlothian\\_council\\_-\\_september\\_2020](https://www.midlothian.gov.uk/downloads/download/731/nesta_listen_and_learn_report_for_midlothian_council_-_september_2020)
3. Service Plans 2021/22  
Service Plans 2021/22 including Integrated Impact Assessments (IIA's)  
(placed in the Members' Library within CMIS)

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## **Midlothian Council Annual Complaint Handling Report 2019/20 and Revised Midlothian Council Complaints Handling Procedure**

**Report by Dr Grace Vickers, Chief Executive**

**Report for Information**

### **1 Recommendations**

Council is asked to note:

- a) The publication of Midlothian Council's Annual Complaint Handling Report 2019/20
- b) The introduction of a revised Midlothian Council Complaints Handling Procedure with effect from 1 April 2021

### **2 Purpose of Report/Executive Summary**

The purpose of this report is to inform Council of the publication of the Annual Complaint Handling Report 2019/20 and the introduction of a revised Midlothian Council Complaints Handling Procedure in line with the Model Complaints Handling Procedures (MCHPs) revised and reissued in 2020 by the Scottish Public Services Ombudsman (SPSO) and required to be implemented by 1 April 2021.

The documents referred to in recommendations a) and b) are available in Appendix B and C.

**Date 12 May 2021**

**Report Contact:**

Claire Butters

[Claire.Butters@midlothian.gov.uk](mailto:Claire.Butters@midlothian.gov.uk)

### **3 Background**

**3.1** The Scottish Public Services Ombudsman Act 2002 (as amended) provides the legislative basis for SPSO to publish the Model Complaints Handling Procedures (MCHP) for bodies under the SPSO's jurisdiction. Implementation of the Model Complaints Handling Procedure (MCHP) for local authorities was introduced in March 2012 and the Social Work MCHP published in December 2016 for implementation in April 2017.

**3.2** The MCHPs have been developed to simplify and improve complaints handling by developing complaints handling standards. Standardising and streamlining complaints handling procedures ensures all MCHPs are closely aligned with key elements including:

- A shared definition of what is and what is not a complaint
- A two-stage process where complaints are resolved as close to the frontline as possible
- Frontline resolution of complaints within five working days
- An investigation stage of 20 working days, which provides the organisation's final decision
- Recording of all complaints
- Active learning from complaints through reporting and publicising complaints information

**3.3** The SPSO revised and reissued all the MCHPs (except the NHS) in 2020, following consultation with all sectors. The new version includes a core text (which is consistent across all public services in Scotland) with some additional guidance and examples specific to each sector. The separate MCHPs for local authorities and social work have also been merged into a single MCHP, taking into account stakeholder views expressed through our public consultation in early 2019.

**3.4** The purpose of the Local Authority MCHP is to provide a standardised approach to dealing with customer complaints across the local authority sector in Scotland. The procedural elements tie in very closely with those of the NHS complaints handling procedure (CHP), so where social work or care complaints cut across services, they can still be handled in (much) the same way as other complaints. In particular, the aim is to implement a standardised and consistent process for customers to follow which makes it simpler to complain, ensures staff and customer confidence in complaints handling and encourages local authorities to make best use of lessons from complaints.

**3.5** Key changes introduced 1 April 2021 include the following:

- Core text standardised across all sectors.
- Social work and Local Authority MCHPs combined.

- The option to resolve a complaint by agreeing any action to be taken with the customer, without making a decision on whether to uphold / not uphold.
- Clear recording of the resolution agreed and signposting to next stage.
- The need to agree the points of a complaint and outcome sought with the complainant at the start of stage 2 (investigation). Where the points of complaint and outcome sought are clear, this can be done by setting out in a complaint acknowledgement letter.
- Allowing the six-month timeframe to make a complaint to apply where a customer wishes to escalate to Stage 2 because they are unhappy with Stage 1 response.
- Relevant parts of the complaint and response to be shared with any staff members complained about. At stage 2, staff members must be given information about the complaint process and support available, and kept updated on any timeframe extensions.
- The need to set out what kind of actions staff may take to support equal access to the complaints process (including for vulnerable groups).
- As a minimum, complaints raised via the council's social media channels must be signposted to the complaint process and support available.
- Complaints brought by an MP/MSP must be handled in line with the CHP to ensure that a two-tier system is not in operation.
- The council must report and publish on complaint statistics in line with performance indicators published by the SPSO.

**3.6** The complete revised Local Authority Complaints Handling Procedure is detailed in Appendix C and includes the customer facing section published on our website [here](#).

## **4 Implementation**

**4.1** A request to the SPSO by the Local Authority Complaint Handling Network (LACHN), to postpone the implementation date of the revised CHP and necessary changes to practice was unsuccessful and as a result all Councils are required to adhere to the revised CHP with effect from 1 April 2021.

**4.2** The revised CHP provides sufficient clarity in terms of raising awareness and understanding for officers involved in receiving and dealing with complaints. A number of the changes noted in 3.5 above, are captured in appropriate training/guidance notes developed and general refresher training, whilst offered to Feedback Officers and the Contact Centre, will be considered further as part of the wider training programme to support the new customer service e-platform following implementation of the revised procedure.

**4.3** A key change to note is the introduction of a 'resolved' option. Which as stated in 3.5 above introduces the option to resolve a complaint by

agreeing any action to be taken with the customer, without making a decision on whether to uphold / not uphold. The ability to record this option and signpost to the next stage is also noted above and introduces a new statutory performance indicator for complaint reporting.

- 4.4** The revised CHP also highlighted the need to introduce an accompanying Unacceptable Actions Policy which is provided at appendix D which has been subject to a supporting IIA at appendix E.
- 4.7** For information, the Customer Service Improvement Officer is currently engaging with Digital Services with regard to the existing CRM platform and the new e-platform project team to ensure alignment of the system with the revised CHP and processes required to capture, monitor and report against our statutory requirements going forward.

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

Completion of the Annual Complaints Handling Report and the introduction of the revised procedure sits within the current Customer Service Improvement Officer role. However, developing the complaints function to ensure a 'fit for purpose' and sustainable framework requires support from managers and services as part of the ongoing performance management and improvement agenda.

### **4.2 Digital**

Future development work will be informed by the functionality of a new e-platform/CRM system

### **4.3 Risk**

Failure to meet the statutory requirements as they relate to complaint handling and SPSO reporting presents a risk.

### **4.4 Ensuring Equalities**

Whilst the revised procedure is not directly impacting on equalities, information is provided about the opportunity to reformat the document into a legible format or language to accommodate additional needs or those whose first language is not English. This is in line with the Equalities Act 2010.

Midlothian Council's Complaints Handling Procedure published on the website also includes information on how to get help to make a complaint and notes that Midlothian Council is committed to making our service easy to use for all members of the community. Further noting that, in line with our statutory equalities duties, reasonable adjustments

can be made to services accessible, including provision of information in another language or format, such as large font, or Braille.

#### **4.4 Additional Report Implications (See Appendix A)**

See Appendix A

### **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Annual Complaint Handling Report 2019/20**

**Appendix C – Local Authority Complaints Handling Procedure (Revised)**

**Appendix D – Unacceptable Actions Policy**

**Appendix E – IIA for Unacceptable Actions Policy**

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

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

- Reducing inequalities in learning outcomes
- Reducing inequalities in health outcomes
- Reducing inequalities in economic circumstance
- Reducing the impact of climate change

The revised CHP incorporates specific actions to be taken to ensure equality and accessibility to the complaints procedure for all of Midlothian's residents/customer in order to reduce/remove barriers which may currently prevent individuals engaging with the process.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☐ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☒ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

Revising the Council's CHP and approach to dealing with complaints supports continuous improvement in line with Midlothian's Route Map through and out of the crisis and ensures a continued focus on Best Value.

### **A.5 Involving Communities and Other Stakeholders**

The revised CHP is being introduced to respond to changes set out in the national Model Complaint Handling Procedure which was subject to consultation by the SPSO with all sectors.

The Council uses the evidence from complaints as another form of customer feedback to assist in its delivery of services and processes within the divisions.

#### **A.6 Impact on Performance and Outcomes**

The SPSO have identified a set of statutory performance indicators for complaints which must be captured and reported against. The introduction of the revised CHP within Midlothian Council continues to address this requirement.

#### **A.7 Adopting a Preventative Approach**

Adopting a CHP supports the need to consider a preventative approach as a key feature of the procedure is to capture lessons learned and continuous improvement.

#### **A.8 Supporting Sustainable Development**

The content of this report whilst not directly contributing to sustainable development, does support the introduction of a complaint handling process which recognises the Council's responsibilities to respond to the people it serves and seeks to use the feedback provided to support continuous improvement and growth.

**APPENDIX B**

Annual Complaint Handling Report 2019/20

**APPENDIX C**

## Revised Model Complaints Handling Procedure

**APPENDIX D**

## Unacceptable Actions Policy

**APPENDIX E**

## Unacceptable Actions Policy IIA

**Midlothian Equality Plan 2021–2025 & Midlothian Equality Outcomes and Mainstreaming Progress Report 2019–2021****Report by Dr Grace Vickers, Chief Executive****Report for noting****1 Recommendations**

Council is asked to note the contents of the Midlothian Equality Plan 2021-2025 and Midlothian Equality Outcomes and Mainstreaming Progress Report 2019-2021 which, in response to statutory requirements, are currently available, in draft form, on the Council's website in line with requirements to publish by 30 April 2021.

**2 Purpose of Report/Executive Summary**

The Council, Education Authority and Licensing Board are subject to equality legislation as detailed in the Equality Act 2010 and subsequent Regulations in 2012, 2015 and 2016. This means that the three bodies are required to develop, publish and report progress on equality outcomes and mainstreaming activities on a two-year cycle and produce a new Equality Plan every four years.

These reports need to demonstrate how the three bodies are working towards eliminating unlawful discrimination, victimisation and harassment, advancing equality of opportunity and fostering good relations to all people irrespective of their age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex sexual orientation, or poor socio-economic status.

**Date:** 12 May 2021**Report Contact:**

Lesley Crozier, Equality, Diversity and Human Rights Officer  
[Lesley.crozier@midlothian.gov.uk](mailto:Lesley.crozier@midlothian.gov.uk)

### **3 Background**

- 3.1** In summary the Equality Act 2010, the Equality Act 2010(Specific Duties) (Scotland) Regulations 2012, 2015 and 2016 require public bodies such as the Council, Education Authority and Licensing Board to produce and publish an Equality Plan for the period 2021 – 2025 and Equality Outcomes and Mainstreaming Progress Reports for the period 2019 – 2021.
- 3.2** The Equality Plan sets out a programme of equality, diversity and human rights work for the period 2021 – 2025, with the Equality Outcomes Progress Report and Equality Mainstreaming Progress Report providing an update on work undertaken during the period 2019 – 2021 to progress equality, diversity and human rights in both our communities and workplace.
- 3.3** The Equality Reports are designed to ensure the Council, Education Authority and Licensing Board (separated as required by the Act), progress the requirements of section 149 (1) of the Equality Act 2010 to:
- Eliminate unlawful discrimination, harassment, victimisation and any other conduct that is prohibited under the Act;
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it
- 3.5** The reports presented today meet the legal requirements of the Equality legislation as detailed in section 3.1, and support a positive way forward for the Council, Education Authority and Licensing Board.
- 3.6** The Council is required to publish both reports by the 30 April 2021 and in order to meet this statutory requirement both reports were published in draft.

### **4 Report Implications (Resource, Digital and Risk)**

#### **4.1 Resource**

There are no resource implications arising directly from this report other than the time of the Council's corporate Equality, Diversity & Human Rights Officer.

#### **4.2 Digital**

There are no IT issues arising from this report.

#### **4.3 Risk**

The Council has a statutory duty to comply with the Equality Act 2010 and The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, 2015 and 2016.

#### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

Content within these reports relate to best practice and compliance with the Equality Act 2010 and The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, 2015 and 2016.

#### **4.4 Additional Report Implications (See Appendix A)**

See Appendix A

### **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Midlothian Equality Plan 2021 – 2025**

**Appendix C – Midlothian Equality Outcomes & Mainstreaming Progress  
Report 2019 – 2021**

## APPENDIX A – Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

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

- Reducing the gap in learning outcomes
- Reducing the gap in health outcomes
- Reducing the gap in economic circumstance
- Reducing the impact of climate change

Equality, diversity and human rights underpin all three priorities.

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- ☒ Holistic Working
- ☐ Hub and Spoke
- ☒ Modern
- ☐ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☒ One size fits one
- ☐ None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☒ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### A.4 Delivering Best Value

Fairness and Equality is a key element in delivering Best Value and delivering on the Public Sector Equalities Duty ensures the Council has a continued focus on Best Value.

### A.5 Involving Communities and Other Stakeholders

The equality outcomes within the Midlothian Equality Plan 2021 - 2025 was out for consultation during November/December 2020.

### A.6 Impact on Performance and Outcomes

Completion of actions and the meeting of outcomes within these reports will enhance equality, diversity and human rights performance and outcomes.

**A.7 Adopting a Preventative Approach**

By adopting a pro-active approach to equality, diversity and human rights a preventative approach will be engendered.

**A.8 Supporting Sustainable Development**

The content of these reports contribute to a sustainable approach to the continuous improvement of equality, diversity and human rights within Midlothian Council.

**Midlothian Council Gaelic Language Plan 2021 - 2026****Report by: Dr Grace Vickers, Chief Executive****Report for Noting****1 Recommendations**

Council are asked to note:

- i) Publication of the finalised Gaelic Language Plan which was considered and approved by Bòrd na Gàidhlig at their meeting 2 February 2021.
- ii) Revisions to the delivery timeframe previously set out in the draft plan considered by Council 19 December 2019 as a result of Covid-19 impact.
- iii) The requirement for ongoing monitoring and reporting.

**2 Purpose of Report**

The purpose of this report is to update Council on the approval of the final Gaelic Language Plan following submission to Bòrd na Gàidhlig in early 2020.

The initial draft plan was previously presented to Council on 17 December 2019, following which it was submitted to the Bòrd na Gàidhlig. Feedback from Bòrd na Gàidhlig was delayed due to the pandemic and as a result the original delivery timeframe has been revised from 2019–2024 to 2021–2026.

Following receipt of feedback from Bòrd na Gàidhlig in recent months the final draft plan shown in appendix B incorporates suggested changes to text to provide further clarity for some areas of commentary within the plan and to some actions noted in the delivery plan as well as changes to the delivery timeframe. Bòrd na Gàidhlig approved the final plan at their meeting 2 February 2021.

**Date 12 May 2021****Report Contact:**

Lesley N Crozier  
Equality, Diversity & Human Rights Officer

[lesley.crozier@midlothian.gov.uk](mailto:lesley.crozier@midlothian.gov.uk)

### **3 Background**

- 3.1** The Gaelic Language (Scotland) Act 2005 established a new national agency, Bòrd na Gàidhlig to prepare a national Gaelic Language Plan and gave it authority to request public authorities (including local authorities) to prepare and publish Gaelic Language Plans.
- 3.2** Midlothian Council's draft Gaelic Language Plan, presented to Council for noting on 17 December 2019, was prepared in accordance with statutory criteria set out in the 2005 Act, and having regard to the National Gaelic Language Plan and the Guidance on the Development of Gaelic Language Plans produced by Bòrd na Gàidhlig.
- 3.3** In line with the required process the draft plan was submitted for approval to Bòrd na Gàidhlig in early 2020 but due to the impact of the pandemic feedback from Bòrd na Gàidhlig regarding the plan was initially delayed.
- 3.4** The feedback received was largely noted as satisfactory with some areas of commendation. Where changes were required these focused on information that the Bòrd na Gàidhlig felt had been omitted or where further clarity was required to support the information already included.
- 3.5** The final Gaelic Language Plan approved by Bòrd na Gàidhlig in February 2021, shown in Appendix B, sets out how the council will use Gaelic in the operation of its functions, how it will enable the use of Gaelic when communicating with the public and key partners, and how it proposes to promote and develop Gaelic.
- 3.6** The key components of the Gaelic Language Plan are:

#### **Chapter 1 – Introduction**

This chapter provides the background and context relating to the preparation of Gaelic Language Plans under the 2005 Act and the structure of Midlothian Council's main areas of operation. It also provides some background information on the use of the Gaelic language in Midlothian.

#### **Chapter 2 – Commitments**

This chapter sets out how Midlothian Council will use, and enable the use of, Gaelic in relation to our main business functions. It covers key areas of operation such as corporate identity, signage, communication with the public and the use of Gaelic on our website. This chapter sets out the level of Gaelic language provision to which we are committed to providing in the lifetime of the Plan.

#### **Chapter 3 – Implementation and Monitoring**

This chapter sets out how the implementation of our Gaelic Language Plan will be taken forward, and how implementation and outcomes will be monitored.

- 3.7** Once approved there was a requirement that the final plan be published on the Council's website and delivery of the plan monitored and reported to facilitate ongoing updates to Bòrd na Gàidhlig.

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

There is no ring-fenced funding associated with the production of the Gaelic Language Plan and no immediate resource implications arising directly from this report other than the time of the Council's corporate Equality, Diversity & Human Rights Officer to oversee the plan.

Ongoing delivery of actions identified within the plan should be incorporated within normal business planning activities.

### **4.2 Digital**

There are no IT issues arising from this report.

### **4.3 Risk**

The Council has a duty to comply with the Gaelic Language (Scotland) Act 2005.

### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

An Integrated Impact Assessment supported the development of the Gaelic Language Plan.

### **4.4 Additional Report Implications (See Appendix A)**

See Appendix A

## **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Gaelic Language Plan**

## APPENDIX A – Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

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

- Reducing inequalities in learning outcomes
- Reducing inequalities in health outcomes
- Reducing inequalities in economic circumstance
- Reducing the impact of climate change

Gaelic language and culture is an equality, educational and cultural issue. Equality, diversity and human rights underpin all three priorities.

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☒ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☐ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### A.4 Delivering Best Value

Supporting a sustainable approach to the continuous improvement of Gaelic language and culture within Midlothian Council and its communities supports the delivery of Best Value.

### A.5 Involving Communities and Other Stakeholders

Midlothian Council was required to consult on the draft plan for a minimum period of six weeks and the consultation exercise closed on Friday 1 November 2019.

### A.6 Impact on Performance and Outcomes

Completion of actions and the meeting of outcomes within the plan will enhance equality, diversity, human rights, and educational performance and outcomes.

**A.7 Adopting a Preventative Approach**

By adopting a pro-active approach to equality, diversity, human rights, educational and cultural issues a preventative approach will be engendered.

**A.8 Supporting Sustainable Development**

The content of this report contributes to a sustainable approach to the continuous improvement of Gaelic language and culture within Midlothian Council and its communities.



**Digital Midlothian: 2021 - 2023 Empowering people, enabling growth****Report by Dr Grace Vickers, Chief Executive****Report for Decision****1 Recommendations**

BTSG recommends Council to

- I. Approve the Digital Strategy: 2021-2023 entitled Empowering people, enabling growth.
- II. Invite one member from each political group to sit on a cross-party working group focusing on Digital to ensure that members have regular and ongoing updates and are able to collaborate and inform the wider digital programme.
- III. Invite one member from each political group to sit on a cross party working group for Place which will ensure members have regular and ongoing updates and are able to collaborate and inform the work which is ongoing relating to the key BTSG workstreams for Place.

**2 Purpose of Report**

Following approval at Business Transformation Steering Group on 7 June 2021, the purpose of this report is to present the proposed new Digital Strategy (Digital Midlothian: 2021-2023 Empowering people, enabling growth) to Council and to seek approval for the 2 recommendations from BTSG.

**Date:** 9 June 2021

**Report Contact:**

Myra Forsyth  
Continuous Improvement Manager

[myra.forsyth@midlothian.gov.uk](mailto:myra.forsyth@midlothian.gov.uk)

### **3 Background**

- 3.1** Midlothian and its communities have faced an unprecedented challenge as we have grappled with how to respond to a global pandemic. As a result of the Covid-19 Pandemic, the Council developed a new strategic approach to transformation in the form of the Midlothian Route Map through and out of the crisis which was approved by Council in June 2020.
- 3.2** Further work undertaken by Nesta, an innovation foundation which focusses on people powered results, and a staff survey produced a Listen and Learn report which identified drivers for change, has also been used to inform continuous improvement and transformation activities being taken forward.
- 3.3** The rapid response to the pandemic has resulted in a complete transformation of how the council works, including remote working, local by default, digital transformation and services reviewing how they operate. A key change introduced as a result of the documents noted in sections 3.1 and 3.2 has been the introduction of eight strategic transformation boards to drive forward the ambition set out in the Route Map.
- 3.4** The boards receive governance via the Business Transformation Board and Business Transformation Steering Group, and as a result a new Digital Strategy was presented to BTSG by the Digital First Strategic Board which is chaired by the Chief Executive. Presentation to BTSG was to seek approval to present the strategy to Council as recommended by BTSG.
- 3.5** In recognising the ambition of the strategy BTSG identified a need for members to be part of the journey and recommended that the previous Digital Cross-Party Working Group be reinitiated to ensure that members were appropriately informed with regard to the wider digital programme being undertaken and to allow members to challenge and inform activities undertaken.

### **4 Report Implications (Resource, Digital and Risk)**

#### **4.1 Resource**

The Digital First Strategic Board will have appropriate oversight of the digital Asset Management Plans (Corporate and Learning) and the associated investment plans associated with these. Recommendations relating to capital investment plans will be made to the Capital Plan and Asset Management Board for subsequent incorporation into the Capital Plans and Capital Strategy presented to Council.

#### **4.2 Digital**

The purpose of the Digital Strategy is to create better services that provide improved outcomes for our citizens through establishing a

Digital Council that delivers Digital Services to Digitally connected Places and Communities. As a result the digital impact of specific activities/projects will be identified at an individual project level.

#### **4.3 Risk**

The new Digital Strategy seeks to ensure that the Council has strategic and sustainable plans for future service delivery. The Digital First Strategic Board and Chief Officers, as appropriate, will consider, on an ongoing basis, possible risk exposures to the successful delivery of the strategy and the wider digital programme.

#### **4.4 Ensuring Equalities**

The Digital First Board will work on a cross-cutting basis with the relevant strategic boards to review and assess the implementation of the Digital First Strategy, this will include working with the Hub and Spoke Strategic Board to ensure that the needs of all communities and customers can be met using appropriate, accessible options.

Individual projects and activities, where appropriate, will be required to carry out a separate Integrated Impact Assessment to ensure equalities considerations are addressed.

#### **4.4 Additional Report Implications (See Appendix A)**

See Appendix A

### **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Background information/Links**

## APPENDIX A – Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

The transformation programme is informed by Midlothian's Route Map through and out of the crisis, which also reflects the 4 key outcomes of the Single Midlothian Plan, specifically:

- Reducing the gap in learning outcomes.
- Reducing the gap in health outcomes.
- Reducing the gap in economic circumstances.
- Reducing the impact of climate change

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☒ Modern
- ☒ Sustainable
- ☒ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☒ Efficient and Modern
- ☒ Innovative and Ambitious
- ☐ None of the above

### A.4 Delivering Best Value

Resetting the Council's approach to transformation and continuous improvement in line with the Midlothian's Route Map through and out of the crisis and the Midlothian: Listen and Learn Report ensures a continued focus on Best Value.

### A.5 Involving Communities and Other Stakeholders

The changes introduced to the transformation approach have been informed by both the Route Map through and out of the crisis and the Midlothian: Listen and Learn Report which have been produced following engagement and input from officers and staff across the council.

## **A.6 Impact on Performance and Outcomes**

This revised approach to transformation is designed to focus investment and drive performance within a values-based organisation to best meet the needs of the individuals and communities we serve.

## **A.7 Adopting a Preventative Approach**

This revised approach to transformation supports the 9 key drivers for change which include a Preventative driver which focuses on continued investment in early intervention as a priority.

## **A.8 Supporting Sustainable Development**

Sustainability is a key requirement for the council moving forward and this will be reflected in change and continuous improvement activities across Council. The overarching aim of achieving Carbon Neutral status by 2030 is core to each of the strategic boards' work.

## APPENDIX B

### Background Papers/Resource Links

1. Midlothian's Route Map through and out of the crisis  
[https://www.midlothian.gov.uk/news/article/2977/council\\_approves\\_route\\_map\\_out\\_of\\_covid-19](https://www.midlothian.gov.uk/news/article/2977/council_approves_route_map_out_of_covid-19)
2. Midlothian – Listen and Learn Report  
[https://www.midlothian.gov.uk/downloads/download/731/nesta\\_listen\\_and\\_learn\\_report\\_for\\_midlothian\\_council\\_-\\_september\\_2020](https://www.midlothian.gov.uk/downloads/download/731/nesta_listen_and_learn_report_for_midlothian_council_-_september_2020)

## **COVID-19 Financial Update**

### **Report by Gary Fairley, Chief Officer Corporate Solutions Report for Noting**

#### **1 Recommendations**

- a) Note the update provided in section 4 of funding provided by the Scottish Government to support local government's response to the COVID-19 pandemic.
- b) Note the current position in respect of Financial Flexibilities provided in section 5.
- c) Note the update provided in section 6 of the additional expenditure and loss of income experienced by the Council as a consequence of the pandemic.

#### **2 Purpose of Report/Executive Summary**

- 2.1 The report provides an update specifically on the financial and funding aspects arising from the COVID-19 pandemic and complements the Financial Monitoring reports also on today's agenda. The financial impact of the pandemic continues in the current financial year and as such the position remains fluid as the impact and consequences of the pandemic both for Council services and for communities across Midlothian continue to evolve.
- 2.2 The financial and economic consequences of the pandemic are significant with unprecedented financial interventions made by national governments to support the immediate COVID-19 response, the economy and businesses and the recovery phase.

**Date: 17 June 2021**

**Report Contact:**

Gary Fairley, Chief Officer Corporate Solutions

[gary.fairley@midlothian.gov.uk](mailto:gary.fairley@midlothian.gov.uk)

0131 271 3110

### 3 Background

- 3.1 The Council was last provided with an update on the financial impact of the pandemic on 23 February 2021 since which time the pandemic has continued to impact significantly on the delivery of Council services and that of partners with the continued mobilisation of a significant range of additional support services and financial interventions for communities and businesses across Midlothian.
- 3.2 This report provides a further update of the financial and funding aspects arising from the COVID-19 pandemic for financial year 2020/21. Furthermore the unprecedented negative economic impact across the UK and Scotland arising from the necessary restrictions imposed by the public health measures taken to manage the pandemic will push the medium to longer term outlook for the economy and public finances in both the UK and Scotland once again into a new period of uncharted and unprecedented territory. This coming at a time when the long-term influence of the 2008 financial crisis on public finances was reducing in scale and influence.

### 4 Funding

- 4.1 During the year the majority of funding for Local Government was provided for specific purposes in support of businesses, individuals and families and therefore was not resources that could be utilised to alleviate service pressures as a result of responding to the Pandemic.
- 4.2 Each strand of funding also came with its own administrative burden including offer and acceptance of grant and specific reporting requirements which often limited the adoption of a more flexible, local response. The way in which resource had been allocated to deal with the pandemic magnified a growing trend of direction and/or ring fencing and this was raised by COSLA with Government. The position eased somewhat in February 2021 where a number of grants were routed through General Revenue Grant as were the larger allocations made for both 2020/21 and 2021/22.
- 4.3 Appendix 1 provides an updated assessment, extracted from the COSLA Grant Tracker, of the additional revenue funding provided in 2020/21 which stands at £23.832 million. £9.223 million was provided as general support with a further £10.586 million provided to meet specific costs including support to individuals, families and communities and to support Education Recovery etc. In the year £4.023 million was received in respect of the Loss of Income Scheme. A significant element of resources was provided towards the end of the year, including £4.953 million of non-recurring funding.
- 4.4 As identified in the main financial monitoring report funds provided in 2020/21, particularly those announced towards the end of the financial year, have been carried forward to meet COVID pressures in financial year 2021/22.

- 4.5 In the year £0.971 million was redirected from the Early Years expansion ring fenced grant and Pupil Equity Funding. The former to assist in offsetting the additional costs of providing Early Learning and Childcare for Key Workers and the latter to contribute to the funding of summer 2020 hubs for vulnerable learners.

## **5 Financial Flexibilities**

- 5.1 As Council is aware COSLA and Scottish Government reached agreement in principal on three financial flexibilities in respect of Capital Receipts, Service Concession Flexibility (PPP/PFI contracts) and a Loans Fund repayment holiday. These flexibilities were designed to allow Councils to utilise existing resources in alternative ways, principally by deferring debt repayments chargeable to the revenue account until later years. It is important to note that they would not result in any additional funding support for local government.
- 5.2 The situation in relation to COVID has changed significantly since the options were developed in September 2020, and given that budgets have been set for 2021/22, the focus has shifted to be on developing workable solutions for the medium term. This includes the use of service concession flexibility on an ongoing annuity basis, as well the ongoing need for statutory mitigation to reverse the impact of capital accounting entries on the revenue accounts.
- 5.3 Arising from this Local Government is leading a review of capital accounting, working collaboratively with Scottish Government, to fully understand Scottish Government's reservation around the use of annuity method. There are two stages to the review, Stage one is focussed on the "why" and the wider financial impact of any removal of statutory mitigation and a move to capital accounting. Local Government's view is that statutory mitigation must remain and is imperative to enable affordable capital investment in the future. If there is not a strong enough case for retaining statutory mitigation for capital accounting, then stage two would involve a full review of capital accounting. A strong case at stage one should pave the way to allowing the service concession flexibility on an annuity basis to be agreed permanently.
- 5.4 A first meeting of the Review Group was held on 13 May. Chaired by Directors of Finance Section Chair, the group includes representatives from SOLACE, Directors of Finance, Link, CIPFA, Audit Scotland and Scottish Government. At the first meeting, the terms of reference and the scope were discussed, as well as an initial paper on the background to statutory mitigation, highlighting the difference between private and public sector capital accounting. A key piece of work undertaken as part of the review was to collect information from all Councils on the value of statutory mitigation used in 2020/21, to assess the financial impact of not allowing their use. If statutory mitigation cannot be used to "reverse" capital accounting entries from council accounts (replaced by principal elements of loans fund charges), then there is an impact on the overall budget

position, ultimately impacting on Council Taxpayers and Tenants if no other funding is available.

- 5.5 An update on stage one is expected to be provided to COSLA Leaders at their June meeting. This will include any implications for the use of the service concession flexibility going forward (noting that the view of professional advisers is that this is still necessary given ongoing pressures and wider Local Government aspirations in relation to its role in recovery).
- 5.6 In respect of capital receipts these continue to be required to support the extensive capital commitments approved by Council and so would not be available to support flexibility unless Council made equivalent reductions in capital investment plans.
- 5.7 Council previously agreed to delegate to the Chief Officer Corporate Solutions, in consultation with the Group Leaders approval to apply flexibilities as required, based on the outcome of the ongoing discussion with Government, on the actual outturn position at the year end and an assessment of continued Covid financial pressures for 2021/22. Given the additional resources allocated for 2020/21 and the flexibility to deploy these across 2020/21 and 2021/22 it has not been necessary to utilise the final flexibility, that of a loans fund repayment holiday in the year. The position with and utilisation of the flexibilities will continue to be assessed in the current year and deployed as appropriate.

## **6 Additional Expenditure and Loss of Income**

- 6.1 As reported to Council on 23 February 2021 the pandemic continued to bring a significant divergence from the budget approved in February 2020 as a result of rapidly introducing new services and support arrangements to communities across Midlothian, as well as from adapting and changing how the Council was required to operate. There was also expected to be longer term additional cost and reductions in income.
- 6.2 There are a range of obligations, some with associated funding and some not, focused on supporting the direct response to the pandemic. Table 1 in appendix 2 provides an updated summary of the cost of these obligations and where appropriate associated funding for the year. Members should note that this excludes costs linked to Adult Health and Social Care provided via the Midlothian Integration Joint Board. The net costs of these interventions was met from non specific covid funding.
- 6.4 The loss of income across services for 2020/21 was significant at £8.185 million although a proportion of this was offset by reduced operating costs. Table 2 in appendix 2 provides an assessment of the loss of income together with the reductions in expenditure which partly offset these and loss of income grant funding of £4.023 million which

results in a net impact of £0.690 million which was offset by non-specific covid funding.

As reported on 23 February 2021 actual collection rates for Council Tax have remained relatively buoyant with the yearend position indicating a 0.9% year on year reduction in collection levels. The budget is based on a collection rate of 97% with total collection historically exceeded this figure which resulting in a degree of windfall income arising in later years. As such although collection rates have reduced it is likely that future years windfall income may not materialise rather than there having been a need to reduce the budget collection rate for the year.

As highlighted in the main financial monitoring report the additional costs and lost income in the year were met from the available COVID funding.

## **7 Report Implications (Resource, Digital and Risk)**

### **7.1 Resource**

The report sets out the significance financial interventions by the Council in terms of its response to support individuals, families, businesses and communities deal with the effects of the pandemic. These represent a fundamental challenge to the financial stability and sustainability of the Council in the short to medium term and in recognition of that work continues, coordinated by COSLA, to help Councils maintain financial sustainability at this challenging time.

### **7.2 Digital**

Increased reliance and investment in digital solutions and digital first solutions will be a key element of future plans.

### **7.3 Risk**

The report outlines the overall risks to the financial position of the Council and the extent to which these risks have and continue to be mitigated. This mitigation includes pursuing those additional funding areas and or financial flexibilities outlined above and dependent on the outcome of these further mitigating action may prove necessary to ensure that the Council's ability to continue to deliver services in a financial sustainable manner.

### **7.4 Ensuring Equalities**

As changes to existing plans are developed the assessment of the impact of these proposals in relation to their impact on equalities and human rights will be carried out. This will help to ensure wherever possible that there are no negative impacts on equality groups or potential for infringement of individuals' human rights from the any of the proposals.

### **7.5 Additional Report Implications**

See Appendix A

## **Appendix A – Report Implications**

### **Appendix 1-2 - Financial Tables**

## APPENDIX A – Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

The exiting financial plans support the delivery of the key priorities in the single Midlothian Plan. As the impact on the Council of the pandemic and recovery continues to unfold over the 2021/22 financial year *and beyond* any changes in the availability and allocation of resources will need to be considered in parallel to the actions proposed to continue to delivery key priorities.

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- ☒ Holistic Working
- ☒ Hub and Spoke
- ☒ Modern
- ☒ Sustainable
- ☒ Transformational
- ☒ Preventative
- ☒ Asset-based
- ☒ Continuous Improvement
- ☒ One size fits one
- ☐ None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☒ Efficient and Modern
- ☒ Innovative and Ambitious
- ☐ None of the above

### A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value.

### A.5 Involving Communities and Other Stakeholders

The development of the Medium Term Financial Strategy reflected a community consultation exercise carried out in 2019 which has also helped shape the drafting of the “Midlothian Promise” and the early development of the Council’s Longer Term Financial Strategy.

In addition there is continues engagement with the recognised Trade Unions on the financial position.

### A.6 Impact on Performance and Outcomes

The Financial Strategy facilitates decision on how Council allocates and uses its available resources and as such has fundamental implications for service performance and outcomes. The financial consequences of the pandemic will impact on the availability and allocation of resources in pursuit of key outcomes as set out in the

Single Midlothian Plan for both the immediate and longer term and therefore the ability of the Council to continue to deliver services in a financial sustainable manner.

**A.7 Adopting a Preventative Approach**

Maintaining the effectiveness of the Financial Strategy will support the prioritisation of resources to support prevention.

**A.8 Supporting Sustainable Development**

There are no direct sustainability issues arising from this report and we will work to mitigate as far as feasible any sustainability issues which arise as a consequence of any of the changes to existing plans.

## Government Funding 2020/21

(SOURCE – Extract from COSLA Funding Tracker v6)

Table 1: Confirmed funding sources to support Council Services	Purpose and uses of fund	Scotland-wide funding allocation £m	Midlothian allocation £000	Notes
<b><u>Funding directly to support Local Government (un-ring-fenced)</u></b>				
Hardship Fund	Barnett Consequentials of UK announcement to contribute to local authorities' own local resilience support and hardship plans; no associated reporting and to be deployed as councils see fit.	50.000	840	The initial funding source against which the Council's non-Health and Social Care related additional costs may be offset.
Local Government Barnett Consequentials	Barnet Consequentials of UK funding to local authorities in England and Wales.	155.000	2,606	Distribution of additional support was confirmed on 26 May 2020.
Further UK Consequentials relating to Local Government		49.000	824	
Non-recurring Covid funding 2020/21		275.000	4,953	Announced on 16 February 2021
		<b>529.000</b>	<b>9,223</b>	
<b><u>Funding to support individuals/families/communities</u></b>				
Food Fund	Support to organisations in the public, private and voluntary sectors to address issues of food insecurity, especially for older people, and families who may not be able to rely on free school meals.	30.000	446	Following agreement by COSLA Leaders, allocations of £30m of the fund (£15m for continuity in each of (i) FSM provision and (ii) food for vulnerable groups)
Scottish Welfare Fund (Distributed)	Top-up of existing 2020/21 allocation to allow payment of additional Community Grants and Crisis Grants to those in immediate need, more than doubling the current level of the fund across Scotland; also includes sums to reflect relaxation of existing criteria to support those in "gig economy".	22.000	326	£22m of the Scotland-wide funding has been allocated to date, based on the current SIMD-related methodology; This funding is not available to offset council response costs.
Discretionary Housing Payments	Distribution of a further £8 million to deliver Discretionary Housing Payments (DHPs) to Local Authorities in 2020/21.	8.000	94	
Food Fund (phase 2)	This is made up of £12.6 million of ring-fenced funding for the continuation of Free School Meal replacement for eligible children and young people (excluding universal provision for P1-3) until schools	27.600	211	

	return, and £15 million of ring-fenced funding for wider action to provide help with food and other essentials for those at risk due to coronavirus up to the end of September, including those who are isolating under Test and Protect.			
Free School Meals	To cover the cost of Free school Meals	6.950 7.057 5,841 4.710 4.290	109 110 91 74 67	
Level 4 Welfare/Social Support	Available for local authorities to strengthen their local response to people and communities and any emerging needs at protection level 4.	30.000	504	
Supporting services for vulnerable children and young people	SG Winter Support Fund - from the £23.5m announced, £22m to LG	22.000	333.4	
Support for those at financial risk	Addressing Future Need to Support Individuals at Financial Risk - flexible package to tackle financial insecurity	40.000	596	
£100 COVID Hardship Payments	Winter and Spring hardship payments	32.020	448.2	Incl associated admin funding
Homelessness Funding	Additional to RRTP funding for 20/21. From SG Winter Support Fund	5.000	85	
Mental Health and Wellbeing	Community Mental Health and Wellbeing support for 5-24 year olds to flexibly address impacts of pandemic	15.000	248	
Tackling Child Poverty Fund	Parental Employability Support Fund (PESF) Boost – Disabled Parents Employability Support 2020-2021	5.000	97	
Tackling Financial Insecurity over Winter Funding		20.613	159	
		<b>286.081</b>	<b>3,998.6</b>	
<b>Funding for Education Recovery</b>				
Education Recovery	£50 million funding for 2020/21 (£33 million) and 2021/22 (£17 million) paid in 2020/21 made available to Councils for additional teachers £45m and education support staff £5m.	50.000	885.5	80% distributed based on related teaching indicators, 20% on deprivation.
Digital Inclusion	Revenue element (separate capital element of £21.400)	3.600	64	
Education Recovery Fund	This will support cleaning, facilities management, school transport and other practical issues that are vital in ensuring a safe return to school.	90.000	1,586	
Education Recovery - Teacher Recruitment	The return to schools will be supported with an additional £30 million to recruit new teachers. This brings the total additional Scottish Government	30.000	531	80% distributed based on related teaching indicators, 20% on deprivation.

	investment in the teaching profession to £75 million, enough to recruit up to 1,400 new teachers. This funding will help address learning loss and ensure much-needed resilience in our schools as we recover from coronavirus (COVID-19).			
Education Recovery – Additional Staffing		60.000	1,076	
Education Recovery	Additional staff, family support, digital	45.000	778	
Education Recovery – Additional Staffing	2021/22 allocation paid in 2020/21	25.000	450	
		<b>303.600</b>	<b>5,370.5</b>	
<b><u>Test and Protect Funding/Public Health/Supporting People</u></b>				
Registration Services	To support additional costs of providing death registration services 7 days a week.	0.600	10	
Admin for £500 self-isolation grants		0.906 0.802 0.823	18.7 22.4 17.0	
Outbound calling /Test and Protect	To cover up to 11 <sup>th</sup> Jan 2021 12 <sup>th</sup> Jan 2021 to end of financial year 20/21	2.873 1.995	44 30	
		<b>8.000</b>	<b>142.1</b>	
<b><u>Council Tax Reduction/Social Security</u></b>				
Increased eligibility for Social Security Benefits and Council Tax Reduction Scheme	Supplementary funding to meet an anticipated increase in applications for the existing Council Tax Reduction Scheme and Scottish Social Security Benefits	25.000	280	The element of the Fund provided in respect of CTRS remains to be confirmed and will be based on actual expenditure relative to existing funding provision.
		<b>25.000</b>	<b>280</b>	
<b><u>Other</u></b>				
Loss of Income Scheme		200.000	4,023	
Young Person's Guarantee		30.000	520.2	
Environmental Health Officers (20/21 and 21/22)	£1.2m in 2020.21 and £1.7 m in 2021/22 (MC £19k and 27k respectively)	1.200	19.0	
Partnership Action for Continuous Employment (PACE)		3.500	84.4	
Community Justice	funding for COVID CPO backlog	1.000	15	

General Administration funding (for business grants)		12.000	145	
Community Justice CPP Transitional Funding Extra		0.400	12	
		<b>248.1</b>	<b>4,818.6</b>	
<b>Overall Total</b>		<b>1,400.78</b>	<b>23,832.8</b>	

<b>Table 2: Flexibilities applied</b>				
ELC Expansion Specific Grant			747	To support PPN's and other COVID mitigation measures
ELC Expansion Specific Grant			72	Expenditure on a range of COVID mitigation measures in ELC COVID-19 mitigation measures in LA settings.
PEF			152	Estimate set aside as reported to Council in June 2020
			<b>971</b>	

## Appendix 2

The pandemic brought a significant divergence from service budgets in 2020/21 as a result of rapidly introducing new services and support arrangements to communities across Midlothian, as well as from continuing adaptations and changes to how the Council is required to operate.

The assessment of expenditure, lost income and funding set out below reflects how services operated over the year.

	Expenditure	Specific Funding/ Flexibilities	Net Cost	
	£000s	£000s	£000s	Notes
<b>Table 1 – Response costs</b>				
Early Years childcare for key workers	747	747	0	Requirement on Councils to ensure Early Years childcare available for key workers (at no cost to parents and carers). Payments made to Partner Provider Nurseries during lockdown and over school summer holidays to maintain the service with lower numbers of children and no parental income. Cost has been funded by utilising the flexibility granted in respect of Early Learning and Childcare expansion specific grant.
Early Learning and Childcare COVID mitigation measures	72	72	0	Expenditure on a range of COVID mitigation measures in ELC COVID-19 mitigation measures in LA settings. Cost were funded by utilising the flexibility granted in respect of Early Learning and Childcare expansion specific grant.
Critical Childcare and Vulnerable Children Summer Provision	152	152	0	As reported to Council part funded by utilisation of PEF funding stream for summer provision.
Childrens Services	63	0	63	COVID has seen an increase in larger families requiring additional support from the team
PPE, Cleaning and Additional Staffing	823	0	823	Costs associated with maintaining a safe working environment, purchase of PPE, additional cleaning and additional hours etc.
Business Grant Scheme Administration /Winter Hardship Payments Administration	145	145	0	Including costs recharged from City of Edinburgh Council.
Waste Disposal	243	0	243	Tonnage figures across waste streams are different in 2020/21 from usual patterns reflecting additional waste generated from households during restrictions and workforce availability in delivering critical services as a priority and reduced waste disposal options for glass, garden waste, bulky items and closure of household waste recycling centres.
Supply teacher additional costs	260	0	260	The Scottish National Committee for Teachers (SNCT) representing Councils as employers, Teacher unions and Government implemented a compensation scheme for supply teachers for April, May and June with compensation based on earnings over the earlier part of the year.

				Traditionally the use of supply teachers is lower in the last term of the academic year than it is in the January to March period. Compensation payments were therefore over and above what would have been expected to be incurred in employing supply staff.
Free school meals cash payments	906	677	229	Payments to Parents and Careers of Secondary and Primary Pupils entitled to free school meals (not universal P1-3 provision) from summer onwards. School holiday periods/extended closure supported by specific Scottish Government funding
Food & other essential provision to vulnerable clients	909	909	0	Grants to Foodbanks and Community Groups. Food Vouchers and other supports to vulnerable citizens Including food and other provisions for self-isolating, shielding and other vulnerable groups met by Food Fund Allocations, Addressing Financial Hardship scheme and Level 4 support welfare funding .
Homelessness	278	85	193	Impact of increased movement of people and more regular refurbishing of vacant properties to ensure adequate infection control measures are in place.
Young Person's Guarantee	16	16	0	Balance of grant funding carried forward to 2021/22
PACE	0	0	0	
Community Justice	0	0	0	
Supporting services for vulnerable children and young people	337	333	4	
Increase in Bad Debt provisions for sundry debtors , reflecting COVID impact on collection of invoices	216	0	216	
SWF DHP top up	420	420	0	Reflects Scottish Government top up.
Other costs	326	0	326	
<b>Sub-total</b>	<b>5,913</b>	<b>3,556</b>	<b>2,357</b>	
<b>Non specific covid funding applied</b>			<b>(2,357)</b>	
			<b>-</b>	

	Gross Income Lost	Reduction in costs	Net Loss	Notes
	£000s	£000s	£000s	
<b>Table 2 Lost income</b>				
Sport & Leisure	4,543	1,650	2,893	Lost Income due to closure of Snowsports Centre and Leisure Centres and ongoing restrictions was be £4.543m This is partly offset by reduced running costs of £0.490m and staffing of £1.410m.
Dalkeith Campus Income Sharing Arrangement	179	0	179	The contract for the Dalkeith Campus provides for a share of income to accrue to the Council. The income target will not be achieved and so result in a shortfall against budget.
Catering Services	1,635	1,822	(187)	Covid has had a negative impact on Catering Service ability to generate income from school meals and cafés. Income loss was £1.635 million. This is offset by a reduction in non-staffing costs of £1.308 million giving a net loss of £327k (£343k relating to Cafés, £84k Outside Catering/Offices and the balance the School Meals Service). Catering staff were redeployed to support Cleaning activities and costs of £0.385 million were recovered from Education recovery funding. In addition there are staffing savings of £129k from non-filling of vacancies as a result of building closures.
Dividends	524	0	524	The Council normally receives an annual dividend of approximately £0.450 million from its shareholding in Lothian Buses. Similarly to the position experienced in 2019/20 it is expected that there will be no dividend 2020/21.
Council Tax Buoyancy	0	0	0	Council Tax income is projected to be lower than budgeted due to new house completions coming to a near standstill in the earlier part of the year. This position has improved from that previously anticipated reflecting the restart of housebuilding.
Parking	94	0	94	Parking charges at Vogrie were suspended temporarily at the start of the pandemic resulting in an income shortfall of £47k. Public car parking charges were also suspended at the start of the pandemic and although now recommenced are expected to continue to be impacted by homeworking etc. resulting in a shortfall of £37k.
Property lets and hire of facilities	187	0	187	Loss of income due to cancellation of school letting hire of facilities.
Community Lifelong Learning contracts and fees from classes and lets	148	0	148	
Waste collection	219	0	219	Bulky Uplifts and Trade Waste.
Planning & Building Control Fee income	359		359	Covid has had a negative impact on planning and building warrant income.

Other Service income losses	297	0	297	Including registration and library income £65k, cancellation of school music instruction £165k, risk management training income £43k. Pest control £13k, MOT income £12k
<b>TOTAL</b>	<b>8,185</b>	<b>3,472</b>	<b>4,713</b>	
<b>Income Loss Scheme</b>	<b>-</b>	<b>-</b>	<b>(4,023)</b>	
<b>Non specific covid funding</b>	<b>-</b>	<b>-</b>	<b>(690)</b>	
			<b>-</b>	

**Financial Monitoring 2020/21 – General Fund Revenue****Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Decision****1 Recommendations**

It is recommended that Council:

- a) Set aside £2 million from the general reserve to help fund the County's continued recovery from the pandemic together with developing enhanced contingency planning arrangements.
- b) Otherwise note the contents of this report.

**2 Purpose of Report / Executive Summary**

- 2.1 The purpose of this report is to provide Council with information on performance against service revenue budgets in 2020/21, details of material variances against budget and the General Fund Reserve.
- 2.2 This report incorporates all COVID related income and expenditure in 2020/21 with the divergence from approved budgets experienced during the year being fully funded by a combination of Government Grant, savings elsewhere in council budgets, application of some Early Years and Pupil Equity Fund ring-fenced funding and also an appropriation from the Housing Revenue Account reserve.
- 2.3 The budget performance figures shown in appendix 1 result in a net underspend of £0.759 million for the year being 0.33% of the revised budget and a £0.175 million improvement on the Q3 position reported to Council in February.
- 2.4 After reflecting the recommendation above to set aside funds the non-earmarked General Fund reserve would stand at £3.805 million.

**Date: 18 June 2021**

**Report Contact:**

Gary Fairley, Chief Officer Corporate Solutions

[gary.fairley@midlothian.gov.uk](mailto:gary.fairley@midlothian.gov.uk)

0131 271 3110

### 3 Background

- 3.1 This report covers all performance against budget including the additional costs incurred and lost income experienced as a consequence of the Covid-19 pandemic. A separate report on today's agenda provides an overview of covid funding streams, divergence from budget and also an update in financial flexibilities.
- 3.2 The main areas of variance for the year outlined below are explained in more detail at appendix 2.

#### Overspends

- Costs of £0.444 million associated with family, residential and day placements for children due to both higher client numbers and extended periods of support;
- Winter maintenance costs of £0.386 million;
- Unsettled and at risk grant claims relating to EU funded projects of £0.193 million.

These are more than offset by favourable movements against budget:

- Reduced running costs in some service areas of £0.995 million;
- Borrowing costs of £0.427 million;
- Residential Respite places for Children of £0.382 million.

### 4 Delegation of resources to Midlothian Integration Joint Board

- 4.1 The approved budget provided for the allocation of £45.026 million to the Midlothian Integration Joint Board (MIJB) for the provision of delegated services. Minor technical adjustments to this allocation during the year reduced the allocation to £44.985 million.
- 4.2 In accordance with the Integration Scheme the MIJB is required to deliver delegated services within the budget allocations from the Council and NHS Lothian and, where any overspend is projected, to put in place a recovery plan to address that. As a last resort the integration scheme allows for the MIJB to seek additional financial support from its partners, either by way of an additional budget allocation or by "brokerage" (provision of additional resources in a year which are repaid in the following year).
- 4.3 Additional costs incurred by the MIJB in response to the Covid-19 pandemic were fully funded by government grant and the final financial position was formally reported on Thursday 17<sup>th</sup> June 2021.

## 5 General Fund Reserve

5.1 The General Fund as at 31 March 2021 is as follows:

	£ million	£ million
Reserve as at 1 April 2020		13.428
Less earmarked reserves utilised in 2020/21		(7.838)
<b>General Reserve at 1 April 2020</b>		<b>5.590</b>
<i>Planned movements in reserves</i>		
Council Transformation Programme Costs	(0.141)	
Severance Costs	(0.226)	
Early Delivery of 21/22 MTFS	0.370	
		0.003
Underspend per appendix 1		0.759
In year budgets carried forward for use in 2021/22		23.313
<b>General Fund Balance at 31 March 2021</b>		<b>29.665</b>

The majority of the General Fund balance is earmarked for specific purposes and this is shown below:

	£ million
<b>General Fund Balance at 31 March 2021</b>	<b>29.665</b>
<i>Earmarked for specific purposes</i>	
Budgets carried forward and earmarked for use in 2021/22	(22.063)
Budgets earmarked to support Council Transformation	(1.598)
Earmarked for investment in training	(0.199)
<b>General Reserve at 31 March 2021</b>	<b>5.805</b>
<b>Proposed set aside</b>	<b>(2.000)</b>
<b>Revised General Reserve at 31 March 2021</b>	<b>3.805</b>

5.2 There is a higher level of carry forward at the yearend than in previous years. This is to be expected given that circa £437 million of Scottish Government Covid related funding was awarded in February / March 2021. Midlothian's share of this alone being circa £7.5 million. In addition a range of non covid funding was carried forward and is committed in the current financial year.

The table below summarises the carry forward position.

	£ million
<b>In year budgets carried forward to 2021/22</b>	
Scottish Government funding for designated use	£ 7.613
Covid funding paid in 2020/21 for use in 2021/22	£ 4.953
Other earmarked Covid funding	£ 3.923
Service carry forwards (including DSM)	£ 1.992
Education Recovery funding for summer term	£ 1.930
Service grant funding requiring specified use	£ 1.652
Transformation / Training Funding	£ 1.250
	<b>£23.313</b>
<b>Other earmarked funds</b>	
Transformation	£ 0.348
Training	£ 0.199
	<b>£23.860</b>

- 5.3 The Reserves Strategy approved by Council on 12 February 2019 needs the Council to maintain an adequate level of General Reserve to provide a contingency for unforeseen or unplanned costs and that in the financial context at that time approve the adoption of 2% of net expenditure (excluding resources delegated to the IJB) to be considered a minimum. This now equates to £3.634 million. Council also agreed that where projections indicate that should the 2% minimum General Reserve balance be breached an immediate recovery plan be implemented to recover the position, failing which, the next available budget would need to provide for the restatement of reserve position.
- 5.4 The General Reserve after the proposed set aside is of £3.805 million. The recommendation to set aside funds provides an opportunity for the Council to continue to support the County's recovery from the pandemic together with developing enhanced contingency planning arrangements. In particular, there is anticipated to be pressure in the current financial year and beyond to put in place interventions to support mental health and wellbeing, address financial insecurity, especially when furlough ends, and provide continued support with food and fuel for the community. It also provides the opportunity to review and develop enhanced contingency planning arrangements, building on the lessons learned during the pandemic, to have appropriate arrangements in place should there be any resurgence of the Covid pandemic or any other such event which could impact on the county.
- 5.5 There is also continued uncertainty over the financial impact of the pandemic with response cost pressures continuing and so it is considered essential to continue to maintain a minimum contingency for unforeseen or unplanned costs of circa £3.6 to £3.7 million.

## **6 Report Implications (Resource, Digital and Risk)**

### **6.1 Resource**

The projected performance against budget set out in this report presents the actuals for the year, subject to audit. Work continues into the current financial year to deliver service provisions within the approved budget and to progress at pace service transformation.

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

### **6.2 Digital**

Increased reliance and investment in digital solutions and digital first solutions will be a key element of future plans.

### **6.3 Risk**

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

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

Ensuring that adequate systems and controls are in place minimises the risk of significant variances arising, and where they do arise they help to ensure that they are identified and reported on and that appropriate and robust remedial action is taken. The material variances detailed in appendix 2 highlight that the financial management and budgetary control arrangements have been effective in projecting the financial position and mitigating financial risk during the year.

The Council recognises the potential for compensation claims deriving from Scottish Government's Limitation (Childhood Abuse) (Scotland) Act 2017 which removes the three year time limit on claims of child abuse. Some claims will be historic and relate to Lothian Regional Council, Midlothian District Council or their predecessors and some will date post reorganisation and relate to Midlothian Council. In addition the extent to which the Council will be expected to contribute funding towards the National financial redress scheme is yet to be clarified. Both of these present a risk that would further reduce reserves from those currently projected. Further financial obligations may also arise as the implications associated with the UNCRC (Incorporation) (Scotland) Bill, which is awaiting Royal Assent, are more fully understood.

#### **6.4 Ensuring Equalities**

As changes to existing plans are developed the assessment of the impact of these proposals in relation to their impact on equalities and human rights will be carried out. This will help to ensure wherever possible that there are no negative impacts on equality groups or potential for infringement of individuals' human rights from any of the proposals.

#### **6.5 Additional Report Implications**

See Appendix A

### **Appendices**

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

The exiting financial plans support the delivery of the key priorities in the single Midlothian Plan. As the impact on the Council of the pandemic and recovery continues to unfold any changes in the availability and allocation of resources will need to be considered in parallel to the actions proposed to continue to delivery key priorities.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☒ Holistic Working
- ☒ Hub and Spoke
- ☒ Modern
- ☒ Sustainable
- ☒ Transformational
- ☒ Preventative
- ☒ Asset-based
- ☒ Continuous Improvement
- ☒ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☒ Efficient and Modern
- ☒ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

The report does not directly impact on Delivering Best Value.

### **A.5 Involving Communities and Other Stakeholders**

The development of the Medium Term Financial Strategy reflected a community consultation exercise carried out in 2019 which has also helped shape the drafting of the “Midlothian Promise” and the early development of the Council’s Longer Term Financial Strategy.

In addition there is continues engagement with the recognised Trade Unions on the financial position.

## **A.6 Impact on Performance and Outcomes**

The Financial Strategy facilitates decision on how Council allocates and uses its available resources and as such has fundamental implications for service performance and outcomes. The financial consequences of the pandemic have impacted on the availability and allocation of resources in pursuit of key outcomes as set out in the Single Midlothian Plan for both the immediate and longer term and therefore the ability of the Council to continue to deliver services in a financial sustainable manner.

## **A.7 Adopting a Preventative Approach**

Maintaining the effectiveness of the Financial Strategy will support the prioritisation of resources to support prevention.

## **A.8 Supporting Sustainable Development**

There are no direct sustainability issues arising from this report and we will work to mitigate as far as feasible any sustainability issues which arise as a consequence of any of the changes to existing plans.

## **Appendix 1& 2 financial tables**

MIDLOTHIAN COUNCIL

GENERAL FUND 2020/21

Appendix 1

Performance against budget

Function	Approved Budget	Revised Budget Expenditure	Revised Budget Income	Revised Budget Net £	Outturn £	(Underspend) / Overspend £
Management and Members	1,799,964	1,966,089	(19,492)	1,946,597	1,921,364	(25,233)
<b>Place</b>						
Corporate Solutions	20,179,702	46,373,406	(24,967,675)	21,405,731	21,065,939	(339,792)
Place	28,471,902	43,274,236	(9,423,858)	33,850,378	34,168,191	317,814
Central Costs	977,662	0	0	0	65,494	65,494
<b>People and Partnerships</b>						
Midlothian Integration Joint Board	45,026,459	61,702,035	(16,716,837)	44,985,199	44,985,199	0
Non-Delegated Services - Sport and Leisure, Community Safety and Welfare Rights	2,166,657	5,482,094	(877,183)	4,604,911	4,353,248	(251,663)
Childrens Services, Partnerships and Communities	18,993,056	20,063,665	(341,231)	19,722,434	19,773,999	51,565
Education	98,416,668	115,249,563	(17,240,537)	98,009,026	98,009,026	0
Lothian Valuation Joint Board	572,441	572,441	0	572,441	567,441	(5,000)
Non Distributable Costs	1,238,436	1,407,720	0	1,407,720	1,351,584	(56,136)
<b>GENERAL FUND SERVICES NET EXPENDITURE</b>	217,842,947	296,091,250	(69,586,813)	226,504,436	226,261,485	(242,951)
Loan Charges	5,296,106	5,296,106	0	5,296,106	4,869,222	(426,884)
NDR Discretionary Relief	70,300	70,300	0	70,300	70,294	(6)
Investment Income	(560,736)	524,452	(560,736)	(36,284)	(34,284)	2,000
Allocations to HRA, Capital Account etc.	(5,140,617)	(5,140,617)	0	(5,140,617)	(5,150,306)	(9,689)
	217,508,000	296,841,491	(70,147,549)	226,693,941	226,016,411	(677,530)
less Funding:						
Scottish Government Grant	(163,031,000)	0	(185,845,005)	185,845,005	185,845,005	0
Council Tax	(54,477,000)	0	(54,477,000)	54,477,000	54,558,066	(81,066)
<b>Utilisation of Reserves</b>	0	296,841,491	(310,469,554)	(13,628,064)	(14,386,660)	(758,596)

## Financial Monitoring 2020/21 – General Fund Revenue – Material Variances

### Management and Members

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Vacancies and performance factor	Underspend due to vacancies and cost of Members.	(30)	(27)	(9)	(25)	
<b>Net Underspend</b>		<b>(30)</b>	<b>(27)</b>	<b>(9)</b>	<b>(25)</b>	

### Place Directorate

#### Corporate Solutions

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Savings Targets / Vacancies	<p>The Corporate Solutions Review has continued to deliver permanent savings during the year to a value of £0.290 million. An element of the review will be made permanent during 2021/22 and this is reflected in the 2020/21 mini budget alongside vacancies that are being held in advance of the formal service reviews.</p> <p>Vacancies across the service saved £0.488 million.</p>	(142)	(455)	(401)	(488)	Delivery plans are in place and will be finalised during 21/22.
Housing Benefits	Overpayment recoveries are lower than budgeted due to changes in DWP rules and the continued	0	0	129	194	Legislative changes result in a lower value of overpayments made and a reduction in the recoverability of those made.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
	impact of Universal Credit.					
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Service.	(7)	(5)	(27)	(46)	
<b>Net Underspend</b>		<b>(149)</b>	<b>(460)</b>	<b>(299)</b>	<b>(340)</b>	

### Place

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Winter Maintenance	Adverse weather conditions over the winter months resulted in response costs exceeding budget.	0	0	330	386	Weather conditions in March resulted in an increased variance from that reported at Q3. An episode of significant snowfall and the lowest temperatures for some years were experience this winter.
Fleet Services	Cost of vehicle repairs mainly relating to external works. This is partially offset by vacancies within the service.	0	61	118	100	Engagement with external contractors during Covid restrictions was necessary due to workforce availability and for specialised vehicle work that could not be carried out in-house. Vacancies have now been recruited to for the skills gap and to provide statutory services. The next stage of service structure review will focus on Fleet Services for forward planning.
Land & Countryside	Income from Burials.	178	163	168	102	A review and benchmarking of the service offer found our charges are at a higher level and that more cremations are now taking place. The current level of budgeted income cannot be sustained and will be revised as part of the Medium Term Financial Strategy.
Homelessness	Repurposing council property assets and withdrawal from B&B have been disrupted by Covid construction issues.	63	63	63	63	Additional project measures requiring Council approval were passed on 25 August.  Delivery date: implementation forecast by Q2 2021/22

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Traffic Signal Maintenance	Growth in the overall number of signals to be maintained.	35	35	25	26	Additional service infrastructure and servicing contract costs. Growth pressures will be assessed and included in the Medium Term Financial Strategy.
Street Lighting Electricity	An update to the inventory held by the Council's energy provider which is subsequently used for billing has resulted in both an increased cost for the year and backdated charges.	0	(41)	131	132	The Financial Strategy has been updated to incorporate the most up to date inventory.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Service.	77	56	30	(85)	
<b>Gross Overspend</b>		<b>353</b>	<b>337</b>	<b>865</b>	<b>724</b>	
<i>Offset by:</i>						
Developer Contributions	In-year application of contributions received in respect of the A701 transport corridor.	0	0	0	(152)	One-off application of contributions.
Fuel	Reduced fuel costs during 20/21	0	0	0	(131)	Savings predominantly in Waste and Fleet.
Housing & Homelessness	Increased provision at Eastfield supported temporary accommodation has resulting in increased service charge income offset by increased concierge charges.	(136)	(56)	(56)	24	Service charges fall short of associated costs mainly due to an increase in temporary housing stock and associated costs.
	At Q1 it was projected that the number of Bed and Breakfast places would be lower than budgeted. Latest projections show a small underspend due to rental income for supported homelessness temporary housing services.	(114)	3	(20)	(104)	The regulatory target date to reduce the usage of Bed and Breakfast spaces to a maximum of 7 nights was rescheduled to January 2021 although delivered in Midlothian at the end of November 2020.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Community Gala Days	Due to COVID restrictions planned costs were not incurred.	0	0	0	(43)	
<b>Net Overspend</b>		<b>103</b>	<b>284</b>	<b>789</b>	<b>318</b>	

## People and Partnerships Directorate

### Health and Social Care - Non-Delegated Services - Sport and Leisure, Community Safety and Welfare Rights

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Other Non-Material Variances	Miscellaneous over and underspends covering the remaining areas of the Service.	5	7	5	8	
<b>Gross Overspend</b>		<b>5</b>	<b>7</b>	<b>5</b>	<b>8</b>	
<i>Offset by:</i>						
Leisure Services running costs	Underspend in running costs of £0.249m.	(185)	(131)	(129)	(249)	
Community Safety	A projected underspend on staffing within the Resolution and Mediation Team.	(21)	(22)	(22)	(11)	
<b>Net Underspend</b>		<b>(201)</b>	<b>(146)</b>	<b>(146)</b>	<b>(252)</b>	

### Childrens Services, Partnerships and Communities

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
<b>Children's Services</b>						
Family Placements	The impact of COVID-19 on vulnerable families has meant an increase in accommodating children, especially those from larger sibling groups. We have worked hard to ensure that sibling groups remain together, whether this be in foster care or kinship care.	46	126	100	26	While there has been an increase in the number of children accommodated during COVID, the majority of these children have gone to live within their own kin families.  This is a positive approach and entirely in keeping with the national and local policy direction which is to ensure children remain within their birth or extended families. Midlothian council has a proven track record in its approach to working with kinship carers and recently invested in further resources via the Family Placement Team and the Family Group Decision Making service.
Residential and Day Education Placement	Over the past 5 years Midlothian have seen a marked reduction in children and young people being placed externally. This has been possible with a renewed focus on the local workforce and our residential care homes focusing on relationship based and trauma informed approaches. Recent data suggests that there is a change in the age and profile of children being placed externally. Increasingly, we are seeing younger children who exhibit extreme forms of distressed and traumatised behaviours because of the level of neglect and abuse experienced.	89	68	337	444	These children are often so distressed they are unable to cope with the intimacy of family living. We therefore agreed the need for a holistic, therapeutic approach that can provide young children with the care and level of support required to enable them to cope with and experience a suitable family setting at an appropriate stage.
Other non-material	Miscellaneous variances the	4	(4)	(48)	25	No impact on frontline services

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
variances	remaining areas of the service budget.					
<b>Gross Overspend</b>		<b>139</b>	<b>190</b>	<b>389</b>	<b>495</b>	
<i>Offset by:</i>						
Non-residential services commissioned and provided for Children with and without disabilities	Taxi costs for children without disabilities.	(35)	(46)	(54)	(32)	Prior to Covid-19 a formal review of taxi spend was agreed within Children's Services. However, this work stream was paused during the pandemic to focus priority and crucial areas of work.
	Commissioned Services.	(174)	(278)	(292)	(382)	Children's Services continued to function and meet their statutory duties throughout the Covid-19 period. These duties were carried out in line with the Scottish Government's Covid-19 guidance. This meant that Children's Services were more reliant on using taxis services to transport children and families to and from Child Protection/Looked after Children meetings or to have 'contact' with each other.  Additional support packages for children or young people with a disability are a key part of their care plan and pilots have been taking place to ensure support required is provided within local communities. Due to covid spend has been less on commissioned services due to children and families not being able to utilise the type of service normally commissioned and additional spend via the MARG budget for 1:1 support has provided support of a different nature.
Vacancies and Performance Factor	Staff turnover during 2020/21.	0	0	(65)	(81)	
<b>Net Overspend / (Underspend)</b>		<b>(70)</b>	<b>(134)</b>	<b>(22)</b>	<b>0</b>	

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
<b>Partnerships and Communities</b>						
EU Funded Projects	Presently unsettled funding claims relating to EU funded projects carry a significant risk of not being fully settled.	0	0	0	193	Guidance and rules on how the EU funding could be utilised changed during the funding programme period and officers are making every effort to apply these rules to funded projects within the required timeframe.
Vacancies and Performance Factor	There is an overspend mainly relating to casual tutor staffing alongside non achievement of the Employee performance factor.	81	(11)	(32)	(65)	A review of all casual staff and contracts will be carried out to establish terms and conditions. Work is underway to review all staff who are directly linked with generating income and to map this out for the forthcoming year.
Communities and Lifelong Learning	Income loss offset by reduced running costs.	(26)	(17)	(70)	(76)	
<b>Net Overspend / (Underspend)</b>		<b>55</b>	<b>(28)</b>	<b>(102)</b>	<b>52</b>	
<b>Service Net Overspend / (Underspend)</b>		<b>(15)</b>	<b>(162)</b>	<b>(124)</b>	<b>52</b>	

### Education

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Charging for Music Tuition	An under-recovery on SQA charging to schools for Music tuition. Impact of schools being closed during the emergency response period and inability to deliver service.	175	175	175	175	The service is preparing to adapt its delivery model reflecting national policy, digital devices and risk assessments of suitable spaces within school buildings.
Visually Impaired Service	New contract with Royal Blind School lower than last years arrangement but still significantly higher than the budget set based on arrangements prior to 2019/20.	79	79	79	79	The new contract with the Royal Blind School is providing more effective support to children and young people. It is our statutory duty to provide this service and as such it was deemed appropriate to increase spend to acquire improved service.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the service budget.	61	(60)	(34)	(75)	This includes contractual change notices relating to PPP schools.
<b>Gross Overspend</b>		<b>315</b>	<b>194</b>	<b>220</b>	<b>179</b>	
<i>Offset by:</i>						
Schools	Schools have underspent by £0.665 million. In accordance with current DSM rules allowing a carry forward of up to 1% for each school, £0.486 million of this has been carried forward for use in 2021/22 leaving a reported underspend of £0.179 million.	(416)	(127)	(410)	(179)	
Home to School Transport	The projected cost of journeys was lower than budgeted.	0	0	(200)	0	Projected savings identified at Q3 contributed to balancing the mini-budget approved by Council in February.
<b>Net Overspend / (Underspend)</b>		<b>(101)</b>	<b>67</b>	<b>(390)</b>	<b>0</b>	

## Other

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Loan Charges	Capital expenditure in 2019/20 was lower than forecast due to rephrasing of a number of projects. This has resulted in a reduction in General Fund principal repayments in 2020/21.	0	(234)	(234)	(234)	
	Overspend of £0.760 million mainly due to apportionment of Loans Fund Interest costs between General Fund and HRA.	0	651	725	760	Loans Fund interest costs are split between HRA and General Fund based on Loans Fund Advances in each. Outturns for 20/21 are that capital expenditure and associated Loans Fund Advances are lower than budgeted in both funds but considerably so for HRA thus resulting in a relatively higher share in General Fund than budgeted.
	In-year impact of the Loans Fund Review which rephrases debt repayments.	0	(954)	(953)	(953)	
Central Costs - Investigations	One-off costs to support ongoing work into potential cost recovery for historic investigations	0	0	0	80	Unbudgeted costs.
Central Costs – Insurance	During Q3 there some higher value new claims against the council.	0	0	57	(15)	A review of expected settlement values carried out each year end reduced costs for some claims. Claims are discussed at the Risk and Resilience Group to identify trends and possible mitigating measures. Training on defensibility of claims for services is planned.
<b>Net Underspend</b>		<b>0</b>	<b>(537)</b>	<b>(405)</b>	<b>(362)</b>	



**Housing Revenue Account  
Revenue and Capital Final Outturn 2020/21 and Capital Plan 2021/22 -  
2025/26****Report by Gary Fairley, Chief Officer Corporate Solutions.****Report for Noting****1 Recommendations**

Council is recommended to note the contents of this report.

**2 Purpose of Report/Executive Summary**

The purpose of this report is to provide Council with:-

- The final outturn position for 2020/21 for both the Housing Revenue Account (HRA) Capital Plan and the Revenue Account;
- A revised capital plan for 2021/22 to 2025/26 reflecting the carry forwards from 2020/21.

The summarised financial performance for 2020/21 is:

- Capital Investment in the year totalling £15.632 million;
- A net underspend of £1.789 million on the Revenue Account;
- An HRA reserve at 31<sup>st</sup> March 2020 of £48.398 million.

**Date 31<sup>th</sup> May 2021****Report Contact:**

Name Lisa Young Tel No 0131-271-3111

[lisa.young@midlothian.gov.uk](mailto:lisa.young@midlothian.gov.uk)

### 3 Background

#### 3.1 Capital Plan 2020/21

The Capital Plan reported to Council on 23<sup>rd</sup> February 2021 allowed for investment of £19.138 million in 2020/21. Budget of £3.663 million is carried forward to 2021/22, as shown in Appendix C to:-

- Reflect the most up-to-date delivery programme for Phase 3 of the New Social Housing programme with £2.420 million carried forward in to 2021/22;
- The impact of COVID 19 restrictions on the delivery of the Scottish Housing Quality Standard works programme and Upgrades to Central Heating Systems resulting in carry forwards of £1.718 million and £0.741 million respectively. An appropriation of £1.847 million, as approved by Council in February 2021, was made from the HRA reserve to reflect the lost income to the General Fund as a result of this;
- Reflect the updated programme for Temporary Accommodation provision at Jarnac Court and McNeill Terrace Roof replacement resulting in carry forwards of £0.044 million and £0.072 million respectively;
- Earlier receipt than previously anticipated of Affordable Housing Subsidy from Scottish Government of £5.648 million for the provision of New Social Housing.

Offset by:-

- General acceleration in Phase 2 of the New Social Housing Programme and number of buybacks resulting in spend previously planned for 2021/22 being committed in 2020/21 of £1.251 million and £0.081 million respectively.

There was no variance reported to Council 23<sup>rd</sup> February 2021 however there is now a small overspend of £0.157 million against the revised budget of £15.475 million, as shown in Appendix C. This is due to historic developer contributions for education provision initially being charged at a lower unit rate than required of £0.261 million offset by lower demand in disabled adaptations of £0.104 million.

The variations explained above result in an increase in borrowing against the budget of £6.255 million of £0.136 million for the year.

#### 3.2 Revenue Account 2020/21

The projected underspend reported to Council on the 23<sup>rd</sup> February 2021 was £0.797 million. This has increased by £0.992 million to £1.789 million, as shown in Appendix D. This is primarily due to:-

- Lower level of reactive repairs and grounds maintenance works being carried out of £1.197 million and £0.087 million respectively due to Covid-19 restrictions. Although an internal charge for the labour element of lost income to the general fund was made other non-labour costs were not incurred in 2020/21.

It is anticipated that this underspend will be reversed in 2021/22 as work are carried out.

Offset by

- Lower level of rental income received against budget of £0.295 million reflecting the delivery programme for the new social housing project and profiling of new housing stock when setting the budget.

The HRA reserve balance is £48.398 million at 31<sup>st</sup> March 2021, of which £10.3 million is earmarked for house purchases from private developers. The longer-term financial projections demonstrate that the majority of the remaining reserve of £38.098 million will be required to finance existing investment commitments to 2035/36.

### **3.3 Capital Plan 2021/22 – 2025/26**

The capital plan has been updated to reflect the cross year movements from 2020/21 and is detailed in Appendix E. A fuller review of the Capital Plan and other potential investment plans will be completed over the summer and reported to Council later in the year.

## **4 Report Implications**

### **4.1 Resource**

There are no direct resource implications arising from this report.

### **4.2 Digital**

There are no direct digital implications arising from this report.

### **4.3 Risk**

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

Whilst the HRA reserve balance is £48.398 million at 31 March 2021, the longer-term financial projections demonstrate that the majority of this will be required to finance existing investment commitments.

### **4.4 Ensuring Equalities**

There are no equality issues arising directly from this report.

### **4.4 Additional Resource Implications**

See Appendix A.

## **Appendices**

Appendix A – Additional Resource Implications

Appendix B – Background Information

Appendix C - Capital Plan 2020/21

Appendix D – Revenue Account 2020/21

Appendix E – Capital Plan 2021/22-2025/26

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Not applicable

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☐ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☐ Continuous Improvement
- ☐ One size fits one
- ☒ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☒ None of the above

### **A.4 Delivering Best Value**

The report does not directly impact on Delivering Best Value

### **A.5 Involving Communities and Other Stakeholders**

The report does not directly relate to involving communities

### **A.6 Impact on Performance and Outcomes**

The report does not directly impact on Midlothian Council's performance and outcomes

### **A.7 Adopting a Preventative Approach**

Not applicable

**A.8 Supporting Sustainable Development**

Not applicable

**APPENDIX B****Background Papers/Resource Links (if applicable)**

HRA Capital Plan and Revenue Budget

HOUSING REVENUE ACCOUNT CAPITAL PLAN 2020/21

	Carry				
	Revised	Forward	Revised		Variation
	Budget	to /from	Budget	Final	(Under)/Over
	2020/21	2021/22	2020/21	Outturn	
	£'000	£'000	£'000	£'000	£'000
<b>FUNDING</b>					
			Item 8.10		
<b>Grants</b>					
- Incentivising New Build	2,916	5,648	8,564	8,564	0
- Buy Backs Funding	480	0	480	480	0
Council Tax on Second Homes	74	0	74	95	21
Developer Contributions	79	0	79	79	0
Insurance Receipt McNeill Terrace	95	(72)	23	23	0
Borrowing Requirement	15,494	(9,239)	6,255	6,391	136
<b>TOTAL AVAILABLE FUNDING</b>	15,494	(3,663)	15,475	15,632	157

	£'000	£'000	£'000	£'000	£'000
<b>APPROVED EXPENDITURE</b>					
New Build Houses Phase 1	78	0	78	339	261
New Build Houses Phase 2	6,682	1,251	7933	7,933	0
New Build Houses Phase 3	6,537	(2,420)	4117	4,117	0
Buy Backs	2,016	81	2097	2,097	0
Aids & Adaptations	300	0	300	196	(104)
Homelessness - Temporary Accommodation Provision	100	(44)	56	56	0
McNeill Terrace Roof Replacement	100	(72)	28	28	0
<b>Scottish Housing Quality Standard</b>					0
-Upgrade Central Heating Systems	900	(741)	159	159	0
-SHQS Repairs	2,425	(1,718)	707	707	0
<b>TOTAL EXPENDITURE</b>	19,138	(3,663)	15,475	15,632	157

# MIDLOTHIAN COUNCIL

## Appendix D

### HOUSING REVENUE ACCOUNT 2020/21

	Revised Budget	Final Outturn	Variation (Under)/Over
Average No of Houses	7,088	7,002	(86)
	£000's	£000's	£000's
<b>Repairs and Maintenance</b>			
General Repairs	6,442	5,138	(1,304)
Decant/Compensation	84	61	(23)
Grounds Maintenance	699	651	(48)
	<b>7,225</b>	<b>5,850</b>	<b>(1,375)</b>
<b>Administration and Management</b>	5,141	5,150	9
<b>Loan Charges</b>	12,904	11,660	(1,244)
<b>Other Expenses</b>	2,036	2,585	549
<b>TOTAL EXPENDITURE</b>	<b>27,306</b>	<b>25,245</b>	<b>(2,061)</b>
<b>Rents</b>			
Houses	30,248	30,004	244
Garages	608	617	(9)
Others	510	473	37
<b>TOTAL RENTS</b>	<b>31,366</b>	<b>31,094</b>	<b>272</b>
<b>NET EXPENDITURE/(INCOME)</b>	<b>(4,060)</b>	<b>(5,849)</b>	<b>(1,789)</b>

#### Movement in HRA Reserve

Opening HRA Reserve	(44,396)
Enhancement during 2020/21 as above	(5,849)
Approved appropriation to General Fund for SHQS	1,847
Closing HRA Reserve	(48,398)
Earmarked for House Purchase	10,300
Reserve Earmarked to fund capital investment plans	(38,098)

# MIDLOTHIAN COUNCIL

## HOUSING REVENUE ACCOUNT CAPITAL PLAN 2021/22 - 2025/26

	<b>Revised Budget 2021/22 £'000</b>	<b>Proposed Budget 2022/23 £'000</b>	<b>Proposed Budget 2023/24 £'000</b>
<b>FUNDING</b>			
Grants			
-Incentivising New Build	2,591	10,449	0
-Purchase of New Build Units Subsidy	4,902	798	0
-Buy Backs Funding	480	560	560
Council Tax on Second Homes	76	78	80
Insurance Receipt McNeill Terrace	72	0	0
Utilisation of HRA Reserve	7,846	2,454	0
Borrowing Required	46,551	90,147	46,940
<b>TOTAL AVAILABLE FUNDING</b>	<b>62,518</b>	<b>104,486</b>	<b>47,580</b>

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>APPROVED EXPENDITURE</b>			
New Build Houses Phase 2, 3 & 4	35,292	64,245	35,993
Purchase of New Build Units	12,748	27,252	0
Buy Back Properties	1,800	2,100	2,100
Aids & Adaptations	308	316	324
Bonnyrigg District Heating Scheme Boiler	0	1,300	0
Environmental and Fire Safety Improvements	0	4,000	4,000
Temporary Accommodation Provision	1,417	158	0
McNeill Terrace Roof Replacement	72	0	0
<b>Scottish Housing Quality Standard</b>			
-Upgrade Central Heating Systems	2,330	1,629	1,677
-Future Works	8,551	3,486	3,486
<b>Total Expenditure</b>	<b>62,518</b>	<b>104,486</b>	<b>47,580</b>

## Appendix E

<b>Proposed Budget 2024/25 £'000</b>	<b>Proposed Budget 2025/26 £'000</b>
0	0
0	0
520	520
82	84
0	0
0	0
22,865	10,879
<u>23,467</u>	<u>11,483</u>

<b>£'000</b>	<b>£'000</b>
14,022	2,874
0	0
1,950	1,950
332	340
0	0
2,000	2,000
0	0
0	0
1,677	833
3,486	3,486
<u>23,467</u>	<u>11,483</u>

## **General Services Capital Plan 2020/21 Final Outturn**

**Report by Gary Fairley, Chief Officer Corporate Solutions**

**Report for Decision**

### **1 Recommendations**

It is recommended that the Council:-

1. Note the General Services Capital Plan outturn position for 2020/21.
2. Endorse the additions to the General Services Capital Plan as set out in section 3.1;

### **2 Purpose of Report/Executive Summary**

This report presents the final outturn for 2020/21 on the General Services Capital Plan.

**Date: 11 June 2021**

**Report Contact:**

**Gary Thomson, Senior Accountant**

**[gary.thomson@midlothian.gov.uk](mailto:gary.thomson@midlothian.gov.uk)**

**0131-271-3230**

### 3 Background

#### 3.1 New Projects presented for endorsement in the Plan

The following projects are presented for endorsement to be fully adopted within the General Services Capital Plan:-

##### Council 11 May 2021

- **Accelerated Roads Capital Programme:** Resurfacing works to the unclassified roads network in residential streets in Midlothian. £5.000 million expenditure budget approved by Council on 11 May 2021 and to be phased equally across 2021/22 and 2022/23, fully funded by prudential borrowing;

##### Capital Plan & Asset Management Board 20 April 2021

- **Welfare Park, Newtongrange:** Improvements to the lighting and pathway and provision of a children's play area within Welfare Park, to complement the £0.130 million of planned works being funded by the Town Centre Capital Fund (TCCF). Capital expenditure budget of £0.098 million approved by Capital Plan & Asset Management Board on 20 April 2021, to be fully funded by already collected developer contributions;

##### Capital Plan & Asset Management Board 8 June 2021

- **Extra Care Housing: Newmills Road and Polton Street:** Revised General Fund share of costs attributed to hub areas in both facilities, equating to an approved capital expenditure budget of £0.319 million for Newmills Road and £0.206 million for Polton Street, replacing the £2.240 million upper bound provisional capital expenditure budget as reported to Council in the "General Services Capital Plan 2020/21 Quarter 3 Monitoring, and 2021/22 to 2024/25 Budgets" report on 23 February 2021. Phasing of capital expenditure across 2021/22 to 2023/24, to be funded by prudential borrowing.
- **Provision of a Pump Track at North Middleton Park:** Pump track to be constructed in the main village park. £0.076 million capital expenditure budget approved by Capital Plan & Asset Management Board on 8 June 2021, to be fully funded by already collected developer contributions.

##### Other

- **School Transport Retrofit Fund:** Installation of physical protection measures for passengers and drivers on school transport services. £0.022 million capital expenditure budget fully phased in 2021/22 and fully funded by Scottish Government Capital Grant.

### 3.2 Expenditure

The latest 2020/21 General Services Capital Plan was approved by Council on 23 February 2021, with an expenditure budget of £31.708 million.

After reflecting the projects as outlined in Section 3.1, and the rephasing of 2020/21 budgets to/from 2021/22 as shown in Tables 1 and 2 below, the final budget for the year is £24.940 million.

Table 1: Material rephasing of budgets from 2021/22 back to 2020/21

Project	2020/21 Budget £000's	2020/21 Actual £000's	Rephased Amount £000's	Notes
Property Upgrades	656	903	+247	Acceleration of individual project programmes against Quarter 3 planning assumption
Destination Hillend	194	507	+313	Outturn reflective of completion of funslope and acceleration of design
Others	575	694	+119	
<b>Total</b>	<b>1,425</b>	<b>2,104</b>	<b>+679</b>	

Appendix 1 contains detail on rephasing of budgets on a project by project basis.

Table 2: Material Rephasing of budgets from 2020/21 forward to 2021/22

Project	2020/21 Budget £000's	2020/21 Actual £000's	Rephased Amount £000's	Notes
Digital Services Asset Management Plan	1,885	400	-1,485	Focus on the Covid response has led to rephasing of other Digital Services asset management plan strands
Danderhall hub	8,454	6,952	-1,502	Ongoing impact of Covid measures throughout 2020/21 including reduced labour due to social distancing and delayed delivery of materials. The school building is now operational.
Early Years Capital Projects	1,555	782	-773	The shutdown of sites followed by restricted operations, and now significant challenges and delays in obtaining materials and supplies has created a backlog of work. Work to expand and create capacity is expected to take place or commence over summer 2021. The extension from Scottish Government to the time for the spending of the expansion grant capital funding has enabled the evaluation and review to rephase and reallocate the grant funding to ensure the best benefit to Midlothian. The Council is already delivering 1,140 hours ahead of the reintroduction of the statutory requirement. Ongoing projects are to support further expansion in capacity.
Vehicle & Plant Replacement Programme	1,866	1,244	-622	Overall Fleet Asset Management plan is being refreshed – expected completion by Quarter 1 2021/22
Sacred Heart Primary Extension & Refurbishment	1,668	1,133	-535	Non-priority work in relation to the refurbishment was rephased to post January 2021 to allow the refurbished element of the school to re-open in January 2021. Subsequent to this, there have been

				material shortage issues in relation to gym equipment, decoration, furniture and landscaping works.
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Table 2: Material Rephasing of budgets from 2020/21 forward to 2021/22  
(continued)

Project	2020/21 Budget £000's	2020/21 Actual £000's	Rephased Amount £000's	Notes
Town Centre Regeneration 2019/20 & 2020/21	674	224	-450	Contract procurement issues and the impact of Covid-19 have affected the ability to progress work in the first half of early 2020/21. The Penicuik Town Hall project (largest in £ value) is programmed for completion in September 2021.
Hopefield Primary School	1,189	788	-401	Delay of handover in 2020 due to Covid has resulted in year-end defects period extending into 2021/22.
Newbattle Centre of Excellence	461	137	-324	Priority focus has been on the Covid response which has led to rephasing of the Newbattle Digital Centre of Excellence
Cycling, Walking & Safer Streets	402	94	-308	Impact of Covid where emergency/essential works only were permitted, causing resultant backlog of other transport related works
Penicuik Astroturf Pitch Resurfacing	309	19	-290	The tender for the Astroturf resurfacing at Penicuik was packaged along with the tender for the Astroturf resurfacing at Poltonhall to help ensure economies of scale from a combined tender. The design at Poltonhall was at an earlier stage of development which has led to a rephasing of expenditure for both projects to 2021/22.
NDEEF	222	10	-212	Retention to be agreed and expected to be released early 2021/22 along with completion of remaining minor works
Loanhead hub / Paradykes Primary	218	49	-169	Classroom screens to be installed in 2021/22 to enclose classrooms
A701 Community Campus	150	-3	-153	Ongoing discussion re site selection has resulted in delay to project, with report re site selection elsewhere on today's agenda
Street Lighting Upgrades	788	687	-101	Winter weather conditions led to rephasing of the planned programme
Penicuik THI	106	15	-91	Delay to commencement of public realm works whilst additional funding is sought to deliver the required works in full by Summer 2023
Return of Contingencies	-828	-301	+527	Lower level of return of contingencies in 2020/21 due to impact of Covid on overall capital programme with return of contingencies rephased fully to 2021/22
Others	3,039	2,556	-483	
<b>Total</b>	<b>22,355</b>	<b>14,908</b>	<b>-7,447</b>	

Appendix 1 contains detail on rephasing of budgets on a project by project basis.

Actual expenditure in the year was £25.569 million, giving an overspend of £0.417 million against the rephased budget as detailed in Appendix 2.

This includes construction projects that are now either complete or are at a sufficiently advanced stage where the final outturn cost of the project can be reliably calculated and allow all, or a portion, of the remaining budget to be released. Table 3 below outlines the release of contingency from these projects.

Table 3: Project Under/Over Spends in 2020/21

Project	Rephased Project Budget 2020/21 £000's	Actual Outturn 2020/21 £000's	(Under)/ Over Spend 2020/21 £000's	Notes
Digital Services Covid Costs	800	1,518	+718	Digital Covid costs capitalised as approved by Council, resulting in spend exceeding £0.800 million estimate at Quarter 3.
Lawfield Primary	178	115	-63	Underspend reflects greater economies of scale being realised than anticipated.
Others	29	3	-26	
<b>Total</b>	<b>1,007</b>	<b>1,636</b>	<b>+629</b>	

In addition, the following costs that were previously capitalized were written off to revenue in 2020/21 as abortive costs:-

- £0.038 million of costs incurred in the design of a 3 class extension at Woodburn Primary School are unable to be re-used in relation to the now approved 9 class extension;
- £0.034 million of costs incurred in relation to the potential land sale at Hillend are no longer able to be capitalised as a cost of sale as the sale of the land in the short to medium term is now unlikely to / will not proceed

### 3.3 Funding

After adjusting for carry-forwards and the funding for the new projects as outlined in Section 3.1 above, the plan budgeted for funding of £15.179 million, as shown in Section 3.5.

Actual funding was £15.612 million.

### 3.4 Borrowing

After adjusting for carry forwards and rephasing, the plan budgeted for in-year borrowing of £9.328 million.

Actual borrowing was £9.957 million. The increase in borrowing reflects the net overspend in 2020/21 of £0.629 million as described in Section 3.2.

### 3.5 Summary

A summary of the final outturn position for 2020/21 is outlined in the table below.

Table 4: General Services Capital Plan Performance against Budget 2020/21

Item	2020/21 Budget Q3 £000's	2020/21 Rephased Budget £000's	2020/21 Actual Outturn £000's	2020/21 Variance £000's	2020/21 Carry Forward £000's
Expenditure	31,708	24,940	25,569	+629	-6,768
Funding	15,179	15,612	15,612	0	+433
Borrowing Required	16,529	9,328	9,957	+629	

### 3.6 Capital Fund

The current un-earmarked balance on the Capital Fund is as follows:-

Item	Amount £000's
<b>Balance at 01 April 2020</b>	<b>25,364</b>
Capital Receipts transferred in year	304
Developer Contributions transferred in year	17
Developer Contributions Applied to Fund Danderhall Primary School	-1,602
<b>Balance at 31 March 2021</b>	<b>24,083</b>
Committed to fund City Deal Projects	-7,694
Committed to support Capital Investment <sup>1</sup>	-13,987
Developer Contributions earmarked for specific purposes <sup>1</sup>	-533
<b>Non-earmarked balance at 31 March 2021</b>	<b>1,869</b>

## 4 Report Implications

### 4.1 Resource

The 2020/21 borrowing requirement has reduced from £16.529 million as reported at Quarter 3, to £9.957 million, with the resultant impact on loan charges reported in the Financial Outturn 2020/21 – General Fund Revenue report presented elsewhere on today's agenda.

The reduction in borrowing in 2020/21 is largely due to rephasing of a number of projects, with expenditure subsequently carried forward / rephased into 2021/22. As such, the movement in loan charges in 2020/21 will largely be unwound in 2021/22 and 2022/23, once the capital expenditure relating to these projects is incurred.

### 4.2 Digital

None.

### 4.3 Risk

<sup>1</sup> In total, £22.573 million is earmarked from the Capital Fund to support investment over the life of the capital plan (with the additional amount of £8.586 million fully funded from expected future receipts).

The inherent risk in the Capital Plan is that projects will cost more than estimated thus resulting in additional borrowing. The monitoring procedures ensure that significant variations are reported at an early stage so that remedial action can be taken to mitigate this risk. The impact of Covid-19 is as yet unknown and will be reviewed by officers over the forthcoming period.

#### **4.4 Ensuring Equalities**

There are no equalities issues arising directly from this report.

#### **4.5 Additional Report Implications**

See Appendix A.

#### **Background Papers:**

#### **Appendix 1: General Services Capital Plan 2020/21 Expenditure Outturn**

## Appendix A: Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

Not applicable.

### A.2 Key Drivers for Change

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value.

### A.5 Involving Communities and Other Stakeholders

No external consultation has taken place on this report.

### A.6 Impact on Performance and Outcomes

There are no issues arising directly from this report.

### A.7 Adopting a Preventative Approach

Not applicable.

### A.8 Supporting Sustainable Development

Not applicable.

## Appendix 1: General Services Capital Plan 2020/21 Expenditure Outturn

	Rephased 2020/21	Rephased 2020/21	2020/21	2020/21	2020/21
GENERAL SERVICES CAPITAL PLAN	Budget	Budget	Actual	Variance	Carry
Q3 MONITORING	Q3	Outturn	Outturn	Outturn	Forward OT
	£000's	£000's	£000's	£000's	£000's
<b>PLACE DIRECTORATE</b>					
<b>Corporate Solutions</b>					
Newbattle Centre of Excellence	461	137	137	-	324
Business Applications	82	46	46	-	35
DS Corporate Solutions	335	5	5	-	330
Front Office - Hardware, Software & Services	210	3	3	-	207
Back Office - Hardware, Software & Services	427	8	8	-	420
Network, Software & Services	287	43	43	-	243
Schools - Hardware, Software & Services	627	341	341	-	286
DS Covid-Costs	800	800	1,518	718	-
Civica Automation	47	-	-	-	47
<b>Place</b>					
Street Lighting Upgrades	788	687	687	-	101
Footway & Footpath Network Upgrades	170	212	212	-	(42)
Road Upgrades	918	848	848	-	70
Zero Waste Capital Contribution	7,380	7,380	7,380	-	-
Cycling, Walking & Safer Streets Projects	402	94	94	-	308
Ironmills Park Steps	7	-	-	-	7
Vehicle & Plant Replacement Programme	1,866	1,244	1,244	-	621
LEZ Electric Vehicles & Charging Points	222	119	119	-	103
Bus Priority Rapid Development		132	132	-	(132)
Outdoor Play Equipment - Gorebridge	58	-	-	-	58
Mauricewood Road Bus Shelter	4	-	-	-	4
Birkenside Grass Pitch Drainage	12	-	-	-	12
Fala Park Outdoor Play Equipment	13	13	13	0	-
School Transport Retrofit Fund	22	-	-	-	22
Stobhill Depot Upgrade	0	-	-	-	0
Property Upgrades	656	903	903	-	(246)
Midlothian & Fairfield House Shower Upgrade	25	3	3	-	22
Hillend Preparatory Works	-	10	10	-	(10)
Destination Hillend	194	497	497	-	(303)
32-38 Buccleuch Street Ground Floor Redevel	13	(2)	(2)	-	14
Cashless Catering	29	-	-	-	29
Non-Domestic Energy Efficiency Projects	222	10	10	-	211
Contaminated Land	47	49	49	-	(2)
Public Sector Housing Grants	165	137	137	-	28
Penicuik THI	106	15	15	-	91
Mayfield Town Centre Regeneration	35	31	31	-	4
Town Centre Regeneration Fund 2019/20	674	204	204	-	470
Town Centre Regeneration Fund 2020/21	-	20	20	-	(20)
<b>TOTAL PLACE</b>	<b>17,303</b>	<b>13,990</b>	<b>14,709</b>	<b>718</b>	<b>3,313</b>

	2020/21	2020/21	2020/21	2020/21	2020/21
PEOPLE AND PARTNERSHIPS DIRECTOR	Budget	Budget	Actual	Variance	Carry
	Q3	Outturn	Outturn	Outturn	Forward OT
	£000's	£000's	£000's	£000's	£000's
<b>Education - Early Years</b>					
Mount Esk Nursery School Replacement	50	3	3	-	47
King's Park Primary School	4	16	16	-	(12)
Roslin Primary School	99	56	56	-	43
Capital grants to partner providers	750	586	586	-	164
Gorebridge Primary School	25	-	-	-	25
Catering kitchens	50	-	-	-	50
Hawthornden Children & Families Centre Rep	50	24	24	-	26
Mauricewood Primary School	150	43	43	-	107
Vogrie Outdoor Early Learning Centre	46	25	25	-	21
Other Outdoor Spaces	80	-	-	-	80
Settings' kitchens	40	17	17	-	23
Scots Corner	75	-	-	-	75
Lasswade Primary School	45	-	-	-	45
Woodburn Primary School	45	-	-	-	45
Rosewell Primary School Alteration	-	11	11	-	(11)
Mount Esk Nursery School	20	-	-	-	20
Bilston Primary School	20	-	-	-	20
Cuiken Primary School	3	-	-	-	3
St Andrew's Primary School	4	-	-	-	4
<b>Education - Primary</b>					
GoreGlen Primary School	-	7	7	-	-
Paradykes Primary Replacement	218	49	49	-	169
Roslin Primary Replacement	-	-	-	-	-
New Hopefield Primary School	1,189	788	788	-	401
New Danderhall Primary hub	8,454	6,952	6,952	-	1,502
Cuiken Primary School Extension	171	141	141	-	30
Sacred Heart Primary School Extension	1,668	1,133	1,133	-	536
Lawfield Primary Extension	185	178	115	(63)	7
Easthouses Primary School	200	156	156	-	44
Tynewater Primary School	10	-	-	-	10
Burnbrae Primary School GP Space	50	65	65	-	(15)
Burnbrae Primary School External Works	103	30	30	-	73
Woodburn Primary 9 class & activity hall exten	33	(4)	(4)	-	37
Woodburn - Modular Unit Relocation	-	6	6	-	(6)
<b>Education - Secondary</b>					
Lasswade High - Toilets & Changing to 1,600	-	9	9	-	(9)
Newbattle High School	1	1	-	(1)	-
A701 High School	150	(3)	(3)	-	153
<b>Education - Learning Estate Strategy</b>					
Kings Park PS upgrade to existing building	29	12	12	-	17
St Davids Primary - 4 class & EY extension	33	3	3	-	30
ASN Provision - Social Complex Needs	25	-	-	-	25
Saltergate Phase IV - Internal Alterations	44	5	5	-	39
Modular Units - Session 2017/18	182	75	75	-	107
<b>Children's Services</b>					
Residential House for 5-12 year olds					
<b>Communities &amp; Partnerships</b>					
Members Environmental Improvements	50	-	-	-	50
Participatory Budgets	50	-	-	-	50
Gorebridge Community Cares	50	50	50	-	-
<b>Adult Social Care</b>					
Assistive Technology	100	98	98	-	2
Recovery Hub	13	13	3	(10)	-
Highbank Intermediate Care Reprovisioning	260	269	269	-	(9)
General Fund Share of Extra Care Housing					-
<b>Sport &amp; Leisure</b>					
Property - Poltonhall Astro & Training Area Re	-	15	15	-	(15)
Property - Penicuik Astro Resurfacing	309	19	19	-	290
Dalkeith Thistle - Pavilion Upgrade		7	7	-	(7)
Leisure Management System (Legend)	16	16	-	(16)	-
<b>TOTAL PEOPLE AND PARTNERSHIPS</b>	<b>15,149</b>	<b>10,870</b>	<b>10,780</b>	<b>(91)</b>	<b>4,286</b>
<b>COUNCIL TRANSFORMATION</b>					
Purchase to Pay	2	-	-	-	2
EWiM - Buccleuch House Ground Floor	33	-	-	-	33
City Deal	48	69	69	-	(21)
<b>TOTAL COUNCIL TRANSFORMATION</b>	<b>83</b>	<b>69</b>	<b>69</b>	<b>-</b>	<b>14</b>
<b>GENERAL SERVICES CAPITAL PLAN TOTAL</b>	<b>32,536</b>	<b>24,930</b>	<b>25,557</b>	<b>629</b>	<b>7,295</b>
<b>COST OF SALES</b>					
Newbattle High School	-	46	46	-	-
Hillend Land Sale Cost of Sales	-	(34)	(34)	-	-
<b>TOTAL COST OF SALES</b>	<b>-</b>	<b>12</b>	<b>12</b>	<b>-</b>	<b>-</b>
<b>GENERAL SERVICES CAPITAL PLAN TOTAL</b>	<b>32,536</b>	<b>24,940</b>	<b>25,569</b>	<b>629</b>	<b>7,295</b>
Provision for Return of Contingencies	(828)		-		(527)
<b>GSCP + CIS Total inc. Return of Contingencies</b>	<b>31,708</b>	<b>24,940</b>	<b>25,569</b>	<b>629</b>	<b>6,768</b>

**Tenant Participation and Customer Engagement Strategy 2021-24****Report by Kevin Anderson, Executive Director - Place****Report for Decision****1 Recommendations**

It is recommended that Council approves the Tenant Participation and Customer Engagement Strategy publication in line with the legal requirements of the Housing (Scotland) Housing Act 2001.

**2 Purpose of Report/Executive Summary**

The purpose of the report is to seek approval of the Council's Tenant Participation and Customer Engagement Strategy as the basis for effective tenant and customer participation.

**Date:** 9 June 2021**Report Contact:** Simon Bain, Acting Head of Housing Services**email:** [simon.bain@midlothian.gov.uk](mailto:simon.bain@midlothian.gov.uk)

### **3 Background**

- 3.1 The Housing (Scotland) Act 2001 introduced new rights for tenants and obligations for social landlords in relation to tenant participation and consultation.
- 3.2 These duties include:
- Councils and Registered Social Landlords (RSL's) must prepare and publish a Tenant Participation Strategy. The Strategy must include an assessment of resources required to ensure effective tenant participation. The Strategy should show how the Council intends to take views of tenants into account, what matters the Council is likely to consult tenants about and the information that it will provide to tenants.
  - The requirement to set up a publicly available Register of Tenants Organisations (RTO's) in line with guidance from the Scottish Government.
  - Landlords must ensure that the Tenant Participation Strategy complies with equal opportunity requirements.
- 3.3 The draft Strategy will replace the Tenant Participation and Customer Engagement Strategy, 2017-20. The key aim of the Strategy is to maximise tenant and customer involvement in influencing and scrutinising our housing services.
- 3.4 Prior to the development of the 2021-24 Strategy, a review of the previous Strategy and good practice from other RSL's was undertaken to inform the development of the new Strategy. This review was held during mid-2020 comprising both Council staff and the Midlothian Tenant Panel and tenant and resident group members.
- 3.5 The new draft Strategy was fully consulted on during October-December 2020. Consultation methods used included social media messaging, the Tenant Winter Newsletter issued November 2020 and virtual meetings held with Midlothian Tenant Panel and tenant and resident group members.
- 3.6 There was strong support for the new Strategy. All views were considered by the Midlothian Tenant Panel and tenant and resident group members and where appropriate reflected in the new draft Strategy.
- 3.7 Subject to formal approval, the Strategy will be formally launched and promoted to tenants and customers, including the provision of a summary version.

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

The existing tenant participation and customer engagement Strategy budget will be met from existing resource.

#### 4.2 **Digital**

There are no digital implications related to this report.

#### 4.3 **Risk**

It is a statutory requirement to prepare a Tenant Participation Strategy.

#### 4.4 **Ensuring Equalities** (if required a separate IIA must be completed)

An Integrated Impact Assessment has been completed and no negative impacts have been identified.

#### 4.4 **Additional Report Implications**

Appendix 1 – Tenant Participation and Customer Engagement Strategy 2021-24.

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

The Tenant Participation and Customer Engagement Strategy contributes to the Midlothian 2020 vision of improving the quality of life for Midlothian's citizens and safeguarding housing assets for future generations.

The Strategy links into the Local Housing Strategy 2021-26 and Housing Service Plan.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☒ Holistic Working
- ☐ Modern
- ☐ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☐ Efficient and Modern
- ☒ Innovative and Ambitious

### **A.4 Delivering Best Value**

There are no direct implications related to this report.

### **A.5 Involving Communities and Other Stakeholders**

The consultation and engagement methods used are set out in sections 3.4 and 3.5 of this report.

### **A.6 Impact on Performance and Outcomes**

The Tenant Participation and Customer Engagement Strategy sets out ambitious plans to deliver good quality housing and housing related services.

It is important tenant and other customers find it easy to participate and influence their landlord's decisions at levels they feel comfortable with.

The Strategy covers how the Council will gather and take account of the views and priorities of tenants, other customers, and bodies representing them such as registered tenant organisations; how services are shaped to reflect these views; and how they help tenants, other customers and bodies representing them such as registered tenant organisations to become more capable of involvement, including supporting them to scrutinise the Council's housing services.

**A.7 Adopting a Preventative Approach**

Not applicable.

**A.8 Supporting Sustainable Development**

See section A.6

## **Approval of Voluntary Sector Grants 2022 to 2025**

### **Report by Joan Tranent, Chief Officer Children's Services, Partnerships and Communities**

#### **Report for Decision**

#### **1 Recommendations**

Council is recommended to make a decision on how the allocation of Voluntary Sector Grants for 2022-2025 are approved. The scoring panel who will assess and recommend allocations consists of council officers, cross party group of elected members and third sector representatives.

The two options proposed for approving grants are:

- a) To delegate responsibility for approving allocations to this sub group with a report to Council for noting

**OR**

- b) A report with recommendations from this sub group submitted to Council for approval

#### **2 Purpose of Report/Executive Summary**

This report is asking Council to approve how voluntary sector grants are allocated and approved.

The current scheme of voluntary sector grant applications is scored by a panel of Council officers, cross party group of elected members, community and third sector representatives. This is in line with the TRACK principles of the Midlothian Compact. Following this process, a report with recommendations is submitted to Council for approval.

Council are asked to consider delegating responsibility for the approval of all large, small and community council grants to this sub group of officers, cross-party elected members and third sector/community representatives, with a report to Council for noting.

**03 June 2021**

#### **Report Contact:**

Karen McGowan      07990 136821  
[karen.mcgowan@midlothian.gov.uk](mailto:karen.mcgowan@midlothian.gov.uk)

### **3 Background/Main Body of Report**

- 3.1** The existing voluntary sector grants scheme ends on 31 March 2022 (see Appendix 1) and a new three year scheme will come into operation from April 2022 to March 2025
- 3.2** Small, large and Community Councils grants are the only grant streams included in this proposal (Appendix 2). The procedure for all other grant streams will continue in the current format.
- 3.3** Monitoring, scrutiny and support from officers will be reviewed and continued in order to meet the requirements of the Financial Regulations.
- 3.4** Consultation with key stakeholders has been undertaken on some aspects of the grants scheme. A small working group consisting of council officers, cross party elected members, community and third sector reps has been set up to use this feedback to review the outcomes, guidance, application forms and scrutiny arrangements for the new 3 year grant funding streams.
- 3.5** This working group will form the scoring panels for assessing all grant applications. This will ensure greater transparency, availability of a wider range of knowledge and expertise and more robust scoring of applications to ensure best value.

### **4 Report Implications (Resource, Digital and Risk)**

#### **4.1 Resource**

None – funding has already been allocated within the Council budget. Elected members and officers time will be required.

#### **4.2 Digital**

None

#### **4.3 Risk**

None

#### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

This report does not recommend any fundamental change to policy or practice and therefore does not require an Equalities Impact Assessment

#### **4.5 Additional Report Implications (See Appendix A)**

See Appendix A

### **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Background information/Links**

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Insert text here

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☒ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☐ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

Best value delivery is a core principle of the Midlothian Council grants process.

### **A.5 Involving Communities and Other Stakeholders**

The 2022-2025 Voluntary Sector Grants programme has been the product of engagement with community and third sector organisations. A survey on small changes to the grants stream is currently under consultation and will determine how the applications forms, scoring criteria and guidance is improved.

### **A.6 Impact on Performance and Outcomes**

Involvement of elected members and community/third sector representatives will enhance the wider performance and outcomes of the Improving Opportunities Midlothian (IOM) strand of the Single Midlothian Plan and contribute towards the Child Poverty Action Report. It also embraces the TRACK values of the Midlothian Compact.

### **A.7 Adopting a Preventative Approach**

A preventative approach is a key principle in addressing all outcomes of the grant streams.

## **A.8 Supporting Sustainable Development**

N/A

## APPENDIX B

### Background Papers/Resource Links

#### Appendix 1

##### Total Grant Allocations 2019 – 2022

	2019-20 Year 1 £	2020-21 Year 2 £	2021-22 Year 3 £
Large Grants allocation	480,000	480,000	480,000
CABs	243,380	243,380	243,380
Rents	127,512	127,512	127,512
Small Grants	80,000	80,000	80,000
Community Councils	10,000	10,000	10,000
Micro Grants	9,000	9,000	9,000
Gala Days	10,000	10,000	10,000
Poverty Stream (PB)	40,000	40,000	40,000
<b>Total allocation</b>	<b>999,892</b>	<b>999,892</b>	<b>999,892</b>

#### Appendix 2

##### Total Grant Allocations for the purpose of this report 2022 – 2025

	2022-23 Year 1 £	2023-24 Year 2 £	2024-25 Year 3 £
<b>Small Grants</b>	<b>89,000</b>	<b>89,000</b>	<b>89,000</b>
<b>Large grants</b>	<b>520,000</b>	<b>520,000</b>	<b>520,000</b>
<b>Community Councils</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Total allocation</b>	<b>619,000</b>	<b>619,000</b>	<b>619,000</b>

**Denominational Review  
St Margaret's RC Primary School – Consultation**

**Report by Executive Director Children, Young People & Partnerships**

**Report for Decision**

**1 Recommendations**

Council is requested to

- Approve the recommendation that the Council retains six denominational primary schools and one denominational secondary school as part of the learning estate; and
- Authorises the Executive Director Children, Young People & Partnerships to undertake statutory consultation on the proposal to permanently discontinue primary education at St Margaret's RC Primary School and to extend the catchment areas of the neighbouring RC primary schools to include the St Margaret's catchment area.

**2 Purpose of Report/Executive Summary**

This report advises on the outcome of the update to the denominational review and presents two proposals to the Council for approval, including that St Margaret's RC Primary School is no longer viable due to the falling roll and very small numbers of children expected to be attending from August 2021. The report advises the best course of action is to proceed without delay to statutory consultation on this proposal.

15 June 2021

**Report Contact:**

**Sandra Banks, Resource Manager, Education**

[sandra.banks@midlothian.gov.uk](mailto:sandra.banks@midlothian.gov.uk)

### 3 Background

The *Education (Scotland) Act 1980* places a legislative duty on the Council to make adequate and efficient provision of school education across its area. This duty applies in respect of both the current school population and anticipated pattern of demand.

Section 3D of the *Standards in Scotland's Schools etc. Act 2000* (as inserted by Section 2 of the 2016 Act) introduces a requirement on education authorities to carry out their duty to ensure the delivery of improvement in the quality of school education which is provided in the schools they manage, with a view to achieving the strategic priorities of the National Improvement Framework. It is, therefore, the duty of the education authority to ensure that the education it provides is directed to the development of the personality, talents and the mental and physical abilities of the children to their fullest potential.

In addition, Councils have a statutory duty to secure best value in terms of the *Local Government in Scotland Act 2003* by continuous improvement in performance of the local authority's functions, while maintaining an appropriate balance between quality and cost and having regard to economy, efficiency, effectiveness, equal opportunities and the achievement of sustainable development.

#### **Denominational Review**

The Education Service carried out a review of Midlothian's denominational school provision in the context of a national shortfall in availability of teachers with approval necessary to teach in Roman Catholic (RC) schools. In 2016 the Catholic Church through Archbishop Tartaglia declared a 'crisis in faith education' due to the shortage of Catholic teachers in Catholic Schools (The Tablet.co.uk June 2016). This situation has not improved since 2016 and our objective in undertaking the review has been to find ways to stabilise and strengthen RC provision and denominational education within and across Midlothian.

The relevant legislation on the management of denominational schools in Scotland states that: "A teacher appointed to any post on the staff of any such school by the education authority shall be required to be approved as regards religious belief and character by representatives of the church or denominational body in whose interest the school has been conducted" (Education (Scotland) Act 1918; Education (Scotland) Act 1980 Section 21(2); Self-Governing Schools etc. (Scotland) Act 1989 Sch.10)

The guidance on applying for Approval to teach in a Catholic school issued by the Scottish Catholic Education Service on behalf of the Bishops' Conference of Scotland states that:

"To enable Councils to fulfil their statutory responsibilities, the Catholic Church requires to be assured that the personal "religious belief and character" of a teacher is appropriate to the duties associated with the teaching post for which he/she has applied. When seeking approval, a teacher must demonstrate how his/her personal "religious belief and character" enables him/her to undertake the duties of the particular teaching post within the context of a Catholic school, with its particular mission, values and ethos, as outlined in 'A Charter for Catholic Schools in Scotland'."

At the point the denominational review was initiated, the RC primary schools across Midlothian were operating with only 50% of teaching staff having Church approval and temporary shared headship arrangements in place for four of our RC primary schools. This followed a number of challenging years in relation to recruitment of both teaching and senior leadership staff.

Since then there has been a sustained effort to employ a greater number of teachers with the necessary qualifications to teach in our RC primary schools and for teachers working in our RC schools to undertake the Catholic Teaching Certificate and to obtain Church approval. Looking forward to the 2021/22 school year we have set the intake capacity of our RC primary schools taking account of suitably qualified teachers in each school. Taken together these strategies can be seen to be having a positive impact as we anticipate that 67% of the class teachers in our RC primary schools next year will have Church approval.

A permanent shared headship has been established at Sacred Heart and St Mathew's Primary Schools, which has brought greater stability to the leadership of both schools. There are no longer any temporary shared headship arrangements in place, however, there are still temporary Leader of Learning leadership arrangements at three of our RC primary schools. We now wish to move to permanent leadership appointments at St Andrew's and St Luke's Primary Schools. In Midlothian, at the time of the 2019 pupil census, our seven RC primary schools had a total of 907 pupils and St David's High School, which serves Musselburgh as well as Midlothian, had 648 pupils.

The overall percentage of children attending our RC primary schools in 2019/20 who had a declared affinity with the RC faith was 40%:

RC Primary School	Total Roll	Percentage RC
Sacred Heart	127	34%
St Andrew's	157	36%
St David's	192	41%
St Luke's	201	34%
St Margaret's	40	48%
St Mary's	135	51%
St Matthew's	55	41%
	907	40%

Midlothian, as one of the fastest growing local authorities, has rising school rolls across both primary and secondary schools and our RC schools play an important role in providing capacity, particularly in areas of significant pressure such as Bonnyrigg, Dalkeith, Gorebridge and Mayfield. The pupil enrolment process for August 2021 is now well progressed and the demand for Primary 1 places at St David's, St Luke's and St Mary's has been greater than the number of places available. To date there are no Primary 1 pupils enrolled at St Margaret's for the coming school year.

The projections for August 2021 is shown in the tables below:

School	Total Roll	Number of Classes	Percentage RC
Sacred Heart	120	6	37%
St Andrew's	150	7	43%
St David's	190	7	51%
St Luke's	203	8	36%
St Margaret's	18	1	39%
St Mary's	160	7	47%
St Matthew's	56	3	52%
	897	39	43%

All RC Primary Schools – Projected Number of Pupils by Year Group							
P1	P2	P3	P4	P5	P6	P7	Total
104	128	129	120	136	139	141	897
St David's RC High School Projected Roll 2021/22							
S1	S2	S3	S4	S5	S6	Total	
138	135	142	139	109	98	761	

Parental support for our RC schools in terms of choice of school remains strong: the pupil roll of St David's High School is growing; the number of pupils attending six of our seven RC primary schools is stable, with a slight increase in the percentage of pupils attending being baptised Roman Catholic. However, the school roll at St Margaret's has fallen from 40 to 18 pupils and there are indications that a number of these children will move to other schools in the near future.

Taking account of the growth in housing across Midlothian, which will lead to significant growth in total pupil numbers, the Council's learning estate strategy makes provision for investment in new schools and school expansions. Over the past year the refurbishment and expansion of Sacred Heart in Penicuik was completed and we opened a new St Mary's school building in Bonnyrigg. The Council has been awarded funding as part of Scottish Government's Learning Estate Investment Programme to replace the Mayfield School Campus, including the replacement of St Luke's. Plans are being formulated for the refurbishment and expansion of St David's Primary School in Dalkeith and the strategy allows for an extension to St Andrew's Primary School in Gorebridge.

St Matthew's Primary School serves the rural community of Rosewell and is included in the Scottish Government's list of rural schools. The school building it occupies is leased from the Church and the Council has no plans to make the significant investment that would be required to replace this capacity. St Matthew's and Rosewell Primary Schools may not continue to be considered rural given the significant housing developments in the area.

In the Denominational Review Briefing document of 18 March 2020 we advised that we had applied the following required outcomes in arriving at the preferred school model of four RC primary schools, with locations in Dalkeith, Gorebridge, Bonnyrigg and Penicuik, and 1 RC secondary school:

- To reduce the required complement of head teachers and teaching staff with Church approval;
- To create an RC school structure which provides opportunities for staff progression;
- To maintain sufficient primary RC school capacity across Midlothian;
- To minimise the detrimental effect on the number of pupils who will go on to attend St David's High School;
- To minimise the increase in distances for children to travel from home to school.

Very shortly after that Covid19 struck and delayed our plans to carry out further engagement activities and to progress to statutory consultation as quickly as possible.

We are steadfast in our objective to stabilise and strengthen RC provision and denominational education within and across Midlothian. Because of the progress made to date we are now more optimistic about our ability to recruit and retain suitably qualified teachers for our RC schools. In light of all the foregoing we now believe that the required outcomes will be better met by a model based on 6 RC primary schools and 1 RC secondary school:

RC Primary Schools	RC Secondary School
St David's in Dalkeith St Luke's in Mayfield St Andrew's in Gorebridge St Mary's Primary in Bonnyrigg Sacred Heart in Penicuik & St Matthew's in Rosewell	St David's High School

With continued investment in our workforce plan specifically for our RC schools which will strengthen our ability to grow our own RC teachers, middle managers and head teachers, and with rigorous management of pupil intake, this model will:

- reduce the required complement of head teachers and teaching staff with Church approval;
- create an RC school structure which provides opportunities for staff progression;
- maintain sufficient primary RC school capacity across Midlothian;
- have minimal detrimental effect on the number of pupils who will go on to attend St David's High School;
- result in minimal increase in distances for children to travel from home to school.

We also propose that we conclude the review of denominational schools on the basis of the proposal to retain six primary schools and one secondary school. The education service will continue to review the capacity and staffing needs of denominational schools as part of the process carried out annually across all of the learning estate.

## **Proposal to undertake a statutory consultation to permanently discontinue primary education at St Margaret's RC Primary School**

St Margaret's is a Roman Catholic (RC) primary school located in Loanhead on a shared campus with Loanhead Primary School. St Margaret's is the catchment denominational school for Loanhead, Bilston and Roslin. There are 715 primary-aged children residing in this catchment area, 444 of whom reside in Loanhead. At the time of the 2020 pupil census there were 18 pupils attending St Margaret's and at this point there are no Primary 1 pupils enrolled for the forthcoming school session. There are indications that a number of children will move to other schools by August 2021, with 12 so far either confirming attendance elsewhere or registering interest in transferring to Loanhead Primary School or to another RC primary school. On this basis we estimate that the school's roll next year may be as low as 6 pupils and the school will operate one composite P2 to P7 class.

Currently, there are around thirty schools with a school roll of 7 or less across Scotland's 2,010 primary schools, most of these are in very rural locations, including the Scottish islands. St Margaret's is not a rural school. It is situated in Loanhead, which is also served by two non-denominational primary schools, Loanhead and Paradykes. The closest catholic schools are St Mary's and Sacred Heart RC Primary Schools which are respectively situated 3 miles and 5.6 miles distance from St Margaret's. Children from the St Margaret's catchment area who attend other schools in this neighbourhood continue to benefit from education in a locality familiar to them, and still relatively close to home.

In June 2021 we held virtual meetings with St Margaret's RC PS parents and representatives of the Catholic Church informing them of our intention to propose to council to proceed without delay to statutory consultation on the proposal to:

- Permanently discontinue the provision of primary education at St Margaret's RC Primary School with effect from 30 June 2022, and
- Extend the catchment areas of the neighbouring RC primary schools, namely St Mary's RC Primary School in Bonnyrigg and Sacred Heart RC Primary School in Penicuik, to include the catchment area of St Margaret's RC Primary School.

Curriculum for Excellence (CfE) sits at the heart of what Midlothian Council is committed to achieving in terms of raising attainment and achievement, and improving educational outcomes for all children. CfE is intended to nurture successful, effective, confident and responsible children, able to learn and utilise learning in a way that helps them reach their full potential and to respond to the increased variety and pace of change in today's and tomorrow's world. Whilst the Education Service recognises the quality of education provision currently offered it considers that the very small number of children attending St Margaret's Primary School will benefit more from the wider range and breadth of learning experiences available to them within other learning environments and within a wider peer group at their age and stage. This will also ensure that the children will have parity of access to learning and opportunities offered within our larger establishments with the remaining children being placed at alternative schools of their choice.

Council is requested to authorise the Executive Director Children, Young People & Partnerships to undertake statutory consultation on the proposals:

- to permanently discontinue the provision of primary education at St Margaret's RC Primary School, and
- to adjust the catchment boundaries of St Mary's RC Primary School in Bonnyrigg and Sacred Heart RC Primary School in Penicuik to incorporate the catchment area of St Margaret's RC Primary School.

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

There is no direct impact on resources resulting from the recommendation in this paper. However if the outcome of the consultation leads to the discontinuation of primary education at St Margaret's there will be the following impact on resources.

The remaining pupils will be assigned places at their parents' choice of alternative neighbouring school, this can be accommodated without increasing the operating costs of those schools. There will however be a cost for transporting the children affected to and from school, where there is no safe walking route to school and/or the distance from home to school is more than two miles. Based on using a minibus, this cost is estimated at £120 per day or £22,800 for a school year. This cost could be mitigated by offering places on the minibus to pupils already attending other schools and charge for the service.

St Margaret's RC Primary School's staff will all be offered positions in other schools for which budget is already in place, allowing a saving of the school's employee costs, which totalled £166,160 in 2020/21.

The Loanhead St Margaret's school campus is a PPP facility so we will not reduce the costs of operating the school building. However we will be able to avoid the cost of providing additional primary school capacity which will be needed for the Loanhead area and/or much needed space for pupils with additional support needs, dependant on decisions about the use of the building once primary education has been discontinued.

The revenue savings of £144k, net of potential transport costs, will contribute towards the learning estate savings target of £600k. Together with estimated revenue savings of £187k from the closure of Glencorse Primary School this will deliver total annual revenue savings of £331k, leaving a learning estate savings target of £269k for which there is no delivery plan.

### **4.2 Digital**

None

### **4.3 Risk**

This report addresses the risk to affording parity of access to learning experiences for all Midlothian pupils and the risk that the Council does not deliver best value.

#### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

This report does not recommend any change to policy or practice and therefore does not require an Equalities Impact Assessment. An Equalities Impact Assessment will be carried out and published as part of the consultation process.

#### **4.5 Additional Report Implications**

None

### **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Consultation Timeline**

**Appendix C – St Margaret’s RC Primary School Rolls**

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Not applicable

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☐ Sustainable
- ☐ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☒ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

The implementation of the recommendation of this report will enhance best value in the delivery of Council services.

### **A.5 Involving Communities and Other Stakeholders**

This report recommends consultation with communities and all stakeholders, including Church representatives, regarding the provision of primary education at St Margaret's RC Primary School

### **A.6 Impact on Performance and Outcomes**

The report does not directly impact on Midlothian Council's performance and outcomes

### **A.7 Adopting a Preventative Approach**

Not applicable

### **A.8 Supporting Sustainable Development**

Not applicable

**APPENDIX B – Consultation Timeline**

<b>St Margaret's RC Primary School</b>	<b>Minimum Time</b>	<b>From</b>	<b>Target Completion Date</b>
Obtain Council governance to progress to statutory consultation			29-June-21
Consultation period	6 weeks	1-Sept-21	13-Oct-21
HMiE issue report	3 weeks	14-Oct-21	5-Nov-21
Publish Consultation Report			15-Nov-21
Further Consideration after publication of report	3 weeks		6-Dec-21
Council Meeting & Decision			14-Dec-21
Ministerial Call In	up to 8 weeks		mid Feb 22
School Closure Review Panel	up to 17 weeks		mid June 22
Council Meeting following Review Panel decision			August 2022

## Appendix C

### St Margaret's RC Primary School Rolls

Year	Pupil Census	Year	Pupil Census
1999	76	2010	42
2000	79	2011	32
2001	83	2012	42
2002	82	2013	42
2003	88	2014	50
2004	84	2015	59
2005	76	2016	63
2006	73	2017	59
2007	66	2018	55
2008	51	2019	40
2009	48	2020	18