

Performance Report Quarter Two 2021/22

Corporate Solutions are continuing to support the recovery and the retention of the best elements of transformation that took place in response to the pandemic and securing permanent changes to the way the Council delivers its services in order to build back better. This approach is based on the creation of a wellbeing economy and it is designed to achieve wellbeing and fairness for our people and the rest of nature. The redesign of services and the changes to build back better are predicated on the overarching principle that in delivering services, whether commissioned internally or externally, we will keep our communities, our employees and our environment safe, at the same time as meeting our commitment to being carbon neutral by 2030.

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

Corporate Solutions is in a period of transition with plans to shift to a structure with five service areas of Finance, Human Resources, Digital & Customer Services, Legal & Governance and Business Services. Building on our nine drivers for change, Corporate Solutions has a particular focus on the key elements of the route map that encompass the delivery and acceleration of the Capital Programme, delivering digital first and remote working.

These elements of the Midlothian ‘Route map for recovery through and out of the pandemic’ are also captured in the recommendations from the NESTA ‘Listen and Learn Report’ and having embraced both strategies, the Corporate Solutions teams have a key role in progressing the following strands of work:

- **Valuing Communities** - Being well together, using social media to engage with communities; meaningful local engagement, strengthen and build upon emerging ties with communities and work in partnership to deliver local, place based services.
- **Remote/Flexible Working** - Local and flexible place based working; working smarter; sustainable futures; and a tailored approach.
- **Digital First** - Access to wifi; technical capability; making things easier; digital by default.

As a strategic partner, NESTA, the UK's innovation agency for social good are, through their people powered results team, supporting us to pioneer new approaches to achieving change and innovation. These approaches are smarter, faster, more collaborative and more inclusive of citizens and people working at the front line. This work recognises that people who are closest to services are the experts in both their own experience and the community they live in, but often don't have enough influence over transformation efforts.

The key activity which underpins this work and which the service is focused on includes:

- a) Securing continued financial sustainability and maintaining strong financial management across the Council through the delivery of the Council's Medium Term Financial Strategy (MTFS) incorporating Capital Strategy and Capital Investment plans, Reserves Strategy and Treasury Management Strategy;
- b) Nurturing a highly motivated and effective workforce through the delivery of the Workforce Strategy and the development of Service Workforce Plans;

- c) Digital first and embracing data insight and analytics by developing and implementing a refreshed Digital Strategy and Digital Learning Strategy;
- d) A refresh of the Customer Services Strategy and implementation of the online payments and services (CSP) platform;
- e) A refreshed Procurement Strategy and Contract Delivery Plan.

Remote working has brought a range of new challenges but it has by necessity accelerated the adoption of a range of business tools and systems developments that are supporting our staff to effectively continue to deliver services. These developments also provide an effective and efficient means to progress and monitor work and teams performance. The adoption of electronic workflows, for example, has removed reliance on paper and wet signatures and provides an electronic record of what has been carried out by whom and when. Managers and colleagues are using all of the new technology available to them to maintain contact with colleagues, work collaboratively to deliver outcomes and to support continued personal development and learning for staff.

Medium Term Financial Strategy (MTFS)

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

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

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

Achievements

- Unqualified audit opinion on the Council's 2020/21 Financial Statements alongside a green rating on Financial Management for the Council and very positive External Audit feedback on the quality of the accounts and associated working papers.
- Presentation to Council in August of a full suite of financial monitoring reports for last quarter.
- Undertook the first full self-assessment following the introduction of the CIPFA FM Code. Findings from the self-assessment presented to CMT October 2021 – demonstrating full compliance in 11 out of 17 FM standards, with 6 standards identified as requiring mild to moderate improvement actions – These principally relate to the next iteration of the MTFS for the term of next Council. An action plan is in place.
- Continued and in depth financial input to key projects embedded in the Medium Term Financial Strategy including Destination Hillend, Early Years Expansion, and demographic pressures in service areas and the Learning Estate Strategy.
- Payments made to providers for the Scottish Government's new Milk and Healthy Snack Scheme. Discretionary funding and operator grants payments made in conjunction with Economic Development.

Workforce Strategy

The purpose of the Workforce Strategy is to ensure that the Council continues to have a workforce that is able to deliver positive outcomes for the people of Midlothian. It sets out an approach to supporting,

developing and reshaping the workforce now and in the future in response to changes as a consequence of national and/or local issues. It is underpinned by the Council's values and vision.

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

Achievements

- Completion of work with NESTA on the transformation of Neighbourhood Services, with Neighbourhood Services Strategic Framework finalised
- Welcomed cohort two of the Kickstart programme. The Kickstart Scheme is a new programme aimed at young people across our communities who are currently unemployed facing long term unemployment. Young people from the Kickstart programme are already successfully transitioning into permanent roles.
- Continuation of a rolling programme of Wellness@Midlothian initiatives to ensure we continue to support the wellbeing of our staff. Renewed partnership working with Nesta on organisational wellbeing. Welcomed a new Employee Assistance Programme provider this quarter.
- Resilient Leadership Programme for 2020/21 completed and new leadership forum commenced for 21/22 – Quantum Leadership.
- Positive uptake for our Leadership Development Programme being run in partnership with Edinburgh College.
- Work continues on shaping the people agenda through continuing to implement the Workforce Strategy and the development of service workforce plans. Workforce planning guidance and supporting process documentation has been drafted this quarter with a view to finalising for CMT in Q3.

Digital Strategy and Digital Learning Strategy

Supported by the appointment of SOCITIM as a strategic partner and led by the Digital First Board work progressed to deliver an ambitious new digital strategy, aimed at improving the way services are delivered to Midlothian citizens. Entitled 'Empowering people, enabling growth', the 3-year strategy sets out how local outcomes will be improved by delivering digital services to digitally connected communities.

While responding to the pandemic has also transformed the way the council works, and we are already using technology to allow our services to be more flexible and responsive it was recognised that the Council needs to do much more to harness the opportunities that a digital approach can bring. This includes supporting our communities and local businesses to thrive in a digital world and making sure that our children are prepared for the workplaces of the future.

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

- Refresh the council's approach to customer service, focussing on 'digital first', while making sure alternatives remain in place for those who need them
- Have a council website that meets customer needs, enabling customers to request and pay for services online and to log in to see their interactions
- Implement an update service, so that customers contacting the council online can receive follow up text messages or emails
- Look at opportunities to automate and better integrate processes so that staff can focus on the things that matter most to customers
- Enable people to stay independent and healthy for longer by using data and technology

- Introduce bookable online and face-to-face appointments so that customers don't have to waste time queuing or travelling and to help the council reduce costs
- Review and improve online engagement with customers, including online consultations, communications and social media
- Promote Midlothian as a digital destination, creating an environment that attracts leading digital businesses to the area and supporting the innovation of start-ups
- Cultivate digital skills in our communities, ensuring that young people have access to the technology and support that they need to improve educational outcomes and to prepare them with the skills they need for the future
- Reduce digital exclusion and empower learners of all ages, enabling online access and supporting them to develop digital skills
- Support Midlothian to achieve high speed connectivity, smart infrastructure and resilient cyber defences

The new strategy was approved by Council in June and work is now underway to implement the changes.

Funding was secured in the 20/21 budget to deliver the Equipped for Learning project. This will provide every school age pupil in the county with a learning device such as an iPad or Google Chromebook as part of Midlothian Council's £10.5 million investment in digital learning. Midlothian is the first local authority in Scotland to launch a digital learning project on this scale.

The ambitious plan recognises the importance of digital tools to support learning. This investment will ensure Midlothian's young people have the digital skills they need to secure a positive destination such as a job or a Further or Higher Education place, which in turn will help support the local economy. Making sure all pupils have a device will also help young people with additional support needs by giving them access to technology that can help with their different learning needs. Primary schools will have the flexibility to select the right device to support their school community until Primary 7 where all pupils from P7 upward will receive a Google Chromebook. Early years settings will also benefit from the digital strategy as they will have access to shared iPad devices.

Additionally, Newbattle Community High School will continue to be the Digital Centre for Excellence in Midlothian, piloting innovation and creativity in new technologies. This investment will also make sure Midlothian's teaching staff have access to world-class technology, with wider support for other Education staff, Children's Services and Communities & Lifelong Learning.

Achievements

- Continued progression of the new Digital Services Strategy ensuring the Council has the capacity and skills to take forward the associated investment and delivery of plans.
- Equipped for Learning Programme (ELF) work streams already progressing at pace. Significant progress made:
 - EFL Mail Migration – 2,800 new Google mail accounts created and 8TB data migrated from Microsoft Exchange into Google mail now complete
 - Increase to SWAN network bandwidth across all schools to support wider deployment of Chromebooks and underlying technologies now complete
 - Evaluated and sourced new EFL web filtering solution to support 1 to 1 device deployment.
- Digital enabled projects: a number of business applications have been upgraded and these continue to improve customer and staff experience, including upgrade to the Itrent system.

- CyberSecurity resilience: A number of improvements made to the Council cyber defences, including updated anti-virus solution, a back-up health check and staff phishing exercises.
- Implemented further enhancements to Council infrastructure and wider security management in response to heightened cyber threats along with regular review and maintenance of ongoing threats and risks. In addition, Achieved Public Services Network (PSN) Compliance in July and a report on Cyber Security awareness was presented to CMT in July on risks and actions taken.

Customer Services Strategy

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

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

Customer self-service and new automated processes can help deliver some key services without customers dealing directly with a member of staff and could truly transform the way the Council deliver services. We already have a well-managed public facing website with SOCITM awarding our site four stars. Midlothian is one of only four Councils in Scotland to achieve this accolade. Our Web Team, 50 Content Editors and Council employees, generally 'get it' and already we have been able to transform how our customers interact with the Council. During 2020/21, increasing the pace of digital transformation, particularly in front-facing customer services, will be a service and corporate priority, for Midlothian Council – one that can deliver the required efficiencies without negatively affecting customer experience.

Achievements

- Customer Services Platform (CSP) for Midlothian Council and redesign of key services work continues to redesign services that will improved the end to end customer journey. Modules in progress being designed, configured, built and tested with services such as missed bins, registrar's certificates, FOIs. New technology components for online payments and for real time reporting being progressed. A Customer Services Platform demonstration was given to elected members on some key development elements.
- Dalkeith, Danderhall, Gorebridge, Loanhead, Newtongrange, Roslin and Penicuik Libraries are fully opened to the public. Lasswade and Newbattle libraries are currently open Tuesdays, Thursdays and Saturdays and we are aiming to extend opening times as soon as we can.
- For the Summer Reading Challenge, libraries worked with the Countryside Rangers to provide various events which attracted nearly 80 participants.
- Face to face 'Braw Blether' Bibliotherapy sessions have resumed in Gorebridge, Loanhead and Penicuik Libraries while a Wednesday group continues online for those unable to attend in person. Two 'Picture This' sessions where art is used rather than literature were held and more are planned for Q3.
- Work to progress the Customer Services Strategy is ongoing in conjunction with the new Digital Midlothian Strategy, NESTA and neighbourhood services provisions.

Procurement Strategy

The procurement function, led by our new Chief Procurement Officer who joined in September 2021, has a central role in supporting the Council to achieve its strategic priorities within a constrained financial envelope. Procurement allows the Council to use its spending power to drive our key strategic priorities and to secure the best possible value and outcomes for Midlothian. Effective procurement can maximise the value of every pound spent in terms of jobs, skills and supply chain opportunities in the local community. We will aim to address economic, social and environmental considerations at all stages of the procurement cycle within the rules of open, fair and transparent competition.

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

The team continues to utilise framework agreements with Scotland Excel and Procurement for Housing (amongst others) which not only provides an easier route to market but also delivers value for money. The Procurement team is currently working with Scotland Excel to review the service to ensure it remains fit for purpose. We have also explored with neighbouring Councils albeit with limited success opportunities to collaborate on the joint delivery of procurement services and so will continue to engage with Scotland Excel to help support service development.

Achievements:

A range of high value/complex contracts were awarded this quarter including Carer Support Services, and Care at Home recommissioning tender and School Counselling Services tender.

- Other key activities this quarter included the roll out of the benefits system to assist the Council in obtaining community benefits from contracts, roll out of contract variations for all National Care Home Providers contract and roll out of contract variations for all Health & Social Care providers regarding the Living Wage uplift.
- **Legal:** Section 75 agreements settled with developers to enable housing developments to proceed. Large scale property transfers as well as individual purchases to increase the Council's housing portfolio in particular: purchase of further 5 housing units at Main Street Roslin, purchase of 16 units at Shawfair Danderhall and purchase of 27 units at Wester Cowden, Dalkeith.

Challenges

The challenges for Midlothian continue with our recovery out of the pandemic, the growing and ageing population and the increasing demand for services that this brings. Midlothian is projected to have the highest percentage change in population size of all council areas in Scotland. From 2018 to 2028, the population of Midlothian is projected to increase from 91,340 to 103,945. This is an increase of 13.8%, which is in contrast to a projected increase of 1.8% for Scotland as a whole with a 40.9% increase in older people over 75. In addition, Midlothian has 10 zones which falls into the most deprived areas giving a local share of 8.7% living in the most deprived areas in Scotland.

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

The approved Capital Strategy sets out the infrastructure required to meet those demographic pressures and includes the financial contributions Midlothian will make to the Edinburgh and South East Scotland

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

- Research, Development and Innovation: £751 million
- Integrated Regional Employability and Skills: £25 million
- Transport: £156 million
- Culture: £45 million
- Housing: £313 million

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

As highlighted in the last update of the Capital Plans the inclusion of pipeline projects brings total planned investments over the next 5 years to circa £0.8 billion.

Financial Sustainability

Given the divergence from budget as a result of the pandemic, the expectation of continuing challenging grant settlements representing a real terms reduction in core funding and the impact of a rapidly growing population and greater demand for services, the Council will need to maintain a focus on securing a sustainable and deliverable Medium Term Financial Strategy. A corporate solution was secured for 2021/22 with a similar aim for 2022/23. In turn, this allows the Leadership Team to focus on a sustainable MTFs covering the term of the next Council and to present this to incoming members in 2022.

Proposals for a National Care Service

The recently launched consultation setting out the Scottish Government's proposals for and scope of a National Care Service will have fundamental implications for the community and for Local Government itself. The wide reaching proposals and aim to deliver a National Care Service by the end of the parliamentary term will impact on all aspects of the work of the Corporate Solutions team, including financial implications, both revenue and capital, our asset base, our workforce, governance and legal arrangements and our digital infrastructure and platforms. It will require an immediate focus by a range of officers during the consultation phase and beyond.

Service Performance

The COVID pandemic continued to have a direct impact on service performance during the quarter and this is reflected in some of the service performance indicators set out later in this report.

The prioritisation of processing Self-Isolation Grants and Scottish Welfare Fund applications has continued to affect the average processing time for new benefit claims and change of circumstances this quarter with average processing times for new benefit claims reaching 38 days compared to 25 days in Q1. Changes to eligibility of support grants effective from October 2021 which now exclude claimants fully vaccinated and waiting for a test result or self-isolating after being identified as a close contact, is expected to result in reduction of applications in quarter 3. Once the number of grants applications begin to reduce then the average times for benefit claims will in turn improve.

The level of housing benefit overpayments has reduced as a consequence of the roll out of Universal Credit and the pandemic, which in turn reduces the level of overpayments that can be recovered, although recovery of overpayments has increased from 3% in Q1 to 7% this quarter.

Throughout the pandemic the contact centre has experienced a high volume of calls and has taken on a range of additional activity, including supporting the Kindness campaign, the self-isolation grant and increased Scottish Welfare Fund calls. Over the last few quarters as services resume back to pre-Covid levels, call volumes have increased. The Contact Centre are actively reconfiguring staffing deployment to mirror peaks in call demand during the day to increase the percentage of calls answered within 60 seconds and reduce call abandoned times. In addition we have engaged SOCITM to review current arrangements and resources.

Invoice payment performance has remained on target this quarter for Corporate Solutions with 95% of invoices paid within 30 days.

Sickness absence days have increased compared to Q2 of last year. Up to end of January 2021, Covid related sickness absence or otherwise has been recorded as special leave and not included in the calculation of average days lost. From 1st of February 2021 Covid sickness absence is now being recorded via the usual sickness procedures with the exception of special leave granted for up to 14 days for isolation which contributes to the increase in days lost. Otherwise there is no identifiable trend causing the increase, either in short term or long term absences. Consideration of an appropriate annual target following the change to the new service structure early in 2020 was subsequently deferred as a consequence of the pandemic and the impact on our workforce. Targets will be considered over the remainder of 2021/22 for inclusion in the 2022/23 plan.

Corporate Solutions

Successes and Challenges

Corporate Performance Indicators (latest)

● 2 ● 9 ■ 0 ■ 9

Service Plan PIs (latest)

● 6 ● 5 ■ 0 ■ 24

Corporate PIs Off Target

PIs ● 2

% of Service PIs that are on target have reached their target.

Percentage of complaints at stage 1 complete within 5 working days

Service Plan PIs Off Target

PIs ● 6

Corporate Indicator - Percentage of invoices sampled and paid within 30 days (LOBF)

All recovery overpayments - as a % of all HB overpayment debt

% of contact centre calls answered within 60 seconds

% of contact centre calls abandoned

Average processing time for new claims (internally calculated)

Average processing time for change of circumstances (internally calculated)

Service High Risks (latest)

▲ 0

All Risks - Corporate Solutions

Risks ▲ 41 ● 86

Key PIs
 ● Off Target
 ● On Target
 ■ Data Only
 ■ Data Not Yet Available

Key PIs
 ● Off Target
 ● On Target
 ■ Data Only
 ■ Data Not Yet Available

Key Risks
 ▲ High Risk/Medium Risk
 ● Low Risk