

Minute of Meeting



Midlothian Council

Date	Time	Venue
20 December 2016	2pm	Council Chambers, Midlothian House, Buccleuch Street, Dalkeith

Present:

Provost Wallace	Depute Provost Coventry
Councillor Johnstone – Leader of the Council	Councillor Constable – Depute Leader of the Council
Councillor Baxter	Councillor Beattie
Councillor Bennett	Councillor Bryant
Councillor de Vink	Councillor Imrie
Councillor Milligan	Councillor Montgomery
Councillor Muirhead	Councillor Parry
Councillor Pottinger	Councillor Rosie
Councillor Russell	Councillor Young

Religious Representatives (Non-voting observers for Education Business):

Mr V. Bourne	
Mrs M. Harkness	

In attendance:

1. Apologies

- 1.1 It was noted that apologies had been received from Rev. Ruth Halley who in submitted her apologies also wished to express her best wishes for a peace-filled and restful Christmas to the Provost, Elected Members, Council Officers and the people of Midlothian.

2. Order of Business

- 2.1 The order of business was confirmed as outlined in the agenda that had been circulated with the following amendments:

The Provost agreed to an additional item – Education Appointments Committee – presented by the Director, Education, Communities and Economy to be heard in private business under item 9.4

3. Declarations of interest

- 3.1 The Provost requested that any Elected Member who had to declare an interest in a particular item to do so as the item arose.

4. Deputations

- 4.1 It was noted that no deputations had been received for consideration at this meeting.

5. Minutes of Previous Meetings

- 5.1 The minutes of the meeting of Midlothian Council on 8 November 2016 were then submitted for approval. The Council approved the minute as a correct record so moved by Councillor Johnstone and seconded by Councillor Constable.

- 5.2 The minutes of the Cabinet meeting of 11 October 2016 were presented to the Council for noting and consideration of any recommendations therein.

The addendum to the minutes of the Cabinet meeting of 11 October 2016 were presented to the Council for noting and consideration of any recommendations therein.

The minutes of the General Purposes Committee meeting of 4 October 2016 were presented to the Council for noting and consideration of any recommendations therein.

The addendum to the minutes of the General Purposes Committee meeting of 4 October 2016 were presented to the Council for noting and consideration of any recommendations therein.

The minutes of the Performance Review and Scrutiny Committee meeting of 6 September 2016 were presented to the Council for noting and consideration of any recommendations therein.

The minutes of the Special Performance Review and Scrutiny Committee meeting of 7 September 2016 were presented to the Council for noting and consideration of any recommendations therein.

The minutes of the Special Performance Review and Scrutiny Committee meeting of 7 September 2016 were presented to the Council for noting and consideration of any recommendations therein.

The minutes of the Local Review Body meeting of 25 October 2016 were presented to the Council for noting and consideration of any recommendations therein.

The minutes of the Police and Fire and Rescue Board meeting of 23 August 2016 were presented to the Council for noting and consideration of any recommendations therein.

The minutes of the Midlothian Integration Joint Board meeting of 27 October 2016 were presented to the Council for noting and consideration of any recommendations therein.

The addendum to the minutes of the Midlothian Integration Joint Board meeting of 27 October 2016 were presented to the Council for noting and consideration of any recommendations therein.

6. Questions to the Leader of the Council

- 6.1 It was noted that no questions had been submitted to the Leader for consideration.

7. Notices of Motions

Motion No.	Motion Title	Proposed by:	Seconded by:
7.1	Mineworkers Pension Scheme fund surpluses	Councillor Bennett	Councillor Rosie

Motion:

Midlothian Council views with concern the injustice whereby the Treasury receives 50% of surpluses from the Mineworkers Pension Scheme, accumulating so far to over £3billion, a sum taken from people and communities that are least able to afford it and one that is out of all proportion to the risk covered, and calls for independent scrutiny by the Public Accounts Committee to address this unfair arrangement.

Summary of discussion

Councillor Bennett presented the motion confirming the aim of motion was to call for a review of the 50% surpluses from the Mineworkers Pension Scheme being given to the Treasury.

Councillor Rosie was then heard in support of the motion.

Decision

The Council agreed to call for an independent scrutiny of the surpluses from the Mineworkers Pension Scheme by the Public Accounts Committee.

Action

Democratic Services

Motion No.	Motion Title	Proposed by:	Seconded by:
7.2	Fair transitional pension arrangements	Councillor Parry	Councillor Constable

Motion:

The Council calls upon the UK Government to make fair transitional state pension arrangements for all women born on or after 6th April 1951, who have unfairly borne the burden of the increase to the State Pension Age (SPA) with lack of appropriate notification.

Summary of discussion

The Council heard from Councillor Parry who in moving the motion spoke of the impact to Midlothian women of the increase to the State Pension Age and called for the Council to make fair transitional state pension arrangements for all women affected by the changes to the State Pension Age.

The Council then heard from Councillor Constable who spoke in favour of the motion.

Decision

The Council agreed to call upon the UK Government to make fair transitional state pension arrangements for all women affected by the changes to the State Pension Age.

Action

Democratic Services

Motion No.	Motion Title	Proposed by:	Seconded by:
7.3	Scottish Public Services Awards 2016	Councillor Constable	Councillor Muirhead

Motion:

Midlothian Council would like to congratulate our Children's Services Department in winning the Policy Development Award for Framework for Permanence from the Scottish Public Services Awards 2016. The Council would like to thank the staff for their hard work and commitment to this very worthwhile project.

Summary of discussion

The Council heard from Councillor Constable who moved the motion to congratulate the Children's Services Department in winning the Policy Development Award.

Councillor Muirhead was then heard in support of the motion and further the impact to the children who would benefit by the Framework for Permanence.

Decision

The Council agreed to congratulate the Children's Services Department in winning the Policy Development Award for Framework for Permanence from the Scottish Public Services Awards 2016.

Motion No.	Motion Title	Proposed by:	Seconded by:
7.4	Council Tax Charges	Councillor de Vink	Councillor Baxter

Motion:

Council notes the intention of the Scottish Government to raise the Council Tax charges for bands E to H from April 2017; that the additional income expected from Midlothian properties will be around £1.7 million and that of this around £1.2 million will be redistributed by the Scottish Government outside of Midlothian and in accordance with national priorities.

Midlothian Council regrets the fact that this is the first time in the history of local taxation since the introduction of the poor law in 1579 that local taxation has been appropriated for national spending priorities and believes that Council Tax raised in Midlothian should be spent in Midlothian, according to the priorities set by this council.

Midlothian Council applauds the stance taken by the Convention of Scottish Local Authorities (CoSLA) in opposing the Scottish Government's proposals and instructs the Council Leader to write to CoSLA on our behalf, offering it Midlothian Council's full support in its endeavours.

Summary of discussion

The Council heard from Councillor de Vink who presented a revised motion in light of the recent decision of the Scottish Government.

Council noted the intention of the Scottish Government to raise the Council Tax charges for bands E to H from April 2017; that the additional income expected from Midlothian properties will be around £1.7 million and that of this around £1.2 million were to be redistributed by the Scottish Government outside of Midlothian and in accordance with national priorities.

Midlothian Council regretted the fact that this is the first time in the history of local taxation since the introduction of the poor law in 1579 that local taxation was to be appropriated for national spending priorities and believes that Council Tax raised in Midlothian should be spent in Midlothian, according to the priorities set by this council.

Midlothian Council applauds the stance taken by the Convention of Scottish Local Authorities (CoSLA) in opposing the Scottish Government's proposals and instructs the Council Leader to write to CoSLA on our behalf, congratulating CoSLA with their efforts in opposing this totally inept and grossly unjust legislation and assisting in succeeding that the Scottish Government undertook the most significant of U turns. Midlothian Council expresses their full support for CoSLA's endeavours on this issue.

The Council then heard from Councillor Baxter who spoke in favour of the motion.

Councillor Johnstone was then heard moving the direct negative of the motion.

Councillor Parry was then heard in support of Councillor Johnstone's motion.

Following this there was a lengthy political debate in relation to the motions being presented to the Council during which there was a five minute recess whilst copies of the amended motion were circulated to Members.

In conclusion the Council took a vote in relation to the motions. Eight Members voted for the direct negative and ten Members voted for the motion as amended which therefore became the decision of the Council.

Decision

The Council agreed that the Council Leader write to CoSLA to congratulate them with their efforts in opposing the Scottish Government's proposals in relation to Council Tax.

Action

Council Leader

Motion No.	Motion Title	Proposed by:	Seconded by:
7.5	Councillor Johnstone	Councillor Muirhead	Councillor Imrie

Motion:

Council believes that it is vital that the administration of Midlothian Council, and particularly its leadership, place the interests of Midlothian people ahead of Party Political affiliations.

It is with dismay that we hear from Councillor de Vink, that Councillor Johnstone, the Leader of Midlothian Council, reneged on a commitment she had made to him to write to the Scottish Government expressing Midlothian Council's opposition to the way that Scottish Government plans to take the income generated from the increases in Council tax levels for those living in homes in bands E to H, to fund national spending priorities.

This in itself is bad enough, but the reason given for not following through on her commitment was the more damning aspect and confirms that Councillor Johnstone is not fit to hold the position of Leader of our Council.

Councillor de Vink has revealed that Councillor Johnstone's reason for not sending the letter was that she "did not wish Midlothian to be the only SNP controlled Council to criticise the Scottish Government".

This lays bare the truth that this administration is not prepared to stand up for the people of Midlothian unless it accords with the interests of the SNP Government and their Party bosses.

For these reasons Council believes that Councillor Johnstone is not fit to lead this Council or to defend the interests of Midlothian people, particularly when they conflict with the perceived interests of her own party.

We therefore consider that this Council no longer has confidence in Councillor Johnstone as its Leader and agrees to remove her from this position with immediate effect.

Summary of discussion

Prior to the commencement of the debate in relation to this motion, the Provost invited the Monitoring Officer to explain the voting arrangements in relation to this motion which the Monitoring Officer duly provided as follows:

'This motion seeks to remove Councillor Johnstone from her role as Council leader on the basis that the Council no longer has confidence in her due to the reasons specified within the motion.

In terms of Standing Order 4.1 as the motion seeks to replace a Council appointee it shall only have effect if ten members of the Council vote in favour. If less than ten members vote in favour the motion will be ineffective and no action will be taken.

In the event that the motion is successful then in terms of Standing Order 14 any casual vacancy to be filled should be considered at the next meeting of the Council and not at today's meeting.

In terms of Standing Order 11.3 (iii), Cllr Johnstone cannot take part in this vote. Appointments to roles within the Council are not a registerable interest under the Code of Conduct so there is no requirement on Cllr Johnstone under chapter five

of the Code of Conduct to declare an interest and withdraw.

Natural justice requires that Cllr Johnstone is entitled to put a case in her own defence if she so wishes but she should not exert undue influence in doing so. She is not chair of this meeting so there is no conflict of interest in that respect. It is therefore a matter for Cllr Johnstone as to whether she wishes to take part in the debate or whether she feels she should leave the chamber, in reaching that decision she must remember that the Code of Conduct requires that Elected Members act with selflessness, integrity, objectivity and openness in all actions as Councillors. Regardless of her decision about whether or not to withdraw from the Chamber, I would re-iterate that she may not vote in this matter.'

The Council heard from Councillor Johnstone confirming that she would leave the Chamber for the duration of the debate and prior to doing so was then heard making a statement in response to the motion.

Councillor Johnstone then left the Council Chamber.

The Council then heard from Councillor Muirhead who moved the motion.

Following this the Council heard from Councillor Imrie who seconded the motion.

There then followed a debate in relation to the motion during which Councillor Muirhead supported by seven Members called for a roll vote:

Councillor	For/Against/ motion or Abstain
Councillor Wallace	Against
Councillor Coventry	Against
Councillor Constable	Against
Councillor Baxter	Abstain
Councillor Beattie	Against
Councillor Bennett	For
Councillor Bryant	Against
Councillor de Vink	For
Councillor Imrie	For
Councillor Milligan	For
Councillor Montgomery	For
Councillor Muirhead	For
Councillor Parry	Against
Councillor Pottinger	For
Councillor Rosie	Against
Councillor Russell	For
Councillor Young	For

The motion was passed by nine votes to seven, but due to the requirements under Standing Order 4.1 the motion was declared as ineffective.

Councillor Johnstone was then invited back into the Council Chamber.

8. Reports

Agenda No.	Report Title	Presented by:
8.1	Council Administration Changes	Director, Resources

Outline of report and summary of discussion

The Council heard from the Director, Resources who presented a paper which aimed to confirm the position in relation to the Council's Governance arrangements following the termination of the Council Administration's Coalition agreement.

Councillor Constable moved that the recommendations contained within the report were approved by the Council which was seconded by Councillor Parry.

Decision

The Council agreed to:

- a) Note the position in relation to the Council's Governance arrangements as a result of the termination of the Council Administration's Coalition agreement.

Sederunt – It was recommended that the Council have a ten minute recess which was accepted by the Provost and consequently the meeting was suspended for ten minutes. Prior to commencing the meeting recommencing, the Provost withdraw remarks he had made in relation to Councillor de Vink.

Report No.	Report Title	Presented by:
8.2	Midlothian Council Elections 2017	Chief Executive

Outline of report and summary of discussion

The Council heard from the Chief Executive who presented a report updating Members on the arrangements currently being made for the Midlothian Council Elections to be held on Thursday, 4 May 2017. Further the proposals in report were designed to enable the Returning Officer to deliver and properly staff these Elections.

Councillor Johnstone moved that the recommendations contained within the report were accepted which was seconded by Councillor Parry.

Decision

The Council agreed to:

- a) Approve and note the arrangements for the forthcoming Midlothian Council Elections to be held on Thursday, 4 May 2017; and
- b) Authorise the Chief Executive, as Returning Officer, to make the

appropriate financial arrangements and to authorise payments in respect of the Midlothian Council Elections.

Action

Chief Executive

Report No.	Report Title	Presented by:
8.3	Review of United Kingdom Parliament Constituencies in Scotland by the Boundary Commission for Scotland	Chief Executive

Outline of report and summary of discussion

The Council heard from the Chief Executive who presented a report which, following a decision by Council on 8 November 2016 confirming that Midlothian Council should submit a response to the consultation on the 'Initial Proposals' for UK Parliamentary Constituencies in Scotland by The Boundary Commission for Scotland, sought to confirm the method by which Midlothian Council would make its response.

Councillor Johnstone moved that the recommendations contained within report were accepted which was seconded by Councillor Constable.

Decision

The Council agreed to:

- a) Midlothian Council's submission reflecting the views expressed by Elected Members, be made by the Chief Executive in consultation with the Leader of the Council and the Labour Group Leader.

Action

Chief Executive

Report No.	Report Title	Presented by:
8.4	Council Tax on Long Term Empty Properties	Head of Customer and Housing Services

Outline of report and summary of discussion

The Council heard from the Head of Customer and Housing Services who presented a report dated 22 November 2016 which outlined the background of the discretionary powers and the current position with Midlothian Council regarding discounts and exemptions applied to long term empty dwellings. Further the report aimed to summarise the powers to increase Council Tax on long term empty dwellings up to a maximum of 200% and the outlined the positive financial impact from implementing the change which is captured as part of the 2017/18 Financial Strategy planning process.

Councillor Parry moved that the recommendations contained within the report were accepted which was seconded by Councillor Milligan.

Decision

The Council agreed to:

- a) Approve a levy of 200% to be applied on council tax charges for domestic properties that meet the long term empty property criteria;
- b) A civil penalty of £500 be imposed for non-compliance with the requirement to disclose relevant information on property status;
- c) Discretion to modify different classes of dwellings exempt from the additional charge is delegated to the Director, Resources to be used in exceptional circumstances on a case by case basis; and
- d) The implementation date from 1 April 2017.

Action

Head of Customer and Housing Services

Report No.	Report Title	Presented by:
8.5	Financial Strategy 2017/18 to 2021/22	Head of Finance and Integrated Service Support

Outline of report and summary of discussion

The Council heard from the Head of Finance and Integrated Service Support who presented a report which provided the Council with an update on the Financial Strategy encompassing the years 2017/18 to 2021/22 and incorporates the results from the Shaping our Future Consultation.

The report included:

- An update on Scottish Government Grant;
- Updated budget projections for 2017/18 to 2021/22;
- A sensitivity analysis reflecting the potential impact of different pay and grant settlement scenarios;
- An update on the resources to be provided to the Midlothian Integration Joint Board in 2017/18;
- Ratification of the 2017/18 budget contribution to SESplan;
- The results from the Shaping our Future consultation;
- Savings proposals from the Strategic Leadership Group;
- An update on the strands of the change programme;
- An update on reserves.

Further the Head of Finance and Integrated Service Support clarified the terms of the updated Financial Settlement to Local Authorities.

The Council then heard from Councillor Parry who presented the Administration's proposed amendment to the recommendations contained within the report. This proposal is included as appendix 1 to this minute.

Councillor Johnstone seconded the Administration's proposed amendment.

The Council then heard from Councillor Milligan who presented the Labour Group's proposed amendment to the recommendations contained within the report. This proposal is included as appendix 2 to this minute.

Councillor Muirhead seconded the Labour Group's proposed amendment.

The Council then heard from Councillor Baxter who presented the Scottish Greens proposed amendment to the recommendations contained within the report. The proposal is included as appendix 3 to this minute.

No seconder was heard in relation to this amendment.

The Council then heard from Councillor de Vink who presented the Independent proposed amendment to the recommendations contained within the report. The proposal is included as appendix 4 to this minute.

No seconder was heard in relation to this amendment.

Councillor Parry was then heard confirming the Administration's position that, reflecting on the proposals that had been heard in the Chamber, Councillor Baxter's proposals bore similarity to the Administration's proposals and therefore moved that a joint proposal be accepted which included all the Administration's proposals along with all the recommendations within Councillor Baxter's proposals.

Councillor Johnstone seconded Councillor Parry's motion.

Following this the Council voted in relation to the remaining amendments. Nine Members voted in favour of the Labour Group's proposals and nine Members voted in favour of the joint proposal of the Administration and Scottish Greens. The Provost then cast his deciding vote in favour of the Administration and Scottish Greens amendment which therefore became the decision of the Council.

Decision

The Council agreed to:

- a) Note the verbal update in respect of the Scottish Government Grant Settlement provided to Council;
- b) Note the updated projected cost of services, key assumptions and resultant budget shortfalls as set out in section 3 of the report;
- c) Note the continuing uncertainties and the potential impact as outlined in the differing scenarios as set out in section 6 of the report;
- d) Ratify a budget contribution of £46,550 to SESplan for the financial year 2017/18, as well as the SESplan Joint Committee budget report and draft minute of 28th November 2016, copies of which have been placed in the Members' Library;
- e) Note the results of the Shaping our Future consultation as summarised in section 9 of the report and detailed in appendix 1 of the report;
- f) Note the addition of savings targets for Delivering Excellence activity of

£0.548 million in 2018/19 rising to £4.334 million in 2021/22 as set out in table 5 and the revised Transformation Programme savings targets of £2.791 million in 2017/18 rising to £5.437 million in 2021/22 as set out in table 6 of the report;

- g) Note the operational savings set out in section 10.5 of the report and detailed in appendix 2 of the report of £2.021 million in 2017/18 rising to £3.139 million in 2021/22;
- h) to approve the savings proposals set out in appendix 3 of the report with the exception of:
 - i. Appendix 3a item 5 - Charging for Instrument Tuition
 - ii. Appendix 3a item 13 – Penicuik Recycling Facility
 - iii. Appendix 3a item 22 – Walking distance to school
 - iv. Appendix 3a item 23 – Ring and Go
 - v. Appendix 3a item 27 – Transitional Meals

In respect of appendix 3a item 5, Music Tuition, to ensure that funding for this is directed from the recently announced schools' attainment funding.

In respect of appendix 3a item 9, Community Safety Review, to reject the cut and invest a further £30,000.

In respect of appendix 3a, item 28, Increase in school meals charges, to restrict the increase to 10p so reducing the saving for 2017/18 by £17,000.

In respect of appendix 3a, item 30, Public Toilet Review, to reduce the savings target for the review by £60,000.

- i) Approve the proposed increases to fees and charges and proposed new fees and charges as set out in section 10.7 of the report and detailed in Appendix 4 of the report which generate an additional £0.100 million for 2017/18;
- j) In considering recommendations h) and i) also consider the contents of the draft EQIA set out in appendix 5 of the report;
- k) Note that based on the assumptions detail in the report and subject to approval of the proposals in respect of Council Tax on second homes and recommendations h) and i) above the Strategic Leadership Group proposals reduce the remaining budget gap for 2017/18 to £2.208 million;
- l) Note that a further report will be presented to Council on 7 February 2017 to enable Council to determine a budget for 2017/18, including any utilisation of reserves, and to set Council Tax levels for the year commencing on 1 April 2017.
- m) Otherwise note the contents of the report.
- n) Note the terms of the settlement as set out in the letter from the Cabinet Secretary for Finance and the Constitution to Councillor O'Neill, COSLA President dated 15 December 2016 and copied to the Leaders of all Scottish local authorities and agree that the Leader of the Council write to The Cabinet Secretary confirming Midlothian

Council's agreement to the offer and accepting the full package of measures and benefits.

- o) That Council agree to include a Renewable Strand in the Business Transformation Programme and Instruct the Director, Resources to report back to the next Council meeting.

Action

Head of Finance and Integrated Service Support – actions (a) to (m)

Director, Resources - action (o)

Council Leader – action (n)

Sederunt – The Provost then confirmed that there would be a ten minute recess and consequently the meeting was suspended for ten minutes

Report No.	Report Title	Presented by:
8.6	Midlothian Strategic Housing Investment Plan 2017/18 – 2021/22	Head of Customer and Housing Services

Outline of report and summary of discussion

The Council heard from the Head of Customer and Housing Services who spoke to a report which summarised the key points set out in Midlothian's Strategic Housing Investment Plan 2017/18 – 2021/22 which details the priorities for the investment in new affordable housing in Midlothian.

The Council heard from Councillor Johnstone who moved that the Council agree the recommendations, however suggested that the Council should be more ambitious in its aspirations.

Councillor Parry seconded Councillor Johnstone's motion.

Councillor Bennett was then heard in support of Councillor Johnstone's sentiment that the Council should be more ambitious in its aspirations and the number of Council houses that should be built should be at least 1,000.

Councillor Milligan was then heard in support of Councillor Bennett's comments that the number of Council houses to be built should be at least 1,000 over the lifetime of the strategy. Coupled with this Councillor Milligan suggested that further options should be considered in relation to the housing situation within Midlothian.

Decision

The Council agreed to:

- a) Approve the submission of the Strategic Housing Investment Plan 2017/18 – 2021/22 to the Scottish Government with a revised number of Council houses to be included along with further options to be

- considered to alleviate the housing situation in Midlothian to demonstrate a more ambitious aspiration; and
- b) A programme of 30 additional open market purchases of properties for use as Council housing.

Action

Head of Customer and Housing Services

Report No.	Report Title	Presented by:
8.7	Midlothian Council Small Grants Allocation 2017 to 2018	Director, Education, Communities and Economy

Outline of report and summary of discussion

The Council heard from the Director, Education, Communities and Economy who presented a report which sought the approval of the recommendations of the Small Grants Programme for the funding of Third Sector organisations in 2017/18. The Director, Education, Communities and Economy confirmed that the first recommendation should read 'approve the recommended grant awards as set out in Appendix 3 of the report (subject to meeting the appropriate conditions of grant)'.

Councillor Bryant moved that the recommendations contained within the report.

Councillor Milligan seconded the recommendations but confirmed his view that the process of awarding small grants should be reviewed.

Decision

The Council agreed to:

- a) approve the recommended grant awards as set out in Appendix 3 of the report (subject to meeting the appropriate conditions of grant); and
- b) acknowledge the significant contribution the Voluntary and Third Sector makes to communities across Midlothian.

Action

Director, Education, Communities and Economy

Report No.	Report Title	Presented by:
8.8	Participatory Budgeting	Head of Communities and Economy

Outline of report and summary of discussion

The Council heard from the Head of Communities and Economy who presented a report which recommended that from 1 April 2017, Councillors Environmental

funds be allocated using a Participatory Budgeting approach.

Councillor Bryant stated that Participatory Budgeting recommendation was a positive step forward for the communities in Midlothian particularly in light of legislative changes, a sentiment which was supported by Councillor Parry.

Following a short debate, Councillor Muirhead moved that the recommendations in the report should be accepted with recommendation (ii) being omitted which was seconded by Councillor Young.

Councillor Johnstone proposed the recommendations within the report were accepted which was seconded by Councillor Baxter.

Following this the Council voted with nine Members voting for Councillor Muirhead's motion and nine voting for Councillor Johnstone's motion. The Provost then cast his deciding vote and voted in favour of Councillor Johnstone's motion which then became the decision of the Council.

Decision

The Council agreed to:

- a) Note the policy approach of the Scottish Government to empower communities to participate in decisions on the allocation of public resources;
- b) The environmental funds allocated to each Councillor for the 2017/18 and subsequent financial years are to be spent using a participatory budgeting approach, and in accord with the Council's Capital Expenditure Guidance; and
- c) Instruct officers to prepare more detailed guidance on good practice in the operation of participatory budgeting.

Action

Head of Communities and Economy

Report No.	Report Title	Presented by:
8.9	World-Class Secondary School Provision for Penicuik and A701 Corridor	Director, Education, Communities and Economy

Outline of report and summary of discussion

The Council heard from the Director, Education, Communities and Economy who presented a report which provided Council with an update on the feedback received from the pre consultation meetings held in September, further to a report to Council of December 2015 which stated that informal consultation would be undertaken on the options for secondary schools to serve the A701 corridor and Penicuik to include a 'centre for excellence' for Science, and that a report on the way forward would be brought to Council in the course of 2016. The Director, Education, Communities and Economy clarified that the proposal for free transport for Loanhead area pupils wishing to attend Beeslack High School would be for those entering S1 in 2017.

Councillor Constable moved that the recommendations contained within the report be accepted which was seconded by Councillor Parry. Following a short discussion, the Council agreed the recommendations.

Decision

The Council agreed to:

- a) Note the feedback from the informal consultations;
- b) Approve the provision of free home to school transport for Loanhead area pupils wishing to attend Beeslack High School (pupils entering S1 in 2017);
- c) Note the ongoing discussions with Edinburgh University regarding building partnerships with academic and business organisations and on securing a suitable site for a secondary school in the A701 corridor;
- d) Note the need for the Council to develop a funding proposal for a new school in the A701 corridor in anticipation of Scottish Government releasing funding for school estates. A potential site in Midlothian West Ward should, therefore, be identified at the earliest possible date; and
- e) Request a further report be submitted to Council in due course for approval of formal consultation on the provision of secondary school education in the A701 corridor.

Action

Director, Education, Communities and Economy

Report No.	Report Title	Presented by:
8.10	Midlothian Council response to the Education Governance Review	Head of Education

Outline of report and summary of discussion

The Council heard from the Head of Education who presented a report detailing the final Midlothian Council consultation response to the Scottish Government's consultation called *Empowering teachers, parents and communities to achieve excellence and equity in education: A Governance Review* which was launched on 13 September 2016 and closes on 6 January 2017.

Councillor Constable moved that the recommendations contained within the report be approved by Council which was seconded by Councillor Muirhead.

Decision

The Council agreed to:

- a) Note the content of the report; and
- b) The formal Midlothian Council consultation response contained in appendix 1 of the report be submitted to the Scottish Government before 6th January 2017.

Action
Head of Education

Report No.	Report Title	Presented by:
8.11	School Estate Capacity and Pupil Intake Limits – School Session 2017-18	Director, Education, Communities and Economy

Outline of report and summary of discussion
<p>The Council heard from the Director, Education, Communities and Economy who presented a report that aimed to provide Council with an update on the school estate capacity and further to inform Council of the pupil intake limits required for the school session starting in August 2017 and the implications for pupil placement.</p> <p>Councillor Constable was then heard in support of the recommendations contained within the report.</p> <p>Councillor Milligan was then heard confirming his concerns in relation to capacity in the Bonnyrigg area, particularly in light of housing developments within the area. Councillor Milligan also expressed his concerns in relation to the future of St. Mary's Primary School. In conclusion Councillor Milligan requested a meeting of all the Ward Councillors for the Bonnyrigg area, the Religious Representatives, Officers from Planning and Officers from Education. As a result of Councillor Milligan's suggestion he further moved that the first recommendation in the report was continued to the Council meeting in February 2017 and accept the remaining recommendations.</p> <p>Councillor Constable supported Councillor Milligan's motion.</p> <p>Councillor Baxter was heard in support of Councillor Milligan's concerns and further suggested that a strategy was required in relation to Bonnyrigg which needed to be communicated with Parent Councils.</p> <p>Mr Bourne was then heard in support of Councillor Baxter's comments that there should be an investigation of a possible joint campus on the former Hopefield site. Mr Bourne was then heard echoing the concerns in relation to the Denominational Review.</p> <p>Councillor Russell was then heard in support of all Elected Members being kept apprised of future developments.</p> <p>The Director, Education, Communities and Economy was then heard responding to the points that the Elected Members had arranged.</p> <p>Councillor Constable was then heard confirming a move to agree the recommendations as amended which was seconded by Councillor Johnstone.</p>

Decision
The Council agreed to:

- a) Continue the discussion in relation to Bonnyrigg to the Council Meeting in February 2017 and instruct Officers to arrange a meeting of the Ward Councillors, Religious Representatives, and Council Officers and provide a further report to the Council in February 2017
- b) Note the following:
- The intention to cap Primary 1 intake as shown in table 1.
 - The intake limit for Lasswade High School remains in place for August 2017
 - The work to identify a viable location for an enlarged Lasswade Primary School
 - Plans to progress additional primary school capacity for Mayfield and the decision to safeguard part of the current Newbattle High School site for this purpose.
 - Plans to progress the planning and procurement of additional primary school capacity for Dalkeith
 - The development of a Learning Estate Strategy.
- c) Otherwise, note content of report.

Action

Director, Education, Communities and Economy

Report No.	Report Title	Presented by:
8.12	Gore Glen Bing	Head of Commercial Operations

Outline of report and summary of discussion

The Council heard from the Head of Commercial Operations who spoke to a report which aimed to advise Council on the current situation and cost of the necessary physical works for making safe the burning bing at Gore Glen located by Gorebridge.

Councillor Rosie was heard in support of Option E within the report (General excavation of the heated area and removal of the material to a prepared location and allowed to cool) and subsequently moved that the recommendations contained within the report were approved.

Councillor de Vink was then heard suggesting that the Council should take a stronger stance against the Coal Authority.

Councillor Johnstone suggested that a more detailed briefing would be useful for Ward Members which Councillor Muirhead supported.

Councillor Muirhead continued that he was disappointed with the Coal Authority's approach and emphasised the importance of the Council carrying out the remedial works for the amenity of the community. In conclusion Councillor Muirhead requested confirmation as to whether there were any other sites in Midlothian that were of concern. The Head of Commercial Operations confirmed that there are 20 site across Midlothian that are former bings – 6 of which are in the ownership of the Council and further confirmed there are no issues with the

other sites.

Councillor Muirhead requested clarification in relation to the £40,000 fee to the Coal Authority which the Head of Commercial Operations confirmed was an estimated and the final amount would be based on the outcome of a competitive tendering process.

Councillor Johnstone requested further clarification in relation to whether the costs could increase based on the findings which the Head of Commercial Operations confirmed he would look at.

Decision

The Council agreed to:

- (a) Note the contents of the report and the project management by the Coal Authority;
- (b) Approve the addition of £184,000 to the 2016/17 capital plan (subject to their being no legal obligation on the Coal Authority to contribute to the costs of the works proposed). This would have minimal impact on loan charges in 2016/17 and 2017/18 charges would be adjusted accordingly;
- (c) Note that further reports will be submitted as required by Director, Resources; and
- (d) Council Officers will brief Ward Members accordingly

Action

Head of Commercial Operations

Report No.	Report Title	Presented by:
8.13	Creating a World-Class Education System – Examination Attainment 2016	Head of Education

Outline of report and summary of discussion

The Council heard from the Head of Education who spoke to a report which sought to provide Council with an overview of the school examination attainment in session 2015-16 using the senior phase local benchmarking measures, called 'Insight'.

Councillor Constable moved that the recommendations were accepted and in doing so emphasised the commitment of the Council to improve attainment regardless of background.

Councillor Muirhead was then heard in support of the report. Councillor Muirhead also emphasised that he hoped that the annual seminar with Head Teachers going forward would allow a more open discussion within Elected Members. In conclusion Councillor Muirhead was heard in support of the introduction of Business Managers within schools.

Councillor Coventry was then heard in support of the recommendations and Councillor Constables sentiments.

Mr Bourne was then heard in support of the seminar in particular the enthusiasm of the Head Teachers and further that progress had been made in a number of areas. He requested the examination results were presented in a more factual way and in conclusion supported the idea of Business Managers.

Councillor Milligan echoed the sentiments of the debate and suggested that a report be brought to Council in February 2017 in relation to Business Managers.

The Head of Education confirmed that the introduction of Business Managers is currently being looked at as part of the Devolved School Management process review.

Decision

The Council agreed to:

- a) Note the significant improvements in performance outlined in this report;
 - b) Note the next steps for improvement;
 - c) Note that the Council has previously agreed to holding an annual seminar in December to outline progress in raising attainment; and
 - d) Note that the Council has previously agreed to receiving a report in May and December each year outlining progress made in raising attainment in Midlothian.
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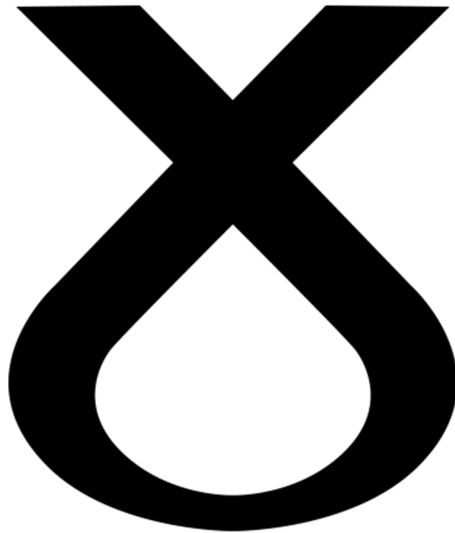
9. Exclusion of Members of the Public

In view of the nature of the business to be transacted, the Council agreed that the public be excluded from the meeting during discussion of the undernoted item, as contained in the Addendum hereto, as there might be disclosed exempt information as defined in paragraphs 6, 8 and 9 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973:-

- (a) Structural Safety of Midlothian Schools – Report by Director, Resources - Approved
- (b) Purchase of 49 Abbey Road Dalkeith – Report by Head of Property, and Facilities Management - Approved
- (c) Purchase of 31 Jarnac Court Dalkeith – Report of Head of Property and Facilities Management - Approved
- (d) Head Teacher Appointments for Approval by Midlothian Council – presented by Director, Education, Communities and Economy - Approved

Midlothian Council Budget 2017/18

SNP amendment



December 2016

Budget statement

Midlothian Council faces many challenges from a variety of sources and requires significant savings to be made whilst still being sensitive to the needs of a diverse county.

The United Kingdom Government's plans for a hard Brexit represent a key risk to Scotland's and Midlothian's economy. The fall in the pound is pushing up inflation. That puts pressure on household budgets, and companies are re-evaluating their plans.

Those risks are compounded by the UK Government's continued austerity programme. In the coming years, we will face cuts to our funding for public services and to social security. Between 2010-11 and 2019-20, Tory austerity will see the Scottish Government's fiscal departmental expenditure limit budget, which funds discretionary spending and capital investment, fall by more than 9 percent, or £2.9 billion in real terms, with a share of a further £3.5 billion of cuts by 2019-20 still to come.

The SNP administration has therefore brought forward proposals which meet the needs of the current challenges whilst balancing the responsibility of protecting Midlothian's residents from the worst of brutal Tory austerity.

The SNP vision is to focus on services for the most vulnerable, to transform services rather than simply make cuts and to investigate new and progressive ways of delivering change.

Budget rejections:**Closure of Penicuik recycling centre £100,000**

The closure of Penicuik recycling centre would require many Midlothian residents to travel to access a similar service, increasing carbon emissions, traffic and potentially increase fly tipping. The retention of this facility at this time is crucial to meeting the council's environmental objectives and provides a vital service.

Increasing walking distance to school £38,000

Reducing the eligibility of school transport from two to three miles would increase vehicle traffic to schools and around school premises. The policy may also lead to a higher demand of supervised crossings on some routes, with cost implications arising.

Ring and Go services £10,000

Ceasing the Ring and Go service would disproportionately affect disabled, elderly and rural residents. Evidence also suggests that social isolation in these groups could lead to higher Health and Social Care costs.

Review Provision of free Primary 7 transition visit meals £6,000

Transition visits to Primary 7 pupils form an important part of social cohesion and the student journey at a time that can be challenging for young people.

Review Public Toilet Provision £100,000 – target reduced to £40,000

Public toilet provision needs reviewed to ensure that it truly meets the needs of Midlothian's residents. Whilst maintaining access to toilet services is crucial the current offering is often unavailable due to facilities closure as a result of vandalism and anti social behaviour. Midlothian needs to change this to ensure that these facilities meet demand, particularly for disabled users and an adaptable space, particularly in Dalkeith, that includes facilities for breast feeding. Therefore this proposal needs a phased approach and to be taken forward in the interests of residents rather than to balance a budget.

Increase school meals by 15p per day – rate reduced to 10p per day

Whilst the SNP administration recognise that school meal charges are low compared to other local authorities we must also recognise the financial changes that are currently placed on families. The additional £17,000 cost of amending the proposal will be of huge benefit to families and children. It will also ensure school meal uptake remains high, further reducing inequalities.

Proposed SNP Group Amendment to the Financial Strategy;

This administration therefore propose the following amendments to Council in respect of item 8.5 Revenue Budget 2017/18 to 2021/22.

- p) In respect of recommendation h) To approve the savings proposals set out in appendix 3a and 3b with the exception of:
 - vi. Appendix 3a item 13 - Penicuik Recycling Facility
 - vii. Appendix 3a item 22 - Walking Limits to School
 - viii. Appendix 3a item 23 - Ring and Go
 - ix. Appendix 3a, item 27 - Transitional Meals
- q) In respect of appendix 3a item 5, Music Tuition, to ensure that funding for this is directed from the recently announced schools' attainment funding.
- r) In respect of appendix 3a, item 30 Public Toilet Review, to reduce the savings target for the review by £60,000.
- s) In respect of appendix 3a, item 28, Increase in school meals charges, to restrict the increase to 10p so reducing the saving for 2017/18 by £17,000.
- t) In respect of recommendation i) approve the proposals in respect of fees and charges as detailed in appendix 4.
- u) Note the terms of the settlement as set out in the letter from the Cabinet Secretary for Finance and the Constitution to Councillor O'Neill, COSLA President dated 15 December 2016 and copied to the Leaders of all Scottish local authorities (copy attached to this amendment) and agree that the Leader of the Council write to The Cabinet Secretary confirming Midlothian Council's agreement to the offer and accepting the full package of measures and benefits.
- v) Otherwise agree the other recommendations. a) to g) and j) to m) .

Proposed by:



Councillor Kelly Parry

Seconded by:

1-1203



Councillor Catherine Johnstone

Midlothian Council

Labour Group



MIDLOTHIAN LABOUR GROUP AMENDMENTS TO ITEM 8.5 FINANCIAL STRATEGY 2017/18 TO 2021/22

Midlothian Council notes the apparently worsening financial settlement following the Scottish Government Budget announcements on Thursday, full details of which are not likely to be known until February.

For that reason we note, but do not accept any recommendations coming forward from the Strategic Leadership Group that refer to savings or otherwise in years beyond 2017/18.

We note the modest savings targets associated with the green energy agenda and agree with Councillor Baxter that these targets should be much higher in future years. We also note that Council agreed back in August 2015 to look into the setting up of an Energy Services Company, wholly owned by the Council which would have the twin aims of generating zero-carbon energy and in doing so generate income for the council.

With respect to the specific recommendations before us, we accept recommendations (a) to (e) and (i) to (m).

We note the additional savings targets referred to in recommendation (f), but do not agree and reserve the right to amend any savings targets which refer to years beyond 2017/18.

We note the operational savings referred to in recommendation (g) set out in section 10.5 and detailed in appendix 2 with the following exceptions.

- a) Where they refer to years beyond 2017/18.
- b) Subject to the amendments laid out in appendix 1 which increases the Operational Savings by £320,927

We accept the Strategic leadership Group's savings proposals referred to in recommendation (h) set out in section 10.6 and detailed in appendix 3, with the following exceptions.

- a) Where they refer to years beyond 2017/18.
- b) Subject to the amendments laid out in appendix 2 which increases the policy savings by £185,000

In addition, and central to the Midlothian Labour Group Amendment, we approve the provision of full funding of £500,000 in the revenue budget from 1st April 2017 onwards to provide two CAT teams for Midlothian communities.

We hereby move the amendment detailed herewith which will decrease the budget gap as set out in the recommendations from £2.208m to £2.203m

Moved:




COUNCILLOR DEREK MILLIGAN

Seconded:


COUNCILLOR JIM MUIRHEAD

Appendix i
Recommendation G Operational Savings -
Labour Group Amendments

Page/Propo sal No	Description	Dept	Category	Effect on Savings	
				Reduce	Increase
164/3	Education, Communities and Economy, Education Increase savings target against the Central Curriculum Budget from £50k to £83.827k leaving £50k in budget.	Education	Operational	£ -	£ 33,827
164/5	Education, Communities and Economy, Education Mini Service Review with Education - increase target savings from £150k to £200k	Education	Operational		£ 50,000
165/6	Customer and Housing Services Service Review Revenues - Bring forward to make £100k savings this year. This is half of the savings envisaged for 2018/19	Housing	Operational		£ 100,000
NEW SAVING	Finance & ISS As referred to in the strategic Leadership Group's original saving proposals 2017/18 supplied to elected members.	FISS	Operational		£ 96,000
166/26	Properties and Facilities Merge School and Leisure Janitorial Services where possible. Bringing forward changes from 2018/19	Properties & Facilities	Operational		£ 61,100
166/7	Commercial Operations Ok to take £10k from Rights of Way but leave £20k in play equipment.	Commercial	Operational	£ 20,000	

Totals	£ 20,000	£ 340,927
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Increase Savings by	£ 320,927
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Appendix

ii

Recommendation H Strategic Leadership Group's Policy Savings - Labour Group Amendments

Page	Description	Dept	Category	Effect on Savings	
				Reduce	Increase
192	Review of Inclusion - Increase target saving on this £1.9m budget by £50k to 150k	Education	Policy		£ 50,000
193	Increased charges for personal care This saving is not accepted and budget reduced by £100k	Health/Social Care	Policy	£ 100,000	
194	Community Safety Service Review - Accept savings targets for 2017/18 and bring forward half savings from 2018/19 to 2017/18	Customer & Housing Services	Policy		£ 115,000
215	Remove Cutting of Public Toilet budget. Not acceptable.	Properties & Facilities	Policy	£ 100,000	
195	Road Maintenance Increase savings by another £200k to £400k total, and increase capital spend on this by another £200k	Commercial	Policy		£ 200,000
198	Closure of Belmans Road Recycling - Not Acceptable	Commercial	Policy	£ 100,000	
200	Remove Cease provision of Garden Maintenance - Not acceptable.	Commercial	Policy	£ 20,000	
203	Removal of Pitches unacceptable	Commercial	Policy	£ 10,000	
204	Review Xmas light Funding - Not acceptable. But look for opportunities to lower the cost.	Commercial	Policy	£ 60,000	
207	Increase distance for Home to School - Not acceptable	Commercial	Policy	£ 38,000	
208	Cease Ring and Go Services - Not Acceptable	Commercial	Policy	£ 10,000	

	Additional Items				
	Mini Review of 3rd and 4th Tier Management Structures currently 143 managers plus heads of service and Directors at a cost of between £8m and £9m, Grade 8 and above (half year saving) 6% reduction	ALL	Policy		£ 258,000

Totals	£ 438,000	£ 623,000
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1-1208

Increase
savings by £
185,000

Midlothian Council Budget 2017/18

Proposals from the Green Party



Produced December 2016

Councillor Ian Baxter

Budget Statement

Following several years of real terms cuts to the Scottish Government grant on top of a damaging Council Tax freeze, it is without doubt that Midlothian Council faces the most challenging period financially in its history.

The Council Tax freeze itself has removed hundreds of millions of pounds from the public purse, and had Council Tax been allowed to rise in line with inflation, the budget shortfall for 2017/18 would have been several million pounds less than that faced today.

This budget, however, should be not simply be seen as an exercise in reacting to financial pressures. It is not sustainable to continually cut staff and services, given the significant grant reductions expected over the next few years. We need to look for new income streams as well as deciding the kind of council we wish to be.

The Green Party's vision is a Midlothian which is at the forefront of council and community owned renewable energy; where transport choices are directed towards active and sustainable travel, including enhanced public transport. We want to improve educational attainment, particularly in areas of multiple deprivation, creating sustainable and well paid jobs located within Midlothian, without the need to travel into Edinburgh for work.

Commensurate with that, the Green Party therefore proposes the following amendments to the budget proposals placed before Council:

Charging for Music Tuition

The reintroduction of charging acts as a disincentive to those whose income is low but who do not qualify for assistance. It is particularly important that the opportunity to learn to play an instrument is available from a young age, and the wider benefits are well documented. One report published in Canada suggested that six year olds learning an instrument had, on average, a seven point IQ increase over the course of a year compared to those not learning.

We therefore see charging for music tuition to run contrary to the council's aim of improving attainment and in particular addressing the attainment gap.

However, following the announcement in last weeks Scottish budget that a fund will be provided by the Scottish Government to provide assistance to schools in bridging the attainment gap, we believe that use of some of those funds to cover the cost of music tuition would be commensurate with that aim.

We therefore seek the removal of the introduction of charging, with the funding gap being met from schools' attainment funding.

Cost - Nil

Community Safety Service Review

While we opposed the removal of Community Policing teams, it is recognised that their reintroduction would be costly and may not be the best way to spend limited resources. It is also seen by some as treating Police Scotland as a third party service provider for a service which Police Scotland should be providing without charge.

We believe that a more effective investment would be to bolster our own in house Community Safety Team, building on the very effective Problem Solving Partnerships

(PSPs), which draw together experts from the Community Safety, youth workers and the police.

We therefore seek to remove the £30,000 cut to Community Safety in 2017/18 and also to invest a further £30,000 in developing the PSPs and partnership working with the police force.

Cost - £60,000

Review of Public Toilet provision

Whilst we fully support a review of provision, we feel a target of £100,000 is ambitious, given alternative provision is not available in all locations. Where no suitable alternative is available, we would oppose the closure of any public toilets.

We believe that the review should seek to improve or replace council provision with partnership arrangements with Scotrail (for toilet provision at Midlothian's stations) and Lothian Buses (for driver facilities).

We therefore propose a reduced target of £40,000 saving from the review.

Cost - £60,000

Close Penicuik Recycling Facility

The impact of closing this facility extends beyond the obvious one of reducing the incentive to recycle. Fly-tipping is already an increasing problem in the wake of increased bulky uplift charges, and the need to travel across county from Penicuik to Stobhill will only add to congestion and pollution on our roads.

Cost - £100,000

Walking distance to schools

The impact of making the proposed change would be to encourage more dropping off of children attending local schools, exacerbating an already growing problem. We therefore seek to remove this change.

Cost - £38,000

Ring-and-go service

This service is a lifeline to those living in rural areas with little or no public transport. Given the importance of the facility to those who may have no alternative, we seek to remove the cut.

Cost - £10,000

Council owned Renewable Energy

With the reduction in subsidies for the generation of renewable energy, the economics in this area have changed markedly over recent years. However, the cost of installation both of generation and storage are dropping steadily and council owned renewables are once again becoming a viable investment.

The medium to long term economic viability is driven by the reducing installation costs, recognition that the technologies involved are now mature, and the increasing wealth of expertise in the development of local council renewable energy projects across the UK. Coupling this with what now seems to be the end of cheap oil, energy prices in general are now expected to rise well above the rate of inflation over the next few years.

Added to this is the drive to reduce fuel poverty, in the case of domestic Solar PV installations, and the need to reduce carbon emissions by the council.

Based on documentation produced by APSE Energy, even assuming no subsidies are available, investment now in Solar PV is once again becoming a worthwhile medium to long term investment.

We therefore propose a major programme of work by Midlothian Council, funded from the £4 million set aside for Business Transformation, to investigate and develop council owned renewable energy.

This would require a new theme within the Business Transformation programme, dedicated to Green Energy generation (including the possible setting up of an ESCO). It would investigate the feasibility of, but not restricted to, the following –

- Large and small scale Solar PV farms (up to those of the order of 50,000 panels, equating to around 10 MW)
- Use of council land, council buildings, council houses, joint ventures (with neighbouring councils, land owners, private house owners, etc) – including use of capped landfill sites, ‘canopies’ on large car parks (e.g. at Park & Ride facilities, railway stations and supermarkets)
- Private wiring to council buildings, larger scale consumers and new housing estates
- Storage (electrical, hydro, or using old mine workings for thermal or gravitational)
- Wind turbines, possibly as a joint venture with neighbouring councils
- Hydro energy – potentially in collaboration with community groups

Developing expertise in this area will also provide a useful resource for community groups wishing to invest in renewables.

Estimates from APSE Energy suggest that within two years, annual income of around £250,000 could be anticipated from a single large scale Solar PV farm.

Our intention would be to target a minimum of £300,000 net income in 2018/19 with substantial increases thereafter, particularly as energy prices continue to rise.

Income (from 2018/19) - £300,000+

Proposed Green Party motion.

We therefore propose the following amendment to Council in respect of item 8.5 Financial Strategy 2017/18 to 2021/22.

- a) In respect of recommendation h) to approve the savings proposals set out in appendix 3 with the exception of:
 - x. Appendix 3a item 5 - Charging for Instrument Tuition
 - xi. Appendix 3a item 13 – Penicuik Recycling Facility
 - xii. Appendix 3a item 22 – Walking distance to school
 - xiii. Appendix 3a item 23 – Ring and Go
- b) In respect of appendix 3a item 5, Music Tuition, To ensure that funding for this is directed from the recently announced schools' attainment funding.
- c) In respect of appendix 3a item 9, Community Safety Review, to reject the cut and invest a further £30,000
- d) In respect of appendix 3a, item 30, Public Toilet Review, to reduce the savings target for the review by £60,000.
- e) In respect of recommendation i) Approve the proposals in respect of fees and charges as detailed in appendix 4.
- f) In addition to move that Council agree to include a Renewable Strand in the Business Transformation Programme and Instruct the Director, Resources to report back to the next Council meeting.
- g) Otherwise agree the other recommendations a) to g) and j) to m).

Summary

<u>Income</u>	2017/18		2018/19	
Additional Income				
Renewable Energy	-		300,000	
Total Income		-		300,000
<u>Expenditure</u>				
Additional Expenditure				
Community Safety Review	60,000		60,000	
Public Toilet provision	60,000		60,000	
Penicuik Recycling Centre	100,000		100,000	
Walking Distance	38,000		62,000	
Ring and Go	10,000		10,000	
Total Expenditure		268,000		292,000

Independent

*Suggested conditions for Cllr Peter de Vink to support the Budget 2017/18:
Midlothian Council ("Council") meeting 20th December 2016*

- 1 Council notes the budget deficit originally stated in our Auditor's 2014/5 Report at a cumulative £31M and it expected to increase to £37M by 2020/1
- 2 Council notes that serious slippage has occurred in the Transformation Programme such that only £0.9m of a planned £1.8m savings has been made
- 3 Council notes that £126m of labour cost (as stated by the Head of Finance and Integrated Service Support) within the Council, falls to be set against net expenditure of £219.7m in the audited Income and Expenditure statement for the year ended 31 March 2015, a ratio of 57.4%
- 4 At the gross £248.6m expenditure level (excluding HRA expenditure but retaining Housing Services expense) the ratio is still in excess of 50%
- 5 Council notes that this proportion appears in excess of other Scottish Local Authorities and it is not apparent that a radical change has occurred in the year ended 31 March 2016

It is proposed that in conjunction with setting the Budget Council commissions an in depth investigation into these apparent anomalies.

- 6 The investigation should aim to set out a like-for-like basis, examining the impact of contracted-out activities in other councils, the effect of the Council's public housing programmes, the relative hourly rates in directly owned operating subsidiaries, absentee rates, early retirement settlements, pay and grading anomalies and any related matters which may have had the effect of disadvantaging Midlothian by way of unjustified labour costs
Additional work should be undertaken on the impact of the rise in minimum wage from an effective £8.33/hr to £9 (council staff) and £7.20 to £9.00 (contractors) by 2020. The calculation should reflect increased Council obligations caused by anticipated housebuilding and infrastructure requirements in the period
- 7 The investigation should also carry out a high-level assessment as to the degree to which Midlothian has utilised on-line services to streamline its processes, compared to other Councils
- 8 Council notes and agrees with the view of the Accounts Commission in "An Overview of Local Government in Scotland 2016"
"Most Councils have reduced their workforces to save money, and many are planning further staff reductions. In doing so they need to ensure they have people with the knowledge, skills and time to design, develop and deliver effective services in the future
Councillors should:
Ensure their Council continues to develop workforce strategies and plans that clarify the numbers and skills of staff needed in future"
- 9 Council further notes in that Report that:
"Some councils are now making compulsory redundancies to reduce costs and better manage their workforces. For example, **over half** of councils now have policies that allow them to make compulsory redundancies if necessary."
- 10 In the light of the results of the investigation the Council should evaluate the NCRP position in the interests of the electorate who are also our customers and as taxpayers are entitled to value for money
- 11 The Budget should not be finally adopted until the Council is able to confirm on an informed basis that it is considering the path set out by Audit Scotland regarding workforce management and longer term budgeting.

12 *Proposed actions:*

The Council will consider all appropriate workforce management approaches so as to achieve the optimum fit between the relevant staff skill sets and the future service demands for local government and take in account technological advances. The aim of best value for Midlothian customers and taxpayers will guide the study.

The Council agrees to consider Audit Scotland advice as to the policies necessary to secure its longer term financial stability and will set the 2016/7 Budget in the light of the same

The Investigations will be made public in the week starting 6th March 2017 and it will be discussed in the March Full Council Meeting

All Councillors and the Chair of the Audit Committee will be invited to contribute to the findings of the Investigations and the benchmark should not be what other Councils achieve but we will be ambitious and take as our benchmark private enterprise

A copy of this document will be appended to the minute of this meeting of the Council along with a note of Councillor de Vink's speech.

*Councillor Peter de Vink
Midlothian East
20 December 2016*