

Notice of Meeting and Agenda



Midlothian Council

Venue: Council Chambers,
Midlothian House, Dalkeith, EH22 1DN

Date: Tuesday, 15 November 2022

Time: 11:00

Executive Director : Place

Contact:

Clerk Name: Democratic Services

Clerk Telephone:

Clerk Email: democratic.services@midlothian.gov.uk

Further Information:

This is a meeting which is open to members of the public.

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1 Welcome, Introductions and Apologies

2 Order of Business

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

3 Declaration of Interest

4 Deputations

5 Minutes

5.1	MInute Midlothian Council 4 October 2022	5 - 22
5.2	MINUTE Special Midlothian Council for 27 September 2022	23 - 26
5.3	Minute Volume Index - 15 November 2022	27 - 28
5.4	Private Minute Volume Index 15 November 2022	
5.5	Midlothian Council Action Log - 15 November 2022	29 - 32

6 Questions to the Council Leader

No items for discussion

7 Motions

No items for discussion

8 Public Reports

8.1	Midlothian Council Strategic Plan 2023 - 2028 Report by Chief Executive	33 - 52
8.2	Financial Monitoring 2022/23 – General Fund Revenue Report by Chief Financial Officer (Acting)	53 - 66
8.3	General Services Capital Plan 2022-23 Quarter 2 Monitoring Report by Chief Financial Officer (Acting)	67 - 80

8.4	Housing Revenue Account - Revenue Budget and Capital Plan 2022_23 Report by Chief Finance Officer (Acting)	81 - 88
8.5	Early Learning and Childcare Funding Rate 2022-23 Report by Executive Director Children, Young People & Partnership	89 - 98
8.6	Appointment of Representatives to Outside Bodies - Midlothian Twinning Association– Executive Director Place	99 - 102
8.7	Social Work Annual Report 2021-2022 by Chief Social Work Officer	103 - 106
8.8	Midlothian Strategic Housing Investment Plan 2023_24 to 2027_28 Report by Executive Director Place	107 - 146
8.9	Capacity increase to Replacement Beeslack CHS Report by Executive Director Childre, Young People & Partnerships	147 - 152
8.10	Proposed Revised schedule of meeting dates January to June 2023 Report by Executive Director Place	153 - 158
8.11	Webcasting Meetings of Council and its Committees Report by Executive Director Place	159 - 164

9 Private Reports

9.1 Appointment of Interim Chief Officer Corporate Solutions Report by Executive Director Place

- 1. Information relating to a particular employee, former employee or applicant to become an employee of, or a particular office holder, former office-holder or applicant to become an office-holder under, the authority.
- 7. Information relating to anything done or to be done in respect of any particular person for the purposes of any of the matters referred to in section 27(1) of the Social Work (Scotland) Act 1968 (providing reports on and supervision of certain persons).

9.2 Poltonhall Artificial Pitches Refurbishment and Extension - Budget Expenditure update Report by Executive Director Place

- 6. Information relating to the financial or business affairs of any particular person (other than the authority).
- 9. Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

10 Date of Next Meeting

The next meeting will be held on 13 December 2022

Minute of Meeting



Midlothian Council

Date	Time	Venue
4 October 2022	11.00 am	Council Chambers, Midlothian House

Present:

Provost McCall (Chair)	Depute Provost McManus
Councillor Parry – Council Leader	Councillor Cassidy – Depute Council Leader
Councillor Curran	Councillor Bowen
Councillor Drummond	Councillor Imrie
Councillor McEwan	Councillor McKenzie
Councillor Milligan	Councillor Pottinger
Councillor Russell	Councillor Smail
Councillor Scott	Councillor Winchester
Councillor Virgo	

In attendance:

Dr Grace Vickers, Chief Executive	Fiona Robertson, Executive Director Children, Young People & Partnerships
Kevin Anderson, Executive Director Place	Alan Turpie, Legal and Governance Manager/Monitoring Officer
Gary Fairley, Chief Officer Corporate Solutions	Nick Clater, Head of Adult & Social Care
Derek Oliver, Chief Officer Place	Fiona Clandillon Head of Development
Saty Kaur, Executive Business Manager	Lynn Cochrane Communications Team Leader
David Gladwin Financial Services Manager	Annette Lang , Strategic Service Re-Design Manager
Gordon Pollock, Project Director Zero Waste Edinburgh and Midlothian	Myra Forsyth Quality and Scrutiny Manager
Edel Ryan , Senior Manager Protective	

Marco Reece-Heal Business Analyst	Mike Broadway , Democratic Services Officer
Ross Neill, Democratic Services Team Leader	Andrew Henderson , Democratic Services Officer

1. Welcome and Apologies for Absence

The Provost welcomed everyone to the meeting reminding all that it was a public meeting being webcast live.

Apologies for absence were intimated on behalf of Councillor Alexander, Morag Barrow, Mrs Morton & Mrs Lawrie.

The Provost then asked all to stand and in memory of Her Majesty the Queen's Elizabeth II's passing.

Councillor Leader Parry offered words of condolence on behalf of Midlothian Council and best wishes to Charles III and the royal family. She reminded all present of the visit the late Queen made to Midlothian earlier in her reign. She thanked the people of Midlothian for all the tributes and council staff for providing opportunities for the public to note their condolences.

Councillors Milligan and Virgo also offered condolence to the Royal family. Both noted that the late Queen was a fantastic public servant whose duty to the country will be missed.

The Provost echoed all sentiments by fellow councillors adding her own condolences.

2. Order of Business

The Provost advised the order of business as per the agenda noting 9.2 had been withdrawn

3. Declarations of interest

None

4. Deputations

None received.

5. Minute of Previous Meeting

No.		:
5.1	MINUTE Midlothian Council for Approval 23 Aug 2022	Executive Director Place
Questions to Officers		
Accepted as a clear and fair record		

Midlothian Council Minute 23 August 2022
Private Midlothian Council Minute 23 August 2022

Proposed Councillor Parry
Seconded Councillor Smaill

Decision

Approved

Action

All to Note

No.		:
5.2 & 5.3	Minute Volume	Executive Director Place
Questions to Officers		
5. 2 Minute Volume Index - 04 October 2022 5.3 PRIVATE Minute Volume Index - 04 October 2022		
All members were satisfied the action log was up to date and in order.		
Both proposed and seconded by		
Councillor Parry Councillor Milligan		
Decision		
All to Note		
Action		
None		

No.		:
5.4	Action Log Update	Executive Director Place
Questions to Officers		
All members were satisfied the action log was up to date and in order.		
Councillor Milligan asked if there would be an update to future Council meetings concerning the levelling up fund. He requested it focus on areas that 'Are left behind', aimed primarily at areas of Midlothian deemed deprived.		
Mr Anderson responded that this would be presented later in the year and had been submitted and the Council was awaiting the outcome of that.		
Decision		
All to Note		
Action		
None		

6. Question to the Leader of the Council

None

7. Notices of Motion

None

8. Reports

Report No.	Report Title	Report by:
8.1	MLC Annual Audit Report 2021-22	Report by EY, Chief Officer Corporate Solutions
Outline of report and summary of discussion		
<p>This report has been prepared in accordance with Terms of Appointment Letter from Audit Scotland dated 31 May 2016 through which the Accounts Commission has appointed us as external auditor of Midlothian Council (the Council) for financial years 2016/17 to 2021/22. As a result of the impact of Covid-19 our appointment was extended by a further 12 months to include the financial year 2021/22. We undertake our audit in accordance with the Local Government (Scotland) Act 1973 and our responsibilities as set out within Audit Scotland's Code of Audit Practice. This report is for the benefit of the Council and is made available to the Accounts Commission, the Controller of Audit and Audit Scotland. This report has not been designed to be of benefit to anyone except the recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the recipients, even though we may have been aware that others might read this report.</p> <p>Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.</p> <p>Mr Fairley spoke to the report in the absence of EY representatives he noted it provides an unqualified opinion. There is no change to the reserve provision, financial sustainability is highlighted in 'Red' due to the current uncertainty. He added that since last year the financial management has moved from green due to the current transition period. Best value is currently making good progress.</p> <p>Councillor Parry thanked EY for the report and the former independent Chair of the Audit Committee, she added that a large part of the uncertainty is out with the Councils control.</p> <p>Both Councillor Parry and Smaill suggested that in future the language within the report be plainer to allow it to be more accessible to the public. Councillor Smaill also noted a reduction in surplus and asked for this to be explained.</p> <p>Mr Fairley responded that there are certain accountant etiquettes that must be followed and are a requirement of the accountancy code. That said, the summaries within the report do attempt to simplify the more technical aspects of the report.</p>		

Councillor Milligan echoed his Colleagues comments stressing that it is important now in light of the very challenging times that every penny is accounted for.

Proposed by Councillor Parry

Seconded by Councillor Small

Decision

None

Action

All to Note

Report No.	Report Title	Report by:
8.2	Midlothian Council Strategic Plan 2022-2027 and associated Medium Term Financial Strategy 2023-24 to 2027-28	Chief Officer Corporate Solutions
Outline of report and summary of discussion		
<p>Midlothian Council Strategic Plan 2022-2027, <i>A great, green place to grow: where people and the environment flourish</i></p> <ol style="list-style-type: none"> 1. <i>Inclusive, Empowered, Resilient and Safe Communities:</i> 2. <i>All children, young people, adults and communities in Midlothian are supported to be the best they can be</i> 3. Health and Social Care Transformation 4. Accelerating Inclusive Growth 5. Carbon Neutral by 2030: <p>The aim of developing a Medium Term Financial Strategy continues to be that of providing a multiyear strategy aligned to the development and approval of the Midlothian Council Strategic Plan 2022-2027, <i>a great, green place to grow: where people and the environment flourish</i>. It seeks to support the Council in fulfilling its statutory duty to set a balanced budget and determine Council Tax levels annually. In that respect, the final budget for 2023/24 will be updated to reflect the actual position for Scottish Government grant and Council Tax policy once the Scottish Government's budget bill and the associated finance circular are published either late in 2022 or potentially early 2023. As updates are brought to Council a reassessment of pay and inflation provisions will be made taking cognizance of the Scottish Government Public Sector pay policy and the extent to which this is reflected in the grant settlement.</p> <p>Recommendations –</p> <p>Council is asked, on the recommendation of the Business Transformation Steering Group, to:-</p> <ol style="list-style-type: none"> a) Note the draft of the Midlothian Council Strategic Plan 2022-2027, <i>A great, green place to grow: where people and the environment flourish</i> as set out in appendix B to this report and endorse moving forward with a period of communication, engagement and consultation with communities on the draft strategic plan in the context of the challenging financial outlook; b) Agree to receive a further report on the outcome of the communication, engagement and consultation with communities; c) Note the operational saving measures set out in appendix C; 		

- d) Note the adoption a range of additional transformation focused activity as set out in the report. In doing so agree that additional capacity to progress these at pace is funded from the set aside business transformation funds/capital receipts flexibility;
- e) Note that a further report will need to be presented to Council to formalise the compliance requirements set out in Finance Circular 2/2022 in respect of the use of the capital receipts flexibility;
- f) Note that the work of The Business Transformation Steering Group will continue to give consideration to further measures necessary to support the delivery of balanced budgets before any policy measures are presented to Council;
- g) Note that the financial outlook remains challenging for this term of Council and note the recommendation of the external Auditor that, *“as a matter of urgency, officers and elected members need to work together to develop and agree the medium-term financial strategy and progress the Council’s transformation plans”*.

In addition to the recommendations of Business Transformation Steering Group:-

- a) Note the update on Scottish Government grant prospects incorporating the additional measures, which support the 2022/23 pay negotiations including additional grant together with the exploration of funding flexibilities.
- b) Note the direct implications arising from the UK Government fiscal event on 23 September 2022 and that an update to the Scottish Governments budget is expected to follow;
- c) Note the potential for a delay in the publication of the draft Scottish Government budget for 2023/24 and associated grant settlement for Councils as a consequence of the timing of the UK Autumn Budget Statement;
- d) Note the update on the position with 2022/23 pay claims and future pay provisions and the associated impact for the period of the Medium Term Financial Strategy;
- e) Delegate to the S95 Officer, in consultation with the Leader of the Council authority to implement the most appropriate mechanism to utilise the additional capital grant being provided in 2022/23 and 2023/24 to part fund increased pay bill costs;
- f) Note the update in respect of fiscal flexibilities;
- g) Note that the underlying budget gap for 2022/23 is now projected to be £11.730 million and that as a consequence of both the inflationary increase in costs and cash flat grant settlements the projected budget gap for 2023/24 now stands at £13.4 million rising to a projected £26.2 million by 2027/28;
- h) Otherwise note the remainder of the report.

Dr Vickers introduced the report noting that it followed on from a previous report, adding it is imperative that all work together to face the challenges, risk & uncertainty ahead. The report outlines the budget gap 23/24 of approximately £13 million through to 27/28 where it will rise to approximately £26 million. It is recommended within the report that the new draft 5 year strategy go out for consultation.

Drawing attention to Section 9 of the report, Dr Vickers noted it covers the cost saving measures, and the Capital grant. She noted again the challenges and complexities contained with the report.

Mr Fairley spoke in depth to report focusing on key areas noting again the financial challenges and projections. He also noted the work on savings covered by the Business Transformation Steering Group (BTSG).

Mr Fairley spoke to Section 5, this covers the Scottish Government Grant Prospects and noted the mechanism to use the capital grant, and this comes in a very challenging environment as outlined in the previous report by EY. The projection includes uncertainty over pay rises and if there is any increase in Government funding. Work is continuing to fully establish all the implications post pandemic in partnership with Audit Scotland. The budget gap is described in detail and predicts future years before any rent increase or any other funding.

Members agreed this is the most challenging of times, the public through communications need to be encouraged to participate in the consultation. At present all efficiencies have already been made and services in some areas reduced. The public must be made aware of Statutory services. No decision made by Councillors will be made lightly.

There was debate around the wording of certain targets and commitments and although items such as reduction in child poverty were to be achieved they should be striven for.

Councillor Milligan felt the strategic plan for 2022 to 2027 needed to be rewritten

Councillor Parry suggested it return to BTSG

Councillor Virgo agreed that some of the targets within the plan are aspirational and not commitments and a re-write was in order.

All groups content for BTSG to review and draft a re-write of the 5 Year strategic plan.

Councillor Parry proposed the report and its recommendation with the exception of 1A - the 5 year strategic plan

Councillor McKenzie seconded

Decision

Agreed

Action

5 year Strategic Plan passed to BTSG for further work and a re-write

Report No.	Report Title	Report by:
8.3	National Public Holiday for HM The Queen's Funeral Report	Executive Director Children, Young People and Partnerships
Outline of report and summary of discussion		

The Council is asked to approve the recommendation to change the planned school holiday day of 19 September 2022 to Monday 24 October 2022 and the Staff Development day scheduled for 24 October 2022 to Tuesday 25 October 2022.

Recommendation –

To seek the Council's approval to re-arrange the pre-existing school holiday scheduled for 19 September 2022 to Monday 24 October 2022, in light of the national bank holiday on 19 September to mark the State Funeral of HM Queen Elizabeth II.

Ms Robertson spoke to the report noting the Scottish Government is expected to give consent, it was also in lined with neighbouring local authorities and would result in one less learning day.

Councillor Parry proposed
Councillor Virgo seconded

Decision

Agreed

Action

None

Report No.	Report Title	Report by:
8.4	Standing Order 19.2 Decision Report	Chief Executive
Outline of report and summary of discussion		
The purpose of this report is to advise the Council of the decision taken by the Chief Executive in consultation with the Leader of the Council in terms of Standing Order 19.2.		
Recommendation –		
Council is invited to note the terms of this report.		
Dr Vickers introduced the paper drawing attention to key areas for noting.		
Councillor Parry thanked all staff who had to make other provisions on the day		
Decision		
None		
Action		
All to Note		

Report No.	Report Title	Report by:
8.5	Midlothian Cares Practical Support Measures Identified Report	Strategic Service Re-Design Manager
Outline of report and summary of discussion		
The purpose of this report is to explore the potential mitigating actions Midlothian Council could take to support local people experiencing additional challenges from the cost of living crisis. The report also sets out some immediate recommended		

actions and others for further exploration to enable a fuller assessment of cost, impact and deliverability.

The report also contains a communications plan of how we will ensure local people are made aware of the additional supports available through the Midlothian Carers Communication Plan, as well as a Calendar of Activity for Challenge Poverty Week.

Recommendations –

- Note the range of time limited crisis mitigation measures outlined in the report, and
- Note the time limited review timescales for these measures due to rapidly changing landscape and pressures
- Agree to take forward some immediate measures in advance of winter from utilisation of £118,013 (22/23) from earmarked Covid funding on the basis that it supports wellbeing.
- Note the launch of Midlothian Cares Communication Plan including pledges from Local Businesses and Organisations
- Note and promote the Calendar of Activities for Challenge Poverty Week.

Ms Lang spoke to the report highlighting the decisions of the Task Force and the work ongoing by Council Services & partners, she noted it sets out short term and long term goals for consideration.

Members thanked all for their contribution of the 3rd sector partners and others who worked closely with Council services providing assistance for the most vulnerable in the community. That vulnerable will also need to be regularly re-assessed

Ms Lang agreed that the projections predict household with incomes of £40k may begin to be affected by the Cost of Living increases. Therefore the definition will need to be flexible.

Councillor Imrie asked if every penny goes to those in need.

Ms Lang confirmed that it does but partners do incur running costs and 15% is attribute to those costs which include fuel, Facilities, photocopying etc. This figure has been benchmarked with other funding.

Members asked further questions concerning information exchange protocols between Partners to combat fraud. Also the provision of school meals in particular children not eating them.

Ms Lang confirmed that within the limits of General Data Protection Regulation (GDPR) legislation there is information sharing and regular checks. The Cost of Living Task Force also has two head teachers present who will provide a briefing to the group in due course.

Ms Robertson added that the school uniform provision is out to consultation, it covered a number of options to reduce costs that would be considered. Food standard for school meals is set by the Scottish Government and is very strict.

A monthly audit of how the finds are distributed and spent was requested by Members.

Ms Land confirmed that partners already had a reporting template in place

Councillor Curran suggested that once the results of the School uniform consultation were back and policy on school uniforms could be drafted.

Ms Robertson confirmed a report will be presented to Council in due course

Councillor Parry proposed
Councillor Scott seconded

Decision

Agreed

Action

Audit of funding distribution report – Annette Lang

Report No.	Report Title	Report by:
8.6	Housing Revenue Account – Rent Setting Strategy 2023-24 - 2025-26 Report	Executive Director Place
Outline of report and summary of discussion		
<p>This report presents rent setting strategy options for future rental charges for council housing from April 2023, which in turn will support the continuing investment in the Council's existing Housing stock and will determine the level of new build investment beyond the Council's current social housing programme commitment.</p> <p>Recommendation –</p> <p>It is recommended that Council approves the Rent Setting Strategy options for 2023/24 – 2025/26 for consultation. Following approval the options will be subject to consultation with all Midlothian Council tenants and waiting list applicants during the Winter 2022 period. The consultation outcomes and a recommended option will be reported back to Council in February 2023.</p> <p>Mr Anderson spoke to the report noting council housing demand will increase, he also drew member's attention to the potential rent increase required in 2023 to 2026, adding that there has been a rent freeze for 2 years.</p> <p>Councillor McKenzie thank Mr Anderson and his team adding his support for a public consultation.</p> <p>Councillor Curran asked how the Scottish Government decision affect the house building.</p> <p>Mr Anderson replied that there is already an overspend position for the end of the year. We can however go back to the Scottish Government in light of any rent freeze anticipate an increase in social housing demand.</p> <p>Councillor Smaill suggested that the 4.1% rent increase anticipate should be made clearer.</p> <p>Mr Anderson agreed to incorporate that into the public consultation</p>		

Councillor McKenzie proposed the report
Councillor Curran seconded

Decision

Agreed

Action

Clearly communicate the anticipated 4.1% rent increase within the Public Consultation – Mr Anderson

Report No.	Report Title	Report by:
8.7	Midlothian Council's Housing Services Assurance Statement 2022, Report	Executive Director Place
Outline of report and summary of discussion		
<p>To comply with the Scottish Housing Regulator's (SHR) Regulatory Framework, the Council must approve and submit an Annual Assurance Statement (AAS) each year providing assurance that it is meeting legislative and regulatory standards for social housing in Scotland.</p> <p>This report explains the Regulatory Framework and appends an Assurance Statement for approval by Council. The AAS confirms the Council fully meets the SHR required standard and outcomes.</p> <p>Following Council approval, the AAS will be published on the SHR and Midlothian Council's websites.</p> <p>Recommendations –</p> <p>Council is recommended to approve the Housing Services Annual Assurance Statement 2022, as attached at Appendix B, for submission to the Scottish Housing Regulator by 31 October, 2022.</p> <p>Mr Anderson introduced the report and detailed key areas within the paper.</p> <p>Councillor Curran proposed the Report Councillor Parry seconded</p>		
Decision		
Agreed		
Action		
None		

12.29 pm Provost announced a short recess

12.45 pm All returned

Report No.	Report Title	Report by:
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8.8	Mayfield Town Centre Regeneration Close-out Report on Community Led Project	Head of Development
Outline of report and summary of discussion		
<p>The purpose of this report is to provide Council with a closing out report on the Mayfield In It Together (IIT) project following conclusion of the Mayfield Town Centre Masterplan, as agreed in the October 2019 report to Council.</p> <p>Recommendations –</p> <p>a) Note the progress made in identifying the community's aspirations for improvements at Mayfield Town Centre and the significant achievement of the In It Together partnership who delivered this project;</p> <p>b) Note the content of the Masterplan and areas for improvement identified in the Mayfield Town Centre as a long term ambition by the local community and partners to deliver; and</p> <p>c) Note the proposed next steps:</p> <ul style="list-style-type: none"> • In It Together will continue to lead on the delivery of the project, taking steps to resource a development manager to develop a robust business case that reflects current priorities and context. • The In It Together group will continue to work with different partners, including Midlothian Council, setting out clear parameters and expectations in relation to their roles and responsibilities from the outset. • Midlothian Council will seek to develop a Place Brief as part of the Strategic Infrastructure Investment Framework, working with local partners to establish priorities in the local area. <p>Ms Clandillon spoke to the report and the aspects required to finish the current phase, noting the long term framework is for regeneration of the town centre using a cluster model. She asked members to acknowledge the significant progress and achievements made.</p> <p>Responding to a question concerning timescale Ms Clandillon said the ambition and scale is significant, emphasizes is on key areas that would make an impact but a further year would be required of further project development.</p> <p>Members welcomed the paper and thanked all involved for their efforts.</p> <p>Councillor Bowen proposed the report Councillor McKenzie seconded</p>		
Decision		
Agreed		
Action		
None		

Report No.	Report Title	Report by:
8.9	Vogie Country Park – feasibility update Report	Head of Development
Outline of report and summary of discussion		
<p>A report was requested from elected members on the current status of Vogie Country Park and to provide answers to the following:</p>		

- How many user groups utilise Vogrie Country Park?
- How much it costs Midlothian Council to run Vogrie Country Park year on year and what income is generated by the Park?
- What are the locations of the Core Paths around Vogrie?
- What is the estimated time for progressing any emerging investment strategy?

Recommendations –

- Note the findings of the User Survey and the contents of this report;
- Approve the use of £40,000 of Blueprint funding (in addition to the £10,000 previously allocated to Vogrie) to commission a landscape and access strategy for the site, noting that officers will ensure that the redirection of Blueprint Grant (£50,000) to fund this has the full written consent of Scottish Ministers prior to any expenditure being incurred;
- Approve the preparation of an updated Management Plan by Midlothian Council, which would be resourced internally by Land and Countryside team.
- Approve the allocation of £200,000 of the 2022/23 Place Based Investment Fund towards the upgrade of toilet facilities within Vogrie, as an immediate action in response to the User Survey;
- Support the continued exploration of revenue streams that are complementary to an overall vision and ambition to utilise the asset of Vogrie Country Park.

Ms Clandillon noted that the completed report follows work completed in 2018, adding a wide range of groups currently use the park and asked members to consider the long term recommendations to improve the facilities included within the report.

Members thanked all who took part in the consultation adding that they would like to see further ambitious proposals in future. Also members noted that there are current issues with parking also that more visitors are likely to increase pressure on the residents of Dewarton adjacent to the park.

Ms Clandillon confirmed the parking issue has been noted and will be addressed in the future.

Councillor Parry moved to accept all recommendations
Councillor Scott seconded

Decision

Agreed

Action

None

Report No.	Report Title	Report by:
8.10	Brexit and COVID-19 – An Economic Assessment for Midlothian Council, Report 7 of 164	Chief Officer Place

Outline of report and summary of discussion

In March 2022, Midlothian Council commissioned Ekosgen to undertake an analysis of the economic impact of Brexit and the COVID-19 pandemic on Midlothian's economy.

Ekosgen's report (Appendix B) presents an analysis of challenges, opportunities and strategic priorities that will enable the Council, along with its strategic partners, to respond to the impacted economic landscape through a refreshed economic strategy.

This report summarises the key findings and the strategic priorities that are recommended to be taken forward through a new Economic Strategy.

Recommendations –

- Note the contents of the Economic Assessment;
- Endorse the ten strategic priorities listed within the Economic Assessment and summarised in Sections 3.9 to 3.18 of the report;
- Approve the creation of a new Economic Strategy for Midlothian, to be presented to Council for approval in early 2023.

Mr Oliver highlighted aspects of the reports analysis on the much changed circumstances to allow future planning. A further report will be presented in 2023.

Councillor Imrie pointed out that the report endorses the actions we would need to take anyway

Members discussed the issues and factors that affect one area of Midlothian but not another noting that some business models within the county are more resilient than others, the changing face of town centres being one example. In general members welcomed the report and noted the challenging funding situation and how funds are allocated.

Mr Oliver responded that Midlothian is made aware of what funding is available and in certain circumstances have time to present projects making them ready for submission. Applications for levelling up and Prosperity funding were still awaiting a decision. The strategy going forward will include all possible funding options.

Councillor McKenzie asked if the weaker £ affects the Council?

Mr Fairley confirmed the Council doesn't have a huge exposure to financial fluctuations but simply put, money doesn't go as far as it did before.

Councillor Parry moved to accept all recommendations

Councillor Cassidy seconded

Decision

Agreed

Action

None

8.11	Short-Terms Let Licensing Policy for Midlothian Council for Consideration and Adoption Report	Chief Officer Place
Outline of report and summary of discussion		
<p>The report provides details of the attached Short-term Let Licensing Policy for Midlothian Council. It provides members with information on the new powers which have been given to local authorities to regulate short term lets in the form of a licensing scheme. An appended report details the public consultation which took place regarding this policy, the responses received and the action taken as a result.</p> <p>Recommendation –</p> <ul style="list-style-type: none"> • Note the terms of this report; and • Adopt the Short-term Lets Licensing Policy for Midlothian Council <p>Mr Oliver presented the report to members</p> <p>Councillor McKenzie moved to accept the report Councillor Virgo seconded</p>		
Decision		
Agreed		
Action		
All to Note		

Report No.	Report Title	Report by:
8.12	Voluntary Community Asset Transfer, Report	Executive Director Place
Outline of report and summary of discussion		
<p>The purpose of the report is to advise Council that CATs may be achieved by agreement between the Council and community groups without requiring such groups to submit a formal application in terms of the Community Empowerment (Scotland) Act 2015, subject to compliance with the Disposal of Land by Local Authorities (Scotland) Regulations 2010 and related Scottish Government guidance. A similar report was considered by the CAT Committee at its meeting of 24 February 2022 when it was agreed to refer the matter to Council for further consideration. This report includes revisions which were suggested by the CAT Committee.</p> <p>Recommendations –</p> <p>(a) Note the terms of this report; and</p> <p>(b) Approve a revision to the current practice for Community Asset Transfers (CATs) and allow a voluntary approach to be adopted, where appropriate, as an alternative to the formal process under the Community Empowerment (Scotland) Act 2015.</p> <p>Mr Anderson spoke to the report in particular Section 3, outlining the existing process of changing/ varying the scheme. Mr Anderson confirmed that the statutory process is being used.</p> <p>Councillor Parry moved to the report Councillor Milligan seconded</p>		
Decision		

Agreed
Action
None

Report No.	Report Title	Report by:
8.13	Scottish Government Funding for Children's Outdoor Play Refurbishment of Play Areas, Report	Chief Officer Place
Outline of report and summary of discussion		
<p>The purpose of this report is to advise on the proposed expenditure of £0.097 million across the council play estate to replace equipment that has either been removed or requires replacement along with appropriate safety surfacing and where required an access path to the refurbished play area in accordance with equalities legislation.</p> <p>Recommendations –</p> <ul style="list-style-type: none"> • A capital expenditure budget of £0.097 million in the General Services Capital Plan, to be fully phased in 2022/23 and to be fully financed by £0.097 million of Scottish Government Capital Grant funding; • Subject to Council approval, the proposal to install the outdoor play equipment be progressed. <p>Mr Oliver introduced the report and referred to key areas contained within the document.</p> <p>Councillor Cassidy welcomed the report Councillor Winchester stipulate the paths must be wheelchair accessible</p> <p>Councillor Parry moved to accept the report Councillor Scott seconded</p>		
Decision		
Agreed		
Action		
None		

Report No.	Report Title	Report by:
8.14	Audit Committee – Independent Chair & Independent Non-Voting Member Report	Executive Director Place
Outline of report and summary of discussion		
<p>The council invited applications to the posts of Independent Chair and Independent Non-Voting Member of the Audit Committee. The roles are voluntary but expenses are paid. The appointments are at the council's discretion and are expected to run until the council elections in May 2027.</p> <p>Recommendation –</p> <p>Council is to note that no applications or notes of interest were received for the recently advertised roles of the Independent Chair and Independent Non-Voting</p>		

Member of the Audit Committee and is recommended to consider the alternative options available to;

- i) re-advertise the roles across an additional range of recruitment sources; or
- ii) continue with an elected member chair; or to
- iii) Address the matter in the Standing Orders review to potentially combine the committee remit into another relevant wider scope committee ie. a prospective Audit, Risk & Performance Review Committee.

Mr Anderson referred to the report noting the background and the current situation contained within the paper and that no applications for the position were received.

Councillor Parry moved recommendation 2
Councillor Cassidy seconded

Councillor Milligan queried whether a substitute council member could hold the position full time.

Mr Turpie responded that the governance could not be changed and that the current situation is just for the time being.

Decision

Agreed – Recommendation 2

Action

None

Report No.	Report Title	Report by:
8.15	Pupil Admissions Policy Update Report	Executive Director Children, Young People & Partnerships
Outline of report and summary of discussion		
<p>Following the conclusion of the 2022/23 P1 and S1 intake, the Children, Young People and Partnerships Business Support Team have been working to review, update and improve the admissions process. This report provides the updated revisions to the admissions policy. The main areas for approval are:</p> <ul style="list-style-type: none"> • The inclusion of the explanation around reserved places. • The process for late placing requests, including those with exceptional circumstances. • An explanation of what constitutes exceptional circumstances and how this is incorporated into the waiting list criteria. <p>Recommendation –</p> <p>This report seeks Council approval to the revisions made to the Admission to Primary and Secondary Schools policy</p> <p>Ms Robertson introduced the report highlighting key areas including how gratefully she was for the feedback from Parents and Elected Members.</p> <p>Councillor Scott moved to accept the report Councillor Virgo seconded</p>		
Decision		
Agreed		
Action		

None

Report No.	Report Title	Report by:
8.16	Appointment of Member to Champion the White Ribbon Campaign Report	Executive Director Place
Outline of report and summary of discussion		
<p>Midlothian Council has previously committed to the White Ribbon Campaign towards Men working to end Violence Against Women. White Ribbon Day is on 25th November, 2022 which correlates with the start of the 16 Days of Action. A programme being developed locally alongside the Violence Against Women and Girls Officer in the Midlothian & East Lothian Public Protection Team.</p> <p>Recommendation –</p> <p>The Council is invited to endorse a ‘champion’ as part of previously agreeing to support the White Ribbon Campaign initiative and it is recommended that role is assigned to Councillor Connor McManus to align with his portfolio as Equalities champion.</p> <p>Mr Anderson spoke to the report noting Midlothian Council’s long standing involvement and contribution.</p> <p>Councillor Winchester spoke about how pleased she was that Midlothian Council was continuing its involvement, she added that although this group focused on violence toward women al should note there are cases of violence towards men also.</p> <p>Members spoke of their ongoing commitment to this campaign and their unwavering support.</p> <p>Councillor Parry nominated Councillor McManus Councillor Curran seconded</p>		
Decision		
Councillor McManus Nominated		
Action		
None		

The Provost joined Dr Vickers in acknowledging Gary Fairley (Chief Officer Corporate Solutions) , who was attending his final Midlothian Council meeting, she wished him well in future endeavours and thank his long services and loyalty , all members echoed those sentiments.

Public Council Meeting ended at 13.45 pm

Date of Next Meeting Tuesday 15 November 2022 at 11am

Minute of Meeting



Special Midlothian Council

Date	Time	Venue
27 September 2022	09.30 am	via MS Teams

Present:

Provost McCall (Chair)	Depute Provost McManus
Councillor Parry – Council Leader	Councillor Cassidy – Depute Council Leader
Councillor McEwan	Councillor Bowen
Councillor Milligan	Councillor McKenzie
Councillor Smail	Councillor Pottinger (Private Section Only)
Councillor Scott	Councillor Virgo
Councillor Winchester	Councillor Curran
Councillor Russell	

In attendance:

Dr Grace Vickers, Chief Executive	Morag Barrow, Joint Director Health and Social Care
Kevin Anderson , Executive Director Place	Alan Turpie, Legal and Governance Manager/Monitoring Officer
Gary Fairley, Chief Officer Corporate Solutions	Sinead Urquhart Executive Business Manager
Marc Bedwell Executive Business Manager	Nick Clater, Head of Adult & Social Care
David Gladwin Financial Services Manager	Myra Forsyth Quality and Scrutiny Manager
Saty Kaur, Executive Business Manager	Marco Reece-Heel Business Analyst
Ross Neill, Democratic Services Team Leader	Mike Broadway, Democratic Services Officer

1. Welcome and Apologies for Absence

The Provost welcomed everyone to the meeting reminding all that it was a public meeting being webcast live.

Apologies for absence were intimated on behalf of Councillor Alexander and Milligan also Mrs Lawrie & Mrs Morton Religious Representatives to the Cabinet.

2. Order of Business

The Provost advised the order of business as per agenda

3. Declarations of interest

None

4. Deputations

None received.

5. Minute of Previous Meeting

None

6. Question to the Leader of the Council

None

7. Notices of Motion

None

8. Reports

Report No.	Report Title	Report by:
8.1	Hybrid Meetings of Council and its Committees	Executive Director Place
Outline of report and summary of discussion		
<p>The Cross Party Working Group meeting on 31 August 2022 considered Hybrid Meetings, combining in person and virtual participants. In discussing the matters members agreed that they would prefer to return to in-person meetings for certain Committee meetings, in particular Council meetings, and discussed the possibility of having the October Council Meeting in person.</p> <p>Also discussed was the governance around any decision to have the Council meeting of 4 October in person/hybrid with advice that this required a decision of Council, and therefore a Special Council prior to 4 October, 2022.</p> <p>Recommendation –</p>		

Council is advised that the “Short Life Working Group – Hybrid Meetings of Council and its Committees” recommends to Council that the previous default Remote Working decision for elected members governance meetings, implemented from June 2020, is now revised to permit an in-person meeting of Council on 4 October, 2022.

Mr Anderson introduced the report and outlined the recommendations noting this followed on from reports to BTSG and the options available as per the cross working party group.

Councillor Parry moved the report and its recommendations adding, for the record her thanks Councillors McEwan and Virgo, thanking all parties concerned with bring this report to Council. She added this facility could be used by other organisations.

Councillor Smaill also thanked the cross party group and its work. He asked if the expense could capitalised.

Mr Fairley confirmed the capital expenditure would be paid over a short period of time from the digital budget so no additional costs, it however would limit future digital projects. Any revenue costs would come from the revenue account.

Councillor Curran was happy to support the report.

Mr Anderson cautioned that Hybrid working would not be in place for Midlothian Councils meeting on the 4th of October, it would need to be either in person or virtual

Councillor Parry suggested this facility would most likely be used for selected public facing meetings, other meetings would best be served by using the virtual MS team’s model.

Councillor Cassidy seconded the report, urging everyone, where possible, to attend on the 4th October.

Agreed unanimously

Decision

Agreed

Action

All to Note

Public Council Meeting ended at 9.45 am

The meeting concluded at 9.50 am

Date of Next Meeting 4 October 2022

Midlothian Council Minute Volume



**Presented to the Meeting
of Midlothian Council
on Tuesday, 15 November 2022**

1 Minutes of Meetings submitted for Approval

MINUTE Special Midlothian Council for Approval 27 September 2022 3 - 6

MINUTE Midlothian Council for 4 October 2022 7 - 24

2 Minutes of Meetings submitted for Consideration

Approved Minutes for Noting, Information and Consideration of any recommendations contained therein

Audit Minute of 29 June 2022 25 - 34

Minute of Cabinet - 06 September 2022 35 - 42

Local Review Body Minute of Meeting 13 September 2022 43 - 48

Local Review Body Minute of Special Meeting 26 September 2022 49 - 54

Performance Review and Scrutiny Minute of Meeting 21 June 2022 55 - 62

Planning Minute of Meeting of 30 August 2022 63 - 70

Police Fire and Rescue Board Minute of Meeting 30 May 2022 71 - 78

PRIVATE Minute of BTSG 5 Sept 2022

PRIVATE Minute of Special BTSG 22 Sept 2022

3 Minutes of Meetings submitted for Information

Minute for Information

Minutes MIJB of 29 June 2022 Audit & Risk 79 - 84

MIJB Minutes 25 August 2022 85 - 94

Minutes of the Special MIJB held on 15 September 2022 95 - 100

Action Log

Midlothian Council
15 November 2022
Item 5.5



No	Subject	Date	Action	Action Owner	Expected completion date	Comments
1	Minute action - prospective crematorium development.	16/11/2021	Scope potential suitable sites for prospective crematorium development.	Chief Officer Place	February 2023	Report scheduled for February 2023 Council.
2	Motion Amendment – Loanhead Football Club	16/11/2021	Update the Sports Needs Assessment from 2016 and report to future council meeting	Head of Adult Social Care/ Sport & Leisure Manager	December 2022	Slight delay in report due to lack of response from some clubs. This issue has been proactively followed up and anticipated that report will be available at the end of year.
3	Motion - Infrastructure	14/12/2021	Report to Council Strategic Investment Framework	Executive Director Place	TBC	Strategic Infrastructure Investment Framework 2 nd stage review has commenced and full report shall be presented to Council when completed and available.
4	Minute Action - CCTV	14/12/2021	To Provide a Report outlining an expansion of sites for CCTV	Chief Officer Place	February 2023	Phase 1 Procurement & progressed. Phase 2 expansion needs further consideration with a report anticipated for February

No	Subject	Date	Action	Action Owner	Expected completion date	Comments
						2023 Council
5	Minute Action – Improving Energy efficiency by tackling Dampness, Condensation and improving ventilation	15/02/2022	Provide a Report to Council Additional Report – Update on Current Housing Stock that will not meet Energy Efficiency Targets	Chief Officer Place	February 2023	Work progressing. EESH2 Report scheduled for February 2023 Council.
6	Arm's Length Company to Manage Industrial Sites in Midlothian	28/06/2022	Explore and outline process for creating an Arm's length company	Head of Development	December 2022	Report scheduled for December Council
7	Risk Management Strategy Report	23/08/2022	Briefing for Councillors Virgo & McKenzie	Executive Director Place	30 September 2022	Completed. Meeting scheduled and further follow with Chief Officer Place
8	Wheelchair Accessible targets	23/08/2022	Opportunities that would increase targets	Executive Director Place	November 2022	Completed Added into the SHIP report in November 2022 in opportunities for other developments as they arise. Also scoped into the Local Development Review once commenced.

No	Subject	Date	Action	Action Owner	Expected completion date	Comments
9	Briefing - Trauma Informed practice	23/08/2022	Members Briefing on Trauma Practice and Mental Health First Aid	Head of Adult Services	TBC	Trauma training will be arranged when Trauma Lead is in post (recruitment currently in process). Mental Health Training can be provided by Health in Mid who can design bespoke half day training for elected members. Confirmation of date required and then can be arranged with Health in Mind.
10	Quality Scoping Report	23/08/2022	On the quality of builds over the last 10 years comparing all tendered projects including with those of HUB SE	Executive Director Place	TBC	Peer Review of Hub SE tender process completed. Separate commission procured for wider scope schools review since commenced.
11	5 year Strategic Plan	04/10/2022	5 year Strategic Plan passed to BTSG for further work and a re-write	Executive Director Place	November 2022	Completed. Included in November 2022 Council Agenda.
12	Midlothian Cares Practical Support Measures Identified Report	04/10/2022	Audit of funding distribution report	Strategic Service Re-Design Manager	November 2022	

No	Subject	Date	Action	Action Owner	Expected completion date	Comments
13	Housing Revenue Account – Rent Setting Strategy 2023-24 - 2025-26	04/10/2022	Clearly communicate the anticipated 4.1% rent increase within the Public Consultation	Executive Director Place	November 2022	Public consultation commenced in November 2022 and results report to Council in February 2023.
15						

Draft Midlothian Council Strategic Plan 2023 - 2028**Report by Dr Grace Vickers, Chief Executive****Report for Decision****1 Recommendations**

- 1.1 It is recommended that Council approves the appended Draft Draft Midlothian Council Strategic Plan 2023 – 2028 for consultation.
- 1.2 Following approval the consultation and engagement with Midlothian Communities and stakeholders will take place during the Winter 2022 period. The consultation outcomes and recommended options will be reported back to Council in February 2023.

2 Purpose of Report

- 2.1 This report presents strategic options for future service aims building on the learning and new ways of working that were adopted during the pandemic period, and to renew our focus on delivering our key priorities at the most local level possible.
- 2.2 Rooted in the creation of a wellbeing economy, the vision of our new 5 year strategy is committed to reducing inequalities in health outcomes, learning outcomes and economic circumstances while addressing the health of our planet.

Date: 4 November 2022

Report Contact:

Name : Kevin Anderson, Executive Director, Place

Tel No : 0131 271 3102

kevin.anderson@midlothian.gov.uk

3 Background

- 3.1 A wellbeing economy is an economy which puts people and the planet first. Midlothian aspires to be a socially, economically, and ecologically sustainable community by 2030. This is particularly critical as we respond to the ongoing Cost of Living Crisis.
- 3.2 Responding to the current cost of living crisis with the available resources, we aim to provide the right support at the right time to our communities through our strategic goals;
- 3.3 A wellbeing economy where our people and the environment flourish, as wellbeing economy which puts people and the planet first. Midlothian aspires to be a socially, economically, and ecologically sustainable community by 2030. This is particularly critical as we respond to the ongoing Cost of Living Crisis.
- 3.4 Fostering empowered, inclusive, resilient and safe communities. The principle encourages and enables flexibility to respond to local issues and circumstances in different places.
- 3.5 Supporting individuals and communities to be the best they can be. This will be achieved through a nurturing, respectful and collaborative approach that promotes wellbeing, equity, inclusion and lifelong learning.
- 3.6 Transforming health and social care. The Midlothian Health and Social Care Partnership brings together parts of Midlothian Council and NHS Lothian to help people in Midlothian live well and get support when they need it -from care homes to care at home, voluntary organisations to vaccinations.
- 3.7 Accelerating inclusive growth. As Scotland's fastest growing local authority area, Midlothian has a number of significant challenges and many opportunities which lie ahead. It is critical to deliver investment in community infrastructure, such as housing, the learning estate, economic investment and green infrastructure, in the right place at the right time. We will continue to bid for investment opportunities to help our communities live well, live locally and prosper.
- 3.8 The Council declared a climate emergency in December 2019 and stated its ambition to achieve Net Zero Carbon status by 2030. New emissions legislation (October 2019) commits the Scottish Government to achieving Net Zero Carbon status by 2045. This puts into context the scale of the challenge facing the Council and the transformational nature of the change required to achieve our 2030 target.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

Good governance requires that organisation structures are kept under review to ensure that they are fit for purpose, that they are congruent with the priorities set out in the Strategic Plan and the actions contained in the Council's Medium Term Financial Strategy and are designed to support the achievement of long term financial sustainability.

4.2 Digital

There are no current digital implications.

4.3 Risk

There are no current risk implications.

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

An IIA is not required at this time but shall be provided in the post consultation reporting process.

4.5 Additional Report Implications (See Appendix A)

See Appendix A

Appendices

Appendix A – Additional Report Implications

Appendix B – Background information/Links

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

We manage all aspects of our business so that customers receive services that provide continually improving value for the charges they pay.

A.5 Involving Communities and Other Stakeholders

A full consultation will be carried out with Midlothian Communities and stakeholders.

A.6 Impact on Performance and Outcomes

The Draft Strategy options support key objectives to improving and invest in council services.

A.7 Adopting a Preventative Approach

The Draft Strategy aims to reduce inequality, learning, health and education outcomes.

A.8 Supporting Sustainable Development

The Draft Strategy aims for ecologically and socially sustainable growth.

APPENDIX B**Background Papers/Resource Links** (insert applicable papers/links)

Draft Midlothian Council Strategic Plan 2023 - 2028

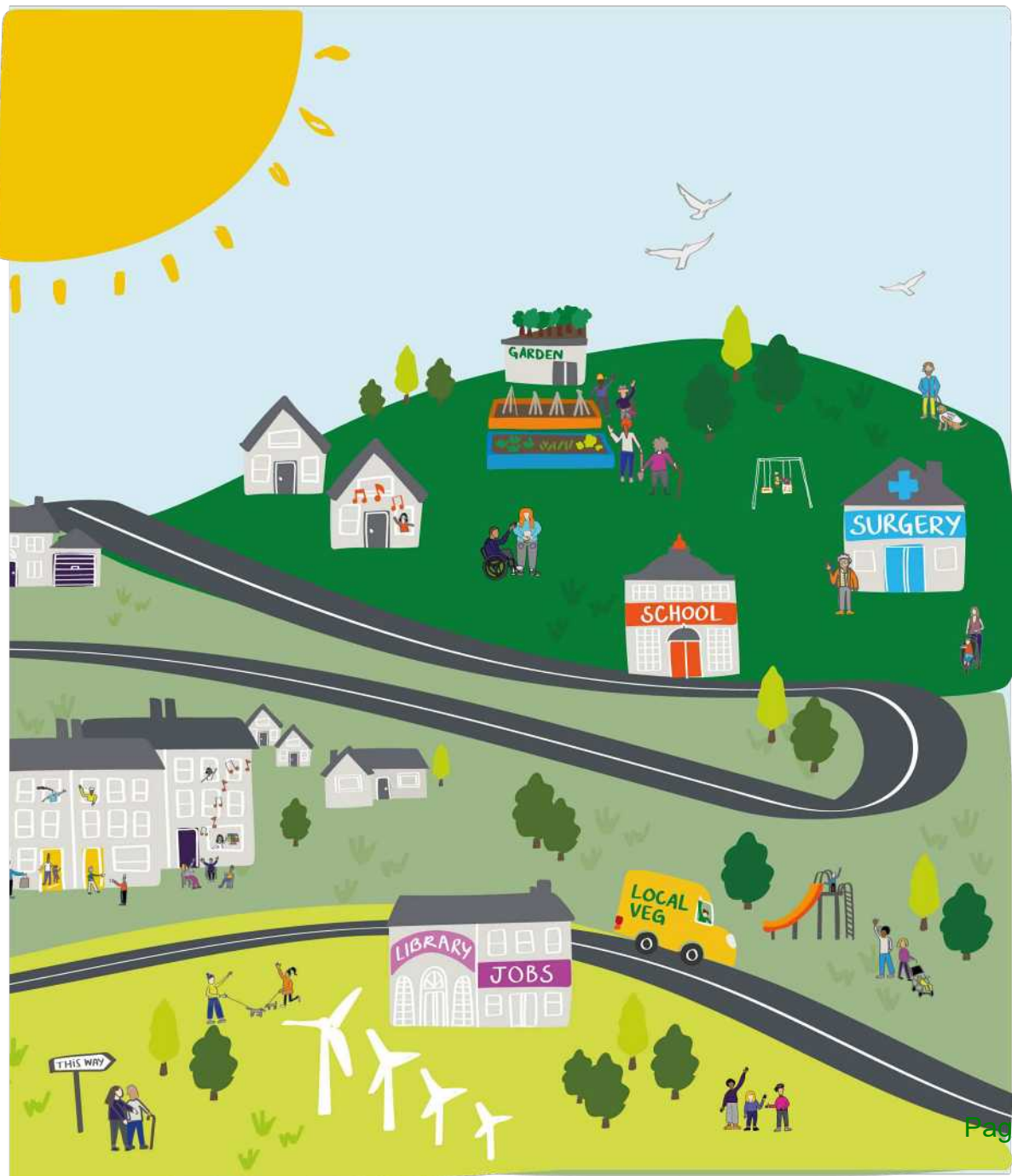
Midlothian Council Strategic Plan 2023-2028

A great, green place to grow:
where people and the environment flourish

Introduction

The last two years have brought significant and unprecedented challenge to our communities as we responded to the COVID-19 pandemic. As we move into a new post-pandemic world, we are committed to building on the learning and new ways of working that were adopted during this period, and renew our focus on delivering our key priorities at the most local level possible.

Rooted in the creation of a wellbeing economy, the vision of our new 5 year strategy is committed to reducing inequalities in health outcomes, learning outcomes and economic circumstances while addressing the health of our planet.



Strategic goal

To create a wellbeing economy where our people and the environment flourish

Midlothian

People
Powered
Results

③

Transforming
health and
social care



①

Fostering
empowered,
inclusive, resilient
and safe
communities



②

Supporting
individuals and
communities to be
the best they
can be



④

Accelerating
inclusive
growth



⑤

Being carbon
neutral
by 2030



Strategic goal: a wellbeing economy where our people and the environment flourish



A wellbeing economy is an economy which puts people and the planet first. Midlothian aspires to be a socially, economically, and ecologically sustainable community by 2030. This is particularly critical as we respond to the ongoing Cost of Living Crisis.

This strategic goal links with the aim of the [United Nations Sustainable Development Goals](#) to promote prosperity while protecting the planet (as shown below).



Our key objectives include:

- Responding on the ground to the current cost of living crisis, within the resources available, we aim to provide the right support at the right time through the creation of multi-disciplinary teams located in our new local 'Live Well' hubs. These hubs would be based in a central point within targeted communities and would help our citizens with the services they need, whether it be issues relating to food and fuel poverty, housing or wellbeing support and much more.
- Reducing inequality in learning, health and education outcomes.
- Adopting a Participatory Budgeting (PB) approach in which citizens decide how to spend part of the public budget, within the fiscal resources available. We aim to use PB as a tool for community empowerment and to widen community participation. Adopting a PB approach will help deliver on the [outcomes in Scotland's National Performance Framework](#) that '*we live in communities that are inclusive, empowered, resilient and safe*' and '*we tackle poverty by sharing opportunities, wealth and power more equally*'.
- Achieving carbon neutrality by 2030.
- Increasing wellbeing and prosperity. In Midlothian this means ecologically and socially sustainable economic growth, high levels of employment, championing the need for sustainable public finances, and stability in the economy, all of which help avoid unforeseen negative impacts on people's wellbeing.

Strategic goal: a wellbeing economy where our people and the environment flourish



Over the next 5 years we aim to:

- Grow our 'Live Well' hubs where multi-disciplinary teams would provide the right support at the right time within the resources available. These hubs would be based in a central point within our communities and would help our citizens with the services they need
- Reduce inequalities in educational outcomes, health outcomes and economic circumstances
- Adopt a Participatory Budgeting (PB) approach in which citizens decide how to spend part of the public budget within the fiscal resources available.
- Accelerate the implementation of the Climate Change Strategy
- Support economic growth and resilience by attracting new investment and enable existing local businesses to survive, grow and prosper
- Promote our towns, villages and high streets as attractive, safe, digitally connected and healthy centres for business, homes, visitors, services and facilities, creating prosperity with support for regeneration within the fiscal resources available
- Work to equip people with the skills they need to enter, re-skill and progress in the labour market and meet the demands of the local economy, with a focus on apprenticeships and growing our own talent
- Work with our businesses to adapt, diversify, develop and grow and promote local communities and workers to have fairer jobs, pay and opportunities to train and progress
- Encourage people to support our businesses by spending locally and promoting the Midlothian brand.

① Fostering empowered, inclusive, resilient and safe communities



Place is where people, location and resources combine to create a sense of identity and purpose, and are at the heart of addressing the needs and realising the full potential of communities. Places are shaped by the way resources, services and assets are directed and used by the people who live in and invest in them.

A focus on Place will also deliver a more joined-up, collaborative, and participative approach to services, land and buildings, across all sectors within a place, enabling better outcomes for everyone and increased opportunities for people and communities to shape their own lives.

In line with the [Place Principle](#) we are committed to delivering services at a local level fostering communities that are inclusive, empowered, resilient and safe. Due to the limited resources available we will need to work differently and adopting the Place Principle will help promote a shared understanding of place, taking a more collaborative approach to a place's services and assets to achieve better outcomes for people and communities.

The principle encourages and enables flexibility to respond to local issues and circumstances in different places. Through the Local by Default driver for change, we will aim to implement the Hub and Spoke model for locality based service provision and 'Live well' one stop shops – which will bring our services to communities so that the right support can be delivered at the right time within the resources available.

① Fostering empowered, inclusive, resilient and safe communities



Over the next 5 years we aim to:

- Modernise our Neighbourhood Services and aim to deliver sustainably within the resources available
- Deliver the Hub & Spoke model (building and estate rationalisation) and locality based service delivery including the 'one stop shop' approach
- Empower our communities so that we co-create services together
- Implement a participatory approach to the identification of key priorities for Place to ensure that our communities are inclusive empowered, resilient and safe.
- Create a comprehensive asset management programme to include property, roads and fleet, providing more efficient and responsive services for our communities
- Bid for grants so that we can continue to invest in our green and open spaces, achieve and maintain green flag awards and maximise the use of the public realm
- Facilitate modal shift, reducing the use of cars and promoting more active travel options to, from and around the county
- Develop our own people and their careers in Midlothian Council

② Supporting individuals and communities to be the best they can be



Our agreed vision is that:

All children, young people, adults and communities in Midlothian are supported to be the best they can be. This will be achieved through a nurturing, respectful and collaborative approach that promotes wellbeing, equity, inclusion and lifelong learning.

The challenges for Midlothian continue to grow with the impact of COVID-19 and our recovery out of the pandemic, the growing and ageing population and the increasing demand for services that this brings.

Population growth over the next 10 to 15 years will see Midlothian remain the fastest growing Council in Scotland. A 0-15 population increase is projected at 20% and 75+ population increase is projected at 100% between 2014 and 2039.

The pace of growth demands additional capacity within the learning estate to cope with the projected increase in pupil and pre-school numbers and the associated children's, education and community services to support this growth. As part of work to address the issue of significant population growth and demographic changes within Midlothian, the key drivers of change in delivery of sustainable and transformational services and regeneration of our communities must be viewed holistically.

② Supporting individuals and communities to be the best they can be



Over the next 5 years we aim to:

- Improve children and young people's attainment, particularly in literacy and numeracy
- Reduce the attainment gap between the most and least disadvantaged children and young people
- Improve attainment of children and young people who require additional learning support, including young carers and looked after children
- Improve employability skills and sustained positive school leaver destinations for all young people
- Improve employability skills and opportunities, particularly within known skill gap areas for adults
- Reduce inequalities in learning, economic circumstances and health through local and inclusive actions that meet our commitment to The Promise
- Improve the physical, mental health and wellbeing of children, prioritising care-experienced and looked-after children
- Mitigate against the impact of poverty and disadvantage across our communities
- Improve support to children and young people affected by domestic abuse, parental alcohol or drug misuse
- Within the resources available, expand early years services and improve services for children and families to ensure the best start in life
- Support young carers and give them the help they need
- Continue to promote the responsibilities of the Council as a Corporate Parent, including its responsibility for the wellbeing of those in its care
- Develop new family services to improve outcomes for children and families that identifies, understands and responds to need at the earliest opportunity in line with our approach to Getting It Right for Every Child
- Place the human rights and needs of every child and young person at the centre of CYPP service delivery
- Support our children, young people and communities to develop and engage with activities which reduce carbon emissions and support climate change

③ Transforming health and social care



The Midlothian Health and Social Care Partnership brings together parts of Midlothian Council and NHS Lothian to help people in Midlothian live well and get support when they need it - from care homes to care at home, voluntary organisations to vaccinations.

We aim to:

- **Improve the quality of health and social care services** and achieve the [9 national health and wellbeing outcomes](#);
- **Change how health and social care is delivered** to better understand and meet the needs of the increasing number of people with long term health conditions, with complex needs and those who need support, working with people as partners in their health and social care.
- **Provide more support, treatment, and care for people in their homes, communities, or a homely setting** rather than in hospitals



As Scotland's fastest growing local authority area, Midlothian has a number of significant challenges and many opportunities which lie ahead. It is critical to deliver investment in community infrastructure, such as housing, the learning estate, economic investment and green infrastructure, in the right place at the right time. We will continue to bid for investment opportunities to help our communities live well, live locally and prosper.

How we invest in community infrastructure must also respond to changes in our working and living patterns so that we can retain the best practice identified during the COVID-19 pandemic. This will mean moving from centrally delivered to local solutions so our communities can readily access the services they need.

Capital investment is also an opportunity to support our local economy through job creation and skills enhancement. This is particularly the case as we move to ensure that our new and existing property assets contribute to Midlothian Council's commitment to being net zero by 2030. We must ensure investment in our community infrastructure delivers jobs that benefit those living locally and supports our transition to a green economy. Improving our skills landscape and developing our people to meet the future economic needs remains a high priority.

As a growing Council, we have the opportunity to transform parts of Midlothian in a way that reflects how we live now. Within the fiscal resources available, we will aim to invest in community infrastructure with a focus on place-making, reducing inequalities, improving economic opportunities and improving education and health and wellbeing outcomes.

Over the next 5 years we aim to:

- Meet local housing need with 25% of new homes built to be affordable in perpetuity and expand Council house building.
- Invest in existing Council housing to make them more energy efficient and affordable to live in for tenants.
- Within the capital resources available, continue to invest in our learning estate to meet learners' needs, raise attainment rates and give our young people a great start towards rewarding careers.
- Bid for funding to help enhance and regenerate key town centres in Midlothian
- Ensure capital investment generates employment opportunities locally and delivers community benefits.
- Create new Council owned employment space to support business.
- Bid for funding so that we can invest in local public transport infrastructure and active travel networks to make it easier to travel sustainably using available resources.
- Through the City Deal, deliver transport network solutions to enhance connectivity across the City Region.
- Protect and enhance the natural and built heritage of Midlothian to support our communities' health and wellbeing and attract visitors to the area.

⑤ Being carbon neutral by 2030



The Council declared a climate emergency in December 2019 and stated its ambition to achieve Net Zero Carbon status by 2030.

The Covid-19 pandemic necessitated an emergency response from the Council. It has brought about substantial organisational change across the Council in a very short period of time.

The Council's "Route Map" out of Covid-19 identifies "Digital by Default" as one of its key priorities. It supports continuing the practice of working from home (introduced because of the pandemic) and promotes a carbon neutral approach to the workplace.

New emissions legislation (October 2019) commits the Scottish Government to achieving Net Zero Carbon status by 2045. This puts into context the scale of the challenge facing the Council and the transformational nature of the change required to achieve our 2030 target.

In light of the climate emergency, the Single Midlothian Plan has adopted a new sustainable growth outcome **to be an 'earth friendly' partnership, resource aware and committed to working to support Scotland's net zero carbon ambition by 2045 (2030 in Midlothian)** and prioritises the following climate change specific actions:

- a Climate Emergency group in the Midlothian Community Planning Partnership;
- a Sustainable Growth Agreement (SGA) between Midlothian Council and SEPA;
- identifying tree coverage on community planning partners land using appropriate software

⑤ Being carbon neutral by 2030



Over the next 5 years we aim to:

- make the Council's activities net carbon zero by 2030.
- establish a Citizens Assembly and Climate Change Partnership Group to engage the wider population, business, education and scientific sectors in the climate change debate.
- raise awareness of the impacts and risks from a changing climate and facilitate individual and collective action to combat climate change.
- use green energy to heat and light our estate buildings, making them as energy efficient as possible.
- take a 'One Council' approach to reducing carbon emissions and putting this objective at the heart of our organisational activities, processes and decisions.
- encourage people, businesses and communities to work alongside the Council and make their own climate change commitment.
- increase our recycling rates and reduce waste.
- lead by example and provide climate change leadership to our partners, communities and businesses.
- develop our resilience and ability to adapt to the impacts and risks of a changing climate.
- deliver the fleet replacement programme, expanding our electric and ultra-low carbon vehicle fleet within available resources.
- adopt the Passivhaus building standard and incorporate 'green' and 'blue' infrastructure as standard design principles for new developments.
- investigate the feasibility of Zero Carbon Development Zones.
- deliver the Shawfair low carbon community heating system and investigate options to develop heat networks across the county.
- develop the Midlothian Active Travel network including cross-boundary connections for longer distance commuting and leisure routes.
- accelerate organisational change to extend home working and reduce the need to travel.
- promote a 'digital by default' approach to service provision, reducing paper based activity.
- work closely with the 'local by default' programme to embed a carbon neutral approach to locality working.

Financial Monitoring 2022/23 – General Fund Revenue

Report by David Gladwin, Chief Finance Officer (acting)

Report for Information

1 Recommendations

Council is recommended to:

- a) Note specifically the projected financial position for the General Fund Reserve in financial year 2022/23 and the associated risks with projections at this stage in the year; and otherwise
- b) Note the contents of the report.

2 Purpose of Report / Executive Summary

- 2.1 The purpose of this report is to provide Council with information on projections of performance against service revenue budgets in 2022/23 and to provide commentary on areas of material variance against budget. The projected budget performance figures as shown in appendix 1 result in a net underspend of £1.442 million for the year which is a £1.667 million improvement on the position at quarter 1 reported to Council on 23rd August. The projected underspend represents 0.54% of the revised budget.
- 2.2 The projected General Fund balance at 31st March 2023 is £6.305 million, of which £0.265 million is earmarked for specific use.
- 2.3 The projection of the General Fund Balance at 31st March 2023 is predicated on the ongoing financial impact of the Covid-19 Pandemic continuing to be met from the available funding, whether ring fenced for specific purposes, or from general funding provided.

Date: 31 October 2022

Report Contact:

David Gladwin, Chief Finance Officer (acting)

David.Gladwin@midlothian.gov.uk

0131 271 3113

3 Background

- 3.1 This report encompasses all performance against revenue budget for General Fund services including additional costs incurred and projected lost income as a consequence of the Covid-19 pandemic.
- 3.2 The main areas of projected service budget variances projected at quarter 2 are outlined below. As ever, projections during a financial year are difficult in many areas and come with a degree of risk. The implications of economic conditions prevalent during 2022/23 only adds to this this.

Projected Overspends

- There remains £1.212 million of Medium Term Financial Strategy (MTFS) cost reductions to be finalised mainly relating to Management Reviews across Place (£0.756 million), Sport & Leisure (£0.166 million) and also including a review of the Council's Creative Arts service (£0.290 million). Clearly the pandemic has impacted on progress with these but they are all are now at implementation stage. These cost pressures are partly mitigated by vacancies of £0.675 million held pending completion of reviews;
- Council run cafes and the outside catering service have reopened after a long period of closure. Business is considerably slower than experienced pre-pandemic and may not fully recover leading to a projected overspend of £0.233 million. Management are reviewing the offering;
- Insurance costs are projected to be over budget by £0.292 million due to provisions made for new or reopened claims on the Council. Whilst no individual claim is of particularly high value the volume of individual claims is higher than is customary. Council officers and loss adjusters review each claim with oversight by the Risk and Safety Group;
- Costs of transporting young people to education settings exceeds budget by £0.089 million. A full review of school and children's services transport has been initiated;
- Costs of vehicle repairs mainly relating to external works exceeds budget by £0.105 million. A service review is underway alongside immediate cost containment measures;
- Customer income from the Trade Waste service is lower than provided for in the budget. The customer base is contracting and management are reviewing the implications of this. The projected overspend is £0.116 million;
- Costs of software and licencing due to increased cyber security measures and a continued move to cloud-based software gives rise to a projected overspend of £0.204 million;
- The budget for the year for Council Tax Income is £58.496 million and this includes £1.350 million aligned to continued

housing growth in Midlothian. Projections at Q2 show a shortfall against budget of £0.160 million (0.27%). Whilst household growth to date does not differ significantly from budget setting assumptions further forecasting work is necessary alongside a review of collection rates. Further updates will be provided in upcoming Medium Term Financial Strategy (MTFS) reports and also within quarter 3 financial monitoring;

- Fuel purchase costs for the Council's fleet are projected to be £0.151 million in excess of budget. Supply costs increased considerably in recent months although have now returned close to budgeted levels.

These are more than offset by favourable movements against budget:

- Significantly higher surplus cashflow than expected linked to the current spend on Capital Programmes and the continued increasing interest rate environment has provided opportunity to generate a significantly higher return on short term deposits in 22/23 than was anticipated when the budget was set. Approved methodology for allocating Loan Charges between General Fund and Housing Revenue Account results in the vast majority of this upside benefitting the General Fund. Current projections, albeit in a fluctuating market, show an in-year underspend of £1.141 million;
- Council Officers from Midlothian and the City of Edinburgh Council (CEC), as part of the joint management and monitoring arrangements for the waste plant at Millierhill, have been working through calculations for third party income due. In 2022/23 it is projected that £0.734 million is due to Midlothian. Work continues to develop understanding of future year possibilities and an income assessment will be included in the next MTFS update;
- The cost of residential and day education placements for children is £0.340 million lower than budgeted. Investment in local supports rather than utilising external placements is driving this position but there remains a risk of expensive external placements at short notice and out with the Council's control;
- The cost of family placements for children is projected to underspend by £0.218 million with a continued push to recruit foster carers;
- Savings continue to accrue from the avoidance of use of Bed and Breakfast accommodation for homeless clients. An underspend of £0.210 million is projected.

- 3.3 Relevant senior officers are required to deliver recovery actions at pace for the service areas that are projecting overspends and accordingly it is expected that pressure in these areas may reduce over the remainder of the year once the impact of the recovery action is validated.

Covid Costs

- 3.4 Covid related funding provided to the Council by the Scottish Government alongside other funding streams aligned to Covid recovery were carried forward from 2021/22 to 2022/23. Funding continues to be applied in year to match costs and lost income with the planning assumption that the remainder will be applied in 2022/23 or in future years to mitigate the continued impact of the pandemic and support increased service costs across Midlothian.

Inflationary Pressures

- 3.5 Since the 2022/23 budget was approved there has been a rapid rise in inflation. This has manifested itself in considerable additional and unbudgeted costs in some service areas. Most visibly this is seen in energy prices and contractual inflation embedded in contracts, particularly for Public Private Partnerships (PPP). Council approved a supplementary estimate of £1.395 million on 23rd August to fund these.
- 3.6 Further unbudgeted costs of £0.115m are projected in 22/23 for fuel for Council operated fleet. Latest projections for energy costs do not indicate further inflationary costs beyond the available budget mainly due to forward purchasing and work is ongoing to understand the impact of food price inflation.

Agreed Savings

- 3.7 Council on 4th October 2022 approved some operational efficiency measures totalling £1.227 million in 2023/24 as an early contribution to delivering a financially balanced MTFs. The following measures are now implemented in 2022/23 and reflected in the projected outturn figures in section 3.2 above.
- Leadership Review Corporate Solutions - £0.045m;
 - Place – review of temporary accommodation provision - £0.200m;
 - Sport and Leisure
 - Premises, Supplies and Services and Third Party Payments - £0.045m;
 - Reduction of Specialist Instructors - £0.035m.

The remaining measures will take a little more time to implement but will be progressed as quickly as possible.

Pay + National Insurance

- 3.8 The 2022/23 pay claims for the SJC bargaining group have now been concluded and are at implementation stage. The agreed offer represents:
- For those on the Local Government Living Wage and pay scale point (SCP) 19 to 24 and undifferentiated 5% or a £2,000 uplift (calculated on a nominal 36 hour working week), whichever is larger;
 - A 10.2% increase for the lowest paid. For SCP 38 (£24,984) a 7.7% increase (£1,925) and for SCP 52 (£30,212) a 6.37% increase (£1,925); and

- An undifferentiated 5% or a £1,925 uplift (calculated on a nominal 36 hour working week), whichever is larger, capped for those currently earning £60,000 or more at a £3,000 uplift (based on a 37 hour working week).

It is estimated that this equates to a 7.23% increase in the Council's SJC paybill.

- 3.9 An offer of 5% had been made to and rejected by the Scottish Negotiating Committee of Teachers bargaining group. Discussions are ongoing.

Funding

- 3.10 A pay increase of 2.5% was provided for in the 2022/23 base budget. The Scottish Government have provided additional funding for 3.73% of the increased cost:
- £140m revenue funding nationally of which £2.338m will flow to Midlothian as part of general revenue funding;
 - £120.6 million of Capital Funding (Capital Flexibilities) of which £2.014 million will flow to Midlothian as a capital grant. A one-off flexibility option to allow capital grant to fund in-year revenue expenditure has been developed with Scottish Government and CoSLA officials and is awaiting Scottish Government Ministerial approval. Until agreement by all parties is reached (including Audit Scotland) there remains a risk that the Council will not have adequate revenue funding in place for the pay award.
- 3.11 The remaining 1%, estimated at £1.8 million, links into ongoing national discussions around funding flexibilities. Detail on options available for Councils is awaited and the planning assumption is that there will be an option within that works for all Councils. However, until this is known, risk remains that the Council will not have an adequate funding solution and may need to fund this from existing resources.
- 3.12 At this point no adverse variation has been reflected in the outturn projections for pay.

National Insurance

- 3.13 The UK Government reversed the 1.25% Health and Social Care additional levy on Employers National Insurance rates. This will be implemented from 6th November 2022 and is projected to reduce the Council's total paybill by around £0.400 million in 2022/23. As work is ongoing to embed the change in detailed workings the projected underspend for the year is not reflected in section 3.2 of the report but instead is shown separately in the General Fund Reserve movement in section 5.

Building Maintenance Service

- 3.14 Financial outturn for 2021/22 reported to Council in June showed a considerable adverse variance of £0.788 million for the Building

Maintenance Service. A subsequent discussion took place at Business Transformation Steering Group at which clear direction was given to officers to undertake a fundamental service review. Officers are progressing well with the review.

- 3.15 Whilst the value of work invoiced at this point in the financial year has improved from previous years there remains insufficient quality data on which to base a robust financial projection. As a consequence there remains a risk, based on previous experience, of an adverse variance against budget arising which would add to the reported overspend and further deplete reserves.

4 Delegation of resources to Midlothian Integration Joint Board

- 4.1 The approved budget provided for the allocation of £56.438 million to the Midlothian Integration Joint Board (MIJB) for the provision of delegated services. Minor technical adjustments to this allocation during the year to date increase the allocation to £56.710 million.
- 4.2 In accordance with the Integration Scheme the MIJB is required to deliver delegated services within the budget allocations from the Council and NHS Lothian and where any overspend is projected to put in place a recovery plan to address that. As a last resort the integration scheme allows for the MIJB to seek additional financial support from its partners, either by way of an additional budget allocation or by “brokerage” (provision of additional resources in a year which are repaid in the following year).
- 4.3 Additional costs incurred by the MIJB in response to the Covid-19 pandemic are expected to continue to be funded by government and accordingly at this time the expectation is that delegated services will be delivered within the allocations provided and so no provision has been made for an additional budget allocation from the Council.
- 4.4 Financial Monitoring reports covering all of the MIJB activity are presented to the Integration Joint Board and are available on the committee management section of the Council website:-

[Midlothian Integration Joint Board \(cmis.uk.com\)](https://cmis.uk.com)

5 Projected General Fund Reserve

- 5.1 The projected balance on the General Fund as at 31 March 2023 is as follows:

	£ million	£ million
General Fund Reserve at 1 April 2022		32.432
<i>Planned movements in reserves</i>		
Application of Budgets carried forward from 2021/22 for use in 2022/23	(19.923)	
Funding of Corporate Solution for 2022/23 Budget	(5.576)	
Supplementary Estimate for Inflationary Pressures	(1.395)	
Supplementary Estimate for costs of the additional public holiday	(0.030)	
Other movements	0.026	
		(26.898)
Application of Business Transformation Funding to support service re-design		(1.071)
Projected underspend per appendix 1		1.442
Projected saving from Employers National Insurance rate cut		0.400
Projected General Fund Balance at 31 March 2023		6.305

An element of the General Fund is earmarked for specific purposes and this is shown below:

	£ million
Projected General Fund Balance at 31 March 2023	6.305
<i>Earmarked for specific purposes</i>	
To support Council Transformation	(0.265)
Projected General Reserve at 31 March 2023	6.040

- 5.2 The Reserves Strategy approved by Council on 12 February 2019 needs the Council to maintain an adequate level of General Reserve to provide a contingency for unforeseen or unplanned costs and that in the financial context at that time approved the adoption of 2% of the approved budgeted net expenditure (excluding resources delegated to the IJB) to be considered a minimum. This now equates to £3.818 million. Council also agreed that where projections indicate that should the 2% minimum General Reserve balance be breached an immediate recovery plan be implemented to recover the position, failing which, the next available budget would need to provide for the reinstatement of reserve position.
- 5.3 The projected General Reserve of £6.040 million is above the minimum set in the Reserves Strategy but will only remain that way if there is no further adverse performance against budget or any further draw on reserves. There is also the continued uncertainty over the financial impact of the pandemic and funding assumptions together with essential response costs relating to weather conditions during the winter period.

- 5.4 Similarly there is an expectation that there will be a recovery in the service overspends projected at quarter 2. The impact of this recovery action will be reflected in future projections when they are validated.

6 Report Implications (Resource, Digital and Risk)

6.1 Resource

The projected performance against budget set out in this report presents the initial projections for the year. Work continues across the council to reduce overspends and to progress at pace delivery of approved savings.

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

6.2 Digital

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

6.3 Risk

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

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

Ensuring that adequate systems and controls are in place reduces the risk of significant variances arising, and where they do arise they help to ensure that they are identified and reported on and that appropriate and robust remedial action is taken. The primary purpose of this report is to provide an assessment of projected performance against budget for the full year based on activity in the second quarter of the year. The material variances detailed in the report highlight that the financial management and budgetary control arrangements require continual review and enhancement if financial risk is to be effectively mitigated during the year.

At this point in the financial year there is a heightened risk that actual costs and income level may vary across the remainder of the financial year. The projected financial position could also deteriorate if local or national restrictions were to be reintroduced. In addition the risk of adverse weather has the potential to create pressure on service budgets over the remainder of the year

There are a some areas where effective forecasting of spend against budget is hindered due to incomplete service information which in previous years has resulted in previously unreported or significantly adjusted variances at the financial year end. Financial Management

CMT continues to consider these areas and supports actions to address the underlying issues and mitigate the risk associated with them.

The financial projections are predicated on new burdens, including those arising from the Government's 100 day commitments to be fully funded. The position with outstanding pay awards and the potential for unfunded costs arising presents a significant risk to the Council's financial position not only for the current financial year but for future years.

The Council recognises the potential for compensation claims deriving from Scottish Government's Limitation (Childhood Abuse) (Scotland) Act 2017 which removes the three year time limit on claims of child abuse. Some claims will be historic and relate to Lothian Regional Council, Midlothian District Council or their predecessors and some will date post reorganisation and relate to Midlothian Council, and so presents a risk that would further reduce reserves from those currently projected. Further financial obligations may also arise as the implications associate with the The United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill, which has yet to secure Royal Assent , are more fully understood.

6.4 Ensuring Equalities

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

6.5 Additional Report Implications

See Appendix A

Appendices

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

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

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value.

A.5 Involving Communities and Other Stakeholders

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

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

A.6 Impact on Performance and Outcomes

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

A.7 Adopting a Preventative Approach

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

A.8 Supporting Sustainable Development

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

Appendix 1 financial tables

MIDLOTHIAN COUNCIL

GENERAL FUND 2022/23

Appendix 1

Performance against budget

Function	Approved Budget	Revised Budget Expenditure	Revised Budget Income	Revised Budget Net £	Outturn £	(Underspend) / Overspend £
Management and Members	1,965,977	2,002,202	0	2,002,202	2,015,202	13,000
Place						
Corporate Solutions	22,081,954	47,172,648	(24,528,180)	22,644,468	22,751,468	107,000
Place	35,963,912	52,878,285	(13,534,276)	39,344,009	39,098,009	(246,000)
Central Costs	1,860,593	4,998,061		4,998,061	5,290,061	292,000
People and Partnerships						
Midlothian Integration Joint Board	56,437,641	65,231,665	(8,521,628)	56,710,037	56,710,037	0
Non-Delegated Services - Sport and Leisure, Community Safety and Welfare Rights	1,995,738	7,453,717	(5,056,125)	2,397,592	2,548,592	151,000
Childrens Services, Partnerships and Communities	20,138,997	23,282,413	(438,567)	22,843,847	22,199,847	(644,000)
Education	108,920,147	136,039,764	(16,661,463)	119,378,301	119,244,301	(134,000)
Lothian Valuation Joint Board	581,659	581,659	0	581,659	581,659	0
Non Distributable Costs	898,936	898,936	0	898,936	898,936	0
GENERAL FUND SERVICES NET EXPENDITURE	250,845,553	340,539,350	(68,740,238)	271,799,112	271,338,112	(461,000)
Loan Charges	2,763,485	2,763,485		2,763,485	1,622,485	(1,141,000)
NDR Discretionary Relief	70,300	70,300		70,300	70,300	0
Investment Income	(110,736)	0	(110,736)	(110,736)	(110,736)	0
Allocations to HRA, Capital Account etc.	(5,331,603)	(5,331,603)		(5,331,603)	(5,331,603)	0
	248,237,000	338,041,532	(68,850,974)	269,190,558	267,588,558	(1,602,000)
less Funding:						
Scottish Government Grant	(184,165,000)	0	(184,583,500)	184,583,500	184,583,500	0
Council Tax	(58,496,000)	0	(58,496,000)	58,496,000	58,336,000	160,000
Utilisation of Reserves	5,576,000	338,041,532	(311,930,474)	26,111,058	24,669,058	(1,442,000)



**General Services Capital Plan
2022/23 Quarter 2 Monitoring**

Report by David Gladwin, Chief Finance Officer (Acting)

Report for Decision

1 Recommendations

It is recommended that the Council:-

1. Approve addition of the project budgets set out in Section 3.1; and
2. Note the forecast outturn for expenditure (after reflecting rephased project budgets), funding and borrowing, as outlined in Section 4.

2. Purpose of Report

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

- An update of the General Services Capital Plan incorporating information on additions to the Capital Plan for approval (Section 3); and
- Information on the projected performance against budget for 2022/23 (Section 4); also to
- Update on the Capital Fund (Section 5).

Date 03 November 2022

Report Contact:

Gary Thomson, Senior Finance Business Partner

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3 Update of General Services Capital Plan

3.1 New projects presented for endorsement in the Plan

The following additions are being presented for inclusion in the General Services Capital Plan and represent technical adjustments reflecting the award of external funding:-

- **Midlothian Energy Limited: Heat Offtake Facility:** Capital expenditure budget of £1.040 million, to be fully phased in 2022/23 and fully funded by prudential borrowing, for the Council's contribution to the installation of a Heat Interface Station at the Millerhill Energy from Waste Facility. Approved by Council on 4 October 2022;
- **Play Park Renewal 2022/23:** Capital expenditure budget of £0.097 million, to be fully phased in 2022/23 and fully funded by Play Park Renewal Capital Grant funding from Scottish Government, for the replacement of existing equipment in play areas across the county. Approved by Council on 4 October 2022.
- **Vogrie Country Park Toilets:** Capital expenditure budget of £0.200 million, to be fully phased in 2022/23 and fully funded by Place Based Investment Fund Capital Grant Funding from Scottish Government, for the upgrade of toilet facilities in the Country Park. Approved by Council on 4 October 2022;
- **Nature Restoration Fund:** Capital expenditure budget of £0.103 million, to be fully phased in 2022/23 and funded by £0.103 million of Nature Restoration Fund Capital Grant from Scottish Government, for the restoration and improvement for biodiversity of ponds at Vogrie Country Park and Valleyfield, Penicuik; and the creation of a new biodiversity pond at the Penicuik-Dalkeith former railway active travel route at Rosewell. Approved by Capital Plan & Asset Management Board on 13 September 2022;
- **Hearse House, Penicuik:** Capital expenditure budget of £0.142 million, to be fully phased in 2022/23 and fully funded by Place Based Investment Fund Capital Grant Funding from Scottish Government, for the repair and restoration of the Hearse House in Penicuik. Approved by Capital Plan & Asset Management Board on 25 October 2022;
- **Heritage Trail, Penicuik:** Capital expenditure budget of £0.045 million, to be fully phased in 2022/23 and funded by £0.030 million of Place Based Investment Fund Capital Grant Funding from Scottish Government and £0.015 million of prudential borrowing from the three local Member's Environmental Capital Budgets, for the creation of a heritage trail for Penicuik Town Centre. Approved by Capital Plan & Asset Management Board on 25 October 2022;
- **Millerhill Pavilion Demolition:** Capital expenditure budget of £0.023 million, fully phased in 2022/23 and to be funded from prudential borrowing. Approved by Capital Plan & Asset Management Board on 25 October 2022;

4 2022/23 Projection against budget

4.1 2022/23 Budget

After accounting for the following:-

- Rephasing of budgets from 2021/22 to 2022/23 as reported to Council at Quarter 1 on 23 August 2022;
- Including the new projects and adjustments to project budgets as outlined in Section 3.

The capital plan expenditure budget for 2022/23 is £57.175 million, funding budget was £31.571 million and in-year borrowing of £25.604 million.

4.2 Rephasing

Project expenditure budgets have been rephased based on the latest information available from Project managers and Service Leads as noted in Table 1 below.

Table 1: Rephasing of project expenditure budgets

Project	Description of rephasing of budget	Previous 2022/23 Budget £000's	Revised 2022/23 Budget £000's	2022/23 Budget Rephasing £000's
CHILDREN, YOUNG PEOPLE & ESTATES PROGRAMME BOARD				
Easthouses Primary School	Programme is being revised and so initial construction works that were anticipated for the later part of 2022/23 have now been rephased to early 2023/24	2,418	645	-1,773
King's Park Primary Schools Extension & Refurbishment	Awaiting outcome of LEIP Phase III bid to determine way forward, either new build or extension	600	200	-400
St. David's Primary School Extension	Roll projections showing extension works currently not required for August	225	0	-225
Mauricewood Primary School	Work to progress detailed outline business case is progressing	200	70	-130
Rosewell Primary School	Awaiting outcome of LEIP Phase III bid to determine way forward, either new build or extension	250	0	-250
Newtongrange refurb & expansion to 2-stream	Pupils will be required to decant in order for works to be carried out; this requires Easthouses PS to be open (scheduled for 2024/25) to accommodate Newtongrange PS decant	645	0	-645
Bonnyrigg Primary – modular unit	Roll projections show this is currently not required for August 2023 with capacity need to be reviewed	562	0	-562
Lasswade High – Toilets and Changing Facilities	Toilets are complete other than end of year defects. Changing room proposals need reviewed with any works now to be carried out in 2023/24	453	50	-403

Lasswade High – ASU	Linked to completion of move of Mount Esk nursery to Hawthornden Primary – anticipated completion now 2025	1,333	0	-1,333
Woodburn Primary School	Project programme revised	1,500	828	-672
Early Years Capital Grants Scheme	Projects with external partners now complete	30	343	+313

Project	Description of rephasing of budget	Previous 2022/23 Budget £000's	Revised 2022/23 Budget £000's	2022/23 Budget Rephasing £000's
ASSET MANAGEMENT PROGRAMME BOARD				
Digital Services Asset Management Plan	Current forecasts of expenditure prior to refresh of Digital Asset Management Plan targeted for Quarter 3	3,735	1,508	-2,227
Street Lighting & Traffic Signal Upgrades	Rephasing due to delays in procurement process with expiring capital works contractor framework and new contractor being appointed	1,210	1,100	-110
Footway & Footpath Asset Management Programme	Reprioritisation of work and internal resources to the Accelerated Roads Residential Streets programme	889	500	-389
Temple Ground Stabilisation	Reprioritisation of work and internal resources to the Accelerated Roads Residential Streets programme along. Detailed design schemes will be prepared in due course for these essential work to ensure the long term integrity of these sections of the public road network	309	0	-309
B6372 Arniston Bank Stabilisation	Reprioritisation of work and internal resources to the Accelerated Roads Residential Streets programme	593	0	-593
Property Sport & Leisure – Various	Rephased to 2023/24 prior to business case regarding need being brought forward	406	0	-406
TRANSPORT, ENERGY & INFRASTRUCTURE PROGRAMME BOARD				
A701 & A701 Relief Road	Rephasing based on revised project programme and awaiting outcome of Levelling Up Fund application	1,532	1,423	-109
Cycling, Walking & Safer Routes	Surfacing works to Rosewell to Auchendinny Cycleway will be undertaken and complete by June 2023	596	398	-198

Project	Description of rephasing of budget	Previous 2022/23 Budget £000's	Revised 2022/23 Budget £000's	2022/23 Budget Rephasing £000's
REGENERATION & DEVELOPMENT PROGRAMME BOARD				
Destination Hillend	The project is undergoing work to refresh the business case to control the capital costs and to market test the product incomes to ensure an economically viable project. A members briefing is scheduled on the project.	8,035	2,210	-5,825
OTHER				
Highbank Intermediate Care Reprovisioning	Construction work on Extra Care building will commence in late 2022/23 ahead of commencement of work on Intermediate and Day Care buildings in early 2023/24	1,553	500	-1,053
CCTV Network	Fixed cameras currently out to tender, expected conclusion in early 2023 calendar year, with installation in early 2023/24	472	73	-399
Free School Meal Provision	Roll out of remainder of provision when free school meals for Primary 6 and 7's are implemented by Scottish Government	324	162	-162
Others	Rephasing of other projects	3,416	3,347	-69
Total		31,286	13,357	-17,929

This results in a rephased capital expenditure budget for 2022/23 of £39.246 million as shown in detail in Appendix 1.

In line with this, the expected level of funding available to finance the plan has also been rephased and now totals £26.641 million.

This results in an in-year borrowing requirement of £12.605 million.

The projected performance against budget for 2022/23 is shown in table 2 below:-

Table 2: General Services Capital Plan Projected Performance against Budget 2022/23 – as at Quarter 2

Item	2022/23 Rephased Budget £000's	Actual To 11.09.21 £000's	2022/23 Projected Outturn £000's	2022/23 Variance £000's	2022/23 Carry Forward
Expenditure	39,246	5,761	39,006	-240	-17,929
Funding	26,641	5,443	26,660	+19	-4,930
Borrowing Required	12,605	318	12,346	-259	-12,999

4.3 Expenditure

Expenditure to 11 September 2022 is £5.761 million and at this point project managers and service leads are indicating a forecast expenditure outturn of £39.006 million, a projected net underspend of £0.240 million against the revised budget of £39.246 million.

The net variation of £0.240 million relates to the following:-

- **North Middleton Bridge:** Project complete with outturn £0.025 million less than budget.
- **Poltonhall Pitch:** Overspend of £0.143 million against £0.582 million budget (see report elsewhere on today's agenda);
- **Penicuik Pitch:** Underspend of £0.070 million against £0.309 million budget. Underspend due to project completing without requiring use of contingency.
- **Strathesk Primary School:** 1 class extension works no longer required. Saving in indicative project budget of £0.305 million
- **Saltergate School:** now complete with £0.015 million overspend against budget, offset by £0.019 million external grant funding (see Section 4.4).

Expenditure incurred to 11 September 2021 across all projects in the General Services Capital Plan amounts to £5.761 million, equating to 15% of the projected total expenditure budget for 2022/23.

Given the substantive expenditure currently estimated to be committed in the second half of the year combined with material supply and inflationary pressures, all Project Managers and Service Leads are carrying out a full review of project plans and expenditure profiles and the outcome of this will be reflected in the Q3 report to Council in February 2023.

4.4 Funding

The funding available to finance the Capital Plan in 2022/23 is expected to total £26.660 million, £0.019 million higher than the rephased budget, reflecting £0.019 million of external grant funding available for the Saltergate School project

Funding of £5.443 million has been received to 11 September 2022.

4.5 Borrowing

Based on the forecast expenditure and funding levels as noted above, the revised estimate of the level of borrowing required for 2022/23 is forecast to be £12.346 million. The impact on the Council's borrowing costs is reflected in the Financial Monitoring 2022/23 General Fund Revenue report elsewhere on today's agenda.

5. Capital Fund

The Capital Fund at the start of the 2022/23 financial year was £22.178 million. £7.694 million of this is committed to fund the City Deal, with a further £12.061 million committed to support capital investment including the utilisation of £3.000 million in 2022/23.

The forecast non-committed capital fund balance at 31 March 2023 is £1.888 million, as shown in the table below.

Item	Amount £000's
Balance at 01 April 2022	22,178
Committed to fund City Deal Project	-7,694
Committed to support Capital Investment	-12,061
Developer Contributions earmarked for specific purposes	-535
Non-committed balance at 31 March 2023	1,888

6. Report Implications

6.1 Resource

The borrowing required to finance the planned investment in 2022/23 is currently £12.346 million and is reflected in the Financial Monitoring 2022/23 General Fund Revenue report elsewhere on today's agenda.

6.2 Digital

There are no Digital Services implications arising from this report.

6.3 Risk

The construction materials supply chain has already been subject to unprecedented disruption and inflation pressures through a combination of the Coronavirus (COVID-19) Pandemic, the conflict in the Ukraine and the UK leaving the European Union. The Construction Leadership Council (CLC) continues to report shortages of construction materials and forecasts this disruption to continue for the foreseeable future. Ongoing engagement with suppliers confirms that materials shortages, longer lead times and steep price increases are highly likely to continue to impact the supply chain.

Factors contributing to pricing increases include contractors no longer being able to absorb strong upward pressure from input costs, rising demand, logistics problems and materials and labour shortages. In particular, materials prices are likely to be an ongoing concern due to worldwide supply issues; and this is being reflected in recent tender returns. Tendering contractors are making specific reference to time periods for the supply of labour and materials, a recent change in diesel rules, the current conflict in Ukraine and potential shortages of materials from China and elsewhere.

Specific areas of major increases include groundworks, steel (structural and steel product), metal cladding, timber, insulation and fire protection.

This potentially exacerbates the inherent risk in the Capital Plan that projects will cost more than estimated thus resulting in additional borrowing, or will be subject to significant delay.

The construction industry in Scotland and the UK is currently experiencing unprecedented adverse market conditions, which is leading

to significant rises in tender prices for a wide range of materials. There is evidence that inflation of between 10% and 15% beyond BCIS predictions is affecting projects and whilst measures such as value engineering and contract award review are partially mitigating cost increase there is a risk that the capital budgets provided for delivery of the project in the plan will need to be increased with a resultant impact on the funding strategy. The situation is currently being monitored and reviewed and an update will be provided to Council when the value of the impact has been determined.

Strengthened financial monitoring & governance procedures have been approved by CP&AMB, which will ensure that significant variations can be captured and reported to Programme Boards and CP&AMB so that remedial action can be taken to mitigate the risks.

In developing the strategy and taking cognisance of the longer term affordability gap it is clear that a number of potential projects which are currently included will only be able to be progressed if they can be delivered on a spend to save basis (i.e. where income or cost savings more than offset the cost of funding the investment) or where they can be delivered on a cost neutral basis or through alternative funding mechanisms.

The Capital Plan includes a provision for the return of contingencies of £5.793 million over the period 2022/23 to 2025/26, equating to 2.5% of all project expenditure. The risk is that projects throughout the plan are unable to deliver this which could be in part due to factors outwith the Council's control. Capital Plan & Asset Management Board will review the level of return of contingencies against the £5.793 million provision on an ongoing basis to ensure that projects can, where possible, deliver against this provision and that the provision continues to be appropriate

6.4 Ensuring Equalities

There are no equalities issues arising directly from this report.

6.5 Additional Report Implications

See Appendix A.

Appendix A: Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Not applicable.

A.2 Key Drivers for Change

A.3 Key Delivery Streams

Themes addressed in this report:

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

A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value.

A.5 Involving Communities and Other Stakeholders

No external consultation has taken place on this report.

A.6 Impact on Performance and Outcome

There are no issues arising directly from this report.

A.7 Adopting a Preventative Approach

Not applicable.

A.8 Supporting Sustainable Development

Not applicable.

Background Papers:

Appendix 1 –General Services Capital Plan 2022/23 Quarter 2 Monitoring

Appendix 1: General Services Capital Plan 2022/23 Quarter 2 Monitoring

	Rephased				
GENERAL SERVICES CAPITAL PLAN	2022/23	2022/23	2022/23	2022/23	2022/23
Q2 Monitoring	Budget	Actual	Forecast	Variance	Carry
	Q2	to P6	Outturn Q2	Q2	Forward Q2
	£000's	£000's	£000's	£000's	£000's
CHILDREN, YOUNG PEOPLE & ESTATES PROGRAMME BOARD					
Education - Primary					
Woodburn Primary 16 class & activity hall exte	828	164	828	-	672
Easthouses Primary School	645	(7)	645	-	1,773
Kings Park PS upgrade to existing building	200		200	-	400
St Davids Primary - 4 class & EY extension	-		-	-	225
Mauricewood Refurbishment	70		70	-	130
Rosewell Primary School - extend to 2 stream	-		-	-	250
Hopefield Farm Primary 2 (HS12)	-		-	-	-
Newtongrange refurb & expansion to 2 stream	-		-	-	645
Strathesk Primary one class extension	305		-	(305)	(91)
Mayfield School Campus replace & extend	15		15	-	-
Bonnyrigg Primary - Modular Unit	-		-	-	562
Burnbrae Primary - Conversion of ASN to GP S	82		82	-	-
Tynewater Primary School	10		10	-	-
Education - Primary - Projects near completion					
Paradykes Primary Replacement	144	0	144	-	-
St. Mary's RC & Early Burnbrae Primary Scho	140		140	-	-
New Danderhall Primary hub	277	113	277	-	-
Sacred Heart Primary School Extension	415	266	415	-	-
Education - Secondary					
Beeslack CHS Replacement	1,054	655	1,054	-	-
Lasswade High - Toilets & Changing to 1,600 p	50	1	50	-	403
Education - ASN					
Hawthornden Primary - ASN Unit	492	103	492	-	-
Lasswade High - ASU	-		-	-	1,333
ASN Provision - Social Complex Needs	250		250	-	-
Saltergate Alterations Phase III - Playground	149	191	191	42	-
Saltergate Phase IV - Internal Alterations	28	2	2	(27)	-
Education - Early Years					
Mount Esk Nursery School Replacement @ Ha	-		-	-	-
King's Park Primary School	55	22	55	-	-
Rosewell Primary School New Build	-		-	-	-
Roslin Primary School	364		364	-	-
Capital grants to partner providers	343	343	343	-	-
Gorebridge Primary School	-		-	-	-
Catering kitchens	-		-	-	-
Hawthorn Children & Families Centre Alteration	164	7	164	-	-
Mauricewood Primary School	247	109	247	-	-
Vogrie Outdoor Early Learning Centre	81		81	-	-
Other Outdoor Spaces	67	19	67	-	-
Settings' kitchens	-		-	-	-
Newtongrange Primary School	-		-	-	-
Lasswade Primary School	-		-	-	-
Woodburn Primary School	-		-	-	-
Rosewell Primary School Alteration	-		-	-	-
Mount Esk Nursery School	-	15	-	-	-
Tynewater Primary School	-		-	-	-
Bilston Primary School	-		-	-	-
Moorfoot Primary School	-		-	-	-
Loanhead Primary School	-		-	-	-
Cuiken Primary School	-		-	-	-
St Andrew's Primary School	-		-	-	-
Remaining Balance	-		-	-	-
Education - General					
Learning Estate Strategy: Development Budge	1,222	265	1,222	-	-
Modular Units - Session 2017/18	107	-	107	-	-
Burnbrae Primary School External Works	73	-	73	-	-
New Learning Estate Furniture & IT Equipment	-		-	-	-
TOTAL - CHILDREN, YOUNG PEOPLE & EST	7,876	2,266	7,587	(289)	6,302

	Rephased 2022/23	2022/23	2022/23	2022/23	2022/23
GENERAL SERVICES CAPITAL PLAN	Budget	Actual	Forecast	Variance	Carry
Q2 Monitoring	Q2	to P6	Outturn Q2	Q2	Forward Q2
	£000's	£000's	£000's	£000's	£000's
ASSET MANAGEMENT PROGRAMME BOARD					
Digital					
Business Applications	8	35	8	-	-
DS Corporate Solutions	142	34	142	-	474
Front Office - Hardware, Software & Services	302	171	302	-	(481)
Back Office - Hardware, Software & Services	176	(31)	176	-	1,208
Network, Software & Services	526	34	526	-	52
Schools - Hardware, Software & Services	362	204	362	-	974
Digital: Equipped for Learning	776	136	776	-	-
Roads & Street Lighting					
Street Lighting and Traffic Signal Upgrades - N	1,100	209	1,100	-	110
Footway & Footpath Asset Management Plan	500	58	500	-	389
Roads Asset Management Plan - New	1,733		1,733	-	-
Accelerated Roads Residential Streets	2,950	449	2,950	-	-
Roads Asset Management Plan - Temple Grou	-		-	-	309
Roads Asset Management Plan - B6372 Arnist	-		-	-	593
Fleet					
Vehicle & Plant Replacement Programme	2,066	506	2,066	-	-
Property					
Property Upgrades	1,283	119	1,283	-	-
Open Spaces / Play Areas					
Ironmills Park Steps	7		7	-	-
Outdoor Play Equipment - Rosewell	46		46	-	-
Outdoor Play Equipment - Gorebridge	1		1	-	-
Roslin Wheeled Sports Facility	59		59	-	-
Mauricewood Road Bus Shelter	4		4	-	-
Millerhill Park Circular Path & Bicycle Pump Tra	89		89	-	-
Welfare Park, Newtongrange	98		98	-	-
Pump Track, North Middleton	76		76	-	-
Play Park Renewal 2021/22	98		98	-	-
Play Park Renewal 2022/23	97		97	-	-
Nature Restoration Fund 2021/22	41	4	41	-	-
Nature Restoration Fund 2022/23	103		103	-	-
Birkenside Grass Pitch Drainage	12		12	-	-
Open Spaces - Midlothian Wide Play Areas	169		169	-	169
Contaminated Land	186	31	186	-	-
Sport & Leisure Equipment					
Property - Poltonhall Astro & Training Area Re	384	475	527	143	-
Property - Penicuik Astro Resurfacing	76		6	(70)	-
Dalkeith Thistle - Pavilion Upgrade	6		6	-	-
Loanhead Memorial Park Pitch	4		4	-	-
Flotterstone Car Park Infrastructure & Charging	16		16	-	-
Property - King's Park Tennis Courts Resurfac	-		-	-	82
Property - Penicuik Centre Flooring, Cardio & f	-		-	-	178
Property - Lasswade Centre Flooring	-		-	-	97
Property - Gorebridge Leisure Centre	-		-	-	48
Property - Loanhead Centre	-		-	-	2
TOTAL - ASSET MANAGEMENT PROGRAMM	13,498	2,435	13,571	73	4,203
TRANSPORT, ENERGY & INFRASTRUCTURE PROGRAMME BOARD					
Transport					
A701 & A702 Relief Road City Deal Project	1,423	66	1,423	-	109
A7 Urbanisation	106		106	-	-
Orbital Bus Route	302		302	-	-
Cycling, Walking & Safer Streets Projects	398	-	398	-	198
Midlothian Energy Limited - Heat Offtake Facili	1,040		1,040	-	-
TOTAL - TRANSPORT, ENERGY & INFRAS	3,269	66	3,269	-	308
REGENERATION & DEVELOPMENT PROGRAMME BOARD					
Regeneration					
Place Based Investment Fund 2021/22	649	43	649	-	-
Place Based Investment Fund 2022/23+	534		534	-	-
Development					
Stobhill Depot Upgrade	568		568	-	-
Destination Hillend	2,210	180	2,210	-	5,825
Shawfair Town Centre Land Purchase	5,165	106	5,165	-	-
Dalkeith Town Centre					
Newtongrange Library					
TOTAL - REGENERATION & DEVELOPMENT	9,126	329	9,126	-	5,825

	Rephased 2022/23	2022/23	2022/23	2022/23	2022/23
GENERAL SERVICES CAPITAL PLAN	Budget	Actual	Forecast	Variance	Carry
Q2 Monitoring	Q2	to P6	Outturn Q2	Q2	Forward Q2
	£000's	£000's	£000's	£000's	£000's
OTHER (PROGRAMME BOARD NOT YET DEFINED)					
PLACE					
Digital					
Newbattle Centre of Excellence	258	9	258	-	-
Civica Automation	47		47	-	-
City Deal - Digital	-		-	-	-
Transport					
North Middleton Bridge	62	36	37	(25)	-
New recycling facility - Penicuik	-		-	-	-
Food Waste Rural Routes	132		132	-	-
LEZ Electric Vehicles & Charging Points	48	1	48	-	-
Rosewell Road Toucan Crossing	50		50	-	-
Property/Development					
Midlothian & Fairfield House Shower Upgrades	5		5	-	-
32-38 Buccleuch Street Ground Floor Redevel	346	137	346	-	-
Hardengreen One and Two	3,107	0	3,107	-	-
Public Sector Housing Grants	198	96	198	-	-
Borders Rail - Economic Development Projects	125		125	-	-
Gorebridge Connected	-		-	-	-
Penicuik THI	132		132	-	-
Mayfield Town Centre Regeneration	4		4	-	-
CCTV Network	73		73	-	399
Town Centre Regeneration Fund 2019/20	0	11	0	-	-
Town Centre Regeneration Fund 2020/21	91	17	91	-	-
Purchase to Pay	2		2	-	-
EWiM - Buccleuch House Ground Floor	33		33	-	-
Millerhill Pavilion	23		23	-	-
PEOPLE & PARTNERSHIPS					
Education					
CO2 Monitors for Schools / Ventilation 21/22 F	93	92	93	-	-
Free School Meal Provision	162		162	-	162
Children's Services					
Residential House for 5-12 year olds	210	39	210	-	-
Communities & Partnerships					
Members Environmental Improvements	233	166	233	-	-
Participatory Budgets	-		-	-	-
Adult Social Care					
Assistive Technology	176	13	176	-	-
Homecare	55		55	-	-
Highbank Intermediate Care Reprovisioning	500	(33)	500	-	1,053
General Fund Share of Extra Care Housing	297	79	297	-	-
Sport & Leisure					
Property - Shawfair Leisure/Library Provision	-		-	-	-
TOTAL NOT ALLOCATED TO PROGRAMME	6,462	664	6,437	(25)	1,614
COST OF SALES					
	-		-	-	-
TOTAL COST OF SALES	-	-	-	-	-
SUBTOTAL - PRE RETURN OF CONTINGENC	40,231	5,761	39,991	(240)	17,929
Provision for Return of Contingencies	(985)		(985)	-	-
GENERAL SERVICES CAPITAL PLAN TOTAL	39,246	5,761	39,006	(240)	17,929

**Housing Revenue Account
Revenue Budget and Capital Plan 2022/23**

Report by David Gladwin, Chief Finance Officer (Acting).

Report for Decision

1 Recommendations

Council is recommended to:

- Note the contents of this report;
- Approve the reallocation of the £10 million earmarked capital budget for Retrofit Fire Safety Sprinkler Systems to the New Social Housing Phase 3-4 project as covered in section 3.1 below;
- Approve the release of a further £0.020m from the HRA Reserve to support the developing strategy for Dalkeith Town Centre.

2 Purpose of Report/Executive Summary

The purpose of this report is to provide Council with a summary of expenditure and income to 26th September 2022 for the Capital Plan and a projected outturn for both the Housing Revenue Account (HRA) and Capital Plan for 2022/23.

The summarised financial performance for 2022/23 is:

- Capital Investment in the year totalling £53.842 million;
- A net underspend of £0.171 million on the Revenue Account;
- A projected HRA general reserve at 31st March 2023 of £32.264 million.

Date 26th October 2022

Report Contact:

Name Lisa Young Tel No 0131-271-3111
lisa.young@midlothian.gov.uk

3 Background

3.1 Capital Plan 2022/23

The Capital Plan Budget has been revised to reflect the current profile of spend as shown in appendix C. Capital investment in the year is projected to be £53.842 million and there are currently no material variances to be reported.

The construction industry in Scotland and the UK is currently experiencing unprecedented adverse market conditions, which is leading to significant rises in tender prices for a wide range of materials. There is evidence that inflation of between 10% and 15% beyond BCIS predictions is affecting projects and whilst measures such as value engineering are partially mitigating cost increase there is a risk that the capital budgets provided for delivery of the New Social Housing project will need to be increased with a resultant impact on the funding strategy. Spend in 2022/23 is largely determined by contracts awarded prior to the acceleration of market influences thus the principal risk at this stage relates to future financial years.

Currently there is an approved budget of £156.258 million allocated to Phase 3 and 4 of the New Social Housing project phased over 2019/20 to 2026/27. Due to the factors mentioned above the current projected overall project cost is £18 million more than budgeted. To address this, two sites, where there is current uncertainty to their progression, will now be included as part of phase 5 thus reducing overall projected cost by approximately £8 million.

The approved Environmental improvements budget includes an allocation of £10 million for fire safety sprinkler systems which was earmarked as a precaution should Scottish Ministers require that the Council retrofit fire safety sprinkler systems to our social housing stock in response to the Grenfell Tower incident. The Ministerial Group on Fire & Building Regulations has since announced that there is not a requirement to carry out these works and it is therefore recommended to reallocate this budget to the New Social Housing Phase 3 and 4 project to address the remaining £10 million projected cost over-run therefore bringing the current approved capital plan back within budget.

3.2 Revenue Account 2022/23

Dalkeith Town Centre Masterplan and Outline Business Case
Council on 14th December 2021 approved the utilisation of £0.060m from the General Fund Reserve and £0.020m from the Housing Revenue Account Reserve to fund work needed to update the masterplan and strengthen the economic, financial and commercial case.

Work has been progressing well and a final report will be presented to Members early in 2023. Additional consultant input to support attendance at meetings and consultation events not originally scoped for and also to work through some additional analysis is anticipated to cost a further £0.020m to that already approved. The nature of this additional work relates to possible housing options in Dalkeith Town Centre and as such is properly chargeable to the Housing Revenue Account. Members are asked to approve an additional release of £0.020m from the HRA Reserve to support this.

The overspend reported to Council on 23rd August 2022 was £0.294 million. Projected spend at quarter 2 for 2022/23 has decreased by £0.465 million principally due to reduced borrowing costs aligned to lower forecast in-year capital expenditure. Projections now show an underspend of £0.171 million against budget, as shown in appendix D.

The HRA general reserve balance is projected to be £32.264 million at 31st March 2023 and is committed to finance existing investment plans through to 2037/38.

3 Report Implications

3.1 Resource

There are no direct resource implications arising from this report.

3.2 Digital

There are no direct digital implications arising from this report.

3.3 Risk

The principal risks are around the issue of affordability, ensuring that the investment in new build and the existing stock can be made without having to impose unacceptable increases on weekly rents. This is mitigated by the adoption of a long term financial strategy and modelling which demonstrates that existing investment commitments are sustainable.

There is also the risk of capital spend being lower than projected due to delays on projects, particularly in the current climate, this could result in lower debt charges causing the Housing Revenue Account Reserve balance to increase more than projected.

3.4 Ensuring Equalities

There are no equality issues arising directly from this report.

3.5 Additional Resource Implications

See Appendix A.

Appendix A – Additional Resource Implications

Appendix B – Background Information

Appendix C - Capital Plan 2022/23

Appendix D – Revenue Account 2022/23

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Not applicable

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value.

A.5 Involving Communities and Other Stakeholders

The report does not directly relate to involving communities.

A.6 Impact on Performance and Outcomes

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

A.7 Adopting a Preventative Approach

The report does not directly relate to adopting a preventative approach.

A.8 Supporting Sustainable Development

The report does not directly relate to supporting sustainable development.

APPENDIX B**Background Papers/Resource Links**

HRA Capital Plan and Revenue Budget enclosed

HOUSING REVENUE ACCOUNT CAPITAL PLAN 2022/23

	Revised Budget 2022/23 £'000	Actuals to Date £'000	Projected Outturn £'000	Variation (Under)/Over £'000
FUNDING				
Grants				
- Incentivising New Build	7,742	0	7,742	0
- Buy Backs Funding	880	250	880	0
Council Tax on Second Homes	96	0	96	0
Borrowing Requirement	45,124	14,999	45,124	0
TOTAL AVAILABLE FUNDING	53,842	15,249	53,842	0

	£'000	£'000	£'001	£'000
APPROVED EXPENDITURE				
New Build Houses Phase 2, Phase 3 & Phase 4	41,034	11,773	41,034	0
Buy Backs	3,300	1,459	3,300	0
Aids & Adaptations	454	151	454	0
Environmental Improvements	1,000	0	1,000	0
BDHS Meters	1,300	0	1,300	0
Homelessness - Temporary Accommodation Provision	415	299	415	0
Scottish Housing Quality Standard				0
-Upgrade Central Heating Systems	1,673	410	1,673	0
-SHQS Repairs	4,666	1,157	4,666	0
TOTAL EXPENDITURE	53,842	15,249	53,842	0

MIDLOTHIAN COUNCIL**Appendix D****HOUSING REVENUE ACCOUNT 2022/23**

	Revised Budget	Projected Outturn	Variation (Under)/Over
Average No of Houses	7,451	7,370	(81)
	£000's	£000's	£000's
Repairs and Maintenance			
General Repairs	6,356	6,712	356
Decant/Compensation	63	53	(10)
Grounds Maintenance	801	833	32
	7,220	7,598	378
Administration and Management	5,332	5,332	0
Loan Charges	13,790	12,212	(1,578)
Other Expenses	2,702	2,985	283
TOTAL EXPENDITURE	29,044	28,127	(917)
Rents			
Houses	31,950	31,143	807
Garages	617	617	0
Others	486	547	(61)
TOTAL RENTS	33,053	32,307	746
NET EXPENDITURE/(INCOME)	(4,009)	(4,180)	(171)

Movement in HRA Reserve

Opening HRA Reserve	(28,084)
Enhancement during 2022/23 as above	(4,180)
Reserve Earmarked to fund capital investment plans	(32,264)

Early Learning and Childcare Funding Rate 2022-23

Report by Fiona Robertson Executive Director Children, Young People and Partnerships

Report for Decision**1 Recommendations**

Council is recommended to:

- a. Maintain the current 2 year old rate of £6.90, whilst increasing the 3-5 year old rate from £5.71 to £6.42 for both funded providers and childminders delivering Early Learning and Childcare (ELC).
- b. Backdate the increase in 3-5s rate to August 2022.
- c. Give delegated authority to the Executive Director (*Children, Young People and Partnerships*) to write to the Scottish Government (SG), on behalf of Council, to seek clarity on future funding and assurance that the SG will provide the necessary funds to allow Midlothian to pay funded providers a sustainable rate.
- d. Review the funding rates for 2023/24 once the funding allocation from the Scottish Government is confirmed.

2 Purpose of Report/Executive Summary

Following the Council Briefing on 14 November 2022, this report seeks a decision to maintain the current rate paid to partner providers for 2 year olds, whilst applying an increase to the 3-5 year old funding rate from August 2022 for the 2022/23 financial year, which can be funded from existing carry-forward. With the Scottish Government's (SG) funding methodology for ELC for 2023/24 onwards unavailable and the 2022/23 funding gap estimated to be circa £11.084m, it is recommended that the future rate be determined once the SG's funding settlement is known.

Report Contact:

Fiona Robertson Fiona.Robertson@midlothian.gov.uk

3 Background

3.1 When to increase the rate

In 2022 Ipsos MORI carried out a survey of the cost to provider settings and childminders of delivering early learning and childcare. The funding rate discussed below has been calculated on the basis of coming into effect from August 2022. It has been extrapolated from the results of the survey using inflation estimates since March 2022, as the survey was carried out before the cost of living crisis became as apparent and inflation, and hence wage pressures, escalated.

3.2 Whether to have separate rate for settings and childminders

Midlothian currently pays the same funding rate to settings and childminders (CM). With the very direct relationship between the funding rate and childminders' incomes, allied to the small number of funded ELC hours currently delivered by CM, continuing to pay childminders the same rate as settings would not incur significant additional expenditure for the council. An increase in the funding rate may lead to an increase in the number of active childminders, broadening the choice and flexibility of ELC available to parents.

3.3 What to increase the rate(s) to

Following the inflationary adjustment to the costs established by the survey and an allowance for Return on Investment (ROI), a new sustainable rate for 3-5 year olds has been calculated¹.

The Care Inspectorate staff to child ratio for 2 year olds is 1:5, whereas for 3-5 year olds it is 1:8. This means that 2 year olds require 60% more staff than 3-5 year olds, and staffing constitutes nearly three quarters of providers' operating costs. To account for this, Midlothian currently applies a 21% adjustment to the 3-5s rate. This is significantly higher than Edinburgh City (7%) and Scottish Borders (5%). Therefore, it is recommended to increase the 3-5s rate £6.42, while holding the 2s rate at current levels (£6.90). This would make both rates comparable to those approved at Edinburgh City. Applying this increases from August 2022 to March 2023 will incur an additional funding requirement of circa £411k in financial year 2022/23.

	Current	Proposed	% diff
2 year olds	£6.90	£6.90	-
3-5 year olds	£5.71	£6.42	12.40%
Total additional cost (Aug 22 - Mar 23)	£411,118		

¹ Methodology was discussed in the Council briefing on 14 November and provided in [Appendix A](#).

3.4 Benchmarking

The table below presents the local benchmarking comparisons. The rates presented by Edinburgh City Council (from August 2022) and Scottish Borders Council (SBC, backdated to August 2021) do not include meals. If we add 40p onto these figures (as an assumption) then it is clear that the Midlothian proposal is almost identical to Edinburgh City and less than SBC and West Lothian (from August 2020) for 3-5 year olds. This table also provides the proportion of ELC places delivered by funded providers in these neighbouring authorities. We are aligned with the proportion of funded providers for Edinburgh City and SBC, who have both increased their rate.

LA	2s	3-5s	Notes	Proportion
Midlothian (current)	6.90	5.71	Includes meals top-up	37%
Midlothian (proposed)	6.90	6.42	Includes meals top-up	37%
Edinburgh	6.48	6.03	Plus £3.10 per meal	41.3% (NDNA)
Borders	6.55	6.21	Does not include meals	37% (NDNA)
West Lothian	6.80	6.80	Settings, includes meals	9.5% April 2020
West Lothian	6.30	6.30	Childminders, includes meals	0.6% April 2020

3.5 Funding

The Scottish Government provides ring-fenced funding for the implementation of the expansion from 600 to 1140 hours of funded ELC, initially increasing year on year until full implementation from August 2021. The rest of the cost of the Early Years' Service is met by the allocation of funds from the Revenue Support Grant from Scottish Government and the council's other funding sources. The multi-year funding for 1140 hours is presented below, showing a £1.7m reduction in ring fenced revenue funding from 21-22 to 22-23.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Multi-year Ring fenced funding	£1.475m	£6.942m	£11.725m	£13.125m	£11.411m	TBC

The 26 May 2022 letter (see Appendices) from Alison Cumming, Director of ELC at the Scottish Government to local authorities advised;

“2022-23 represents an interim year for ELC funding. The ELC Specific Revenue Grant will remain ring-fenced in the next financial year while we work together to agree the annual quantum for 2023-24 onwards, taking into account changing costs and population figures.”

“Councils will work with partners, on the basis of the available evidence and within the funding envelope available for ELC, to uplift rates for 2022-23 to ensure that they reflect the costs of delivery (including inflationary increases), provide scope for reinvestment (reflecting a measure of profit in a private sector setting or surplus in a third sector organisation) and enable delivery of the Real Living Wage commitment. The level of change in rates in 2022-23 will reflect evidence about local needs and circumstances, and will be determined through robust and transparent processes that are supported by local engagement. Rates must be affordable for local authorities within their overall ELC budget.”

The additional funding requirement for an increase in the sustainable rate for financial year 2022/23, will be met by the early years carry forward.

3.6 Future years

The use of the carry-forward noted above is a one-off and not recurring position. The May 2022 letter also confirms that the Scottish Government intends to adopt a new funding methodology for ELC for 2023/24 onwards. However, we do not have details of what this method will be or whether it will result in an increase or decrease to the funding allocated to Midlothian.

With the increase to the real Living Wage announced in September 2022, and circumstances that are unknown, such as details of the proposal to cap gas and electricity costs to businesses, the continued impact of the war in Ukraine, and the final budget position of the UK Government, the proposed rate will need to be reviewed for the 2023/24 budget. However, with uncertainties around the funding methodology and the allocated budget to Midlothian, it would be prudent to determine the future rate once these uncertainties are resolved.

To support the future budgeting activity, we recommend that delegated authority is given to the Executive Director (*Children, Young People and Partnerships*) to write to the Scottish Government, on behalf of the council, to seek clarity on future funding and assurance that the SG will provide the necessary funds to allow Midlothian to pay funded providers a sustainable rate.

As an overview, any review of the rate must be sustainable for authorities in terms of the budgets available and will have to take account of the following considerations:

- The rate does not have a detrimental effect on the local authority's ability to continue to pay for the service in the long-term.
- The wider package of 'in-kind benefits', which are separate to the sustainable rate, available to the funded provider as part of their contract with the local authority.
- The rate does not need to be cross-subsidised by parents and carers through charges for non-funded hours.

3.7 Risks

The information provided in this paper recognises that while we must calculate a sustainable rate for our funded providers, the application of that rate must be affordable for the authority. With budget shortfalls and funding uncertainty, it is necessary to consider the implications associated with increasing and not increasing the rate.

Risks if the rate IS increased:

- Irrespective of the rate chosen, there will be an increased cost to the authority.
- While an increase may be funded by underspend in the short-term, there are significant unknowns about the Scottish Government's future funding methodology and allocation. This may lead to an even larger funding gap.
- Other local authorities have reported using their reserves to fund the sustainable rate increases. This is not financially sustainable practice.

Risks if the rate is NOT increased:

- Neighbouring authorities with the same proportion of funded providers have increased their rates. Not doing so will lead to reputational damage and potential scrutiny from the SG.
- Funded providers are required to pay the real Living Wage. If they do not have the financial support to do so, they may have to withdraw from partnership as they will not meet the National Standard.
- Analysis has shown that costs are increasing for our funded providers; not supporting our partners may lead to a loss of local businesses and associated employment, direct and indirect.
- The local authority does not currently have the physical capacity or infrastructure to be able to mitigate against the risk of losing our partner providers.
- If we lose some of our funded providers, there will be cost implications associated with increasing and transforming our learning estate to create a suitable early year's environment.
- Losing funded providers will impact upon the council's ability to provide parents with choice, flexibility and affordability for funded ELC, three of the four tenets of 1140 hours.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

If Council decides to approve an increase in the funding rate for 3-5 year olds, the additional funding requirement of circa £411k for financial year 2022/23 will be met by the early years carry forward, although it is important to note that this is a one-off and not recurring position. Budgets for future years will be set taking account of the revised rate.

4.2.1 Digital

There are no digital implications arising from this report.

4.2.2 Risk

There are two interconnected risks addressed by this report. The council has a legislative duty to provide ELC places to eligible children. If the ELC funding rate to funded providers is set too low, providers may be unsustainable and capacity will reduce, thereby the council's ability to meet its duty will be at risk. The council may either fail to meet this duty or will incur additional costs while seeking to provide substitute places through other routes. This risk must be balanced against the budgetary pressure upon the council. While the authority has an obligation to provide a sustainable rate to the funded providers, it needs to be affordable. As stated by the Scottish Government 'the rate does not have a detrimental effect on the local authority's ability to continue to pay for the service in the long-term'.

4.3 Ensuring Equalities (if required a separate IIA must be completed)

An Integrated Impact Assessment was carried out on the potential impact of setting rates that are not sustainable to either providers or to the council. It identified that setting the rate(s) too high would negatively impact upon other services provided by the council, though which groups might be affected would be determined by how the budget was balanced. Setting the rate(s) too low would disproportionately negatively impact young people and children, women (particularly female single parents and the predominantly female workforce in the ELC sector), people with a disability and those vulnerable to falling into poverty. A reduction in settings and flexibility may increase travel distances for parents and carers, potentially increasing CO2 and particulate emissions.

4.4 Additional Report Implications (See Appendix A)

See Appendix B

APPENDIX A – Sustainable Rate Methodology

On behalf of local authorities, CoSLA commissioned IPSOS MORI to conduct a survey of the costs incurred by funded providers to deliver childcare. The survey was carried out in February and March 2022. The data produced was at Regional Improvement Collaborative (RIC) level. Midlothian is a member of the South East Improvement Collaborative (SEIC), along with East Lothian, Edinburgh, Fife and Scottish Borders councils.

The Scottish Government states in the guidance for setting sustainable rates that:

Local authorities must act transparently, regardless of the process chosen, and make available details of the process.

The current rate was an estimate calculated by SG in 2018 for the rate in 2020, using data collected through an IPSOS MORI survey carried out in 2016. There have been significant unforeseeable events causing upward pressures on salaries, utilities etc. (pandemic, labour market competition, Russia's invasion of Ukraine and the cost of living crisis) since that time. The 2022 IPSOS MORI survey shows that costs are now above Midlothian's current funding rate.

The SG estimate of the hourly rate for 2020 did not include payment for meals. As a result, Midlothian added a 40 pence per hour top-up to the hourly rate to cover meals. The 2022 IPSOS MORI cost data includes the costs associated with providing meals, therefore, the sustainable rate calculated from it includes meals.

Angus Council provided a detailed breakdown of how it calculated its sustainable rate, extrapolating the IPSOS MORI survey data using publically available statistical information on increases in costs and applying a factor to account for the different staff-to-child ratios between three to five year olds and two year olds. For almost all cost elements it used the mean costs found by the survey rather than median or a percentile. It then applied an 8% Return on Investment (ROI) (discussed later).

The Angus method has been applied to the SEIC data provided to Midlothian by IPSOS MORI. In order to make these costs reflect current economic conditions, we made the following adjustments:

Cost adjustment	Adjusted by	Proportion of costs
Staff costs aligned to real Living Wage (rLW) April 2022	rLW	72%
Utilities	Ofgem	2%
Other costs, where appropriate	CPIH	26%
TOTAL		100%

Following the inflationary adjustment to the costs, an 8% Return on Investment (ROI) rate is applied to produce a new sustainable rate for 3-5s.

Return on Investment

The cost per hour used to calculate the sustainable rate proposed was the mean (average) cost figure found by the IPSOS MORI survey. This means around half of providers will experience higher costs than the mean funding rate calculated from the survey². Clearly, therefore, if the council were to set the sustainable rate at this cost per hour half of the providers would either need to charge parents more for unfunded hours in order to meet the funding shortfall, or could be unsustainable and ultimately close. This could have a significant impact upon children and families and the council's ability to meet its legislative duty.

Providers do not operate solely to break even however, an ROI rate of 8% has been applied to the cost per hour. As stated in the IPSOS MORI paper "private companies are unlikely to continue to operate if they are not generating a profit in addition to their costs, although actual/desired profit margins will vary widely". This is also acknowledged by SG in the guidance:

"Ensuring a sustainable rate in the current economic climate is challenging. For private and third sector providers, this means an adequate return on investment and being able to recruit and retain staff. For local authorities, it means that the service reflects high quality ELC provision and affordability."

Due to the variability of costs discussed above, only providers with costs matching the mean figure will have an 8% ROI rate if the sustainable rate is set as proposed. Around half of providers will be above this figure and around half will have a lower rate, with some potentially making a loss. As well as the mean cost figures, the IPSOS MORI survey provided 80th percentile cost figures. The 80th percentile is where the cost per hour of delivering childcare at 80% of providers will be less than this figure and they will make, to a greater or lesser degree, a profit, and at 20% it costs more and they will make a loss.

² Assuming that the providers who completed the survey are representative of all providers

APPENDIX B – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

- Individuals and communities have improved health and learning outcomes

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

This report has been considered from a Best Value perspective, to maintain a sustainable position for our providers and support quality provision of ELC in line with the National Standard, enabling the council to meet its statutory duty and delivering flexibility and choice to parents and carers.

A.5 Involving Communities and Other Stakeholders

The development of this rate has been driven by the needs of our community, and will be delivered in partnership with funded providers.

A.6 Impact on Performance and Outcomes

The sustainable rate is required to ensure that the authority has the capacity and resource to effectively delivery 1140 hours to our children, meeting the council's statutory duty.

A.7 Adopting a Preventative Approach

Providing a rate that is sustainable is, by its very nature, preventative. The provision of high quality ELC for eligible children is also preventative in terms of supporting the development of children, improving attainment and learning outcomes.

A.8 Supporting Sustainable Development

Not applicable.

Appointment of Members in Accordance with the Scheme of Administration – Midlothian Twinning Association**Report by Kevin Anderson, Executive Director Place****Report for Decision****1 Recommendation**

The Council is invited to consider the appointment of an additional named member to the Midlothian Twinning Association Committee.

2 Purpose of Report/Executive Summary

In accordance with Standing Order 4.1 (x) consideration requires to be given by Council to the appointment of representatives to Joint Committees, Outside Bodies and other partnership working.

Date: 25 October 2022**Report Contact:** Kevin Anderson, Executive Director Place**Email:** Kevin.Anderson@midlothian.gov.uk

3 Main report

Midlothian Twinning Association is an outside organisation consisting of volunteers with an interest in establishing and maintaining links in Europe.

The former Midlothian District Council had twinning arrangements in place with Kreis Heinsberg in Germany and Komarom- Esztergom in Hungary. Dalkeith in Midlothian has been twinned with the town of Jarnac in Charente, France since 1960 with other towns/villages twinned with towns in France. Twinning has continued following the formation of Midlothian Council in 1996

At its meeting of 24 May 2022, Council approved the appointment of Councillor Debbie McCall, Provost; Councillor Peter Smaill and Councillor Margo Russell to the Midlothian Twinning Association.

Four places are available to the Council on the Midlothian Twinning Association and following an approach by office-bearers of the Association this report requests Council to consider the appointment of a named additional member for the available remaining place.

4. Report Implications (Resource, Digital and Risk)

4.1 Resource

None

4.2 Digital

There are no digital implications related to this report.

4.3 Risk

In accordance with Standing Order 4.1(x), this report invites the Council to appoint Members to Joint Committees and Outside Bodies etc.

There are no risk implications arising directly from this report.

4.4 Ensuring Equalities

An equalities impact assessment has not been required in connection with this report as there are no equality implications arising directly from this report.

4.5 Additional Report Implications

See Appendix A

Appendix A - Additional Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Not applicable

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

There are no direct implications related to this report.

A.5 Involving Communities and Other Stakeholders

The report does not directly relate to involving communities.

A.6 Impact on Performance and Outcomes

Not applicable

A.7 Adopting a Preventative Approach

Not applicable

A.8 Supporting a Sustainable Development

Not applicable

Chief Social Work Officer – Annual Report 2021-2022

Report by Joan Tranent, Chief Social Work Officer

Report for Decision

1 Recommendations

Council is asked to:

- Note the Chief Social Work Officer's Annual Report for 2021-22
- Agree the Chief Social Work Officer should place a copy of the annual report on the Council website.

2 Purpose of Report/Executive Summary

This report provides Council and the IJB with the annual report of the Chief Social Work Officer (CSWO). The shortened report provides both Council and the IJB with a high level overview of key issues and challenges as a result of Covid-19.

Date: October 2022

Report Contact: Joan Tranent

Joan.tranent@midlothian.gov.uk

3 Background

The requirement that every local authority should have a professionally qualified Chief Social Work Officer is contained within Section 3 of the Social Work (Scotland) Act 1968. The particular qualifications are set down in regulations. This is one of a number of officers, roles or duties with which local authorities have to comply. In Midlothian Council the role of Chief Social Work Officer is held by the Chief Officer Children's Service, Partnerships and Communities

The annual reports of all CSWO's are submitted to the Office of the Chief Social Work Advisor at the Scottish Government in order that a national overview report can be produced.

This year's report offers a high level overview of some of the great work undertaken despite the continued challenges that social work and social care staff faced as Covid-19 remained a very live and current issue.

It was very much a shared endeavour by all staff across the council and the health and social care partnership including our 3rd sector partners that prioritising the safety and health and wellbeing of those who were most in need within our communities was our number one priority.

4 Report Implications (Resource, Digital and Risk)

This report does not make recommendations, which entail the allocation of resources.

4.1 Resource

None

4.2 Digital

None

4.3 Risk

CSWO's have well-developed arrangements in place to assess and manage risk both within social work services and in inter-agency contexts. This has been particularly prevalent during the ongoing Covid-19 pandemic where as CSWO with a children and families background I have had to liaise with colleagues in health and social care to support the roll out of robust governance and oversight around high risk areas such as care at home and residential care homes settings. Having positive professional working relationships with a clear understanding of each other's roles has reduced any potential risk.

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

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

4.4 Additional Report Implications

See Appendix A

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

This report focuses on the delivery of statutory functions rather than strategic development of social work services. There are, however, clear links to business transformation and partnership arrangements in so much as the integrity of the CSWO has been safeguarded and designed into organisational change.

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

The report highlights the involvement efforts taken across all areas of social work and social care to deliver best practice.

A.5 Involving Communities and Other Stakeholders

The report highlights good practice where the involvement of users of services have been sought in the development of services.

A.6 Impact on Performance and Outcomes

The report highlights performance levels across the services and how a commitment to improve outcomes.

A.7 Adopting a Preventative Approach

It has been critical to adopt a preventative approach across our services and this report highlights these areas of work.

A.8 Supporting Sustainable Development

Not applicable

[Appendix B – Chief Social Work Officer Annual Report \(2021-22\)](#)

Midlothian Strategic Housing Investment Plan 2023/24 - 2027/28**Report by Kevin Anderson, Executive Director - Place****Report for Decision****1 Recommendations**

Council is recommended to approve the appended Strategic Housing Investment Plan (SHIP) 2023/24-2027/28, which has been submitted to the Scottish Government on 28 October, 2022 in order to meet the required dateline, with the proviso this is subject to approval by Council.

2 Purpose of Report/Executive Summary

This report summarises the key points set out in Midlothian's Strategic Housing Investment Plan (SHIP) 2023-28, which details the priorities for investment in new affordable housing in Midlothian.

Date: 14 October 2022**Report Contact:** Fiona Clandillon, Head of Development
email: fiona.clandillon@midlothian.gov.uk

3 Background/Main Body of Report

- 3.1** The Scottish Government requires all local authorities to prepare a SHIP that identifies the main strategic investment priorities for affordable housing over a 5 year period. This important document is required on an annual basis as the Scottish Government requires detail on the Affordable Housing Supply Programme in each regional area towards meeting the national target of supporting the development of 110,000 new affordable homes. The SHIP sets out Midlothian Council's approach to promoting affordable housing investment and meeting housing supply targets identified in the Strategic Development Plan for Edinburgh and South East Scotland.
- 3.2** The delivery of more affordable housing remains a high priority for Midlothian Council, which is undertaking a development programme of 1,000 new council houses.
- 3.3** While the SHIP sets out a recent increase in the number of lettings, in part as a result of the Midlothian Council's most recent new build programme, it also records an 8% increase in the number of households on the waiting list. Despite significant levels of investment in new housing, there is still a shortage against the demand for affordable housing in Midlothian with 4,237 households now on the Council's Housing List.
- 3.4** Midlothian Council has 11 projects named in the SHIP which are not yet on site. Partner Registered Social Landlords (RSLs) have an additional 21 projects listed in the SHIP. Finally, there are a further 8 projects where the lack of an affordable housing provider has not been confirmed. It is anticipated that these will be delivered by Midlothian Council. However, due to a lack of certainty surrounding local authority rent increases at this time, due to existing Scottish Government legislation in the response to the Cost of Living Crisis, it is not certain that these sites can be funded through the Housing Revenue Account. Until a rent setting strategy is agreed, the means to deliver these sites must therefore remain unconfirmed.
- 3.5** A total of £127.520 million of Scottish Government grant funding would be required by the Council and RSLs to deliver the identified units over the next 5 years. This is an increase of £22.612 million from the previous Strategic Housing Investment Plan.
- 3.6** Due to the uncertain future of the rent setting strategy, the number of confirmed Midlothian Council new build properties to be built over the course of the SHIP has reduced from 1,413 (in 2022/23 – 2026/27) to 1,007. This is in contrast to the number of planned RSL new build properties which have increased from 832 to 1,144.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

It is anticipated that the Scottish Government will part-fund these homes through grant provided via the Affordable Housing Supply Programme. Grant levels were uplifted in 2022 by approximately 32%,

however this uplift was outpaced by increases in inflation associated with the rising cost of materials and labour. Those elements not funded by grant are funded through the Housing Revenue Account, where delivered by Midlothian Council, or through affordable housing RSL partners.

As outlined in the SHIP, any projects not currently funded through existing commitments cannot be delivered by Midlothian Council, as there are insufficient reserves in the Housing Revenue Account. This will need to be resolved prior to funding projects not currently in the committed programme. Rent consultation commences in Autumn/Winter 2022 and the results will be presented to Council in February 2023. This will determine the funding to be earmarked for the future delivery of the Midlothian Council new build programme.

It should be noted that the Scottish Government may extend the rent freeze currently in force or impose a cap on rent increases.

4.2 Digital

NA

4.3 Risk

If the Council does not support the development of new affordable housing, the level of housing need will increase with negative consequences for Midlothian's communities.

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

Equality is central to all housing and housing services delivery. An Integrated Impact Assessment (IIA) has been undertaken on the Local Housing Strategy 2021-26 to ensure that the needs of local communities have been fully considered. The SHIP reflects identified needs and draws on findings from the IIA when considering the implications flowing from the translation of strategic aims into housing policies.

4.5 Additional Report Implications (See Appendix A)

See Appendix A

Appendices

Appendix A – Additional Report Implications

Appendix B – Background information/Links

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

This Strategy aligns with Midlothian's Single Midlothian Plan and with corporate priorities.

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

N/A

A.5 Involving Communities and Other Stakeholders

Extensive consultation was carried out for the LHS involving the input of key stakeholders, including local organisations such as housing associations and private landlords as well as the wider community. During consultation, it was widely recognised that investment in affordable housing a key priority. All developing Housing Associations have discussed their development plans with Council Officers. Private sector developers were also given the opportunity to discuss their future development plans with Council Officers.

A.6 Impact on Performance and Outcomes

The SHIP supports the following Local Housing Strategy (LHS) Outcomes, these are:

- Households have improved housing options across all tenures.

- Homeless households and those threatened with homelessness are able to access support and advice services and all unintentionally homeless households will be able to access settled accommodation.
- The condition of housing across all tenures is improved.
- The needs of households with particular needs will be addressed and all households will have equal access to housing and housing services.
- Housing in all tenures will be more energy efficient and fewer households will live in or be at risk of fuel poverty.

A.7 Adopting a Preventative Approach

Setting out a programme for development in the SHIP enables the investment of affordable housing to be carried out in a balanced approach in order that any investment takes into account the needs of the community. This includes those with particular needs such as extra care housing for older people, wheelchair housing or those Complex Physical or Learning Disabilities where provision of suitable housing would require less resourcing in comparison to traditional models of care.

A.8 Supporting Sustainable Development

An SEA Pre Screening was undertaken in respect of the Strategy, following this it is expected that a full screening will not be required. In addition, good practice in relation to energy efficiency and sustainability is highlighted in the document.

APPENDIX B**Background Papers/Resource Links**

Midlothian Strategic Housing Investment Plan 2023/24 - 2027/28



Midlothian Council Strategic Housing Investment Plan 2023/24 - 2027/28



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Contact 0131 270 7500 or email: enquiries@midlothian.gov.uk

Front page photographs

Top: Completed homes by Midlothian Council, Bonnyrigg

Bottom: Completed homes by Taylor Wimpey for Melville Housing at Pentland Green, Bilston

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Appendix 1

1 Introduction and Strategic Links

In March 2021, the Scottish Government published its first long-term housing strategy 'Housing to 2040' which set an ambition to deliver a further 110,000 affordable homes by 2032, with at least 70% of these for social rent. Meeting this target is ambitious and will require increased investment by the Scottish Government, Local Authorities and Registered Social Landlords and a step change in the pace of housebuilding in order that it is achieved. The delivery of more affordable housing remains a high priority for Midlothian Council which is undertaking a development programme of 1,000 new council houses in Midlothian.

The purpose of Midlothian's Strategic Housing Investment Plan (SHIP) is to set out strategic investment priorities for affordable housing over a 5 year period to achieve the outcomes set out in the Local Housing Strategy (LHS). The SHIP priorities are clearly aligned with the LHS Outcomes Action Plan 2021-2026 which can be accessed here:

[Housing strategy and performance | Midlothian Local Housing Strategy 2021-2026](#)

The strategic housing priorities of the SHIP are aligned and consistent with the priorities and outcomes within the Rapid Rehousing Transition Plan and the annual updates to the document. The latest Rapid Rehousing Transition Plan can be found here:

[Rapid Rehousing Transition Plans | Rapid Rehousing Transition Plan 2022/23 - 2023/24 \(midlothian.gov.uk\)](#)

The SHIP is the key document for identifying strategic housing projects towards meeting the Government's 110,000 affordable housing target. This document is updated annually to present up to date information on affordable housing investment plans.

The SHIP provides an opportunity for the Council to:

- Set out investment priorities for affordable housing and identifies how these will be delivered
- Identify the resources required to deliver these priorities
- Involve key partners in the delivery of new affordable housing.

The SHIP will continue to inform the allocation of resources from the Scottish Government's Affordable Housing Investment Programme, which primarily supports the delivery of affordable housing via the Council and Registered Social Landlords. In addition, other funding streams that support investment in affordable housing have also been evaluated.

Local Child Poverty Action Report

The latest report, published in 2022, notes that 24% of children in Midlothian are living in poverty. A target has been set to reduce this level to fewer than 10% of children living in relative poverty by 2030. A key driver for reducing the level of poverty is reducing the cost of living for families. The Strategic Housing Investment Plan will support this by increasing the total number of affordable homes in Midlothian. For many households this will result in significantly reduced rental payments and an improved quality of life, for example, by alleviating overcrowding in a household and

providing a home which costs less to heat. The SHIP is aligned with the strategic housing priorities of the Midlothian Local Child Poverty Action Report. Key progress delivered as a result of the SHIP for low income families will be captured within the Local Child Poverty Action Report 2023.

2 Profile of Midlothian

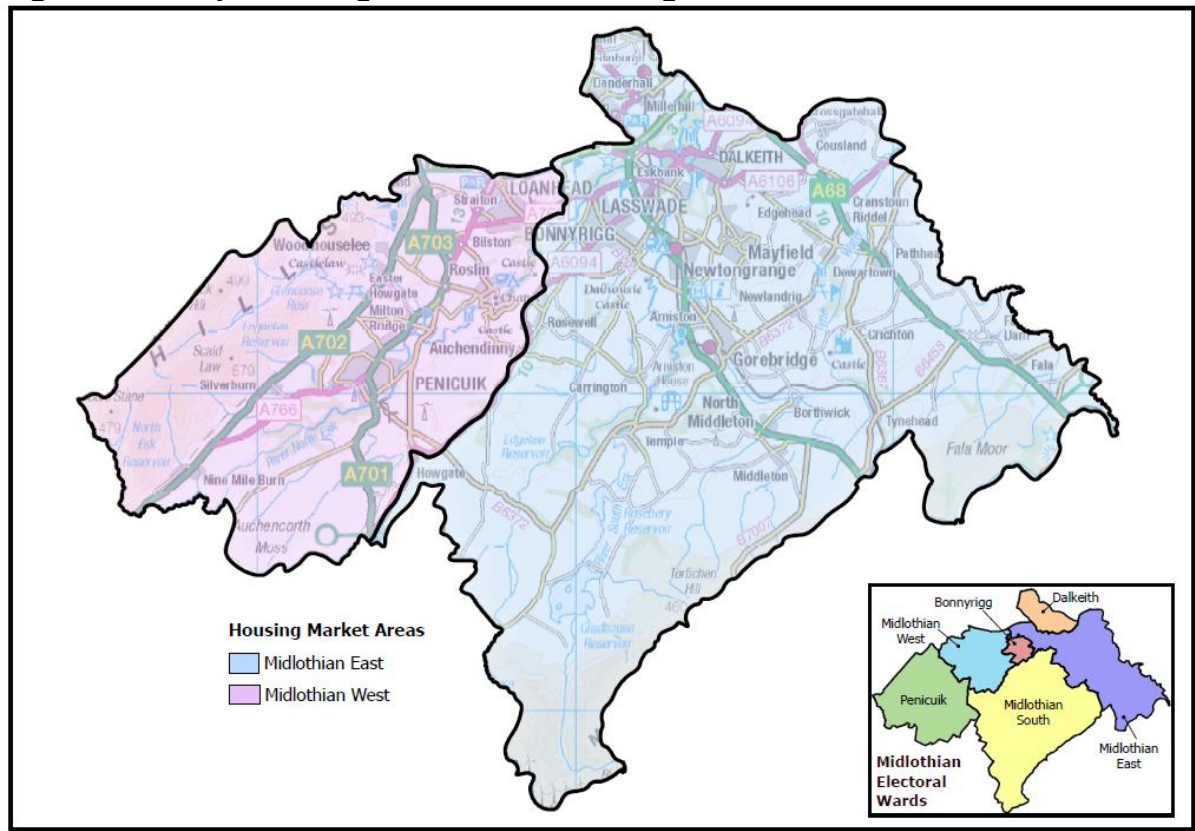
Housing Market Areas (HMAs)

Midlothian is situated within the Edinburgh and South East of Scotland City Region area and is therefore influenced by the wider region in terms of where households choose to live and work. The table below shows the two HMAs along with their corresponding towns and villages, while the map shows the geographical spread of the HMAs. The Midlothian West (A) HMA is denoted in purple while the Midlothian East (B) HMA is denoted in blue colour.

Table 2.1: Main Settlements in Housing Sub Market Areas

Midlothian West (A)	Penicuik, Loanhead, Bilston, Roslin, Straiton, Auchendinny
Midlothian East (B)	Dalkeith, Bonnyrigg, Gorebridge, Rosewell, Mayfield, Easthouses, Pathhead, Newtongrange, Danderhall/Shawfair

Figure 2.1: Map showing Midlothian Housing Sub Market Areas



The Housing Market Areas are the core development areas in Midlothian which concentrates new development in Midlothian on:

- The A701 Corridor;
- The A7/A68/ Borders Rail Corridor; and
- Shawfair

Most of the affordable housing units to be delivered are in the Midlothian East area, largely due to the population, and therefore housing need, being greater in this housing market area. The Danderhall/Shawfair area will see a significant level of new development with an allocation of land for around 4,000 houses, employment land, a town centre including a supermarket and school provision. The initial new sites for development have been completed with further sites under construction.

Housing Tenure in Midlothian

The most common housing tenure in Midlothian is owner occupied housing (67%) followed by social rented housing by the council or housing association (24%). In addition private rented homes comprise 9% of the housing stock.¹

Social Housing Demand

An analysis of social housing in Midlothian shows:

- In the mainstream stock (ie. excluding temporary accommodation) there are 6,806 Council homes in Midlothian. The majority of stock is 2 bed (3,728 units), followed by 3 bed (1,863 units). There are fewer 1 bed homes (892 units) and 4 bed and larger homes (323 units).
- There are currently 3,416 RSL properties in Midlothian. Table 2.2 below, shows how many properties each landlord has.
- One and two bedroom properties are most in demand from the Housing List; 19% of applicants are waiting for one bed homes and 64% of applicants are waiting for two bed homes. Only 16% of Housing List applicants require 3 and 4 bed homes.

Table 2.2: Number of Registered Social Landlord (RSL) properties in Midlothian²

Registered Social Landlord (RSL)	Number of properties
Melville Housing Association	2010
Castle Rock Edinvar Housing Association	1075
Bield Housing Association	116
Dunedin Canmore Housing Association	98
Trust Housing Association	35
Viewpoint Housing Association	34
Blackwood Housing Association	23
Link Housing Association	20
Ark Housing Association	5

¹ [Scottish House Condition Survey: Local Authority Analysis 2017-2019 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scottish-house-condition-survey-2017-2019/pages/12.aspx)

² Scottish Housing Regulator October 2022

Chart 2.1 below, shows the number of council lets in recent years. It shows that between 2015/16 and 2021/22 allocations have increased by 58% due to changes to the Housing Allocation Policy and the number of new build completions in these years. It is expected that the annual number of lets will increase significantly in future years as a result of the new build programme.

Chart 2.1: Midlothian Council Lettings

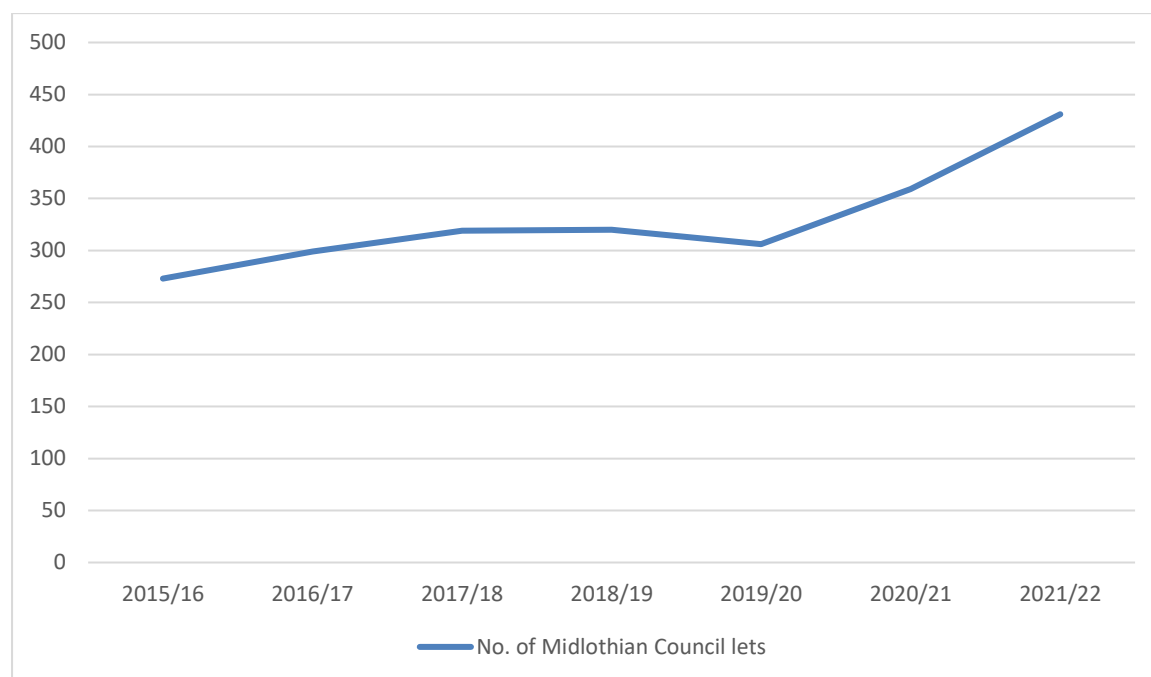


Chart 2.2 shows that the number of households on Midlothian Council waiting lists increased by 8% between 2021 and 2022. The 'Choice' waiting list was removed in 2020 which resulted in a sharp reduction in waiting list numbers rather than a lessening of demand for social housing which is evident in the number of households currently waiting for housing. The Choice List applicants did not have any housing or medical needs but a preference to move home, with other housing options available to facilitate that choice.

Chart 2.2: Number of Households on Midlothian Council Housing List 2018 – 2022

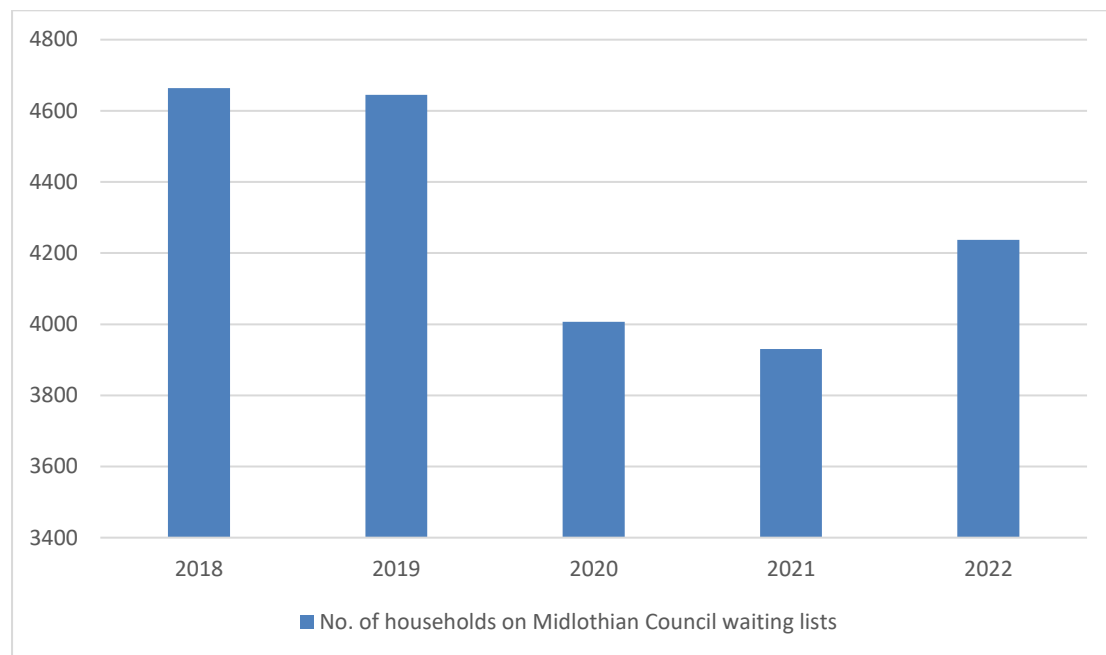
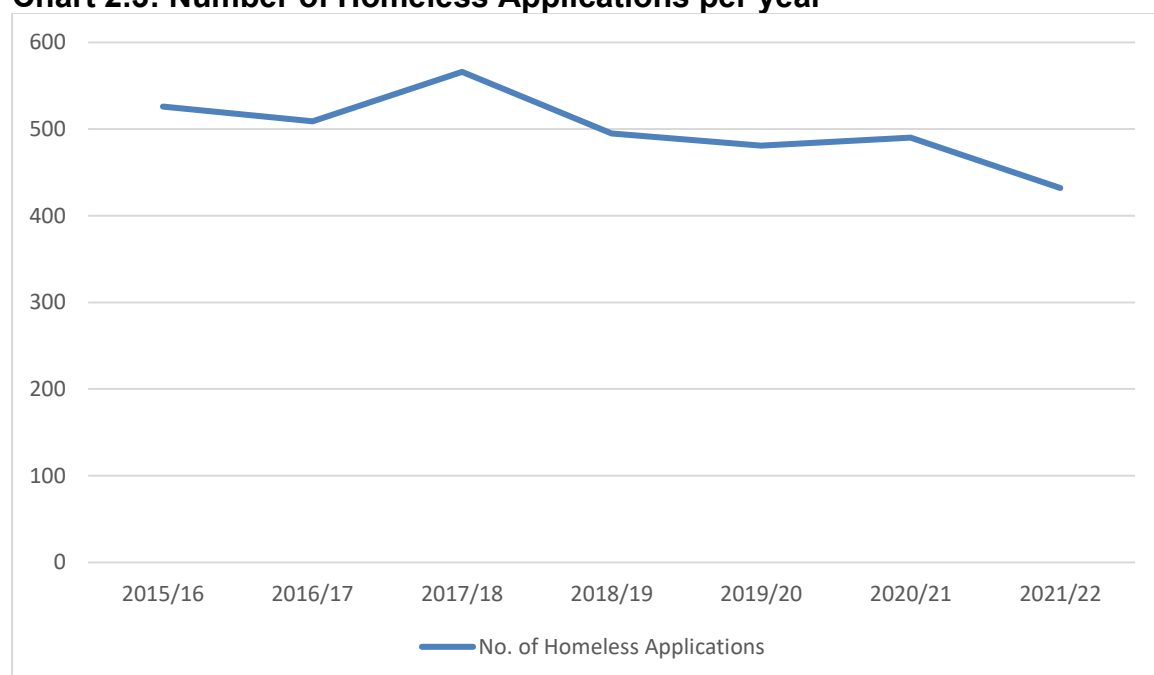


Chart 2.3 below shows the number of homeless applications received by Midlothian Council since 2015/16. It clearly shows a sharp reduction in the number of applications since 2017/18 (18%) as a result of actions contained within the Rapid Rehousing Transition Plan (see p14 for more details).

Chart 2.3: Number of Homeless Applications per year



Affordable Housing Development in Midlothian

Table 2.3 shows the level of investment in new affordable homes in Midlothian since 2006 (when the Council began building new homes again). It shows that 1,238 council homes have been provided, and a total of 1,739 council and RSL affordable units have been built overall. It should be noted that these figures report completions by calendar year up to June 2022 and don't include open market purchases or shared equity purchases which have been recorded separately.

Table 2.3: New Affordable Housing in Midlothian since 2006³

Year of completion	No. of completed Council units	No. of completed RSL units (Social Rent and Mid Market Rent)
2006	0	19
2007	28	12
2008	172	42
2009	237	10
2010	88	20
2011	160	33
2012	170	121
2013	76	6
2014	0	20
2015	48	0
2016	41	28
2017	87	0
2018	0	103
2019	10	39
2020	31	0
2021	90	48
Total	1238	501

³ [Housing statistics quarterly update: new housebuilding and affordable housing supply - gov.scot \(www.gov.scot\)](https://www.gov.scot/housing-statistics-quarterly-update-new-housebuilding-and-affordable-housing-supply)

Open Market Purchases

Midlothian Council has an Open Market Purchase Scheme whereby ex-council properties are purchased and returned to housing stock. Midlothian Council receives funding towards each Open Market Purchase from the Scottish Government. Table 2.4 below details the number of Open Market Purchases carried out in recent years.

Table 2.4: Number of Open Market Purchases⁴

Financial year	No. of Open Market Purchases
2017/18	7
2018/19	13
2019/20	42
2020/21	14
2021/22	22

Open Market Shared Equity

A number of Midlothian residents have been able to purchase affordable homes using the Scottish Government's Open Market Shared Equity Scheme (OMSE) whereby purchasers pay for the biggest share of a property and the Scottish Government hold the remaining share under a shared equity agreement. Table 2.5 below shows the number of successful home purchases in Midlothian using the Open Market Shared Equity Scheme (and predecessor schemes which operated similarly).

Table 2.5: No. of OMSE home purchases in Midlothian⁵

Financial Year	No. of OMSE home purchases
2006/07	45
2007/08	62
2008/09	8
2009/10	41
2010/11	28
2011/12	3
2012/13	13
2013/14	42
2014/15	53
2015/16	93
2016/17	126
2017/18	104
2018/19	72
2019/20	16
2020/21	13
2021/22	15
Total	734

⁴ Midlothian Council Housing Strategy and Performance statistics

⁵ Scottish Government More Homes Division

3 Partnership Working

Partnership working is crucial to the delivery of high quality housing and housing related services across all tenures in Midlothian. As part of the development of this SHIP, Council Officers have engaged and consulted with all delivery partners on their proposals and priority projects.

In order to identify suitable investment priorities council officers have worked with the Scottish Government, Housing Associations, tenants groups, private developers and colleagues in the planning, finance, estates and construction teams to determine the level of housing need in the region, the level of demand for different tenures of affordable housing and the mix of suitable house sizes and types in order to agree a five year programme of development, informed by the current housing needs and demand assessment (HoNDA) and the drafted National Planning Framework 4 (NPF4).

The development priorities in the SHIP will be monitored through a number of ways including by:

- Monitoring and reviewing of the actions in the Local Housing Strategy
- Annual assessment of the Council's Housing Supply Targets
- Annual assessment of RSLs' housing delivery
- Monitoring of housing need and demand.
- Reports and returns submitted to the Scottish Government

Health and Social Care

Housing providers in Midlothian work collaboratively with health and social care colleagues to ensure that housing provision in Midlothian can better meet the needs of households who may require specialist housing provision to be able to live independently. The types of outcomes that this will facilitate include:

- Increased specialist housing provision as a result of improved understanding of the future needs of the population, such as developing extra care housing which provides an alternative to living in a care home for some people.
- Identification of the level of need for, and funding of, adaptations to ensure that people living in private sector housing and council housing are able to continue to live independently.
- Improving the health outcomes for homeless households, many of whom currently have poorer levels of physical health and mental health than the general population.
- Taking action to improve the energy efficiency of housing and reducing fuel poverty which would lessen the risk to a household's health and wellbeing.

More information is contained in the Midlothian Health and Social Care Partnership Strategic Plan 2022-2025, available here:

[What we do Information - Midlothian Health and Social Care Partnership](#)

Local Housing Strategy 2021-2026

The purpose of Midlothian's Strategic Housing Investment Plan (SHIP) is to set out strategic investment priorities for affordable housing over a 5 year period to achieve the outcomes set out in the Local Housing Strategy (LHS). Extensive consultation work was carried out in the preparation of the LHS and therefore to set the outcomes within the document. Stakeholders included:

- Tenants
- Waiting list applicants
- Residents
- Registered Tenants Organisations
- Resident and Tenants Groups
- Midlothian Tenants Panel
- Registered Social Landlords
- Shelter Scotland
- Home Energy Scotland
- Changeworks

Consultation methods included:

- Social media
- Surveymonkey
- Microsoft Teams virtual consultation meetings
- Zoom virtual consultation meetings

Initially stakeholders were provided with some background information on Local Housing Strategies and the broad areas to be examined and discussed. These areas were revisited throughout the development of the strategy at different points throughout the engagement process. Stakeholders were provided with the draft document for the final consultation process along with key challenges to prioritise for the duration of the Local Housing Strategy and thus for the Strategic Housing Investment Plan.

Edinburgh and South East Scotland City Region Deal

The Edinburgh and South East Scotland City Region comprises the six local authorities of City of Edinburgh, Fife, East Lothian, Midlothian, Scottish Borders and West Lothian. Officers from these Councils collaborate with the UK and Scottish Governments respectively to deliver a transformational and inclusive city deal for the region which will attract investment of up to £1.1 Billion over 15 years. This includes investment and collaboration on housing. Housing is included within the City Region Deal as it is recognised as being an area of pressure but also an opportunity for accelerated economic growth while reducing social exclusion.

All Councils in the South East of Scotland face the same pressures in addressing housing need with the recent housing need and demand assessment for the region

estimating at least 67,000 new homes are required by 2030, with the majority of need being for households who cannot buy or rent at market prices.

Key housing investment areas in Midlothian that are being supported through the City Region Deal include:

- Supporting a 10 year affordable housing programme across the region with Scottish Government grant funding.
- Supporting local authority borrowing and share financing risk of infrastructure delivery for key development sites.
- Provision of a £50 Million housing infrastructure fund of predominantly private sector loans to be spent on projects that will unlock housing in strategic development sites across the region.
- Collaborating to develop innovative approaches to increasing the use of offsite construction methods.
- The potential to establish a council-owned regional housing company to deliver mid-market and private rented sector housing.

Edinburgh & South East Scotland Housing Demonstrator Programme

To take forward the opportunity to increase the use of offsite construction methods, the Edinburgh & South East Scotland Housing Demonstrator Programme seeks to create a programme of housing that will be delivered to standardised typologies and performance standards with the use of offsite construction processes for a pipeline of sites across the city region.

Midlothian Council undertook a review of its garage and lock up sites as a potential source of future housing sites. From this review, and a wider look at land in Council ownership that had potential for housing development, a number of sites were put forward for further assessment as part of the feasibility stage of the Housing Demonstrator Programme.

The approximately capacity of the Midlothian sites is 40 homes, within an overall regional pipeline that to date comprises approximately 320 homes. Midlothian Council intends to enter into a Memorandum of Understanding to embed collaborative working in advance of each City Deal local authority procuring feasibility work to their Demonstrator sites to a common specification with the same design team. Table 3.1 contains details of the proposed Housing Demonstrator sites in Midlothian.

Table 3.1: Proposed Housing Demonstrator sites in Midlothian

Site name	Location	Approx No. of homes	Build type
Eastfield Drive	Penicuik	8	Houses/Cottage Flats
Eskvale Drive	Penicuik	6	Houses/Cottage Flats
Lomond Vale	Penicuik	4	Houses/Cottage Flats
Lyne Terrace	Penicuik	8	Houses/Cottage Flats
Blackcot Road	Mayfield	6	Houses/Cottage Flats

Stone Place	Mayfield	8	Houses/Cottage Flats
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At this stage, these sites will be assessed for suitability for housing development before they form a confirmed part of the affordable housing supply programme. A catalogue of agreed housing design typologies has been developed, which will deliver a certain performance standard, aiming to achieve net zero. However, these typologies are not designed to deliver homes to a passivhaus standard, which should be noted. Discussions are ongoing regarding how we could achieve an energy performance as close to passivhaus standard as possible using off site manufacture

Alternatives approaches for the future use of other garage or lock up sites which are currently underused will also be taken forward. This will include options such as demolition, sale or re-use for other purposes.

Midlothian's Rapid Rehousing Transition Plan

The vision for Midlothian Council's Rapid Rehousing Transition Plan is that by 2024:

"An increased number of homeless households will obtain permanent accommodation, no homeless household will be accommodated in bed and breakfast accommodation, and the average time taken for the Council to complete its homeless duty will have halved from 105 to 52 weeks."

The Plan has five key outcomes to reach by 2024:

Outcome 1: Increasing the supply of affordable housing in Midlothian.

Outcome 2: Revise Midlothian Council's Housing Allocation Policy to address the backlog of homeless households already in temporary accommodation, and reduce the time taken to house homeless households in the future.

Outcome 3: Seek alternative models of temporary accommodation to reduce the need for bed and breakfast accommodation.

Outcome 4: Ensure homeless households are supported to access a wide range of housing options, including the private rented sector.

Outcome 5: Develop a 'housing first' approach in Midlothian to house homeless households with complex needs.

The investment plans outlined in the SHIP are key to the objective of increasing the supply of affordable housing. The Scottish Government is supporting Midlothian Council to implement specific actions within the Rapid Rehousing Transition Plan and between 2018/19 and 2021/22 allocated £643,000 to support this work. Further funding is expected in future years to continue to support the implementation of this Plan.

Town Centre Regeneration

The Town Centre First Principle was agreed by the Scottish Government and the Convention of Scottish Local Authorities in July 2014 and asked that government, local authorities, the wider public sector, businesses and communities put the health of town centres at the heart of decision making. It seeks to deliver the best local outcomes, align policies and target available resources to prioritise town centre sites,

encouraging vibrancy, equality and diversity. Town Centre Regeneration requires a collaborative approach which strengthens the long-term plan for each town centre. Work is underway by Midlothian Council and partner organisations to regenerate Dalkeith⁶ and Newtongrange⁷ town centres to provide more and better housing, become 20 minute neighbourhoods and realise greener buildings and town centres (in order to become net zero by 2030).

4 Investment Priorities and Resources

In order for the SHIP to deliver strategic investment priorities for affordable housing in Midlothian, the Council has engaged with RSLs and relevant delivery partners in setting out Midlothian's investment priorities for affordable housing. To ensure that available resources are prioritised in delivering affordable housing, each project is scored against a set of criteria: Housing Need; Land Availability; Ability to Start on Site; Constraints; Equalities Needs and Environmental Impact, as shown in the tables below. In total, a project can be awarded a maximum score of 30 points and a score less than 18 indicates a 'low priority project', 18-22, 'a medium priority project' and over 22, a 'high priority project'.

Table 4.1: Project Prioritisation Scoring

Criteria	Explanation	Score
Area Housing Need	Housing need rankings are based on a waiting list demand study. 1 would indicate no housing need in an area, whilst 5 indicates the highest level of need.	1-5
Land Availability	Sites ranked most highly are those owned by the Council or RSL. Also ranked highly are sites with Planning Permission in place	1-5
Ability to Start on Site	A site with a high score indicates that the work could start on site once funding was approved.	1-5
Constraints	Issues such as Section 75 requirements that have yet to be resolved would be given a lower score.	1-5
Equalities Needs	All sites will score at least a good rating (3) due to Housing for Varying Needs. Additional points would be awarded for particular needs housing, mixed tenure development e.g. shared equity.	1-5
Environmental Impact	All sites which have been allocated through the Midlothian Local Plan would not be considered as having a negative environmental impact. Use of renewable technology and building on Brownfield sites would score more points.	1-5

⁶ [Have your say: Dalkeith Town Centre Regeneration | Creating a fresh vision for Dalkeith town centre | Midlothian Council](#)

⁷ [Newtongrange and Stobhill and Lady Victoria | Masterplans | Midlothian Council](#)

Table 4.2: Area Project Prioritisation Score

Rank	Area	Points
1	Bonnyrigg/Lasswade/Poltonhall Loanhead, Newtongrange, Danderhall/Shawfair Small Settlements including Pathhead, Roslin, Rosewell, Bilston	5
2	Dalkeith, Penicuik	4
3	Gorebridge, Mayfield/Easthouses	3

It should be noted that some projects may have scored less not because they are of less strategic importance to the Council or RSLs but due to circumstances which prevent construction works from commencing on site (e.g. need for infrastructure works or demolition). In terms of the area ranking for housing need, there are no areas in Midlothian with a low level of housing need so areas judged to have lower levels of housing need are those where there has already been significant investment in new affordable housing in recent years.

The sections below show both Council and RSL housing development priorities over the next 5 years. It should be noted that sites indicated are subject to change as some sites have not yet been approved by the developing organisation, received planning permission or land ownership has not been secured. There is also potential for additional sites to be developed within the 5 year period. More detail on each site is shown in Appendix 1.

Council Development Priorities

The table below sets out the priorities for proposed Council projects over the next 5 years. Key notes:

- 21 development projects are proposed by Midlothian Council over the next 5 years.
- Projects which are currently onsite do not need to be prioritised as they are already in the process of being built
- 6 of the remaining 11 projects are considered high priority while 5 are medium priorities. There are no projects judged to have a low priority.
- Most projects with the highest priority scores are highlighted for commencement in the short term whilst those with medium priorities are planned for the later years of the SHIP period.
- One of the developments is for Open Market Purchases whereby Midlothian Council purchases ex local authority properties from the open market which are then returned to general stock.

Table 4.3: Council Housing Development Priorities

	2023/24 Projects							2024/25		2025/26	2027/28
Project Name, Area & RSL (e.g. Dewar Park, Gorebridge Phase 2-DCHA)	Newtongrange Library	Former Newbattle High School, Easthouses	Danderhall, Newton Church Road (Barratt)	High Street, Bonnyrigg (phase 1&2)	Newton Church Road, Danderhall (former leisure centre)	Roslin expansion (Barratt)	Newbyres Crescent, Gorebridge	Edinburgh Housing Demonstrator Site	Rullion Road, Penicuik	Auchendinny (Bellway)	Open Market Purchases, Midlothian
Housing Need	4	3	4	5	5	5	3	4	4	5	5
Land Availability	4	4	4	4	3	4	5	4	3	4	5
Ability to Start on Site	3	3	4	3	3	4	4	3	4	3	5
Constraints	3	4	4	3	3	4	4	3	3	3	4
Equalities Needs	3	4	4	4	5	4	5	3	3	4	4
Environmental Impact	5	4	3	4	5	3	5	3	4	3	5
TOTAL	22	22	23	23	24	24	26	20	21	22	28

RSL Development Priorities

The table below sets out the priorities for proposed RSL projects over the next 5 years.
Key notes:

- 35 development projects are proposed by RSLs over the next 5 years.
- Some of these projects contain several phases of development, each having its own prioritisation and SHIP entry
- Projects which are currently onsite do not need to be prioritised as they are in the process of being built
- 8 of the remaining 21 projects are high priority while 13 scored as medium priority. No projects scored with a low priority.
- 5 RSLs have indicated their plans to develop during this period including:
 - Castle Rock Edinvar (17 projects)
 - Dunedin Canmore Housing Association (9 projects)
 - Melville Housing Association (7 projects)
 - Viewpoint Housing Association (1 project)
 - Ark Housing Association (1 project).

Table 4.4: RSL Housing Development Priorities

	2023/24				2024/25 Projects							2025/26 Projects							2026/27		2027/28
Project Name, Area & RSL (e.g. Dewar Park, Gorebridge Phase 2- DCHA)	Newbyres, Gorebridge, Persimmon (Dunedin Canmore)	Oak Place, Mayfield (Melville)	Former Newbattle High School site (Melville)	Windsor Square, Penicuik (Ark)	Doctor's Field, Rosewell (Dunedin Canmore)	Auchendinny Phase 2 (Dunedin Canmore)	Glenesk (Viewpoint)	Lothian Drive, Easthouses (Melville)	Caulcoats Phase 1 - Social Rent (Castlerock Edinvar)	Shawfair Woolmet - Phase 1 - Social Rent (Castlerock Edinvar)	TW Bilston Phase 3a (Melville)	Shawfair (Dunedin Canmore)	Shawfair, Town Centre North, Bellway - SR/MMR/SE (Castlerock Edinvar)	Old School, Mayfield (Melville)	Caulcoats Phase 2 - Social Rent & MMR (Castlerock Edinvar)	Whitehill Road, Rosewell (Melville)	Shawfair Woolmet - Phase 2 - Social Rent & MMR (Castlerock Edinvar)	TW Bilston Phase 3b (Melville)	Caulcoats Phase 3 Social Rent & MMR (Castlerock Edinvar)	Shawfair Town Centre, Rettie - SR/MMR (Castlerock Edinvar)	Redheughs Gorebridge Barratt Phase 1 SR and MMR (Castlerock Edinvar)
Housing Need	2	2	2	4	5	4	4	2	5	5	5	4	5	2	5	5	5	5	5	5	2
Land Availability	5	5	5	5	3	4	3	5	4	4	4	3	4	5	4	3	4	4	4	4	4
Ability to Start on Site	5	4	4	4	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Constraints	4	4	4	4	3	3	3	3	3	4	3	3	3	3	3	3	4	3	3	3	3
Equalities Needs	3	5	4	4	3	4	5	5	3	3	4	4	3	5	3	5	3	4	3	3	3
Environmental Impact	3	3	5	4	3	3	3	4	4	4	5	3	4	4	4	4	4	5	4	4	4
TOTAL	22	23	24	25	20	21	21	22	22	23	24	20	22	22	22	23	23	24	22	22	19

- There are a further 8 projects where the affordable housing provider has not yet been confirmed due to a lack of certainty surrounding local authority rent increases and therefore the ability to fund new build affordable housing beyond those which are already budgeted for. Table 4.5 illustrates that 3 of these sites are high priority whereas the remaining 5 are medium priority developments.

Table 4.5: TBC Housing Development Priorities

	2023/24 Projects				2024/25 Projects			
Project Name, Area & RSL (e.g. Dewar Park, Gorebridge Phase 2-DCHA)	Old Craighall Road, Shawfair (Mactaggart and Mickel)	Lingerwood, Springfield	Plot R, Shawfair	Plot P, Shawfair	Muir Group, South Tynewater	Millerhill, Wellington Farm	Wellington School, Penicuik	Edmonstone Road, Danderhall - (Stewart Milne)
Housing Need	5	5	5	5	3	5	5	5
Land Availability	4	4	4	5	3	3	4	4
Ability to Start on Site	3	4	4	5	3	3	3	3
Constraints	4	4	4	4	3	3	3	3
Equalities Needs	3	3	3	3	3	3	3	3
Environmental Impact	3	4	4	4	3	3	3	3
TOTAL	22	24	24	26	18	20	21	21

Addressing Potential Development Constraints

Midlothian Council and developing partners are confident that the SHIP can be delivered given the actions and initiatives undertaken to date by the Council and its strategic partners to source suitable sites for development. However, a number of challenges need to be addressed by the Council and its partners in order that an accelerated pace of development can be achieved

Risks and constraints to development vary depending on the circumstances of each site and the developing landlord. These potential risks and constraints are:

- Obtaining required Planning Approval.
- Rising inflation and the cost of materials and labour

- The emerging number of s75 sites without a confirmed affordable housing provider. The lack of certainty surrounding rent increases has resulted in an inability to confirm longer term housing projects.
- A diminishing number of Midlothian Council owned sites mean that many future sites will be controlled by a third party.
- Building and Procurement Constraints.
- Environmental and design issues.
- The commencement of affordable housing policy sites are dependent on developers' timescales and the economic conditions of the housing market.
- Unknown site ground conditions.
- The rural nature of some areas in Midlothian can mean that development is constrained in these areas, particularly in relation to available land for housing and the requirements for additional infrastructure prior to development commencement

Scottish Government Affordable Housing Supply Funding Required

The Strategic Housing Investment Plan details potential sites for 2,594 new affordable homes to be built between 2023/24 and 2027/28, of which:

- House types: 2,251 are general needs homes and 343 are specialist provision homes.
- Built form: 2,514 will be new build housing and 80 will be 'off the shelf purchases'.
- Tenure type: 1,007 homes will be council housing and 788 will be social rented housing by an RSL, 14 will be Low Cost Home Ownership – Shared Equity housing by an RSL and 356 will be Mid-Market Rent housing provided by an RSL (MMR). The remaining 429 homes do not have a confirmed social housing provider.
- This reflects the fact that the affordable housing tenure with the highest demand is social rented housing.
- 1,958 units are expected to receive additional funding due to them meeting the 'greener homes' standard – this number is likely to increase as renewable technology becomes more commonplace in new housing designs.
- 432 units will be developed in sub-area A (Midlothian West)
- 2,042 units are to be developed in sub-area B (Midlothian East).

A total of £127.520 million of Scottish Government grant funding is required by the Council and RSLs to deliver the identified units over the next 5 years:

- The year which requires the most grant funding is 2023/24, with a requirement of £32.057 Million.
- 1,007 of the units will be new Council housing requiring £28.069 million grant funding. Monies already claimed from the Scottish Government have not been included in these sums.
- 1158 of the units will be RSL housing requiring £74.362 million Government funding.
- 429 of the units with no confirmed affordable housing provider will require £24.340 million grant funding.
- The current uncertainty regarding affordable housing rent increases have resulted in a large number of units with no confirmed housing provider. Once the situation has become clearer both the Council and RSLs will ensure that future development plans do not result in rents that are unaffordable to low income households.
- The required level of grant funding to deliver this number of units greatly exceeds the stated level of funding available. Council Officers will continue to discuss

resource requirements with the Scottish Government to ensure that projects receive appropriate levels of grant funding. In previous years Midlothian has been able to claim significantly increased resources in response to the number of projects being taken forward.

- Most units to be built will be smaller sized properties, which reflects the Local Housing Strategy target that at least 70% of all new affordable housing units will be 1 and 2 bedroom properties in order to address the need for smaller properties from Housing List applicants.

Disposal of Council Assets and Land

The Council is required by law to ensure it achieves best value in disposing of any asset, including land. The Council acknowledges that Best Value does not always mean highest price but can be linked to a range of wider benefits. Provision of affordable housing is a good example of where the Council has sold land and assets to RSLs at a price lower than market value while still achieving the required Best Value. There are also opportunities to undertake developments in partnership with other RSLs.

Commuted Sums

In some circumstances the Council may consider accepting commuted sums as opposed to the delivery of affordable housing units on some sites. In 2021/22 a total of £78,762 was received in developer contributions for affordable housing. This was used to support Midlothian's New Council Housing Programme.

Second Homes and Empty Homes Council Tax Funding

Under the Council Tax (Discount for Unoccupied Dwellings) (Scotland) Regulations 2005, Midlothian Council reduced the amount of discount for long term empty dwellings and second homes from 50% to 10%, with the extra revenue used to support affordable housing. A total of £398,000 was raised between 2016/17 and 2021/22 which is being used to support Midlothian's New Build Council Housing Programme.

Empty Homes

Midlothian Council does not have a dedicated 'Empty Homes Officer'. Home owners of empty properties are advised to contact the Housing Strategy and Performance Team for advice on how to bring their homes back into use. Midlothian Council also advocates use of the Scottish Empty Homes Partnership and Empty Homes Advice Service which look at different options and the support available including the Empty Homes Loan Fund (EHLF). Under the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012, Midlothian Council reduced the amount of discount for long-term empty dwellings and second homes from 50% to 10%, with the extra revenue used to support affordable housing.

Gypsy Traveller Accommodation

Improving the lives of Gypsy/Traveller communities is a significant human-rights commitment for Midlothian Council and is crucial if we are to tackle deep-rooted inequalities and deliver a fairer society. Improving the lives of Gypsy/Travellers 2019-2021 is the Scottish Government's action plan to improve the lives of Gypsy/Travellers by ensuring they:

- have safe and culturally appropriate places to live and travel
- understand their rights and have positive experiences of accessing services
- have support to maximise incomes, increase employment opportunities, and improve the standard of living
- feel safe, respected and valued members of Scotland's diverse population
- have a seat at the table, are listened to, and have a say in decisions that affect their lives.

The work within the Improving the lives of Gypsy/Travellers 2019-2021 action plan has been extended for 18 months with an end date of October 2022.

The Strategic Housing Investment Plan 2023/24-2027/28 acknowledges the aims and objectives of 'Improving the lives of Gypsy/Travellers 2019-21'. The Gypsy/Traveller site managed by East Lothian Council on behalf of East and Midlothian Councils closed in June 2021 following extensive vandalism. East Lothian and Midlothian Councils are now in the process of determining future accommodation options for the site and for Gypsy/Travellers in the greater communities. It is important to note that site lease break provisions are of immediate consideration to both the landlord and lease holders.

Wheelchair Accessible Housing Targets

In August 2022 Midlothian Council set wheelchair accessible housing targets for the five year period between 2022/23 – 2026/27. The targets cover both social and market housing and have been set following consultation with Midlothian residents, RSL partners, the Health and Social Care Partnership and Planning Officers. The targets state that 20 wheelchair accessible homes will be built per annum with 10 in the social sector and 10 in the private sector, while other available opportunities shall also be maximised. More information is contained in the Wheelchair Accessible Housing Target Report 2022/23 – 2026/27, available here:

[Housing strategy and performance | Wheelchair Accessible Housing Targets 2022/23 - 2026/27 \(midlothian.gov.uk\)](https://www.midlothian.gov.uk/housing-strategy-and-performance/wheelchair-accessible-housing-targets-2022-23-2026-27)

Non-Traditional Financial Models of Development

The use of innovative financial models is being encouraged in Midlothian to accelerate the development of new affordable housing. Innovative approaches to development often do not require traditional grant funding and will therefore increase the total number of new affordable homes that can be built. Table 4.5 shows the proposed locations for these additional units.

In 2018, Places for People were successful in securing Scottish Government loan funding of £47.5 Million for their proposal to deliver 1,000 mid-market rented homes in Scotland. The development of these homes, which will be let by Castle Rock Edinvar Housing Association, will also receive funding from investors to secure capital for the development of 1,000 homes.

In addition, LAR Housing Trust is an established affordable housing provider set-up to create permanent below market rent options for households that would otherwise be

at risk of financial hardship. LAR is financed using loan funding from the Scottish Government and therefore does not require any direct subsidy and so will not be seeking any grant allocations from local authorities.

Table 4.5 New Homes Planned using Non-Traditional Finance Models 2023/24 – 2027/28

Location	Developer	Number of additional new homes	Estimated Date of Completion
Wester Cowden, Dalkeith	LAR	25	2025/26
Fordel Village	LAR	24	2025/26

It is important to note that the site at Fordel Village was purchased on the open market and the 24 units planned by LAR are not part of the site's affordable housing requirement. As per the purchase arrangement, 12 affordable housing units (which are eligible to pay section 75⁸ costs) are still required to be provided on the remainder of the site by another provider.

5 Housing Infrastructure Fund

The Scottish Government's Housing Infrastructure Fund (HIF) is aimed at supporting housing development through loans and grants with priority being given to those projects, which will deliver affordable housing. As part of the Scottish Government's "Housing to 2040 Strategy" Scottish Ministers have approved the continuation of the Housing Infrastructure Fund (HIF) in the current Parliamentary period. The fund comprises two main elements:

- Infrastructure loans available to non-public sector organisations
- Infrastructure grant available to local authorities and Registered Social Landlords (RSLs) to support affordable housing delivery.

Eligible works for HIF could include on site and off site elements. Works will include physical infrastructure generally required to start a project, such as roads, sewers, SUDS ponds, decontamination, flood remediation and demolition work. Where a Section 75 obligation requires it, certain off-site infrastructure will also be eligible. The fund does not support the provision of community infrastructure required as a consequence of new housing development, for example, funding for schools.

As part of developing the SHIP, Midlothian Council will work with partners to identify and prioritise those sites which are of strategic importance and cannot proceed or have stalled due to the extent and costs/financing of infrastructure works involved, and with HIF's support, unlock these sites for the delivery of housing⁹. The Council will work

⁸ A Section 75 agreement, sometimes known as a planning obligation, is a contract entered into between a landowner and the local Council, as part of the planning application process. The agreement may restrict use of the land and/ or regulate activities on the land being developed.

⁹ <https://www.gov.scot/policies/more-homes/housing-infrastructure-fund/>

with partners in examining the identified projects to ensure that such projects are eligible for the fund¹⁰.

Further information on the Housing Infrastructure Fund can be found here:
[Housing Infrastructure Fund : guidance for applications - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/housing-infrastructure-fund-guidance-for-applications/)

6 Conclusion

The Midlothian Strategic Housing Investment Plan 2023/24 – 2027/28 identifies the priorities for the development of affordable housing and where development will be undertaken over the next 5 years. It identifies sites which can deliver 2,594 units during the next 5 years to meet the increasing level of housing need in Midlothian. This will not only ensure best value in the use of resources but also ensure the delivery of the right mix of houses in the most pressured areas.

If you have any comments or queries on the content of this document, please contact the Housing Planning & Performance Section at Midlothian Council for more information.

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Equality Impact Assessment (EIA) and Strategic Environmental Assessment

Midlothian Council is committed to ensuring equality of opportunity and combating discrimination through a series of equal opportunities and anti-discriminatory policies. The Council has embedded equalities principles into strategic planning as well as service delivery. Housing policies and services are regularly monitored, reviewed and reported on to ensure that they comply with equalities requirements.

Midlothian Council carried out an Equality Impact Assessment to ensure that the Strategic Housing Investment Plan takes the needs of all equality strands into account. The assessment found no evidence that any direct discrimination will arise from any part of the strategy. The SHIP is also subject to pre-screening as part of Strategic Environmental Assessment requirements.

¹⁰ <https://www.gov.scot/publications/housing-infrastructure-fund-guidance-for-applications/>

Appendix 1: SHIP Project Tables

Table 1 - AFFORDABLE HOUSING SUPPLY PROGRAMME 2023/24-2027/28

PROJECT	PRIORITY Low / Medium / High	DEVELOPER	UNITS - TENURE							UNITS - TYPE				UNITS - COMPLETIONS						TOTAL AHSP FUNDING REQUIRED OVER SHIP PERIOD
			Social Rent	Mid Market Rent	LCHO - Shared Equity	LCHO - Shared Ownership	LCHO - Improvement for Sale	PSR	Total Units	GN	Specialist Provision	Type of Specialist Particular Need (If Known)	Total Units by Type	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL COMPLETIONS OVER PERIOD OF SHIP	
Muir Group, South Tynewater: P41837	Medium	TBC	12						12	10	2	WFS	12			12			12	0.880
Wellington School, Penicuik: P43726	Medium	TBC	12						12	11	1	Wheelchair, WFS	12			12			12	0.708
Plot P, Shawfair, Persimmon Homes: P43738	High	TBC	49						49	45	4	Wheelchair, WFS	49		49				49	2.891
Old Craighall Road, Shawfair (Mactaggart and Mickel): P41836	Medium	TBC	48						48	46	2	WFS	48		48				48	1.992
Edmonstone Road, Danderhall (Stewart Milne): P43720	Medium	TBC	28						28	27	1	WFS	28			28			28	1.596
Rullion Road, Penicuik	Medium	Midlothian Council	68						68	68			68		34	34			68	4.862
Millerhill, Wellington Farm: P43739	Medium	TBC	90						90	90	0		90			90			90	5.129
Lingerwood, Springfield	High	TBC	157						157	157			157		62	33	28	34	157	9.263
Plot R, Shawfair (Barratt)	High	TBC	33						33	33			33		33				33	1.881

PROJECT	PRIORITY Low / Medium / High	DEVELOPER	UNITS - TENURE							UNITS - TYPE				UNITS - COMPLETIONS						TOTAL AHSP FUNDING REQUIRED OVER SHIP PERIOD
			Social Rent	Mid Market Rent	LCHO - Shared Equity	LCHO - Shared Ownership	LCHO - Improvement for Sale	PSR	Total Units	GN	Specialist Provision	Type of Specialist Particular Need (If Known)	Total Units by Type	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL COMPLETIONS OVER PERIOD OF SHIP	
Auchendinny, Bellway: P43835	Medium	Midlothian Council	70						70	64	6	WFS, Wheelchair House	70			35	35		70	3.99
Newbyres Crescent, Gorebridge: T34262	High	Midlothian Council	75						75	62	13	Extra Care, Bariatric and Wheelchair Bungalow	75			75			75	3.360
Morris Road, Newtongrange: T35727	High	Midlothian Council	79						79	55	24	Amenity, Wheelchair house and WFS	79		79				79	0.000
Conifer Road, Mayfield: T35733	High	Midlothian Council	72						72	70	2	Wet Floor Showerroom (WFS)	72			72			72	1.438
Bonnyrigg, Polton Street (Complex Care): P41758	High	Midlothian Council	46						46	0	46	Complex Care	46		46				46	0.592
Newmills Road, Dalkeith: T35300 P40873	High	Midlothian Council	92						92	44	48	Extra Care, Wheelchair House	92		92				92	0.000
Cockpen Terrace, Bonnyrigg: T29437	High	Midlothian Council	16						16	15	1	WFS	16		16				16	0.000
High Street, Bonnyrigg, phase 1 (Complex Care): P41147	High	Midlothian Council	20						20	12	8	WFS, Complex Care	20		20				20	0.000

PROJECT	PRIORITY	DEVELOPER	UNITS - TENURE							UNITS - TYPE				UNITS - COMPLETIONS						TOTAL AHSP FUNDING REQUIRED OVER SHIP PERIOD
			Social Rent	Mid Market Rent	LCHO - Shared Equity	LCHO - Shared Ownership	LCHO - Improvement for Sale	PSR	Total Units	GN	Specialist Provision	Type of Specialist Particular Need (If Known)	Total Units by Type	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL COMPLETIONS OVER PERIOD OF SHIP	
Mayfield, Easthouses Road, former Newbattle High School, phase 1: P42523	Medium	Midlothian Council	90						90	84	6	WFS, Wheelchair House	90		90				90	0.5
Burnbrae Road, Hopefield: P41732	High	Midlothian Council	20						20	20	0		20	20					20	0.482
Dalhousie, Bonnyrigg (Springfield Homes): P43427	High	Midlothian Council	70						70	67	3	Wheelchair, WFS	70	70					70	0.000
Wester Cowden, Bellway: P41165	Medium	Midlothian Council	27						27	27	0		27	27					27	0.000
Danderhall, Newton Church Road (former leisure centre): P43833	High	Midlothian Council	23						23	0	23	Amenity	23		23				23	0.865
Danderhall, Newton Church Road (Barratt): T36399	Medium	Midlothian Council	33						33	32	1	WFS	33		33				33	2.358
Roslin, Moat View expansion site (Barratt): P43841	High	Midlothian Council	53						53	53	0		53		53				53	1.546
Shawfair, Block O, (Dandara): P43840	High	Midlothian Council	18						18	18	0		18		18				18	0.648

PROJECT	PRIORITY Low / Medium / High	DEVELOPER	UNITS - TENURE							UNITS - TYPE				UNITS - COMPLETIONS						TOTAL AHSP FUNDING REQUIRED OVER SHIP PERIOD
			Social Rent	Mid Market Rent	LCHO - Shared Equity	LCHO - Shared Ownership	Improvement for Sale	PSR	Total Units	GN	st Provisi on	Type of Specialist Particular Need (If Known)	Total Units by Type	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL COMPLETIONS OVER PERIOD	
Edinburgh Housing Demonstrator Cluster	Medium	Midlothian Council	40						40	40	0		40			20	20		40	2.860
Dalkeith, Buccleuch Street: P41733	High	Midlothian Council	10						10	9	1	WFS	10		10				10	0.210
Newtongrange, St David's, former library Site: P44903, P45588	Medium	Midlothian Council	5						5	5		WFS	5			5			5	0.358
Open Market Purchases	High	Midlothian Council	80						80	74	6	WFS, Amenity Bungalow	80	16	16	16	16	16	80	4.000
Cauldcoats Phase 1 Social Rent	Medium	Castlerock Edinvar	13						13	13	0		13			13			13	1.287
Cauldcoats Phase 2 Social Rent	Medium	Castlerock Edinvar	14						14	14	0		14				14		14	1.386
Cauldcoats Phase 2 - MMR	Medium	Castlerock Edinvar		15					15	15	0		15				15		15	1.056
Cauldcoats Phase 3 Social Rent	Medium	Castlerock Edinvar	43						43	43	0		43					43	43	4.257
Cauldcoats Phase 3 - MMR	Medium	Castlerock Edinvar		9					9	9	0		9					9	9	0.634
Eskbank Dandara - Social Rent	High	Castlerock Edinvar	18						18	18	0		18	18					18	0.986
Eskbank Dandara - MMR	High	Castlerock Edinvar		12					12	12	0		12	12					12	0.285

PROJECT	PRIORITY Low / Medium / High	DEVELOPER	UNITS - TENURE							UNITS - TYPE				UNITS - COMPLETIONS						TOTAL AHSP FUNDING REQUIRED OVER SHIP PERIOD
			Social Rent	Mid Market Rent	LCHO - Shared Equity	LCHO - Shared Ownership	LCHO - Improvement for Sale	PSR	Total Units	GN	Specialist Provision	Type of Specialist Particular Need (If Known)	Total Units by Type	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL COMPLETIONS OVER PERIOD OF SHIP	
Shawfair Woolmet - Phase 1 - Social Rent	High	Castlerock Edinvar	8						8	8	0		8			8			8	0.792
Shawfair Woolmet - Phase 2 - Social Rent	High	Castlerock Edinvar	19						19	19	0		19				19		19	1.881
Shawfair Woolmet - Phase 2 - MMR	High	Castlerock Edinvar		14					14	14	0		14				14		14	0.986
Shawfair Town Centre North Bellway - SR	Medium	Castlerock Edinvar	44						44	38	6		44					44	44	4.356
Shawfair Town Centre North Bellway - MMR	Medium	Castlerock Edinvar		30					30	30	0		30					30	30	2.100
Shawfair Town Centre North Bellway - SR	Medium	Castlerock Edinvar			14				14	14	0		14					12	12	0.700
Shawfair Town Centre (Rettie) - SR	Medium	Castlerock Edinvar	102						102	90	12		102					24	24	10.098
Shawfair Town Centre (Rettie) - MMR	Medium	Castlerock Edinvar		102					102	90	12		102					24	24	7.140
Redheugh, Gorebridge Phase 1 - Social Rent	Medium	Castlerock Edinvar	50						50	50	0		50							2.475
Redheugh, Gorebridge Phase 1 - MMR	Medium	Castlerock Edinvar		40					40	40	0		40							1.400
Glenesk	Medium	Viewpoint	30						30	0	30	Older People	30				30		30	0.000
Oak Place, Mayfield (P41764)	High	Melville	39						39	37	2	Wheelchair	39		39				39	3.562

PROJECT	PRIORITY	DEVELOPER	UNITS - TENURE							UNITS - TYPE				UNITS - COMPLETIONS						TOTAL AHSP FUNDING REQUIRED OVER SHIP PERIOD
			Social Rent	Mid Market Rent	LCHO - Shared Equity	LCHO - Shared Ownership	LCHO - Improvement for Sale	PSR	Total Units	GN	Specialist Provision	Type of Specialist Particular Need (If Known)	Total Units by Type	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL COMPLETIONS OVER PERIOD OF SHIP	
Newbattle High School Site B (P41772)	High	Melville		28					28	28	0		28			28			28	1.935
Bilston Phase 3a (TBC)	Medium	Melville	35						35	27	8	Ambulant	35			24	11		35	3.128
Lothian Drive, Easthouses (TBC)	Medium	Melville		12					12	12	0		12			12			12	0.880
Bilston Phase 3b (TBC)	Medium	Melville	21						21	21	0		21				21		21	2.071
Whitehill Road, Rosewell (TBC)	Medium	Melville	14						14	12	2	Wheelchair	14				14		14	1.176
Old School, Mayfield (TBC)	Medium	Melville	20	10					30	28	2	Wheelchair	30				30		30	2.525
Roslin Easter Bush Former Institute Phase 1 - P44655	High	DCHA	38						38	26	12	amenity	38	38					38	0.000
Nursery East, Penicuik - P44659	High	DCHA	57						57	41	16	amenity	57	10					57	0.000
Roslin Easter Bush Former Institute Phase 2	High	DCHA	24	14					38	38	0		38	38					38	0.000
Dalhousie South, Bonnyrigg - P43743 (SR only)	High	DCHA	40						40	30	10	amenity	40		40				40	2.431
Dalhousie South, Bonnyrigg - (MMR only)	High	DCHA		40					40	40	0		40		40				40	1.606

PROJECT	PRIORITY	DEVELOPER	UNITS - TENURE							UNITS - TYPE				UNITS - COMPLETIONS						TOTAL AHSP FUNDING REQUIRED OVER SHIP PERIOD
			Social Rent	Mid Market Rent	LCHO - Shared Equity	LCHO - Shared Ownership	LCHO - Improvement for Sale	PSR	Total Units	GN	Specialist Provision	Type of Specialist Particular Need (If Known)	Total Units by Type	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL COMPLETIONS OVER PERIOD OF SHIP	
Auchendinny Phase 2	High	DCHA	28						28	19	9	amenity	28		28				28	2.016
Shawfair	Medium	DCHA	70	30					100	80	20	amenity	100	100			100		100	6.42
Doctors Field, Rosewell	Medium	DCHA	25						25	25	0		25		25				25	2.080
Newbyres, Gorebridge, Persimmon	Medium	DCHA	24						24	24	0		24	12	12				24	1.500
Windsor Square, Penicuik	High	Ark HA	12						12	8	4	TBC	12			12			12	1.213
Total			2224	356	14	0	0	0	2594	2251	343	0	2594	228	184	97	268	186	910	127.520

Table 2 - AFFORDABLE HOUSING PROJECTS FUNDED OR SUPPORTED BY SOURCES OTHER THAN THE RPA/TMDF BUDGET

PROJECT ADDRESS	SUB-AREA	PRIORITY Low / Medium / High	GEOGRAPHIC COORDINATES (X:EASTING Y:NORTHING)	DEVELOPER	FUNDING SUPPORT SOURCE	APPROVAL DATE						TOTAL	UNIT COMPLETIONS					TOTAL UNIT COMPLETI ONS	NON SG FUNDING TOTAL £0.000M
						Financial Year (Actual or Estimated)	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	TOTAL SITE START S	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28		
Wester Cowden	B		X: 335139 Y:667131	Lar	TBC/PF			25				25			25			25	
Fordel	B		X: 336078 Y:666742	Lar	TBC/PF			24				24			24			24	
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Table 3 - COUNCIL TAX ON SECOND AND EMPTY HOMES

	TAX RAISED OR IN HAND	TAX USED TO SUPPORT AFFORDABLE	TAX CARRIED FORWARD TO SUBSEQUENT
2017/18	0.086	0.086	0.000
2018/19	0.079	0.079	0.000
2019/20	0.074	0.074	0.000
2020/21	0.095	0.095	0.000
2021/22	0.064	0.064	0.000

Table 4 - DEVELOPER CONTRIBUTIONS

	SUMS			UNITS		
	RAISED OR IN HAND	USED TO ASSIST HOUSING	SUM CARRIED FORWARD TO SUBSEQUENT YEARS	AFFORDABLE UNITS FULLY FUNDED FROM CONTRIBUTIONS	UNITS PARTIALLY ASSISTED FROM CONTRIBUTIONS	UNITS TOTAL
2017/18	£1.312	£1.312	0.000	0.000	44	44
2018/19	£0.283	£0.283	0.000	0.000	10	10
2019/20	£1.806	£1.806	0.000	0.000	60	60
2020/21	£0.080	£0.080	0.000	0.000	3	3
2021/22	£0.79	£0.79	0.000	0.000	3	3

Capacity increase to Replacement Beeslack CHS**Report by Fiona Robertson, Director, Children, Young People & Partnerships****Report for Decision****1 Recommendations**

1. The Council is recommended to approve the increase in capacity for the Replacement Beeslack Community High School from 1200 pupils to 1600 pupils.

2 Purpose of Report/Executive Summary

- 2.1 At full Council 28th June 2022, updated Heads of Terms were approved, with regards to securing the site, for the Replacement Beeslack CHS. If the replacement school is built to the current proposal of a 1200 capacity school our roll projections show that a further extension would be required within two years of the school opening. The current design of the 1200 pupil capacity school includes core accommodation - such as gym halls, dining and all social spaces - to accommodate 1600 pupils. A full business case with detailed financial costs will be brought back to December Council.
- 2.2 Approval is now being sought to increase the indicated capacity of the new school building from 1200 pupils to 1600 pupils

Date: 20 October 2022

Report Contact:Marc Bedwell, Executive Business Manager, Children, Young People & Partnerships
marc.bedwell@midlothian.gov.uk

3 Background

- 3.1 Midlothian Council successfully secured funding from the Scottish Government Learning Estate Investment Programme (LEIP) for the Replacement Beeslack CHS. LEIP projects were anticipated to be completed by 2024 but due to the impact of the pandemic Scottish Government (SG) has granted some flexibility on this completion date. To ensure the SG funding remains secure this project needs to be fully funded, agreed and commenced as soon as is practically possible. It is intended to bring a further report covering the financial costs to Council in December 2022.
- 3.2 As stated in the Council report of 28 June 2022, approval was given for the provision of a new high school for an increased roll of 1200 pupils, with future provision to 1600 pupils, in a location more central to a revised catchment area (subject to a Statutory Consultation exercise).
- 3.3 School roll projections were updated recently and indicate that a capacity of 1200 would be insufficient to accommodate all pupils from the catchment area proposed initially. It is prudent to only project to a maximum of 6 years and the latest housing completions from the Housing Land Audit inform our projections. Projections beyond this timeframe become less accurate and more volatile.
- 3.4 Several roll projection scenarios were explored and the breakdown of these can be seen in the figures below. The proposed Replacement Beeslack is scheduled to open in 2026 (shown in **blue**), any school capacity breaches are indicated in **red**.

Please note, Glencorse PS closed in 2021 however children from the catchment area can choose to attend either Mauricewood PS or Roslin PS and have been factored into the projections below.

Figure 1 displays the projected school rolls for each secondary school with the following primary school catchment areas:

- Beeslack CHS – Bilston, Roslin and Paradykes PS
- Lasswade HS - Bonnyrigg, Burnbrae, Hawthornden, Lasswade, Loanhead, Rosewell PS
- Penicuik HS - Cornbank, Cuiken, Mauricewood, Strathesk PS

	Capacity	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Beeslack	860	817	874	947	982	1046	1131
Lasswade	1600	1612	1654	1685	1670	1652	1624
Penicuik	945	656	679	679	774	837	911

Figure 1 Projected school rolls based on the inclusion of Paradykes PS to Beeslack CHS and Mauricewood PS to Penicuik HS

Figure 2 displays the projected school rolls for each secondary school with the following primary school catchment areas:

- Beeslack CHS – Bilston, Roslin, Loanhead and Paradykes PS
- Lasswade HS - Bonnyrigg, Burnbrae, Hawthornden, Lasswade, Rosewell PS
- Penicuik HS - Cornbank, Cuiken, Mauricewood, Strathesk PS

	Capacity	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	860						
Beeslack	Replacement 1200	817	874	947	1027	1134	1256
Lasswade	1600	1612	1654	1685	1642	1596	1545
Penicuik	945	656	679	679	774	837	911

Figure 2 Projected school rolls based on the inclusion of Loanhead and Paradykes PS to Beeslack CHS and Mauricewood PS to Penicuik HS

Figure 3 displays the projected school rolls for each secondary school with the following primary school catchment areas:

- Beeslack CHS – Bilston, Loanhead and Paradykes PS
- Lasswade HS - Bonnyrigg, Burnbrae, Hawthornden, Lasswade, Rosewell PS
- Penicuik HS - Cornbank, Cuiken, Mauricewood, Roslin, Strathesk PS

	Capacity	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Beeslack	860	817	874	947	954	963	989
Lasswade	1600	1612	1654	1685	1642	1596	1545
Penicuik	945	656	679	679	829	964	1109

Figure 3 Projected school rolls based on the inclusion of Loanhead and Paradykes PS to Beeslack CHS and Mauricewood, Roslin PS Penicuik HS

- 3.5 As shown in the scenarios above, the rationale for building the replacement Beeslack to a 1600 pupil capacity to include the primary school catchments of Bilston, Roslin, Loanhead and Paradykes will ensure that there is sufficient capacity for the future. In addition, other secondary schools are not projected to breach their stated capacity because of the increased size of the replacement Beeslack CHS. If Loanhead PS is included in the new catchment area this will reduce and stabilise the Lasswade HS roll, this school has experienced accommodation pressures for a number of years.
- 3.6 If the replacement school is built to the current proposal of a 1200 capacity school our roll projections show that a further extension would be required within two years of the school opening. The current design of the 1200 pupil capacity school includes core accommodation - such as gym halls, dining and all social spaces - to accommodate 1600 pupils. The only significant increase in floor area and costs will relate to the provision of additional classroom bases. If the school capacity is not increased and the school does breach it is likely that any appropriate community space will have to be utilised for school pupils as is currently the case at Lasswade CHS. A full business case with detailed financial costs will be brought back to December Council.
- 3.7 A school extension within a two year time frame would not only be costly, but also cause disruption to pupils, staff and the school community. The replacement Beeslack CHS is being designed to Midlothian Council's Net Zero Policy and we are advised that extending onto a building of a passivhaus specification would also be extremely challenging.

- 3.8 The proposal to create a 1600 pupil capacity Beeslack CHS will also alleviate ongoing capacity pressures at Lasswade High School. Due to site constraints the ability to extend Lasswade HS is problematic and would lead to a loss of community facilities such as sports pitches. The increase in capacity to 1600 pupils will also factor into Local Development Plan 2 with any potential housing development sites contributing towards education provision in the area.
- 3.9 If the increase in capacity is approved, a statutory school consultation will be undertaken with the proposal to move both Loanhead and Paradykes PS into the Beeslack CHS catchment area and Mauricewood to the Penicuik HS catchment area.
- 3.10 It is worth noting that any further delay to the existing project will have a detrimental affect on the existing Beeslack CHS, and plans to provide temporary additional capacity will be required. Further delays may also risk SG LEIP funding.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

The proposed increase in capacity will lead to an increased project cost. The current plan of the 1200 pupil capacity school includes core accommodation - such as gym halls, dining and all social spaces - to accommodate 1600 pupils.

4.2 Digital

None

4.3 Risk

If the proposed increase to a 1600 pupil capacity school is not approved, a new extension at the replacement Beeslack CHS is likely to be required within a few years of opening. Lasswade HS will also continue to breach capacity.

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Not applicable

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

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

A.5 Involving Communities and Other Stakeholders

A statutory consultation will take place to engage with communities and other stakeholders.

A.6 Impact on Performance and Outcomes

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

A.7 Adopting a Preventative Approach

Not applicable

A.8 Supporting Sustainable Development

Not applicable

APPENDIX B Background Papers/Resource Links (if applicable)

Proposed Revised Schedule of Meeting Dates for January – June 2023

Report by Executive Director Place

Report for Decision

1 Recommendation

To Approve the Revised Schedule of Meeting Dates for January – June 2023 as detailed in Appendix B.

2 Purpose of Report/Executive Summary

At the meeting of Council on 24 May 2022 it was proposed that a short life working group review the schedule of dates.

The schedule of dates have been reviewed by Democratic Services taking into consideration school holidays and this revised proposed schedule is now presented to Council for consideration.

Date: 25 October 2022

Report Contact:

Ross Neill, Democratic Services Team Leader

ross.neill@midlothian.gov.uk

3 Background

- 3.1** The Council currently operates on a six weekly cycle of meetings with breaks incorporated for the summer recess, Christmas/New Year and wherever possible school holidays.
- 3.2** The proposed reviewed schedule of meetings for January – June 2022 is shown at **Appendix B**.
- 3.3** Members are aware that a review of the Council's Governance arrangements is pending and should there be any change as a result of this work a further report would be brought forward to Council.
- 3.4** Members are also reminded that the facility also exists under Standing Orders for special meetings to be called as and when required.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

None

4.2 Digital

None

4.3 Risk

The availability of the schedule of meeting dates contributes to the mitigation of risk by:

- facilitating forward planning for meetings;
- contributing to the governance framework which allows the Council to conduct its business; and
- providing a timetable to which officers can work to ensure that reports are submitted timeously.

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

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

4.5 Additional Report Implications

See Appendix A

Appendices

Appendix A – Additional Report Implications

Appendix B – Proposed Revised Schedule of Meeting Dates January – June 2023

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Not applicable

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value but the absence of a schedule of meetings may result in delays in the ability to carry out proper scrutiny.

A.5 Involving Communities and Other Stakeholders

The report does not directly relate to involving communities

A.6 Impact on Performance and Outcomes

The absence of a schedule of meetings may impact on Midlothian Council's performance and outcomes

A.7 Adopting a Preventative Approach

Not applicable

A.8 Supporting Sustainable Development

Not applicable

APPENDIX B

Proposed Schedule of Meetings Dates for January - June 2023

January 2023

Tuesday 10	10.00	General Purposes
Tuesday 10	13.00	Planning
Thursday 12	14.00	Midlothian Integration Joint Board Development Workshop
Tuesday 17	11.00	Cabinet
Monday 23	10.00	Local Review Body Site Visits
Monday 23	13.00	Local Review Body
Tuesday 24	11.00	Audit Committee
Monday 30	11.00	Business Transformation Steering Group
Tuesday 31	11.00	Performance, Review and Scrutiny Committee
Tuesday 31	14.30	JCG

February 2023

Monday 6	11.00	Police Fire and Rescue Board
Tuesday 7	10.00	General Purposes
Thursday 9	14.00	Midlothian Integration Joint Board

School Holidays 13 – 17 February 2023

Monday 20	10.00	Planning Site Visits
Tuesday 21	11.00	Midlothian Council
Monday 27	10.00	Planning Site Visits
Tuesday 28	10.00	Cabinet
Tuesday 28	13.00	Planning

March 2023

Thursday 2	14.00	Midlothian Integration Joint Board Audit & Risk Committee
Monday 6	10.00	Local Review Body Site Visits
Monday 6	13.00	Local Review Body
Tuesday 7	11.00	Audit Committee
Monday 13	11.00	Business Transformation Steering Group
Tuesday 14	11.00	Performance, Review and Scrutiny Committee
Tuesday 14	14.30	JCG
Thursday 16	14.00	Special Midlothian Integration Joint Board
Tuesday 21	11.00	Midlothian Council
Tuesday 28	10.00	General Purposes
Tuesday 28	13.00	Planning

April 2023**School Holidays****3 – 14 April 2023**

Thursday 13	14.00	Midlothian Integration Joint Board
Monday 17	10.00	Local Review Site Visits
Monday 17	13.00	Local Review Body
Tuesday 18	11.00	Cabinet
Monday 24	11.00	Business Transformation Steering Group
Tuesday 25	11.00	Audit Committee

May 2023

Tuesday 2	11.00	Performance Review and Scrutiny Committee
Tuesday 2	14.30	JCG
Tuesday 9	11.00	Midlothian Council
Thursday 11	14.00	Midlothian Integration Joint Board Development Workshop
Monday 15	11.00	Police Fire and Rescue Board
Tuesday 16	10.00	General Purposes Committee
Tuesday 16	13.00	Planning Committee
Monday 22	10.00	Local Review Body Site Visits
Monday 22	13.00	Local Review Body
Tuesday 30	11.00	Cabinet

June 2023

Thursday 1	14.00	Midlothian Integration Joint Board Audit & Risk Committee
Monday 5	11.00	Business Transformation Steering Group
Tuesday 13	10.00	General Purposes Committee
Tuesday 13	13.00	Planning Committee
Thursday 15	14.00	Midlothian Integration Joint Board
Monday 19	10.00	Local Review Body Site Visits
Monday 19	13.00	Local Review Body
Tuesday 20	11.00	Performance Review and Scrutiny
Tuesday 20	14.30	JCG
Monday 26	11.00	Audit Committee
Tuesday 27	11.00	Midlothian Council

July 2023**SUMMER RECESS 29 June – 16 August 2023**

Note: Dates of meetings of Midlothian Integration Joint Board (MIJB) and the MIJB Audit and Risk Committee are included for information and completeness however these are not set by the Council

Webcasting Meetings of Council and its Committees**Report by Kevin Anderson, Executive Director - Place****Report for Decision****1 Recommendation**

Council is requested to consider the range of its public governance meetings which are broadcast and live streamed, and to direct officers to implement one of the three options as set out in this report.

2 Purpose of Report/Executive Summary

Special Council held on 27 September 2022 decided to proceed with an in-person Council meeting of 4 October 2022 and thereafter the range of public governance meetings for Council, Cabinet and its established Committees. For this schedule of meetings, these have been live streamed or recorded for available broadcast to members of the public. Council are asked to consider the current arrangements and determine what the interim broadcasting approach should be whilst awaiting the implementation of a technical solution for hybrid meetings, anticipated by March 2023.

Date: 28 October 2022**Report Contact:****Name:** Kevin Anderson, Executive Director - Place**Tel No:** 0131 271 3102kevin.anderson@midlothian.gov.uk

3 Background

At its Special Council meeting on 27 September 2022, Council agreed to reconvene Council, Cabinet and established Committees in-person. Up until this point, from June 2020, meetings of Council and its Committees were held virtually using the MS Teams platform due to the impact of the Covid-19 pandemic.

- 3.1 Prior to the pandemic, some in-person meetings held in the Council chamber were webcast and/or recorded to allow the public to watch live or view after the meeting (Council and Planning). The number of meetings webcast was limited due to the arrangements with the webcasting supplier, which meant that to webcast all meetings would have exceeded the number of streaming hours included in the contract.
- 3.2 During the pandemic, when meetings were held via MS Teams, the majority of the meetings were also live video broadcast to members of the public.

Current arrangements for consideration

- 3.3 Following Council's decision on 27 September 2022 to return to in-person meetings for all Council, Cabinet and established Committees, all meetings have been webcast from the Council chamber. This is a change from pre-COVID arrangements as the contract with the webcasting supplier has been renegotiated and there is now increased streaming hours capacity.
- 3.4 Council are asked to consider whether this revised arrangement should continue, or if some meetings should not be webcast. Options are set out below.

Option 1: to continue with the current arrangements in that all in-person governance meetings should be webcast:

- Council
- Cabinet
- Performance, Review and Scrutiny Committee
- Planning Committee
- Audit Committee
- General Purposes Committee
- Local Review Body

Option 2: to revert to the previous arrangements pre-pandemic:

- Council
- Planning

Option 3: to discount both options 1 and 2 and propose a list of meetings that should be webcast.

- 3.5** It should be noted that any decision above does not apply to Integration Joint Board meetings who have their own arrangements nor the Midlothian Police and Fire & Rescue Board.
- 3.6** The above options are interim measures. Council on 4 October 2022 has endorsed the implementation of hybrid meetings. This was on the basis that the implementation costs associated with the revised proposed technical solution were significantly less than those reported to Council earlier in the calendar year. However it was noted at that meeting that implementation may take until March 2023 subject to availability of supplies for installation.

4 Report Implications (Resource, Digital, Risk and Equalities)

4.1 Resource

There are no additional resource requirements as the contract allows for increased webcasting hours.

4.2 Digital

There are no additional digital requirements as the technical solution is available and in use.

4.3 Risk

There is a risk that the Council does not meet its obligations for public access where meetings are not broadcast or made available to the public.

4.4 Ensuring Equalities

Equality implications continue to be assessed as part of the hybrid implementation and any mitigations necessary would be carried out as part of the detailed work to design the implementation of the systems layout.

4.5 Additional Report Implications

See Appendix A

APPENDIX A – Additional Report Implications

A.1 Key Priorities within the Single Midlothian Plan

The route map through and out of the crisis approved in June 2020 outlines the phases of service recovery and transformation which underpin delivery of the Single Midlothian Plan.

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

The report aims to deliver best value.

A.5 Involving Communities and Other Stakeholders

The focus to date has been on identifying a technical solution including consultation with other Councils. No wider consultation has been undertaken.

A.6 Impact on Performance and Outcomes

The arrangements for meetings of Council and its Committees facilitates the governance to determine outcomes and policies and also the scrutiny of performance and the delivery of outcomes.

A.7 Adopting a Preventative Approach

The report considers the facilitation of meetings of Council and its Committees the business of which encompasses the adoption of preventative approaches.

A.8 Supporting Sustainable Development

New systems can be assessed to consider energy management and utility consumption alongside consideration of the wider building ownership implications.

Background papers:

1. [Council on 14 December 2021 Hybrid Meetings of Council and its Committees](#)
2. [Council on 24 May 2022, Hybrid Meetings of Council and its Committee](#)

