

Notice of Meeting and Agenda



Midlothian Council

Venue: Virtual Meeting,

Date: Tuesday, 14 December 2021

Time: 11:00

Executive Director : Place

Contact:

Clerk Name: Ross Neill

Clerk Telephone:

Clerk Email: ross.neill@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

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

4 Deputations

5 Minutes

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6 Questions to the Council Leader

None

7 Motions

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| 9.1 | Beeslack Community High School; - Strategic Business Case by Executive Director Place |
| 9.2 | Midlothian Energy Ltd Investment Decision by Executive Director Place |

10 Date of Next Meeting

The next meeting will be held on 15 February 2022

Action Log

Midlothian Council
Tuesday 14 December 2021
Item No: 5.1



No	Subject	Date	Action	Action Owner	Expected completion date	Comments
1	Audit Committee Annual Report 2020/21	05/10/2021	Standing Orders Working Group to review adoption of action logs for other committees and Audit Committee membership	Standing Orders Working Group	Jan 2022	Also to consider Virtual Meeting Protocol in light of experience
2	Action Log adjustment	16/11/2021	Timescales to be included where possible and circulate prior to next council meeting	Executive Director - Place/Democratic Services	Ongoing	
3	Minute action	16/11/2021	To organise a Lothian Buses Briefing in respect of ALEO review including trams.	Chief Officer Place	December 2021	
4	Minute action	16/11/2021	Scope potential suitable sites for prospective crematorium development.	Chief Officer Place	December 2021	
5	Motion – Cllr Safety – New Councillor Induction pack	16/11/2021	To include Safety protocol and procedures - To the Justice Minister	Chief Executive	May 2022	The letter was sent to the Cabinet Secretary for Justice on 24 November, 2021

No	Subject	Date	Action	Action Owner	Expected completion date	Comments
6	Motion - Passive House - Kit built houses	16/11/2021	Present a paper outlining what is currently being done and what is being explored	Executive Director - Place	December 2021	SHIP approved 16/11/2021 covered many of the issues. HRA Capital Rent Setting report on December Council Agenda
7	Motion - Recycling / Reuse Facility	16/11/2021	Present a paper outlining what is currently being done and what is being explored	Chief Officer Place	December 2021	Waste Reuse paper is on the Agenda
8	Motion – Spikeaware	16/11/2021	Communication to all Licensed Premises and support Spikeaware UK on Midlothian Council website	Clerk to the Licensing Board	December 2021	
9	Motion Amendment – Loanhead Football Club	16/11/2021	Update the Sports Needs Assessment from 2016 and report to future council meeting	Executive Director – Place/ Sport & Leisure Manager	TBC	
10	Community Safety	16/11/2021	Further Report to follow with Costs and options reinstating	Community Safety Manager	December 2021	Community Safety paper is on the Agenda
11	City Deal	16/11/2021	Elected Members Briefing to be arranged	Chief Executive	January 2022	

No	Subject	Date	Action	Action Owner	Expected completion date	Comments
12	Pressures of Financial insecurities	16/11/2021	Follow up Paper outlining Social Welfare Fund underspend , more detail of what is being achieved and how support is accessed by the community	Chief Social Work Officer	December 2021	

Midlothian Council Minute Volume

Item 5.2



**Presented to the Meeting
of Midlothian Council
on Tuesday, 14 December 2021**

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2 Minutes of Meetings submitted for Consideration

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PRIVATE Minute of General Purposes Committee of 12 October 2021	
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SNP Group

Notice of Motion

Midlothian Council recognises the population of Midlothian has grown and continues to grow exponentially. We should take this as a huge complement to our county as people recognise Midlothian as a great place to live, situated as it is close to both the Capital city, and the beautiful countryside that surrounds it. However this continued growth has placed a great deal of pressure on our services and infrastructure.

As councillors we hear on a daily basis complaints of lack of infrastructure, whether this is lack of doctors, shops, post office, banks, poor roads and drains, and lack of places and spaces to have clubs for the young, middle aged and older residents.

Our more established communities have grown around a church, a school, and shops with amenities for entertainment and clubs, roads, drains etc. But much of these are reaching their use by dates and need either to be replaced or renovation, because they are not up to the requirements of today.

Many of these elements are lacking in the communities we are building now, where perhaps only the school exists, and even this building is unavailable to residents in the evening. This leaves our communities with a lack of local provision that stymies the natural growth of cohesive community and place building. Midlothian does not need dormitory communities

This may lead to a lack of having the connections and networks of support to build cohesive, safe, nurturing and flourishing communities empowered to support each other and tackle anti-social behaviour, increase in drugs and other forms of abuse.

It is the duty of local council to ensure our communities are places that ensure the integration of residents into a social community.

Council therefore acknowledges we need a consultation with the people of Midlothian in early 2022 on the future of our communities on how and what infrastructure they need put in place to better serve our communities in the modern era.

Proposed By:
Councillor Dianne Alexander



Seconded By:
Councillor Catherine Johnstone



Title of Report: Midlothian Council Elections, 5 May 2022**Report by Dr Grace Vickers, Returning Officer****Report for Decision and Information:****1 Recommendations**

The Council is recommended:

- (a) To approve and note for its interest the arrangements for the forthcoming Midlothian Council Elections to be held on Thursday 5 May 2022; and
- (b) To authorise the Chief Executive, as Returning Officer, to make the appropriate financial arrangements and to authorise payments in respect of the Midlothian Council Elections.

2 Purpose of Report/Executive Summary

The purpose of this report is to update Members on the arrangements currently being made for the Midlothian Council Elections to be held on Thursday 5 May 2022. The proposals in the report, if agreed, will enable the Returning Officer to deliver and properly staff these Elections.

Date**Report Contact:**

Gill Smith, Election Officer

Gillian.smith@midlothian.gov.uk

3 Background/Main Body of Report

3.1 Election Framework - To ensure consistency and a 'best practice' approach to the delivery of the elections throughout Scotland the Convener of the Electoral Management Board for Scotland is using his statutory powers to issue guidance and formal directions to Returning Officers and these will be inclusive of the minor changes to election legislation which have occurred since the Local Elections in 2017.

3.2 Notice of Election - The Notice of Election will be published on Monday 14 March 2022 and candidates have from Tuesday 15 March 2022 until 4.00pm on Wednesday 30 March 2022 to lodge their nomination papers at the Election Office, Midlothian House, Buccleuch Street, Dalkeith.

(Note – It is intended that a briefing meeting for potential election candidates and their agents will be held virtually on 9 March 2022)

Key documents for the elections will be posted on the Council's web site including the 'Notice of Election', 'Election Timetable', 'Scheme of Polling Districts and Polling Places' (including electoral ward maps), 'Administrative Arrangements for Candidates and their Agents', 'Notice of Poll', etc. (The nomination forms will be available online at www.midlothian.gov.uk/elections by Monday 7 March 2022).

3.3 Electoral Arrangements - In terms of the Local Governance (Scotland) Act 2004, the Election will be contested using the single transferable vote. In Midlothian there will be six electoral wards each returning three Councillors.

The Council, on 17 December 2019, approved the Scheme of Polling Districts and Polling Places to be used. This Scheme has operated successfully since then although there have been minor changes which have had to be made by using powers delegated to the Chief Executive to cover certain situations which have arisen eg - the non-availability of a privately owned premise or the unsuitability of a premise because of COVID safety regulations. The draft Scheme of Polling Places is attached at Appendix B.

3.4 Electoral Registration - The closing date for applications for inclusion in the Register of Electors for the 5 May Elections is 18 April 2022 at midnight. The easiest way to register is to go on line at www.gov.uk/register-to-vote. Registration forms are also available from the Lothian Valuation Joint Board.

3.5 Poll Cards - The current target date for the release of the Poll Cards by the Council's printers to the Royal Mail has still to be confirmed by the Electoral Management Board.

3.6 Postal Votes - The deadline for applications for postal votes is 5.00pm on 19 April 2022 at the Electoral Registration Office, Lothian Joint Valuation Board, 17A South Gyle Crescent, Edinburgh or Midlothian House Reception, Buccleuch Street, Dalkeith.

The main issue of Postal Ballot Papers is expected to be released to the Royal Mail on 14 April 2022 and delivered by first class post.

As in previous elections/referendums a ballot box will be available at Midlothian House Reception Desk to receive any postal packs that are returned by hand. On polling day postal packs can be returned by hand to any polling station in the Midlothian Council area.

The opening of the returned Postal Ballot Envelopes and the verification of the Postal Vote Identifiers will take place in the Council Chambers, Midlothian House on a daily basis (Mondays to Fridays) with a provisional commencement date of Tuesday 19 April 2022.

- 3.7 Voter Awareness and Participation** - Legislation places a duty on the Electoral Registration Officer and the Returning Officer to encourage electoral participation. In this regard various initiatives will take place within Midlothian including a prominent election presence on **www.midlothian.gov.uk**, the use of print and radio media reminders, social media and other outreach initiatives to augment the national campaign to be run by the Electoral Commission on behalf of the Scottish Government.

The Electoral Commission will promote initially voter registration and then voter information (and in particular the need to improve voter understanding of the STV system).

Their campaign includes, multi media advertising (TV, video on demand and digital) and an information booklet with a strong 'how to vote' element distributed to all households in Scotland via a door drop.

In addition, as the franchise for the local government elections in Scotland covers 16 and 17 year olds, this age group will be particularly targeted. The Electoral Commission will target this age group with a specific campaign, "Welcome to Your Vote" which will include bespoke advertising and education resources for schools and youth organisations to use. This campaign will launch in Welcome To Your Vote Week (24-29 January). The digital and social media elements of the campaign are currently being updated and will be shared with local authority communications teams.

As the franchise has recently expanded to include all foreign nationals resident in Scotland the Electoral Commission will also be producing resources specifically for this audience and working with partner agencies such as the Scottish Refugee Council and the COSLA resettlement network to reach out to New Scots communities.

- 3.8 Political Publicity** – This is subject to a separate report before today's Council meeting. I would however wish to take this opportunity to make the following points on street furniture.

Council policy is that the fixing of bills, banners, etc to any part of a polling place, ie walls, railings, fences, etc is not be allowed. Bills on 'A' Boards and similar free standing signs would normally be allowed

on the pavements outside a polling place provided that they were positioned so as not to cause any obstruction to pedestrian or vehicular traffic.

In regard to political/posters/banners on Council lighting columns/street furniture, etc it is Council policy to prohibit this.

With regard to Purdah, please note that for the purposes of this election the pre-election period starts on Tuesday 01 March 2022.

3.9 Candidates' Election Expenses - There has been a further update to the expenses limit allowed by election candidates (The Representation of the People (Variation of Limit of Candidates' Local Government Election Expenses) (Scotland) Order 2016).

The maximum permitted expenditure is now £806 plus 7p per elector. However, where there are two joint candidates the limit is reduced by a quarter for each candidate or if more than two by one-third for each.

3.10 Polling Day - The hours of poll will be from 7am to 10pm.

The deadline for applying for the replacement of lost or a spoiled postal ballot paper is 10pm.

The latest time for the Electoral Registration Officer to receive new applications to vote by proxy on the grounds of medical emergency only is 5pm.

The Electoral Registration Officer has powers to correct a clerical error in the Register up to 9pm.

3.11 The Count - The electronic count will take place in the Main Sports Hall at The Lasswade Centre, Eskdale Drive, Bonnyrigg. The count will commence on Friday 6 May 2022 with the unused ballot papers being counted at 8am and the Count itself starting at 9am.

The Count is an electronic count using electronic scanners to scan the ballot papers. The main contractor for the provision, installation and supervision of the e-count equipment is Fujitsu who have been appointed in a national contract awarded by The Scottish Government.

Training for the staff to be employed at the Midlothian count is also being provided by Fujitsu.

It is anticipated that the Candidates and their Agents will have the opportunity of attending a briefing and demonstration session at The Lasswade Centre after the contractors have set up and tested the count equipment. This is likely to be held on the Tuesday afternoon or the Wednesday morning before the poll.

3.12 Staffing - It is intended to resource the elections using the bank of staff that has been established over recent elections. Payments for election duties which include the polling, postal and count staff, would be at

similar levels to that made at the Scottish Parliament Election held in May 2021.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

The cost of the Local Government Elections will fall on the Council and provision has been made in the Council's budget for this expenditure. (Note: Costs which are directly attributable to the e-count will be met by the Scottish Government in terms of their contract with Fujitsu.)

4.2 Digital

The Council's Digital Services Unit has allocated appropriate staff resources to deliver the elections and in particular the postal vote verifications.

The IT requirements for the counting of votes are the responsibility of Fujitsu in terms of its contract with the Scottish Government.

4.3 Risk

The election is being conducted using the Electoral Commission recommended project planning approach, accompanied by a comprehensive Risk Plan which has been produced on the basis of in-depth risk analysis

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

The equalities guidelines as outlined by the Electoral Commission are being observed.

4.5 Additional Report Implications

See Appendix A.

Appendices

Appendix A – Additional Report Implications
Appendix B – Draft Scheme of Polling Places

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

As part of this election there will be a Communications Plan which will target encouraging voter registration and participation in the voting process.

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

Master Scheme of Polling Arrangements

Midlothian Council Elections 5 May 2022

Midlothian
VOTES

Eligible Electorate (as at xxx) –

Postal Votes –

Proxy Votes –

Total Number of Polling Places – 28

Total Number of Polling Stations – 71

ELECTORAL WARD NO 1 PENICUIK – 4 POLLING PLACES AND 10 POLLING STATIONS

Ballot Boxes 1 – 10

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
1 PENICUIK	North Church of Scotland 95 John Street Penicuik EH26 8AG	MS1A	1	1			
			2	2			
			3	3			
		(MS6A)	(4)	(59)			

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
	The Penicuik Centre 39A Carlops Road Penicuik EH26 9EP	MS1B	1	4			
			2	5			
			3	6			
	Penicuik YMCA/YWCA 58 Queensway Penicuik EH26 0JJ	MS1D	1	7			
			2	8			
	Ladywood Leisure Centre 14A Yarrow Court Penicuik EH26 8HD	MS1E	1	9			
			2	10			

ELECTORAL WARD NO 2 BONNYRIGG – 4 POLLING PLACES AND 11 POLLING STATIONS

Ballot Boxes 11 – 22

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
2 BONNYRIGG	Lasswade Pavilion Lasswade Park Lasswade EH18 1AY	MN2A	1	11			
	The Lasswade Centre Eskdale Drive Bonnyrigg EH19 2LA	MN2B	1	12			
			2	13			
			3	14			
			4	15			
			5	16			
			6	17			
			7	18			
	Bonnyrigg Primary School Cockpen Road Bonnyrigg EH19 3HR	MN2D	1	19			
			2	20			

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
	Burnbrae Primary School 144 Burnbrae Road Bonnyrigg EH19 3GB	MN2G	1	21			
			2	22			

ELECTORAL WARD NO 3 DALKEITH – 4 POLLING PLACES AND 11 POLLING STATIONS

Ballot Boxes 23 – 33

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
3 DALKEITH	Danderhall Community Hub 59 Edmonstone Road Danderhall EH22 1QL	MN3A	1	23			
			2	24			
			3	25			
	St John's & Kings Park Church 31 Eskbank Road Dalkeith EH22 1HJ	MN3B	1	26			
			2	27			
	Dalkeith Miners Club Woodburn Road Dalkeith EH22 2AT	MN3C	1	28			
			2	29			
	Dalkeith Miners Club Woodburn Road Dalkeith EH22 2AT	MN3D	3	30			
			4	31			

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
	Dalkeith Campus 1 Cousland Road Dalkeith EH22 2PS	MN3E	1	32			
			2	33			

ELECTORAL WARD NO 4 MIDLOTHIAN WEST – 5 POLLING PLACES AND 13 POLLING STATIONS

Ballot Boxes 34 – 46

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
4 MIDLOTHIAN WEST	Bilston Primary School Park Avenue Bilston EH25 9SD	MN4A	1	34			
			2	35			
	Beeslack Community High School Edinburgh Road Penicuik EH26 0QF (new)	MS4B	1	36			
			2	37			
	The Glencorse Centre 4 Firth Road Auchendinny EH26 0QZ	MS4D	1	38			
	The Steading Carnethie Street Rosewell EH24 9AA	MN4E	1	39			
			2	40			

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
	Roslin Community Hall Pentland View Place Roslin EH25 9NA	MN4F	1	41			
			2	42			
	The Loanhead Centre George Avenue Loanhead EH20 9LA	MN4G	1	43			
			2	44			
			3	45			
			4	46			

ELECTORAL WARD NO 5 MIDLOTHIAN EAST – 5 POLLING PLACES AND 12 POLLING STATIONS

Ballot Boxes 47 - 58

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
5 MIDLOTHIAN EAST	Edinburgh College (Midlothian Campus) 46 Dalhousie Road Eskbank EH22 3FR	MN5A	1	47			
			2	48			
			3	49			
	Newbattle Community Campus Newbattle Way Easthouses Dalkeith EH22 4SX	MN5B	1	50			
			2	51			
			3	52			
			4	53			
			5	54			
			6	55			

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
	Cousland Village Hall Hadfast Road Cousland EH22 2NZ	MN5E	1	56			
	Pathhead Pavilion Callendar Park Pathhead EH37 5YN	MN5F	1	57			
	Fala Village Hall Fala EH37 5SY	MN5G	1	58			

ELECTORAL WARD NO 6 MIDLOTHIAN SOUTH – 6 POLLING PLACES AND 13 POLLING STATIONS

Ballot Boxes 59 - 71

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
6 MIDLOTHIAN SOUTH	North Kirk of Scotland 95 John Street Penicuik EH26 8AG	MS6A	4	59			
	Temple Village Hall 30 Temple Village Temple EH23 4SQ	MS6B	1	60			
	Newtongrange Leisure Centre Main Street Newtongrange EH22 4PG <i>(replacing Newtongrange Church as closed for refurbishment)</i>	MS6C	1	61			
			2	62			
			3	63			
			4	64			
	Gorebridge Leisure Centre	MS6E	1	65			

Electoral Ward	Polling Place	Polling District	Polling Station No	Ballot Box No	Eligible Electorate at Polling Station	Postal Voters	Total Eligible Voters
	Hunterfield Road Gorebridge EH23 4TX <i>(TBC as currently used as vaccination centre)</i>		2	66			
			3	67			
			4	68			
			5	69			
	Birkenside Sports Pavilion Rosebery Crescent Gorebridge EH23 4JP	MS6F	1	70			
	Middleton Village Hall 54 Borthwick Castle Terrace North Middleton EH23 4QU	MS6G	1	71			

**Title of Report: Midlothian Council Elections, 5 May 2022
Pre-Election Publicity Guidance**

Report by Dr Grace Vickers, Chief Executive

Report for Information

1 Recommendations

The Council is asked to note the terms of the Pre-Election Publicity Guidance in advance of the forthcoming Midlothian Council Elections to be held on Thursday 5 May 2022.

2 Purpose of Report/Executive Summary

The purpose of this report is to update Members of the terms of the Council's Pre-Election Publicity Guidance which has previously been approved to ensure that Council facilities are not used to support any particular political party in the forthcoming Midlothian Council Elections to be held on Thursday 5 May 2022.

Date 22 November 2021

Report Contact:

Alan Turpie, Legal Services Manager

alan.turpie@midlothian.gov.uk

3 Background/Main Body of Report

- 3.1** Local authorities are prohibited by section 2 of the Local Government Act 1986 from publishing any material which appears to be designed to affect public support for a political party. Publicity is defined very widely. It includes 'any communication, in whatever form, addressed to the public at large or to a section of the public.'

The Council also has duties under common law to taxpayers which prohibit the use of public funds and the activities of Council officers where the Council is not fulfilling its statutory functions. With some limited exceptions specified in the Guidance, any support given to political parties or election candidates is very likely to breach this obligation.

For the avoidance of doubt, it should be noted that these duties apply at all times but the implementation is particularly sensitive during the pre-election period.

- 3.2** The Council has some discretion when the pre-election period starts but it cannot be later than the publication of the Notice of Election on Monday 14 March 2022. Given the sensitivity of actions prior to that date, it is intended that the Council will enter the pre-election period on Tuesday 01 March 2022. The pre-election period will then run to close of poll at 10pm on Thursday 5 May 2022.
- 3.3** The Guidance is as attached as Appendix B to this report and members are referred to that Appendix for its terms.
- 3.4** It must be noted that all Councillors will remain as elected members until close of poll on 5 May 2021. The Guidance should not prevent Councillors from carrying out their Council duties during that time nor in using Council facilities to do so; rather it is the use of Council facilities to affect support for any party or candidate that is to be prevented.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

There are no resource implications arising from this report.

4.2 Digital

There are no digital implications arising from this report.

4.3 Risk

There is risk in relation to the Council's reputation if the Guidance is not fully adhered to during the pre-election period.

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 – Pre-Election Period Guidance

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Not applicable

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value

A.5 Involving Communities and Other Stakeholders

The report does not directly relate to involving communities

A.6 Impact on Performance and Outcomes

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

A.7 Adopting a Preventative Approach

Not applicable

A.8 Supporting Sustainable Development

Not applicable

APPENDIX B

Pre-Election Period Guidance

Pre-election period guidance – Midlothian Council

Use ctrl+click to browse this document using the links.

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1. Applicability

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Elections / referendums

These guidance notes apply to all elections: local government, Scottish parliament and UK parliament . Some provisions also apply to by-elections (discussed in section 5). The guidance will also apply to referendums (and, in particular, any possible forthcoming Scottish Independence Referendum) In the case of Referendums, references in this guidance to political parties and candidates should be interpreted as referring to Designated Organisations, Permitted Participants and campaigners as appropriate.

Where there may be specific issues relating to particular elections these are covered in the notes.

Timescales

Although the formal pre-election period begins with the issuing of the notice of election, care should be taken in the few days immediately before this to avoid any potential perception of political partiality.

'Independent' organisations

Care should be taken to ensure that projects, initiatives or organisations funded by an authority do not create the potential for allegations that public money is being used in support of a party or candidate. This is likely to be less of an issue where funding is general, as opposed to funding for, say, communications activity by an organisation.

2. Key points

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While there are some specific areas that required detailed advice, the essence of this guidance is:

- Council staff must discharge their duties in a politically neutral way at all times.
- There is particular sensitivity around this political neutrality in the run-up to an election.
- Particular care needs to be taken to ensure that any events, publicity or other communications are politically neutral.
- Council facilities and resources must not be used in support of a political party or election candidate.
- Councillors, if standing as a candidate in any election, are still entitled to use Council facilities and resources whilst acting on constituency business.
- Unless otherwise stated, it should be assumed that normal Council business will continue.
- Unless otherwise covered by this guidance, staff should respond positively to requests for information or advice from parties or candidates.

3. Background and timing

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What is the pre-election period?

It is the period between the announcement of an election and the date of the election. It is generally taken to be from the publication of the notice of election until polling day, inclusive of both days. This is the definition referred to in the Code of Recommended Practice on Local Government Publicity, which guides local authorities on fulfilling the requirements of section 2 of the Local Government Act 1986.

In respect of a Referendum, the period will run from the announcement of the date of the Referendum with specific, more onerous rules operating in the period from 28 days before the day of poll.

The main significance of the pre-election period is in the need for heightened sensitivity, to ensure that public resources are not used in any way that might influence the result of an election.

The pre-election period has commonly been known as ‘purdah’. However, this is felt by some to be an inappropriate term because of its cultural and religious origins in referring to the separation of women from men.

Timing of the pre-election period

Local authorities have some discretion on the exact timing of the publication of the notice of election, although it needs to be within a timeframe which is set out in legislation according to individual elections.

The section of a local authority responsible for elections management should communicate to its elected members and staff the date of the pre-election period. It is usually helpful if this is done several months in advance to help with event and other planning.

In some authorities, convention – although not law – means that the pre-election period is effectively observed a few days before it officially begins.

It is worth noting that the civil service tends to use the date of dissolution of parliament as the beginning of its pre-election period, as opposed to the notice of election. This convention derives from UK parliament election dates previously not being fixed. However, all elections now follow a timetable which is set out in legislation in advance. This can lead to the UK and Scottish governments, and their agencies, using different pre-election period dates however.

Legal and other obligations

Local authorities are prohibited by section 2 of the Local Government Act 1986 from publishing any material which appears to be designed to affect public support for a political

party. Publicity is defined very widely. It includes 'any communication, in whatever form, addressed to the public at large or to a section of the public.'

The Council also has duties under common law to taxpayers which prohibit the use of public funds and the activities of Council officers where the Council is not fulfilling its statutory functions. Unless otherwise specified in this guidance, any support given to political parties or election candidates is very likely to breach this obligation.

For the avoidance of doubt, it should be noted that these duties apply at all times but the implementation is particularly sensitive during the pre-election period.

Staff and elected members also have obligations under their respective codes of conduct.

Between the time of publication of a notice of an election and polling day, publicity should not be issued which deals with controversial issues, or which reports views or policies in a way that identifies them with individual members and groups of members.

The following publicity activities should therefore not take place during the formal election campaign period -

- Any proactive media releases/ media activity, including photocalls, involving cabinet portfolio holders, election candidates or elected members or mentioning any political party.
- The publication of any Council material (with the exception of election-related materials) that identifies, in any way, an election candidate or a political party.

Reactive media inquiries are business as usual and, in some circumstances, may involve the relevant cabinet portfolio holder (see section 5 for further details).

Any other activities will require to be considered in terms of the legislation and the relevant Code of Conduct.

4. Premises

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Definition

Council premises can include schools, offices, depots, stores and care homes where access is generally controlled or limited.

It can also include other spaces which might generally be open to the public but where there is an element of control, e.g. leisure centres and parks.

In this context, it is not taken to include public roads and pavements.

Use as offices and for public meetings

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The Local Government Act 1986 prevents local authorities from allowing Council premises to be used to promote support for a political party. However, there are some exceptions.

An authority may allow political parties to rent Council owned premises for use as offices, where such facilities are provided on a first-come, first-served basis on normal commercial terms.

Under the Representation of the People Act 1983 parties or candidates are entitled to use a school room for a public meeting in a Council run school within the candidate's constituency. The let will be free of charge, but the Council is entitled to be reimbursed for heating, lighting and other utilities, as well for any damage caused to the room by the let.

Candidates or their agents are required to give reasonable notice and any booking should not interfere with existing arrangements such as prior bookings or school hours.

In terms of the Representation of the People Act 1983, the Council must also prepare and keep for each constituency which is wholly or partly in its area, a list of rooms in school premises and a list of "meeting rooms" which candidates are entitled to use. Candidates are also entitled to inspect a list of these rooms. The list of such premises within Midlothian is attached as an appendix to this guidance.

During a referendum, "Designated Organisations" may also use these rooms on the same basis as above during the 28 day period prior to the Referendum in terms of schedule 12 of the Political Parties, Elections and Referendums Act 2000

Visits to Council premises by candidates

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As the election approaches, candidates may wish to visit Council premises to meet residents, e.g. in residential homes, or to be seen within the area, or to become more

familiar with Council facilities. The Council has previously allowed such visits subject to management rules but it has now been decided that, subject to the exceptions listed below, no candidate shall be allowed to visit Council premises from the date of nomination until the close of poll.

This moratorium will not apply however in the following circumstances:

- Premises rented by the Council to third parties on a commercial basis where entry shall be at the discretion of the tenant
- School rooms and other meeting rooms made available to candidates in terms of the Representation of the People Act 1983
- Visits at the invitation of a resident to their room in a Council residential home or hostel
- Visits to Council premises for business and Council meetings; and
- Any activity in a Council managed public open space which has been approved by the Chief Executive (or her nominee).
- Visits to Council premises by an elected member whilst acting in that capacity

Use of Council premises for publicity

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Visits by candidates

The media may request the use of a council establishment to highlight a general aspect of the election. This may or may not involve election candidates or parties. The decision on whether to agree or not to such media requests will be taken by the relevant Executive Director in consultation with Communications.

In reaching their decision, the Executive Director should consider if such use by the media will favour one particular candidate or party, any sensitivities around the particular venue and its users, and the possible staff resource implications. Whatever decision is reached, it should be equally applied to all parties and candidates.

If the media is involved in a visit, employees must not be photographed, recorded or televised with prospective candidates. The consent of clients or service users must be sought and not assumed. The Council has media relations consent forms in place for situations where the people involved are under 16 or deemed to be vulnerable adults, and consent in these situations must be recorded and retained as per normal practice for media consents. The Executive Director(s) will be advised on this aspect by Communications.

An individual who lives in a Council residential home or hostel has a right, as an elector, to invite candidates and the media into their own room.

Visits by politicians other than candidates

It is likely to be permissible for a sitting politician, who is not affected by a forthcoming election, to visit Council premises and seek publicity for this. Such visits are to be discouraged during the pre-election period but may be approved if there are exceptional circumstances. However, any candidates should not have a formal role at such events and Council staff should not facilitate any publicity involving election candidates, e.g. interview requests or photo opportunities.

Please note that a visit by an elected member of the Council, even if a candidate in the election, on constituency business should always be permitted.

Visits to Schools

The franchise for the Scottish Parliamentary and Local Government Elections have been extended to 16 and 17 year olds. Accordingly, unless otherwise approved by the Executive Director, Children, Young People and Partnerships, no visits by politicians, candidates or campaigners will be permitted to secondary schools during teaching time in the pre-election period for those elections.

Party political broadcasts

Council premises should not be used for the filming of party political broadcasts.

Candidate's posters and other advertising

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Political posters are not permitted on streetlights, other street furniture (e.g. traffic lights, railings and benches) and roads (including verges, central reservations and roundabouts). Any posters on Council property will be removed. The Council does not however have any power to remove posters from other properties.

The Council will not object to A Boards being placed on the pavement outside polling stations on the day of poll provided these boards do not obstruct the public right of passage. The question of whether an obstruction is being caused will be a matter for Police Scotland.

Party political or campaigning material should not be placed on notice boards or displayed in Council buildings. This will include, for the avoidance of doubt, the display of materials visible in the windows of all offices in Council buildings, including those made available for use by elected members.

Surgery notices

Sitting MPs, MSPs and councillors may have surgery notices displayed in Council premises. These can continue to be displayed during the pre-election period providing it is the usual notice which is being displayed.

There is one exception to this rule: sitting politicians for a particular election who no longer hold office once the notice of election is published whose posters must be removed. For example, an MP ceases to be an MP in the pre-election period for the UK Parliament

elections and should have their posters removed. Other sitting politicians may continue to publicise their surgeries and, in particular as Councillors remain in post until the day of poll for a local government election any such posters should not be removed.

5. Publicity

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General

As the definition of publicity is very broad, and any content subject to interpretation, it is not possible to be prescriptive about what publicity is permissible or otherwise and each situation has to be discussed on its own merits. Publicity can cover news releases, publications, events, photos and videos. It also includes online and social media communications as well as 'traditional' publicity.

In determining whether publicity should be allowed, the main factors to take into account are:

- The content and style of the material.
- The time and circumstances of the publication.
- The likely effect of the material on those to whom it is directed.
- Whether the material promotes or opposes a point of view on a question of political controversy which is specifically identifiable as the view of one political party but not of another.
- Whether to not the material contains references to any political party or to person identified with a political party.
- Where the material is part of a campaign, the effect that the campaign appears to be designed to achieve.
- The extent to which any activity is 'business as usual' or where the timing might be beyond the reasonable control of the authority.

The key test is whether a particular act can be perceived as seeking to influence public opinion or to promote the public image of a particular candidate, or group of candidates (whether or not they are existing members).

Specific points on local government elections

Public statements (reactive and proactive) may need to quote the relevant councillor responsible for a particular portfolio. Great care should be taken to ensure that any content is clearly and directly relevant to the service or issue being discussed and reflects an agreed Council decision or policy. It must not be a general comment on the position or achievements of the sitting administration.

Any Council newspapers or newsletters should not be published during the pre-election period. Routine publications advising on council services, such as Tonezones or the Midlothian Snowsports Centre at Hillend, may be published during the pre-election period.

It is worth noting that councillors remain as councillors until the day of poll for a local government election.

Opening ceremonies or other events

Official openings or events, whether or not specifically designed to attract publicity, should not take place during the pre-election period before a local government election. Any variation on this must be agreed by the relevant Executive Director and be justified on the grounds of exceptional unavoidable and/or unforeseen circumstances.

Media requests

In general, media requests for general filming or photo opportunities around elections should be treated as they would be normally. The only issue that would arise is if there is any question of the media outlet taking a particular stance that may be, or may be perceived to be, in favour of one party or candidate.

Requests to organise or cover hustings events would normally be permissible on the basis that they are open to all relevant candidates. In the case of broadcasters, there are strict rules that apply to maintain political neutrality and an authority should assume that the broadcaster concerned will meet its own obligations in this regard.

By-elections

Particular care should be taken to avoid any publicity in the ward or constituency affected by a by-election during the period after the notice of election has been issued.

Depending on the circumstances, it may also be appropriate to stop normal Council publicity on the day before and the day of polling.

Referendums

The Council may not publish any promotional material relating to a referendum within a period of 28 days prior to the referendum polling date in terms of section 125 of the Political Parties, Elections and Referendums Act 2000. This restriction is on all material regardless of political content or neutrality.

In terms of that Act, publish is defined as “make available to the public at large, or any section of the public, in whatever form and by whatever means.” “Promotional Material” is also widely defined as material which:

- Provides general information about the referendum
- Deals with any of the issues on which the referendum is being held
- Puts any argument for or against any issue on the referendum or
- Is designed to encourage voting at the referendum.

Schools and other educational establishments may wish to teach pupils about the terms of the Referendum and this should not be affected by the prohibition. Head Teachers and heads of other educational establishments should however seek clearance and guidance

from the Executive Director, Children, Young People and Partnerships if they receive requests for Referendum related activities from outside bodies before agreeing to them.

Social Media

The Council hosts a number of social media profiles. Nothing will be permitted on any of these pages to promote political messages, support for a particular candidate(s) or any other political content. Any such messages, whether posted by or on behalf of the Council or by third parties, will be removed.

Councillors will be entitled at all times, including during the pre-election period, to post any political content or viewpoint on their own social media accounts even if the account refers to the Councillor as an elected member. It is only the use of the Council's social media for electioneering purposes that is prohibited by this guidance.

6. Other issues

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Staff candidature

If a Council employee in a political restricted post wishes to stand for election (whether to the Council, Scottish parliament or UK parliament) they must resign their post.

A Council employee not in a politically restricted post may stand for election to the Council without resigning their post but must resign within one day of the declaration of the result should they be elected otherwise they cease to be an elected member and will cause a by election.

Staff - other political activity

Staff in politically restricted posts should not undertake any political activity at any time.

Staff in posts that are not politically restricted may carry out political activity. However, if they are a witness for any election-related documents or otherwise personally involved in support for a particular party or candidate, they must not be involved with polling or counting.

Working relationships between staff and councillors

Some employees may have a close working relationship with councillors. It is important that this close working relationship is not compromised in any way. If an employee is asked by a councillor to provide assistance with a matter which is clearly party political or which does not have a clear link with the work of the Council, they should politely refuse and inform the councillor that they are referring the matter to their line manager for guidance. This rule also applies if a councillor seeks assistance of behalf of a candidate in the elections.

This rule applies at any time and not just during the pre-election period

Use of Council facilities and resources by councillors

Facilities and resources provided by the Council for councillors to help them carry out their duties must never be used for party political or campaigning activities. This includes computer equipment, telephones, stationery and secretarial support. This is not an exhaustive list and councillors should check if they are not sure what is appropriate.

Communications by councillors to their constituents come within the definition of publicity detailed above, except where they are in response to particular issues initiated by their own constituents. Use of Council facilities for unsolicited mailings during this period should be made with extreme caution. To avoid any suggestion that actions may be motivated by the forthcoming elections, councillors should not issue communications to constituents in a form or style which they have not used before.

Freedom of Information requests

There are no implications for FOI or other information requests covered by legislation. These should be handled as normal.

7. Questions and answers

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The following are examples of issues which have arisen previously. It must be remembered that the final advice will turn on the exact circumstances and these FAQs are only given to provide an indication of the type of issues you should be considering. They are not a substitute for specific, detailed advice.

1. **A controversial item is on the agenda for a meeting of the Council or a Committee which will be held during the pre-election period. Should consideration of the item be postponed until after the election?**

No. The work of the Council should continue and the item should be considered.

2. **A school has been approached by a candidate in the forthcoming election who wishes to meet pupils and have a general discussion with them about topics of concern to them. Is it okay to allow the visit?**

No, this does not constitute “business as usual” and as such the visit will come under the moratorium in terms of section 4

3. **Officers have been asked to attend an event to give advice on Council services. Is this okay?**

Whether or not it would be appropriate for officers to attend would depend on the nature of the event, who was running it and when it is being held. If the event is associated with a particular political party and is being held during (or a day or two before the beginning of) the pre-election period then officers should not attend. If it is being held outwith this period, then you would have to decide whether the event was designed to affect support for one political party. If so, then again officers should not attend.

4. **Is it okay for an election candidate to take photographs outside a Council office or facility?**

This should not be encouraged but cannot be prevented. Candidates and officials should be aware that photography in and around schools is controlled, as any existing parental consent, whether express or implied, in relation to photographs taken for school purposes cannot be regarded as extending to the use of photographs in connection with any political campaigning.

5. **What do I do if a candidate/political party refuses to accept my decision?**

Contact your Director, who can discuss the issues raised with the Chief Executive and let you and the candidate/party know the outcome of these discussions.

6. **A candidate turns up at Council premises for a pre-arranged business meeting but there are media following them. Should the media be allowed in?**

No. This is allowing a council facility to be used for a party political activity.

7. A public consultation meeting is scheduled during the pre-election period as part of the formal planning process for a new school. Can it go ahead?

Yes. This is both normal business and there are significant costs attached to any delay.

8. A party wants to use a council-managed public space for their campaign launch. Should it be allowed?

There is a convention that certain public spaces are used for campaign activity. It is generally acceptable for these to take place so long as the events are limited, e.g. around 1 hour and that there is equal opportunity for all parties or candidates to use them. The council resource/effort in facilitating these should also be minimal, e.g. enabling access to a space.

9. The council was intending to facilitate a debate on an important issue to our area. Should it be cancelled?

The debate must be open to participation by all parties and candidates, and it may be advisable to limit the media participation (e.g. reactive rather than proactive). With those caveats, it could go ahead, but thought would still need to be given to whether or not the issue at hand was likely to be particularly divisive along party lines.

10. A councillor wants to give their view on a matter debated at committee to the media. Is this allowed?

Any councillor at any time is at liberty to do this. The tests are whether they are using council resources to do so and, if so, whether the view is (or could be perceived to be) political in nature.

11. A charity which receives funding from the council has taken an advert in a political party's newsletter. Is this allowed?

There are two relevant issues here: what is the council's funding for (e.g. a general grant or for a specific purpose such as communications) and what is the advert for (e.g. notice of an event or self-promotion)? Generally, this is a low-risk activity so long as there is nothing overtly political about the organisation's activity or its advert.

12. There is an event scheduled for the launch of a new service. Can local councillors be invited? And what about other politicians?

Such events are generally very inadvisable before a local government election and should be avoided before other elections. If the latter, local councillors can be invited, although this should be avoided if one of the councillors is a candidate. If the Director has agreed the event can go ahead, then all candidates for that ward should be invited.

13. We want to highlight a new initiative. Can the relevant cabinet member be involved?

No. Proactive publicity of this kind can go ahead without elected member involvement. We will use a service user or manager in these circumstances.

- 14 **A partner organisation has asked to use a council venue for the launch of an initiative. A minister will be attending and significant media presence is expected. Can we facilitate this?**

Yes. Hiring of council venues is business as usual.

8. Contacts and further information (Back to [contents](#))

General advice on pre-election period guidance

Alan Turpie, Legal Services Manager, alan.turpie@midlothian.gov.uk, 0131 271 3667

APPENDIX

(A) List of Rooms in School Premises

(i) Primary Schools

Bilston	Park Avenue, Bilston, Roslin
*Bonnyrigg	Cockpen Road, Bonnyrigg
Burnbrae	144 Burnbrae Road, Bonnyrigg.
Cornbank St James	34 Marchburn Drive, Penicuik
Cuiken	150 Cuiken Terrace, Penicuik
Danderhall	59 Edmonstone Road, Danderhall
Glencorse	Graham's Road, Milton Bridge, Penicuik
Gorebridge	2C Barleyknowe Lane, Gorebridge
Gore Glen	Whitehouse Way, Gorebridge
Hawthornden	Polton Avenue Road, Bonnyrigg
King's Park	20 Croft Street, Dalkeith
Lasswade	7A Pendreich Drive, Bonnyrigg
*Lawfield	26 Lawfield Road, Mayfield
Loanhead	34 Edgefield Road, Loanhead
Mauricewood	11 Muirhead Place, Greenlaw Mains, Penicuik
Mayfield	Stone Avenue, Mayfield
Moorfoot	41 Borthwick Castle Road, North Middleton
Newtongrange	Sixth Street, Newtongrange
Paradykes	Mayburn Avenue, Loanhead
Rosewell	85 Carnethie Street, Rosewell
Roslin	8 Pentland View Place, Roslin
Sacred Heart	Crockett Gardens, Penicuik
St Andrew's	Gowkshill, Gorebridge
St David's RC	Kippielaw, Lauder Road, Dalkeith
St Luke's RC	Stone Avenue, Mayfield
*St Margaret's RC	36 Edgefield Road, Loanhead
St Mary's RC	62A Polton Street, Bonnyrigg
St Matthew's RC	32 Carnethie Street, Rosewell
*Stobhill	1 Bonnybank Road,, Gorebridge
*Strathesk	4 Eastfield Farm Road, Penicuik
*Tynewater	32 Crichton Road, Pathhead
Woodburn	5 Cousland Road, Dalkeith

(ii)/

(ii) Secondary Schools

Beeslack Community High School	Edinburgh Road, Penicuik	01968 678060
Dalkeith Schools Community Campus	Cousland Road, Dalkeith	0131 660 0268
The Lasswade Centre (Lasswade High School)	Eskdale Drive, Bonnyrigg	0131 271 4530
Newbattle Community Campus	Easthouses Way, Dalkeith	0131 561 6740
Penicuik High School	39A Carlops Road, Penicuik	01968 674165

In respect of primary schools marked '*', all enquiries regarding their availability and bookings should be made with Janice Linton – 0131 271 3713.

In respect of all other primary schools, enquiries and bookings should be made to Business Services using their email address at Business.Services.Support@midlothian.gov.uk.

In respect of Dalkeith Schools Community Campus, all enquiries and bookings should be made with the BAM FM Office, 4 Cousland Road, Dalkeith EH22 2PS - Telephone 0131 660 0268.

In respect of other secondary schools, all enquiries regarding their availability and bookings should be made direct to the relevant school office.

(B) List of Meeting Rooms

The following premises are available for meetings. The relevant booking telephone number is shown.

Poltonhall Recreation Ground	col_mcewan@hotmail.com (Bonnyrigg Rose FC)
Rosewell Pavilion	0131 448 0103 (Rosewell After School Club)
Waverley Park Pavilion	0131 271 4533 (Lasswade Centre)
King George V Park Pavilion, Bonnyrigg	0131 271 4533 (Lasswade Centre)
Penicuik Town Hall	01968 664 066 (Penicuik Leisure Centre)
Roslin Community Hall	0131 444 9033 (Loanhead Leisure Centre)
Loanhead Leisure Centre	0131 444 9033
	demolished
Danderhall Leisure Centre	0131 444 9100
Danderhall Pavilion	0131 663 9280
King's Park Pavilion, Dalkeith	0131 561 6740 (Newbattle Community Campus)
Pathhead Pavilion	0131 561 6740 (Newbattle Community Campus)
Newtongrange Leisure Centre	0131 561 5325
Gorebridge Leisure Centre	01875 821739
Birkenside Pavilion	01875 821739 (Gorebridge Leisure Centre)
Dalkeith Arts Centre	0131 663 6986

Title of Report: Standing Orders Working Group

Report by Alan Turpie, Monitoring Officer

Report for Information

1 Recommendations

The Council is asked to note the work of the Standing Orders Working Group and the further action required.

2 Purpose of Report/Executive Summary

The purpose of this report is to update Members of the work of the Standing Orders Working Group which has agreed draft revised Standing Orders and Scheme of Administration but it is considered that further revisions are required to reflect supervening events.

Date 01 December 2021

Report Contact:

Alan Turpie, Monitoring Officer

alan.turpie@midlothian.gov.uk

3 Background/Main Body of Report

- 3.1** The Standing Orders Working Group, chaired by the Provost, has met on 8 occasions since its first meeting in September 2019. Following its most recent meeting the then Democratic Services Team Leader prepared a revised draft set of Standing Orders based on the discussions to date in September 2021. In addition, an updated Scheme of Administration has been prepared and agreed by the Working Group whilst an updated Scheme of Delegation has also been prepared but has not yet been considered by the Working Group.
- 3.2** Since the draft Standing Orders have been prepared, there have been a number of supervening events which are not reflected in the Standing Orders. It is therefore the view of the Chair that a further meeting of the Working Group be held in January to consider these matters before presenting the suite of documents to Council for approval.
- 3.3** The matters still to be resolved include:
- Introduction of Action Logs
 - EY recommendations on the form of minutes
 - Virtual Meeting Protocol
 - Connection failures
 - Possible Hybrid meetings
 - Simplified counter motion procedure
 - Update of Scheme of Administration
 - Approval of Scheme of Delegation

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

There are no resource implications arising from this report.

4.2 Digital

There are no digital implications arising from this report.

4.3 Risk

There are no risks inherent in this report.

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 A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Not applicable

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value

A.5 Involving Communities and Other Stakeholders

The report does not directly relate to involving communities

A.6 Impact on Performance and Outcomes

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

A.7 Adopting a Preventative Approach

Not applicable

A.8 Supporting Sustainable Development

Not applicable

Hybrid Meetings of Council and its Committees**Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Decision****1 Recommendations**

- a) To note the work undertaken to date and indicative costs of facilitating hybrid meetings of Council and its Committees and that work continues to develop a fully costed proposal.
- b) Agree that the fully costed proposal for hybrid meetings be considered at the start of the next term of Council, after the May 2022 Local Government elections.

2 Purpose of Report/Executive Summary

A hybrid meeting is one where a portion of the participants joins from a designated meeting room and another portion joins remotely, enabled by audio and video conferencing technology. Often participants will also use online content sharing solutions to support collaboration with the option to also use technology to facilitate a vote to be taken where the business under consideration requires one.

This report provides an update on the work to date to investigate the provision of hybrid meetings and indicative costs of implementing this approach for Council and its Committees.

3 December 2021**Report Contact:****Name:** Gary Fairley**Tel No:** 0131 271 3110gary.fairley@midlothian.gov.uk

3 Background

At the Business Transformation Steering Group on 18 October 2021 members in attendance asked that further investigation be carried out regarding the implications of holding hybrid meetings, a combination of physical attendance and participating remotely.

Arising from that officers have examined similar considerations by other Local Authorities and have reviewed the existing available systems. The aim of this work was to identify a technical solution to support hybrid meetings whilst also allowing for live video broadcast to members of the public. At this point indicative costings have been prepared.

From June 2020 meetings of Council and its Committees have been held virtually using the MS teams platform. Prior to the Pandemic such meetings were held in the Council chamber with the ability to webcast the meetings. Whist arrangements had previously been put in place to allow very limited virtual attendance these were very much ad hoc and could not be scaled up for multiple remote attendees. As a consequence of the budget decisions taken on 12 February 2019 full Council agreed not to renew the contract arrangements that facilitated the recording and webcasting of meetings held in the Council chamber. Due to the age and type of technology there are no options to reuse or upgrade the extant system to allow for interaction with newer digital platforms, such as Microsoft Teams or indeed any external conferencing system. Accordingly there are no current facilities to support the recording and webcasting of meetings held in the Council chamber.

4 Future Options

The principal options for future meeting arrangements are:

- A continuation of fully remote access meetings under arrangements broadly similar to the present arrangements. There would be no new investment or costs to be incurred. Both participation and public access would continue to be secured through MS teams.
- Only when deemed safe to do so, a return to physical meetings with no recording or webcasting. There would be no new investment or costs to be incurred. Public access would be limited to those able and willing to attend the meeting in person.
- The introduction of hybrid arrangements, whereby some members or officers could be physically present in the meeting venue and others taking part by remote access. Significant new investment would be required. Public access would be secured through physical access to the meeting venue where appropriate and also by the live video webcasting and recording of meetings.

Returning to fully physical meetings without any technological and systems changes would rule out even one member or officer being able to take part remotely on a sustainable and effective basis. It would limit public access to those willing and able to physically attend the meeting venue.

5 Hybrid Meetings & Broadcasting

A number of Local Authorities are exploring technology to produce live virtual meetings and video broadcasts of committee meetings, with a mixture of different technologies and software platforms being considered across the local authorities. At the time of writing most local authorities are only performing fully virtual meetings, although they have plans to review hybrid meeting arrangements and the required technology to facilitate this new environment.

Should the use of new video recording and webcasting be pursued, it is recommended that the Council introduce the following components to enable hybrid meetings and live video broadcasting within the meeting venue:

- Replacement of existing system with new digital conferencing system including speaker tracking camera technology
- Installation of HD Pan, Tilt & Zoom Cameras
- Installation of room kit pro Video integrator codec to allow MS Teams integration and other conference platforms
- Installation of 16" desktop display on all desks within the meeting venue to allow for visual display of remote participants and presentations.

In addition to the core components above, the replacement system should also offer additional functionality such as, small LCD screen to display current agenda item, electronic voting, and badge reader slot for attendee identification.

On review of the functionality above and the direction being taken by other Council's in this field the Televic Confidea Flex system was identified. The Televic system is currently in use across UK local authorities, various current Hearing Panels and the European Parliament and can deliver all of the functionality listed above. Electronic voting whilst running hybrid meetings is challenging when utilising multiple platforms. Televic have developed the ability to have remote secure rooms which facilitates electronic voting from outwith the meeting venue to all participants in the hybrid meeting from a single platform. (This functionality is used by NATO, WHO and European Parliament).

The above solution would also provide the ability for the council to video broadcast live meetings to members of the public utilising both MS Teams and the Televic software. The broadcast would also utilise speech technology to allow captions to appear within the broadcast for accessibility.

It was identified during research for this report that broadcasting of audio visual meetings involves additional pre/post meeting activities to set up and produce the broadcasts, whilst managing issues during the live meeting/broadcast. The Council would require to recruit 1 FTE Technician to support the solution on an ongoing basis.

6 Financial Summary

The indicative investment required to transform meetings within a defined meeting venue requires to be met from both capital and revenue resources. All installation project costs will be met by capital investment and ongoing costs from revenue.

The council has identified the Scottish Procurement, IT Peripheral Framework, to ensure a compliant route to market. Engagement with the market indicated that there is likely to be extended lead times to secure and implement a hybrid solution.

The initial project costs and ongoing costs are estimated as follows.

Capital:

- Installation and configuration of Televic system, including Conference Management software, speaker tracking camera technology, Installation of HD Pan, Tilt & Zoom Cameras, Video integrator Codec, appropriate power supply and 16" desktop display on all desks - £150,000
- Related cabling and costs once site survey completed - £30,000
- Implementation costs and contingency - £20,000

Revenue:

- Annual support and maintenance - £2,000
- 1 x FTE (Technician) – £45,000

Additional Revenue Costs (optional):

- Secure Remote Room Gateway & Electronic Voting - £4,000

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

7.1 Resource

The indicative capital costs of the identified hybrid meeting solution are currently estimated at £200,000. Given the relatively limited useful life expectancy of such technology those cost would be repaid from the revenue account over an estimated life of five years and as such result in an annual increase in Revenue Budget through Loan Charges of circa £45,000 per annum.

The annual impact on the revenue budget is therefore estimated at £96,000 as follows;

Loan Charges	£45,000
Staffing	£45,000
Other costs	£6,000
Additional revenue costs per annum	£96,000

This would require an additional provision to be included in the revenue budget and so add to the underlying budget gap for future years.

7.2 Digital

The report sets out the digital implications associated with implementing hybrid meeting technology.

7.3 Risk

Systems are in place to support virtual meetings of Council and its Committees. The existing infrastructure in Midlothian House does not support hybrid meetings or support webcasting of physical meetings.

There remains a duty on the Council and other public bodies to ensure staff and customers are safe. The Scottish Government continues to encourage working from home where possible in recognition of the current level of COVID infections and new variants.

7.4 Ensuring Equalities

Since the BTSG meeting on 18 October 2021 the focus has been on identifying technical solutions and developing indicative costings in respect of hybrid meetings. An assessment of the Equality implications and any mitigations necessary would be carried out as part of the work to develop a fully costed proposal and to support decision-making.

7.5 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 at this point.

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.

Medium Term Financial Strategy – 2022/23 Budget**Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Noting****1 Recommendation**

Council is asked to note this update on the Medium Term Financial Strategy in respect of the 2022/23 budget.

2 Purpose of Report/Executive Summary

This, the second of three agreed reports, supports Council in fulfilling its statutory obligation to determine a budget and set Council Tax for next financial year when it next meets on 15 February 2022.

The report provides Council with an update on the development of the 2022/23 budget in advance of the publication of the Scottish Government budget and associated local government grant settlement. A verbal update will be provided on the implications of the 9 December announcements.

The report is presented in the context of the Medium Term Financial Strategy approved in June 2019 which brought an important step-change and which provided greater certainty for local communities and also for employees. It has allowed the Council to shift from having to consider savings each year at February Council meetings to planning for the medium term and in turn securing continued financial sustainability. As a consequence of the approval of the Medium Term Financial Strategy and, on the recommendation of The Business Transformation Steering Group, the subsequent approval of the 2020/21 and 2021/22 budgets has ensured that the Council has maintained a financially sustainable position.

This strategic approach has supported continued investment in Midlothian to help it fulfil its potential to be a great place to grow and provided a strong and stable financial foundation on which the Council has been able to build its response to the Covid pandemic. A pandemic that has brought unprecedented financial challenges, risks and uncertainties for Local Government and which is anticipated to affect Council budgets for years to come.

Date: 1 December 2021**Report Contact:**

Gary Fairley, Chief Officer Corporate Solutions

gary.fairley@midlothian.gov.uk

0131 271 3110

3 Background

Council last considered an update on the Medium Term Financial Strategy on 16 November 2021 where it unanimously agreed:

- a) *On the recommendation of The Business Transformation Steering Group that for 2022/23 Council continue to freeze, at 2020/21 levels, fees and charges determined by the Council;*
- b) *Otherwise to note the report.*

In respect of the planning for the 2022/23 budget the Business Transformation Steering Group have considered and endorsed the key budget planning assumptions in respect of pay inflation, government grant and Council Tax as set out below. The final proposed budget for 2022/23 will be updated to reflect the actual position for Scottish Government grant and associated conditions, including conditions in respect of Council Tax. In parallel, a reassessment of pay award provisions will be made taking cognisance of the Scottish Government Public Sector Pay Policy and the extent to which this is reflected in the grant settlement itself.

4 Budget Projections and Revised Corporate Solution for 2022/23

This report and the report on 15 February 2022, as outlined below, facilitate the determination of the budget and setting Council Tax. This approach reflects the combination of the Council having an approved Medium Term Financial Strategy and also the adoption of a corporate solution to secure a balanced budget.

BTSG	Council	Objective of Report
24 January	15 February	A report for Decision - Finalisation of 2022/23 budget <ul style="list-style-type: none"> • Determine Council Tax for 2022/23 taking cognisance of settlement conditions. • Any changes as a consequence of the grant settlement and associated policies required to Agree a balanced budget for 2022/23.

In advance of the publication of the Scottish Government grant settlement, and associated conditions and Scottish Public Sector Pay Policy, members are reminded that budget projections are predicated on three key assumptions, the adoption of which was endorsed by the Business Transformation Steering Group.



The corporate solution to support securing financial balance for 2022/23 continues to utilise the benefits of the Loans Fund Review. This comprises of an in year reduction to the loan charges budget and the drawdown of the one-off prior year adjustment. As reported on 16 November 2021 the technical accounting requirements associated with this approach require an element of the draw down of the one off prior year adjustment to be accounted for through year-end earmarked reserves at 31 March 2022.

This constraint combined with a downward revision to the actual loan fund repayments for the current year (reflecting the actual capital expenditure funded by Loans Fund advances) impacts on the sum that can be released in the current year. Consequently this will necessitate the utilisation of non-earmarked general reserves to secure a balanced budget for 2022/23. In turn, the use of reserves can be reinstated in future years. In effect this represents a re-phasing of the benefit of the loans fund review with non-earmarked reserves managing the timing aspects across financial years.

The adjustments necessary to reflect the technical accounting treatment/phasing will be incorporated in the quarter 3 financial monitoring report and final budget papers to be presented to Council on 15 February 2022.

This adoption of the approach to secure a balanced budget for 2022/23 provides the opportunity for the Leadership Team to continue to focus on development of the next iteration of the Medium Term Financial Strategy, covering the term of the next Council which it is anticipated will be presented after the May 2022 election.

5 Scottish Government Grant Settlement

The Scottish Governments budget is scheduled for publication on 9 December 2021 and will set out aggregate figure for Local Government for both revenue and capital allocations. The Local Government Finance Circular, setting out individual Council grant allocations, is expect to be published on 20 December 2021.

Thereafter there will be a parliamentary process for the budget bill with stages 2 and 3 anticipated to be in late January / early February 2022. Recognising the cooperation agreement with the Scottish Green Party it is not anticipated that there will be any material change or any uplift to the local government settlement during the passage of the budget bill.

In respect of the prospects for the 2022/23 grant settlement the available information continues to indicate a number of challenges for the Scottish Government budget and subsequently continued funding pressures for the core local government settlement for the year ahead

The table below provides an overview of the Scottish Governments Departmental Expenditure Limits (DEL) following the UK spending review.

Budgets in Cash Terms for Scotland

	Baseline 2021-22 (£b)	Plans 2022-23 (£b)	Plans 2023-24 (£b)	Plans 2024-25 (£b)
Resource DEL	31.6	35.0	35.7	36.3
Capital DEL	5.2	5.6	5.6	5.5
Total DEL	36.7	40.6	41.2	41.8
% increase		10.7%	1.48%	1.46%

Source SPICe

This indicates that the total unadjusted Scottish block grant will increase from £36.7 billion (excluding COVID funding) in the current year to £41.8 billion by the final year of the Spending Review period. This equates to a 2.4% real terms increase over the Spending Review period. However, as the table above shows, this is front-loaded.

The Fiscal Framework Agreement between the Scottish and UK Governments sets out the fiscal arrangements required support the devolution of tax and welfare powers. The agreement provides for reconciling adjustments in respect of previous years estimates. It is understood that the reconciling adjustment for 2022/23 is a downward adjustment of circa £1bn. As such this would indicate an adjusted uplift for 2022/23 of £2.5bn.

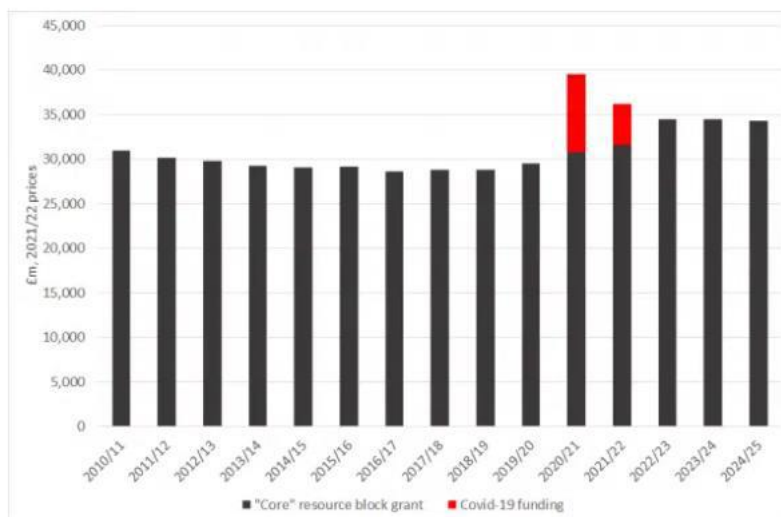
Furthermore, indications are that £1.7bn of the adjusted uplift for 2022/23 relates to the Health Barnett consequential which arise from the National Insurance levy. Indications from Government are that these will be passed through in full to the Health department budget. This in turn would indicate a cash uplift of £0.8bn for all other inflationary and spending pressures across the remaining elements of the Scottish Government budget.

In terms of later years there are small increases projected for revenue with a cash flat position for capital. In respect of capital The Cabinet Secretary has indicated to the COSLA finance spokesperson that UK Spending Review has created an extremely challenging budget with

less funding than Scottish Government had forecast in its five year medium term capital strategy.

The following graph produced by Fraser of Allander shows the outlook for the unadjusted Scottish Block Grant.

Chart 2: Outlook for the Scottish resource block grant



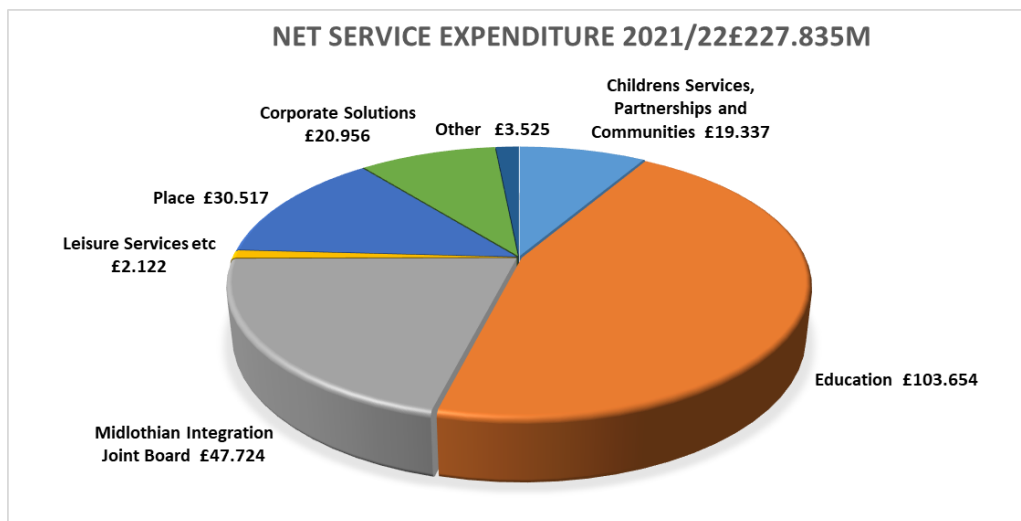
A verbal update will be provided at the Council meeting on the Scottish Government budget announcement scheduled for 9 December 2021.

On receipt of the actual settlement, grant conditions and publication of the Scottish Public Sector Pay Policy the budget projections and corporate solution will be updated and reflected in the final budget report to Council on 15 February 2022.

On 15 November COSLA launched its Budget Lobbying Campaign "Live Well Locally". It calls for adequate funding from the Scottish Government and a reversal of historical cuts and provides an overview of the funding position and challenges faced by Local Government. A copy of the Live Well Locally release is attached as Appendix B for information.

6 Projected Net Cost of Services

The chart below provides an overview of the approved budget by service for the current financial year.



Work continues to review and update cost projections from those set out in the 16 November 2021 report to ensure that the final proposed budget reflects the latest information available including school rolls projections and care demographics.

Projections will also be further refined to reflect the actual grant settlement, associated conditions, public sector pay policy and also the extent to which funds for health and social care are directed via Health Boards.

The approach set out above will provide updated net cost of services in advance of the settlement announcement. When Council meets on 15 February 2022 to finalise the budget and set Council Tax for the year ahead members will only have to consider recommendations from the Business Transformation Steering Group in respect of any matters arising from the settlement and associated announcements.

7 Next Steps

7.1 Finalisation of the 2022/23 Budget and Setting Council Tax

The scheduled meetings of the Business Transformation Steering Group and Council provide for finalisation of the budget at Council on 15 February 2022.

7.2 Midlothian Integration Joint Board

The Chief Officer and Chief Financial Officer of the Midlothian Integrated Joint Board (IJB) are being kept updated on the Council's budget position. However it will only be possible to formulate a formal offer for the IJB once the grant settlement is available and the quantum of any additional monies for delegated activities and any conditions attached to the settlement are known.

Business Transformation Steering Group will be asked to consider the formal offer arising from the settlement when it meets in January and this will form part of the final budget recommendations to Council.

8 Governance and Timetable

Each element of the Medium Term Financial Strategy continues to have governance in place to support the timely delivery of the work streams. Any changes to the budget strategy and corporate solution will first be reported to Business Transformation Steering Group with recommendations then presented to Council. Responsibility for setting Council Tax and determining budgets remains with Council.

Council has a duty as set out in Section 93 of the Local Government Finance Act 1992 (as amended) to set its Council Tax and a balanced budget for the following financial year commencing 1 April by 11 March.

Members should note that the legislation contains no specific requirement for a Council to set its budget at the same time as setting its Council Tax. This is because it is implicit in setting the Council Tax that Council Tax income needs to be sufficient to fund the balance of expenditure not otherwise funded from government grant, fees, reserves etc.

As Council Tax funds the gap between expected income and expenditure, you need to first identify your proposed expenditure to determine the resulting gap that Council Tax needs to fund. If no other action is taken to redress any shortfall, then the Council Tax has to be set at a rate that will do so, otherwise the budget will not balance. Accordingly, Council Tax decisions cannot be taken in advance of other budget decisions.

Members should also continue to note that in terms of Section 112 of the Local Government Finance Act 1992 (as amended) it would be an offence for members to participate in any vote in respect of setting Council Tax where the member has unpaid Council Tax. Accordingly at the Council meeting where these decisions are formally taken members would be required to disclose the fact if this section of the act applies to them and subsequently not vote on any question with respect to the matter.

9 Report Implications (Resource, Digital and Risk)

9.1 Resource

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

9.2 Digital

The adoption of digital solutions is a central strand of the Medium Term Financial Strategy.

9.3 Risk

Within any financial projections, there are a number of inherent assumptions in arriving at figures and budget provisions and therefore risks that may be faced if costs change or new pressures emerge.

The following key risks and issues are highlighted in the context of this report:

- Uncertainty over the ongoing impact of the Pandemic on the Scottish Government's and Council's financial position;
- The economic outlook and decision by Scottish Government on future years spending priorities, grant settlements and grant distribution;
- The risk to service provision and service users associated with a continued real terms decline in available resources to fund services;
- Future years Public Sector Pay Policy and future year pay award settlements;
- Actual school rolls varying from those provided for in the budget;
- Decisions to be taken as part of the Scottish Government's 2022/23 budget on the funding quantum for 2022/23 for Early Years expansion;
- The impact of the wider economic climate on range of factors including:
 - inflation impacting on the cost of capital projects, good and services and utility costs beyond the provisions made in the budget and the extent to which such pressures are reflected in core funding through the grant settlement;
 - interest rates, employment levels, tax and income levels and service demands;
- Cost pressures, particularly demographic demand, exceeding budget estimates;
- The impact of Universal Credit, and potential pension changes;
- The costs of implementation of national policies varying from the resources provided by Government;
- Potential liabilities arising from historic child abuse;
- Unplanned capital investment requirements and the associated cost; and
- Ability to continue to meet the expectations of our communities within a period of fiscal constraint.

The Medium Term Financial Strategy aims to mitigate a number of these risks by setting out the key assumptions on which forward plans are based, and through the adoption of the corporate solution for 2022/23 secure a means to achieve financial balance without further service reductions. However as highlighted in this and previous reports the funding settlement for Scottish Government has a material bearing on the extent to which Council can fund service provision and also mitigate financial risks.

The risk of not having in place a balanced Medium Term Financial Strategy and the adoption of the three strands of the corporate solution is the potential elimination of available reserves, which in turn would severely limit the Council's ability to deal with unforeseen or unplanned events and also the imposition of significant cuts at short notice with limited opportunity for consultation.

9.4 Ensuring Equalities

The Medium Term Financial Strategy and the resource allocation measures which will support financial sustainability have, as far as the constraint on resources allows, been developed within the context of the Single Midlothian Plan, ensuring as far as possible that resources are directed towards the key priorities of reducing inequalities in learning, health and economic circumstance outcomes.

The Medium Term Financial Strategy continues as far as is possible to reflect Midlothian Council's commitment to the ethos of the Equality Act 2010 with careful consideration of the interests of the most vulnerable in our communities through the preparation of equality impact assessments.

In addition, these actions underline the Council's commitment in its Midlothian Equality Plan 2017 – 2021 to tackle inequality and promote inclusion within the limitations of the resources available. These actions also will allow the Council to plan and deliver services which meet the needs of our diverse communities and respond to the changes ahead.

An overarching EQIA will be published on the Committee Management section of the Council's website in parallel to the Medium Term Financial Strategy report presented to the proposed Council meeting on 15 February 2022.

9.5 Additional Report Implications

See Appendix A

Appendices

APPENDIX A – Report Implications

APPENDIX B – COSLA “Live Well Locally”

A.1 Key Priorities within the Single Midlothian Plan

The Medium Term Financial Strategy facilitates decision on how Council allocates and uses its available resources and as such has fundamental implications for delivery of the key priorities in the Single Midlothian Plan. The corporate solution for financial year 2022/23 helps ensure that resources are available 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 has been and will continue to be engagement with the recognised Trade Unions on the Council’s financial position and the development of the Medium Term Financial Strategy.

A.6 Impact on Performance and Outcomes

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

financial sustainable manner.

A.7 Adopting a Preventative Approach

An effective Medium Term 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 any sustainability issues which arise as a consequence of the Medium Term Financial Strategy.



*our shared ambition for
everyone in Scotland*

made possible
with fair funding





Local Government is at the heart of ensuring everyone can live well locally

It's what Councils do - every day, they work hard to create the conditions to make this possible – in villages, towns and cities, in rural areas and islands.

During the COVID-19 response, Councils demonstrated local leadership, using their knowledge to deliver local solutions – from the most remote areas of the country to the centre of our cities.

COVID-19 has changed people's lives forever and for many, their local environment now matters more than ever.

Only properly funded Local Government can enable everyone to **live well locally** by delivering:



Enabling everyone to **live well locally** is a shared ambition across Scottish Government's 'Programme for Government 2021' and COSLA's Blueprint for Local Government



Real investment in Local Government must feature in the 2022-23 Scottish Budget to realise our shared ambition, to live well locally

A local focus is essential for Covid recovery

Local and Scottish Government have jointly committed to a **Covid Recovery Strategy** to deal with the immediate impacts of the pandemic:

“ Building on the partnership which underpinned our Covid response we will work with Local Government to shape the recovery activity which will support – rebuilding public services; good, green jobs and fair work; financial security for low-income households; and wellbeing of Children and Young People. ”



Our Vision

By working together, we will:

1.

Address the systemic inequalities made worse by Covid

2.

Make progress towards a wellbeing economy

3.

Accelerate inclusive person-centred public services

Within the recovery strategy, “**local**” is key – 48 references across its 46 pages – including local leadership, local partnerships, local government, local transport, local children’s services planning, local employability partnerships, local resilience, and local service design.

We look forward to working with the Scottish Government to provide the necessary **local leadership** to deliver on a collaborative approach to recovery that is at all times rooted in the needs of the people that we serve.

However, there are issues on the ground that will impact the pace of recovery:

- Councils still experience restrictions around how and when funding can be used – with highly directed and restricted “pots” of money. Councils should be left to provide services in a way that works for local people
- pressures are building on services, with a combination of significant backlogs (e.g. in planning and building control), unknown pent up demand (e.g. in children’s mental health services), and increasing costs (e.g. in construction and energy)



The 2022-23 Scottish Budget must provide **fair funding and flexibility** so Local Government can lead local action on recovery

The Economic Challenges

“ The pandemic has shown, and continues to show, that we need strong public, private and third sectors to meet the **economic** and **health challenges** of this crisis. ”

Scottish Government's Programme for Government 2021

The pandemic has disrupted many sectors (including retail, hospitality and tourism), exacerbating and reinforcing existing job market inequalities. All sectors will require significant support over the coming years to think and act differently, focussing on fair work and a move to net zero.

Driven by the impacts of the pandemic, Scottish Government has recognised the need for economic transformation and will publish a **10-year strategy** this autumn:

“ Working to unleash entrepreneurial potential and grow Scotland's competitive business base, this strategy will prioritise investment in the industries of the future and deliver new, good and green jobs. ”

By growing local economies and creating jobs, reliance on public services can be reduced and additional tax revenue can be raised. And there are significant health and wellbeing benefits, as people are empowered by work and enabled to live well locally.

In a recent submission to the Local Government, Housing and Planning Committee, we said:

“ COSLA believes that economic recovery should recognise the central role that Local Government can, and will, hold – for example with respect to procurement, employability, capital projects etc. However, flexibility to manage funding at the local level to respond to need is required. ”

COSLA is not alone in recognising the value of local action and responsiveness:

“ European countries where **regions** have more powers and responsibilities in terms of taxation, legislation and education policies tend to do **better economically** than centralised ones. ”

“ **decentralisation** has a positive impact both on GDP per capita and **economic growth**. ”

Studies by LGA/Localis; OECD; EU Observer

Local Government is essential to economic transformation

The economic challenges faced by communities across Scotland require a new response that is in tune with the needs of local areas, but this needs to be resourced sustainably.

- Councils have **significant spending power** and the potential to build **local wealth**. Every pound spent in a local area - on pay, goods and services, and on capital projects - stays in and strengthens the local economy.

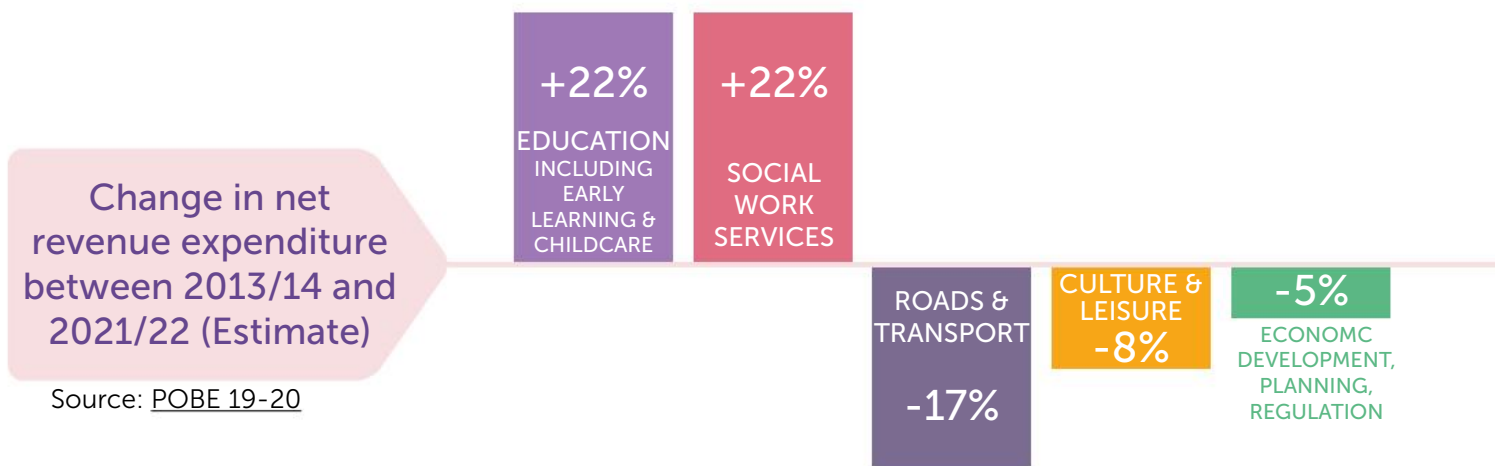
North Ayrshire Council's major housing programme is not just about building new homes "it's about transforming communities and supporting commitments to tackle climate change and to community wealth building"



South Ayrshire Council reported local spend of **£44m with 232 local suppliers** last year (26% of total spend) and is committed to sourcing local suppliers and increasing local spend wherever possible. On the ground, the total spend will actually be greater, as the official total doesn't include spending under £1000. So in reality, over **300 local businesses have benefitted**.

- Councils have **invaluable local intelligence** that should be valued and fully utilised – about local businesses, colleges and universities, key sectors, local labour markets, skills and training needs
- Only Councils have the **vital local connections across their services** that can underpin economic transformation – planning, child care, education, employability, digital infrastructure, mental health, environmental health and trading standards

Over recent years, Local Government's total funding has reduced in real terms – and at the same time, Scottish Government has prioritised & ring-fenced spend in areas like education & social work. So while spend in these areas has gone up, less resource overall means it has been at the expense of areas like economic development, roads & transport, **all critical in attracting investment, developing businesses, creating jobs and addressing climate change**.



The Health Challenges

Recent reports from National Records of Scotland (NRS) emphasise the stark reality of health inequalities in Scotland. Whilst COVID shone a spotlight on inequalities, the longer-term trends were clear – **healthy life expectancy at birth has been reducing** over the last few years, and there continues to be an **unacceptable gap** between our most and least deprived communities.

For men, the gap is
25.1 years



For women, the gap is
21.5 years

The most recent [Annual Review of Demographic Trends](#) sets out equally stark facts – those in the most deprived areas are:

18 times

more likely to suffer
a drug related death

4 times

more likely to die
from alcohol

3 times

more likely to die
from suicide

Twice

as likely to die from
Covid

And sadly, the [State of Child Health 2020](#) report shows that the adolescent mortality rate per 100,000 children age 10-19 has increased from 19.5 to **24.6**, the highest rate of the four UK nations.

This is despite increased funding to Health;

- between 2013/14 and 21/22, health budgets increased by **44%** (cash terms)
- Local Government's budget only increased by **13%** (cash terms)
- In real terms (i.e. reflecting today's prices), Local Government has seen a cut to revenue budgets (see p7 for more details)

Simply putting more resource into health is not the answer – evidence shows that investment across the whole system is crucial.*

COSLA's response to the National Care Service consultation highlights the need to focus on the whole system to improve population health and wider wellbeing:

Collaboration

is the best way
to address health
challenges

Council services
can support
real change in
communities

Local decisions

about services need
to be taken close to
those who use them

Prevention must see
**investment in wider
determinants of
health**

Short term funding

settlements inhibit
whole system
approach

There has been
increased ringfencing,
and disconnected
initiatives and duties

Current under- resourcing

is
the fundamental
issue

There has been a
**systemic failure to
move resources** from
acute to prevention

* Studies from the World Health Organisation (WHO), Kings Fund, Place-Based Longitudinal Data Resources (PLDR)

Local Government is key to **creating the conditions** for improved health & wellbeing

The World Health Organization (WHO) makes a compelling case for wider thinking about public health:

“ Evidence shows that a wide range of preventive approaches are **cost-effective**, including interventions that address the environmental and social determinants of health, build resilience and promote healthy behaviours. ”

“ Interventions that focus on addressing social and environmental determinants (such as **promoting walking and cycling, green spaces, safer transport and housing**) are shown to have early returns on investment. **Healthy employment programmes show returns on investment within 1–2 years.** ”

Local Government services are critical to addressing the social determinants of health – core services like roads, transport, housing, parks, leisure and recreation and youth work.

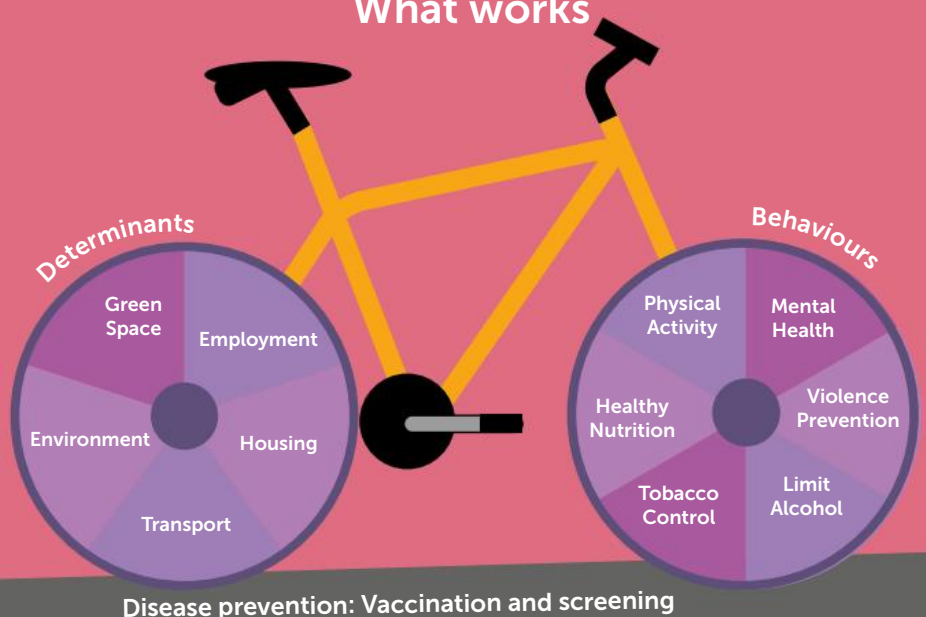
Investing in these areas can improve population health, and general wellbeing

Public health is part of the solution

Investment in prevention reduces health costs and lowers welfare benefits

Promoting health and well-being enhances resilience, employment and social outcomes

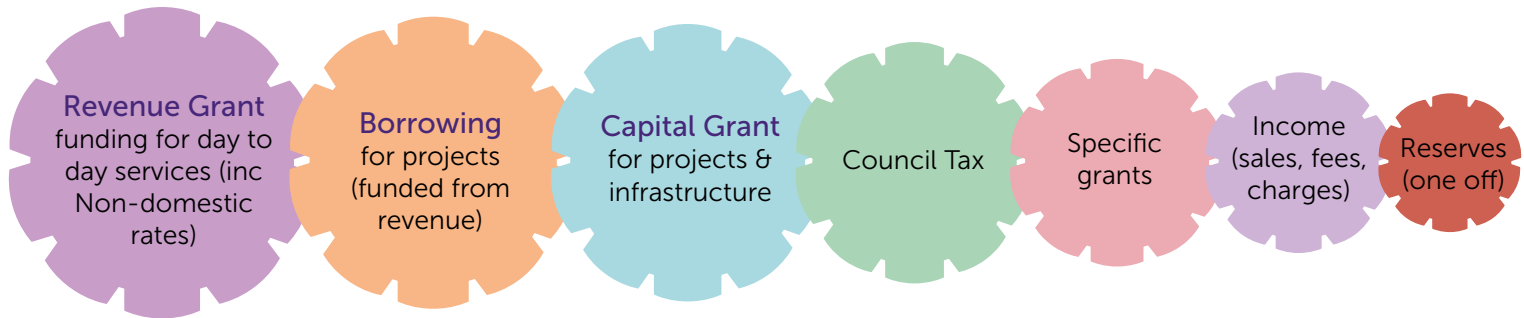
What works



To enable a stronger recovery, the 2022-23 Scottish Budget must clearly demonstrate **a commitment to the “whole system” of population health**, and the vital preventative and early intervention services Councils provide

The Funding Challenge - and what Local Government requires

Council funding is a complex mix of inter-related elements, that cannot be looked at in isolation:



Revenue Funding

Between 2013/14 and 2021/22, revenue funding increased by **£685m** (cash terms)
The main cash additions were:

- specific grants for Early Learning and Childcare expansion and Pupil Equity Fund, totalling **£666m**. Both require Councils to establish new services and/or incur additional costs.
- money provided as compensation for not increasing Council Tax (**£370m** in total since 2013/14) - this meant that Councils were not able to use local discretion and raise Council Tax to address local priorities.

If these 2 elements alone are removed from total Scottish Government grant funding over the period, then the impact is stark:

- **3% cash terms reduction since 13/14**
- **20% real terms reduction** (applying GDP deflator, March 2021 prices)

	2013/14 Finance Circular (£m)	2021/22 Finance Circular (£m)
Total Scottish Government Grant Funding	10,319	11,003
Less funding ring-fenced for Pupil Equity Fund and Early Learning & Childcare		-666
Less Council Tax Freeze "grant"	-70	-370
REVISED TOTAL	10,249	9,967

Pressures on Council revenue funding

Over the same period, other factors have meant increased pressure on service delivery including:

2%	8%	3%	Pay pressures	Increasingly complex care needs	New policy areas
increase in overall population	increase in 65+ population	increase in number of households	Inflation, Real Living Wage, & Scottish Govt policies in health & social care	- addictions, dementia, mental health, additional support	e.g. free personal care and Carer's Act, music tuition, period products

The current operating context for Councils is complex, fast changing, and will be impacted by COVID and other factors for years to come, and will see:

- demand intensify in many key service areas for example education, social care and employability
- ongoing pressures on crisis grants and service for those with no recourse to public funds
- service backlogs that will require resource to clear
- staff shortages and recruitment challenges in areas like care
- significant price increases in utilities and construction.



Local Government needs **real terms increase to general revenue grant**, and transparency and certainty about the settlement from year to year



Council Tax

Successive years of a Council Tax freeze means that the Council Tax base is significantly smaller (around **£600m**) than it could have been, had the decision been left to Councils. This policy has been questioned in terms of realisation of human rights and best value, by the Fraser of Allander Institute in a [recent blog](#)



this freeze could benefit higher earners more. Lower income households should be exempt from paying Council Tax and so this freeze will do little to improve their situation. This policy will cost £90 million, to the benefit of approximately 50p per household, **arguably money that could have been better targeted elsewhere.**



Other Local Taxation and revenue raising

Local Government is keen to progress discussions with Scottish Government on other ways in which revenue can be raised locally and to look at measures that will deliver new or enhanced revenue raising power for Councils, including the Transient Visitor Levy (TVL), and local determination of planning fees.



Reserves

Unlike other parts of the public sector, Councils can hold reserves, giving flexibility to manage funds across financial years, deal with financial risks and enable investment in efficiency programmes. Around £500m of one-off COVID funding was passed to Local Government during February and March 2021, recognising its ability to hold reserves.

BUT RESERVES CAN ONLY BE USED ONCE

The cost of COVID in this financial year is still unknown and unpredictable:

- Income levels have not returned to pre-COVID levels - Councils lost over **£400m** in income during 2020/21 and projections for 2021/22 show losses of around **£130m**
- There are ongoing additional costs (cleaning, social support, admin)
- Costs pressures are growing in construction and energy
- There is pent-up demand in areas like children's social care
- Ongoing pay pressures and increase expectations due to decisions by Scottish Government in relation to public sector pay



There should be **no cap on Council Tax**- long-lost discretion should be restored



Progress should be made during 22/23 on options for **local taxation and revenue raising**, and necessary legislation implemented



The **one-off nature of reserves** must be recognised – they are not a substitute for recurring funding

Capital Funding

Investment in infrastructure helps underpin the economy, improves everyday life for residents and visitors, and will be a key driver of the move to net zero. Council investment in schools, bridges, public realm, sites for gypsy/travellers etc, is tailored to local need and generates benefits beyond just the assets, as demonstrated in the case study below.

West Lothian Council's West Calder High School construction project saw wider benefits from a £32m project:

- 25 new jobs
- 1100 student visits
- 272 work placement days
- 14 apprenticeships
- 8 graduates
- From 2017/18 to 2019/20 there has been a significant improvement in the number of young people achieving 5 or more qualifications at Higher level or equivalent



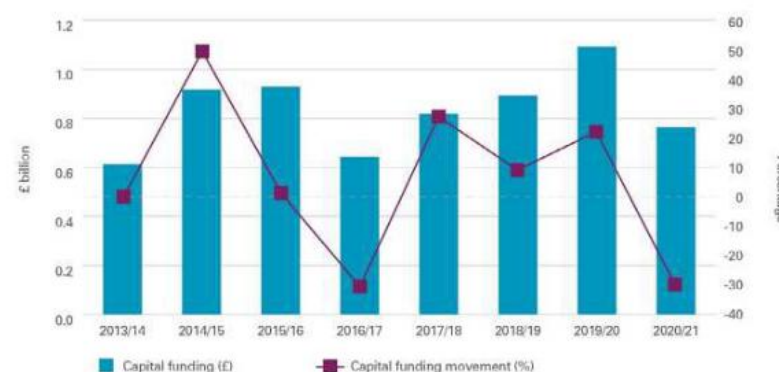
“Bringing together the best of public and private sector knowledge has helped develop and deliver a unique facility for staff, pupils and the local community – one which encourages innovative learning, providing the right platform for our young people to achieve their full potential.”

Dr Elaine Cook, Depute Chief Executive, West Lothian Council.

General capital grant funding over recent years has been unpredictable, shown in the Audit Scotland graph opposite, and over the next 5 years will “flat line” at 2013/14 levels (around £640m) as set out in Scottish Government’s [5 year Capital Spending review](#). This has made longer term planning very challenging.

Exhibit 12

Real terms capital funding between 2013/14 and 2020/21 (excluding Covid-19 funding)
Scottish Government capital funding in 2020/21 (excluding Covid-19 funding) is decreasing by 30 per cent.



Source: Finance Circulars 04/2020 and Scottish Government budget documents

Local government in Scotland: Financial overview 2019/20, Audit Scotland, 26 January 2021, licensed under the Open Government Licence



Scottish Government should **reconsider its 5 Year Capital Spending Plan** and recognise the benefits of council capital plans to COVID recovery

Capital + Revenue must be considered together

A Council's ability to invest in infrastructure is not just enabled by capital grant- it is also enabled through borrowing and is therefore **linked closely to revenue funding**. Unlike other parts of the public sector, Councils are able to borrow under the 'prudential code', so long as repayments have been assessed as affordable. But if revenue funding is cut, then so too is the ability to invest in local assets and infrastructure.

Every £1 of revenue allows at least £14 of capital investment. Had Scottish Government allowed Councils to grow the Council Tax base instead of choosing to freeze levels, £600m could have funded capital investment of around **£8bn** - this could have been used to fund new schools, energy efficiency measures across the whole estate, energy efficient housing, and biodiversity projects.

Pressure on core revenue budgets **inhibits borrowing** and Local Government's ability to invest in communities – creating a cycle of disinvestment.



Even against constrained finances, Councils are showing what is possible at a local level to address climate change:

Aberdeen City Council's

Hydrogen Programme includes portable hydrogen refuelling module, bus fleet, and refuse collection vehicles

Highland Council's

'Climate Action Coastlines' will enable research and implementation of natural coastal adaptation solutions, including tree planting, peatland restoration, sand dune strengthening, saltmarsh restoration, and floodplain development.

North Lanarkshire Council's

Green Park, Green Power, Green Neighbourhood will retrofit the Watersports Centre at Strathclyde Park, and see the installation of solar PV canopies

If Local Government is to play its part in achieving net zero emissions, then both revenue and capital funding is needed, allowing the integration of carbon reduction into Councils' mainstream service delivery and dedicated initiatives. **Councils want to be able to set the tone across their communities** – from low emission vehicles to energy efficient schools; from biodiverse parks and open spaces, to cutting edge recycling and waste plants.



Investment in infrastructure alongside investment in services needs to be at the forefront of the Scottish Budget – both revenue and capital – allowing Local Government to create opportunities and share prosperity across communities



Fair Funding for Local Government in 2022-23

The need for real growth in core funding (revenue and capital) has never been greater. After years of cuts and increasing demand there are no “easy” savings - savings create cuts to core services and will undermine recovery.

“ The intention for any local government funding settlement, at its most basic, is to allow local government to deliver core services. In the current circumstances leading the economic recovery from the pandemic is also a crucial part of the work of local government and therefore an important aspect of local government funding arrangements. ”

Ariane Burgess MSP. Convener, Local Government, Housing and Planning Committee in a [letter](#) to Deputy First Minister (26 Oct 2021)

We need fair funding for Local Government that:

- **Respects** the role of Councils, and allows them the freedom and flexibility to deliver locally appropriate services and support
- **Enables** a full and effective recovery
- **Recognises** the very real pressures that Councils face – including pay, increased service demand, inflation, and Brexit.

REVENUE FUNDING: the facts

In 2021/22, the revenue settlement was **£11,003m**

- During 21/22, Scottish Government policy commitments totalled around **£650m** – including additional teachers & free school meal expansion
- UK Gvt has announced support in England to compensate Councils for the increase in National Insurance Contributions (NIC). It is estimated that around **£70m** is required in Scotland for the same purpose

To stand still , we need	£11,723m	21/22 funding + new policy commitments + NIC
To survive , we need	£12,075m	21/22 funding + new policy commitments + NIC + inflation (3%)
To thrive , we need	£12,661m	21/22 funding + new policy commitments + NIC + inflation and recovery (8%)

CAPITAL FUNDING: the facts

Local Government is set to receive **£628m** in **22/23**, as set out in the Scottish Government's 5-year Capital Spending Review, only £11m more than last year. (ring-fenced for Flood Risk management)

- In real terms, this will represent a **6% cut since 2013/14**
- Whilst there have been increases in the years since, these have largely been **ringfenced for the expansion of early learning and childcare**

To survive , we need	Recognition of inflation and known construction industry pressures including material price volatility and supply issues + inflation (at least 5%)	+£30m
	Additional funding for the expansion of universal free school meals (current estimates show £200m)	+£200m
To thrive , we need	Scottish Government to re-consider its 5-year Capital Spending plans	+£500m
	Real-terms investment that enables work towards net zero	
	Capital grant that can be used flexibly to transform local economies and share prosperity	

Fair Funding will allow us to support everyone to



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COSLA

Treasury Management Mid-Year Review Report 2021/22**Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Consideration****1 Recommendations**

Council is recommended to:-

- a) Note the report and the treasury activity undertaken in the period to 30 September 2021, as outlined in Section 5;
- b) Note the forecast activity during the second-half of the year as outlined in Section 6;
- c) Approve the technical revisions to the Prudential Indicators in Section 7 of this report.

2 Purpose of Report/Executive Summary

The purpose of this report is to inform Council of the Treasury Management activity undertaken during the first half of 2021/22 and the forecast activity for the second half of 2021/22 in accordance with the Treasury Management and Annual Investment Strategy approved in February 2021. It also provides an update to the Treasury and Prudential Indicators for 2021/22.

Council should note that in accordance with the Prudential Code, a draft of the report was considered by Audit Committee on 7 December 2021, with the report approved by Audit Committee as presented.

Date: 07 December 2021**Report Contact:****Gary Thomson, Senior Accountant****gary.thomson@midlothian.gov.uk****0131-271-3230**

3 Background

Governance

The Prudential Code recommends that the main Treasury Management reports are presented for scrutiny by Audit Committee in advance of consideration by Council. This report was presented to Audit Committee on 7 December 2021 for consideration prior to being presented to this meeting of Council on 14 December 2021, with the report approved by Audit Committee as presented.

Treasury management

Treasury management is defined in the Prudential Code as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The main function of the treasury management service is the funding of the Council’s capital investment plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of this long term borrowing requirement involves arranging long or short term loans or using cash balances, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. As part of the treasury management operations, officers ensure this cash flow is adequately planned, with available cash balances being deposited in low risk counterparties, providing adequate liquidity initially before considering optimising return on deposits.

Council, on 23 February 2021, approved the Treasury Management and Annual Investment Strategy Statement for the financial year 2021/22.

4 Economic update for first half of 2021/22

An economic update for the first part of the 2021/22 financial year is included as Appendix 1. PWLB borrowing rates for the first half of the year are outlined in Appendix 2.

5 Treasury Activity during first half of 2021/22

The main points arising from treasury activity in the year to 30 September 2021 were:-

- Long term borrowing of £1.094 million matured, this being £0.648 million of PWLB maturities, £0.324 million of Market Loans, £0.100 million of Salix loans and £0.022 million PWLB Annuities;
- The average interest rate earned on external funds on deposit was 0.77%, exceeding the benchmark rate of 0.01%.

The Council's loan portfolio as at 30 September 2021 is shown in table 1 below (position at 31 March 2021 also shown for comparison):-

Table 1: Council's Loan Portfolio at 31 March 2021 and 30 September 2021.

Loan Type	31 March 2021		30 September 2021	
	Principal Outstanding £000's	Weighted Average Rate	Principal Outstanding £000's	Weighted Average Rate %
PWLB Annuity	597	8.90%	575	8.91%
PWLB Maturity	235,424	3.28%	234,776	3.27%
LOBO	20,000	4.51%	20,000	4.51%
Market Loans	18,191	2.68%	17,867	2.68%
Temporary Market Loans	0	n/a	0	n/a
Other Loans	583	0.00%	483	0.00%
Total Loans	274,795	3.34%	273,701	3.33%
Underlying Borrowing Requirement*	290,173		307,377	
Borrowing Requirement Financed Internally (Under Borrowed)	15,378		33,676	

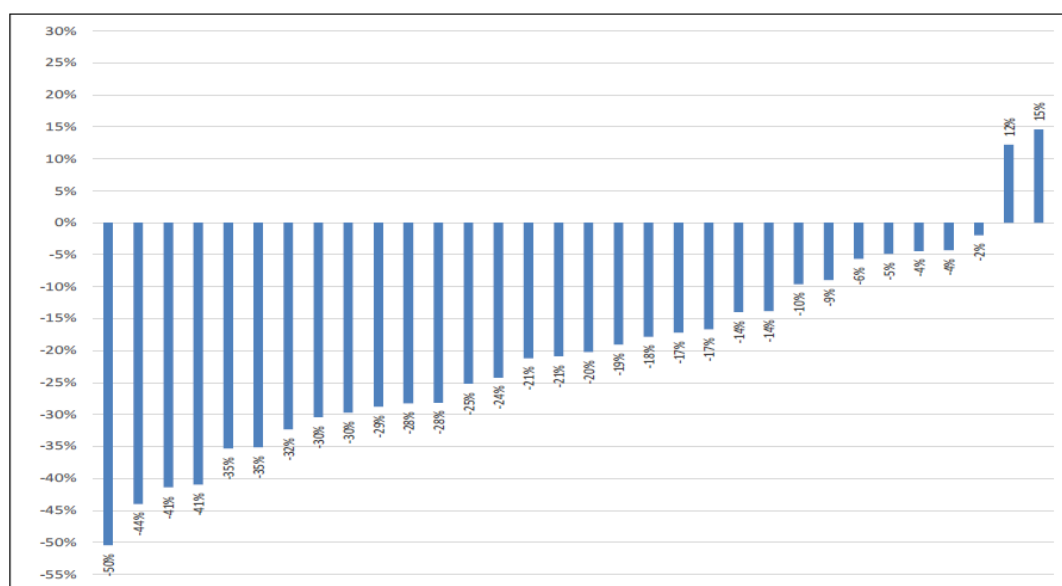
* The Underlying Borrowing Requirement is the Capital Financing Requirement excluding the "Public Private Finance" (PPP) Contract Liabilities

At 30 September 2021 the Council was under borrowed by £33.676 million (10.96%) – this is the extent to which the Council has not financed its borrowing requirement from long term loans, but is using cash reserves and working capital to finance its borrowing requirement.

The internal borrowing position across all 32 Local Authorities in Scotland at 31 March 2021 is illustrated in the graph overleaf. It highlights that the majority of Councils are in an under borrowed position, which is reflective of the current market conditions.

Graph 1: Internal Borrowing Position across Scottish Local Authorities 31 March 2021

Internal Borrowing 2020-21 - %



Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates and following the increase in the margin added to gilt yields that has influenced PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

The Council's funds on deposit portfolio as at 30 September 2021 is shown in table 2 below (position at 31 March 2021 also shown for comparison):-

Table 2: Council's Funds on Deposit Portfolio at 31 March 2021 and 30 September 2021

Type	31 March 2021		30 September 2021	
	Principal Outstanding £000's	Weighted Average Rate	Principal Outstanding £000's	Weighted Average Rate %
Money Market Funds	29,818	0.01%	40,718	0.01%
Bank Call Accounts	26,470	0.01%	21,887	0.01%
Bank Notice Accounts	14,985	0.58%	14,985	0.58%
Bank Fixed Term Deposits	0	n/a	0	n/a
Deposits with other Local Authorities	60,000	1.62%	60,000	1.62%
Total Deposits	131,273	0.81%	137,590	0.77%

6 Expected Treasury Activity during second half of 2021/22

Borrowing

Long term borrowing of £0.431 million will mature in the second half of 2021/22, this being £0.325 million of Market Loans, £0.083 million of Salix loans and £0.023 million PWLB Annuities.

It is expected that any long-term borrowing required in the second half of 2021/22 will be sourced by drawing long-term PWLB loans.

Proactive Treasury Management by the Council in the last decade has placed the Council in an extremely strong refinancing position for its existing external debt portfolio, as can be noted in the table below, with only £5.466 million, or just 2.00%, of the Council's total Loan Portfolio of £273.701 million requiring refinancing over the current and forthcoming four financial years. This extremely low short-term exposure to refinancing risk puts the Council in a strong position to plan its borrowings in advance, take advantage of any dips in longer-term borrowing rates from PWLB and other sources, and maintain a low weighted average coupon rate on external debt.

Financial Year	2021/22 Remaining £000's	2022/23- 2025/26 £000's	2026/27- 2030/31 £000's	2031/32- 2035/36 £000's	2036/77+ £000's
Debt Maturing	431	5,035	23,923	37,203	207,109
% of total portfolio	0.16%	1.84%	8.74%	13.59%	75.67%

Appendix 3 provides forecasts for interest rates from the Council's Treasury Management advisor, Link Treasury Solutions Limited. The forward forecast rates, are in line with the Council's forward budgeted borrowing projections that have been incorporated into previous Medium Term Financial Strategy reports, which mitigates any pressure on the medium term financial strategy from increased loan charges.

Funds on Deposit

In accordance with the Code, it is the Council's priority to ensure security of capital, then liquidity, and finally to obtain an appropriate level of return which is consistent with the Council's risk appetite.

As shown by the interest rate forecasts in Appendix 3, it is now impossible to earn the level of interest rates commonly seen in previous decades as most rates for deposit are barely above zero. Furthermore, some entities, such as the Debt Management Account Deposit Facility (DMADF), are offering negative rates of return in some shorter time periods. Given this risk environment and forecast slow and gradual rise in Bank Rate over the forecast period, deposit returns are expected to remain low.

£15.000 million of the fixed term deposits mature in March 2022 and prior to maturity officers will review the refinancing in line with the currently approved strategy to cash back reserves.

Day to day liquidity to meet cashflow requirements are sourced from the Council's three Money Market Funds and call bank accounts with the Royal Bank of Scotland and Bank of Scotland, which all operate on an instant access basis. Interest rates receivable from these are currently between 0.00% and 0.01%, reflective of the low Bank of England Base Rate. Due to Government Grant and other receipts that have been paid in advance, the balance of cash the Council is holding in Instant Access accounts is significantly higher than normal, a position that is reflected across the majority of Scottish Local Authorities. As such, the expected application/utilisation of these balances are longer in duration than normal. Council officers are reviewing the profile of the drawdown of these balances with the option to switch funds that are not required immediately from the current instant access accounts and into short-medium term deposits over a 3-6 month period. These would be placed with approved counterparties as per the list of Permitted Investments approved by Council in the 2021/22 TMSS on 23 February 2021, with the expected return on these deposits commensurate with the extended duration.

Given the current low interest rate environment Council officers, in conjunction with Link Treasury Solutions Limited, will continue to review the range of all options for deposit available to the Council within its stated policy in the Treasury Management & Annual Investment Strategy approved by Council on 23 February 2021 in order to select appropriate creditworthy counterparties to ensure the security of Council funds, and from that list select the range of deposit products that offer best value to the Council's portfolio.

The Chief Officer Corporate Solutions confirms that the approved limits within the Annual Investment Strategy were not breached during the first 6 months of 2021/22.

An updated list of Countries for Deposits as at 30 September 2021 is included as Appendix 4. There are no changes from the list of Countries for Deposits as approved by Council in the 2021/22 TMSS in February 2021.

For the Council's cash-backed reserves, had the Council adopted an alternative strategy to place funds with the UK Government's Debt Management Office, rather than the current strategy to place funds with other local Authorities and on 180-day notice with Santander, this would have resulted in a loss in income for the Council of £1.045 million in 2021/22.

Expected Loan & Fund on Deposit Portfolio at 31 March 2022

Taking all of the above into account, the expected loan and funds on deposit portfolio at 31 March 2022 is shown in Tables 3 and 4 below:-

Table 3: Council's forecast Loan Portfolio at 31 March 2022

Loan Type	31 March 2022	
	Principal Outstanding £000's	Weighted Average Rate
PWLB Annuity	553	8.90%
PWLB Maturity	257,002	3.18%
LOBO	20,000	4.51%
Market Loans	17,542	2.68%
Temporary Market Loans	0	n/a
Other Loans	400	0.00%
Total Loans	295,497	3.25%
Underlying Borrowing Requirement	328,097	
Borrowing Requirement Financed Internally (Under Borrowed)	32,600	

Table 4: Council's forecast Funds on Deposit Portfolio at 31 March 2022

Type	31 March 2022	
	Principal Outstanding £000's	Weighted Average Rate
Money Market Funds	30,000	0.01%
Bank Call Accounts	20,000	0.01%
Bank Notice Accounts	14,985	0.58%
Bank Fixed Term Deposit Accounts	0	n/a
Other Local Authority Fixed Term Deposits	60,000	1.29%
Total Deposits	124,985	0.69%

7 Prudential Indicators 2021/22

The following prudential indicators have been refreshed from those reported to Council on 23 February 2021 in the original Treasury Management and Annual Investment Strategy Statement 2021/22.

These are technical revisions to the Prudential Indicators as a consequence of the revisions to the Council's General Services and HRA Capital Plans and are based on the actual capital plan outturns for 2020/21, and revisions to the capital expenditure and income budgets for 2021/22.

Table 5: Prudential Indicators 2021/22 – Mid Year Update

Indicator	2021/22 Original Estimate £000's	2021/22 Current Position £000's	2021/22 Revised Estimate £000's
2021/22 Capital Expenditure	143,617	26,034	61,027
2021/22 Required Borrowing	98,835	20,797	40,038
2021/22 Underlying Borrowing Requirement*	396,596	307,377	328,097
2021/22 Gross External Borrowing	363,996	273,701	295,497
2021/22 Over/(Under) Borrowing	-32,600	-33,676	-32,600
Operational Boundary – Borrowing	396,596	328,097	328,097
2021/22 Capital Financing Requirement**	492,510	351,645	424,011

* Excludes "On balance sheet" PPP schemes.

** Includes "On balance sheet" PPP schemes.

The **Capital Financing Requirement (CFR)** denotes the Council's underlying need to borrow for capital purposes. The CFR includes borrowing arising as a result of the Council's Capital Plans, plus the long-term liability arising from the Council's PPP and DBFM contracts. The Underlying Borrowing Requirement strips out the latter of these (long-term liability arising from the two PPP contracts) from the CFR.

8 Other Treasury related issues

Prudential and Treasury Management Code Revisions

CIPFA recently launched Stage 2 of the consultation on the revisions to the Prudential and Treasury Management codes of practice.

The key proposals of the Stage 2 consultation include:-

- Treasury Management Practice (TMP) 1 (risk management) to include Environmental, Social and Governance (ESG) considerations;
- A knowledge and skills schedule to be developed and maintained by organisations;
- Updated Section 8 re non-treasury investments;
- Proposed quarterly monitoring of Prudential Indicators;
- New Treasury Management Indicator for Long Term Investments;
- New Prudential Indicator – Net income from commercial and service investments as a percentage of net revenue stream;

The closing date for responses was 16 November 2021 and a joint consultation response has been submitted by the Scottish CIPFA Treasury Management Forum group in conjunction with the Scottish Directors of Finance group.

CIPFA have recently announced that, given the tight timeline for putting the Codes' changes into the TMSS and aligning with Committee cycles, there will be a 'soft implementation'. That means it will be optional to put the changes into the 2022/23 TMSS but with full implementation required for 2023/24. Officers will consider the changes that are appropriate for 2022/23 which will be incorporated in the TMSS.

The codes are expected to become fully effective from the start of the 2023/24 financial year. The review and consultation process as noted above will feed into the final versions of both codes and officers will report back to Council as required following publication. The Council's current Treasury Management Practices will also be updated to reflect the new Codes and reported to Audit Committee for review and consideration.

9 Summary

Treasury Management activity during the year to 30 September 2021 has been effective within the parameters set by the strategy for the year.

Any further long-term borrowing for the remainder of 2021/22 will be in line with the approved strategy, and reflective of the borrowing requirement arising from the General Services and HRA capital plans reported to Council on 16 November 2021.

The interest rate climate remains challenging for funds available to be placed on deposit. Officers will continue to review the opportunities available to the Council governed by the approved strategy.

The Prudential Indicators have been updated to reflect current capital expenditure and income projections.

10 Report Implications

10.1 Resource

Expenditure from Treasury Management activity i.e. loan charges, was reported in the quarterly financial positions to Council, with Quarter 2 monitoring reflected in the Financial Monitoring 2021/22 – General Fund Revenue report that was presented to Council on 16 November 2021.

10.2 Digital

None.

10.3 Risk

As the Council follows the requirements of the CIPFA Code of Practice for Treasury Management, and the Prudential Code, there is a reduced level of risks involved in Treasury Management activities. Those risks that do exist are further controlled through written Treasury Management Practices which define the responsibilities of all staff involved and these will be reviewed and updated following the publication of the revised Prudential and Treasury Management Codes.

As part of their wider scope audit procedures for 2020/21, the Council's external auditors carried out an interim review of the Council's Treasury Management activity in 2020/21. This reviewed four key areas, with no material findings reported.

10.4 Ensuring Equalities

There are no equalities issues arising directly from this report.

10.5 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

Although no external consultation has taken place, cognisance has been taken of professional advice obtained from Link Treasury Solutions Limited, the Council's appointed Treasury Consultants.

A.6 Impact on Performance and Outcome

The strategies adopted are an integral part of the corporate aim to achieve Best Value as they seek to minimise the cost of borrowing by exercising prudent debt management and investment. This in turn helps to ensure that the Council's capital expenditure is sustainable in revenue terms.

A.7 Adopting a Preventative Approach

Not applicable.

A.8 Supporting Sustainable Development

Not applicable.

Background Papers:

- Appendix 1: Economic Update for first part of 2021/22 financial year
- Appendix 2: PWLB Borrowing Rates 1 April 2021 to 30 September 2021
- Appendix 3: Link Treasury Solutions Limited Interest Rate Forecasts
- Appendix 4: Approved Countries for Deposits as at 30 September 2021

Appendix 1: Economic Update for first part of 2021/22 financial year

UK

MPC meeting 04.11.2021

The Monetary Policy Committee (MPC) voted 7-2 to leave Bank Rate unchanged at 0.10% with two members voting for an increase to 0.25% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn by a vote of 6-3.

After the Governor and other MPC members had made speeches prior to the MPC meeting in which they stressed concerns over inflation, (the Bank is now forecasting inflation to reach 5% in April when the next round of capped gas prices will go up), thus reinforcing the strong message from the September MPC meeting, financial markets had confidently built in an expectation that Bank Rate would go up from 0.10% to 0.25% at this meeting. However, these were not messages that the MPC would definitely increase Bank Rate at the first upcoming MPC meeting as no MPC member can commit the MPC to make that decision ahead of their discussions at the time. The MPC did comment, however, that Bank Rate would have to go up in the short term. It is, therefore, relatively evenly balanced as to whether Bank rate will be increased in December, February or May. Much will depend on how the statistical releases for the labour market after the end of furlough on 30th September 2021 turn out.

Information available at the December MPC meeting will be helpful in forming a picture but not conclusive, so this could cause a delay until the February meeting. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would, therefore, need to wait until the May meeting (although it also meets in March) when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation expected around that time. If the statistics show the labour market coping well during the next six months, then it is likely there will be two increases in these three meetings.

Over the next year the MPC will be doing a delicate balancing act of weighing combating inflation being higher for longer against growth being held back by significant headwinds. Those headwinds are due to supply shortages (pushing prices up and holding back production directly), labour shortages, surging fuel prices and tax increases. However, those headwinds could potentially be offset – at least partially - by consumers spending at least part of the £160bn+ of “excess savings” accumulated during the pandemic. However, it is also possible that more affluent people may be content to hold onto elevated savings and investments and, therefore, not support the economic recovery to the extent that the MPC may forecast.

The latest forecasts by the Bank showed inflation under-shooting the 3 years ahead 2% target (1.95%), based on market expectations of Bank Rate hitting 1% in 2022. This implies that rates don't need to rise to market expectations of 1.0% by the end of next year.

It is worth recalling that the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement after the MPC meeting in September yet at its August meeting it had emphasised a willingness to look through inflation

overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. On balance, once this winter is over and world demand for gas reduces - so that gas prices and electricity prices fall back - and once supply shortages of other goods are addressed, the MPC is forecasting that inflation would return to just under the 2% target.

Just a reminder – the MPC's forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows:

1. Raising Bank Rate as "the active instrument in most circumstances".
2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

Gilt yields fell after the budget led to a reduction of £57.8bn in the forecast by the OBR for the deficit this year and a cancellation of nearly all gilt sales for the remainder of the financial year. There is a delicate balancing act in forecasting gilt yields and PWLB rates over the forecast period as when Bank Rate does increase to 0.50%, the Bank will stop reinvesting maturing gilts – but at a time when the size of gilt sales has just been slashed in the budget.

US

At its 3rd November Fed meeting, the Fed decided to make a start on tapering QE purchases with the current \$80bn per month of Treasury securities to be trimmed by \$10bn in November and a further \$10bn in December. The \$40bn of MBS purchases per month will be trimmed by \$5bn in each month. If the run-down continued at that pace, the purchases would cease entirely next June but the Fed has reserved the ability to adjust purchases up or down. This met market expectations. These purchases are currently acting as downward pressure on treasury yields and so it would be expected that Treasury yields would rise as a consequence over the taper period, all other things being equal.

However, on the inflation front it was still insisting that the surge in inflation was "largely" transitory. In his post-meeting press conference, Chair Jerome Powell claimed that "the drivers of higher inflation have been predominantly connected to the dislocations caused by the pandemic" and argued that the Fed's tools cannot address supply constraints. However, with the Fed now placing major emphasis on its mandate for ensuring full employment, (besides containing inflation), at a time when employment has fallen by 5 million and 3 million have left the work force, resignations have surged due to the ease of getting better paid jobs and so wage pressures have built rapidly.

With wage growth at its strongest since the early 1980s, inflation expectations rising and signs of a breakout in cyclical price inflation, particularly rents, the FOMC's insistence that this is still just a temporary shock "related to the pandemic and the reopening of the economy", does raise doubts which could undermine market confidence in the Fed and lead to higher treasury yields.

As the US financial markets are, by far, the biggest financial markets in the world, any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases eventually needed to suppress inflation, are likely to

be faster and stronger than Bank Rate increases in the UK. This is likely to put upward pressure on treasury yields which could then spill over into putting upward pressure on UK gilt yields.

There are also possible DOWNSIDE RISKS from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to monitor.

EU

The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction in GDP of -0.3% in Q1, Q2 came in with strong growth of 2%, which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time. German general election. With the CDU/CSU and SPD both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SPD-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.

China

After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are also questions as to how effective Chinese vaccines are proving. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

Japan

2021 has been a patchy year in combating Covid. However, after a slow start, nearly 50% of the population are now vaccinated and Covid case numbers are falling. After a weak Q3 there is likely to be a strong recovery in Q4. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation

was negative in July. New Prime Minister Kishida has promised a large fiscal stimulus package after the November general election – which his party is likely to win.

World growth

World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

Supply shortages. The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

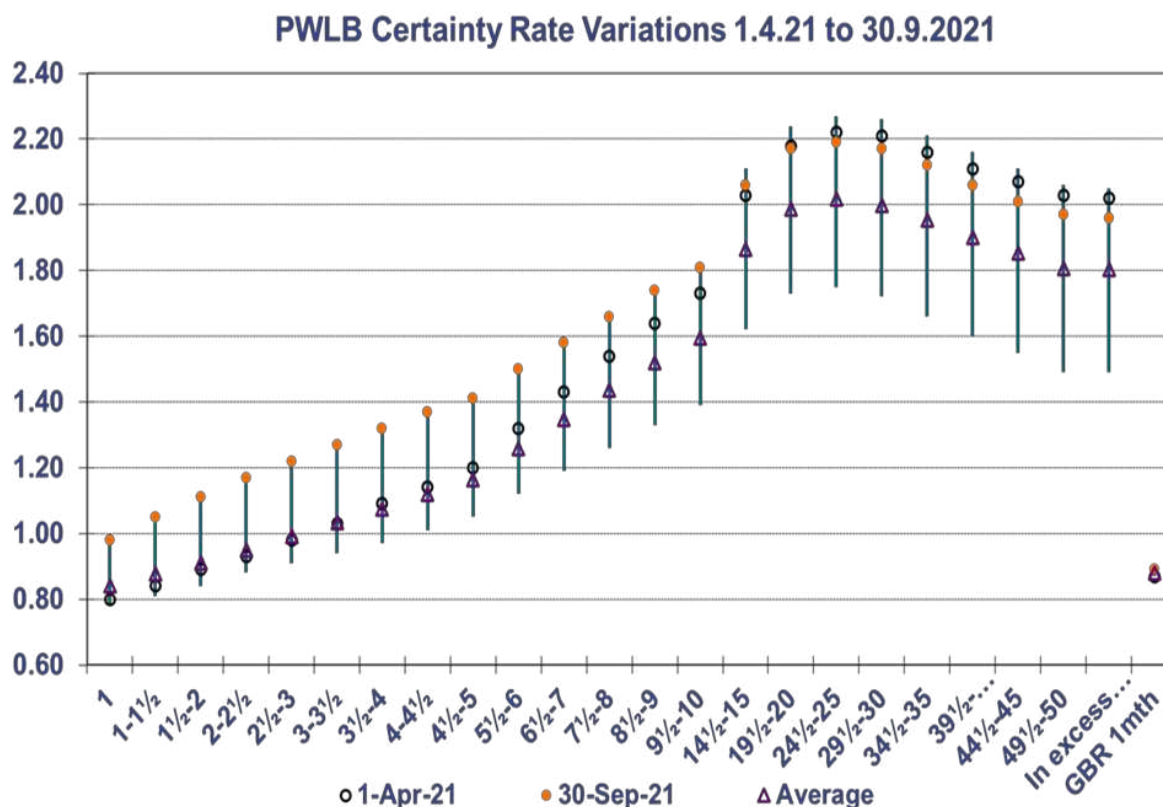
Appendix 2: PWLB Borrowing Rates 1 April 2021 to 30 September 2021

The graphs and table below show the movement in PWLB certainty rates for the first six months of the year to date:

PWLB certainty rates 1 April 2020 to 30th September 2020

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.78%	1.05%	1.39%	1.75%	1.49%
Date	08/04/2021	08/07/2021	05/08/2021	17/08/2021	10/08/2021
High	0.98%	1.42%	1.81%	2.27%	2.06%
Date	24/09/2021	28/09/2021	28/09/2021	13/05/2021	13/05/2021
Average	0.84%	1.16%	1.60%	2.02%	1.81%
Spread	0.20%	0.37%	0.42%	0.52%	0.57%





PWLB RATES

There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets. Over the year prior to the coronavirus crisis, this resulted in many bond yields up to 10 years turning negative in the Eurozone. In addition, there was, at times, an inversion of bond yields in the US whereby 10 year yields fell below shorter-term yields. In the past, this has been a precursor of a recession.

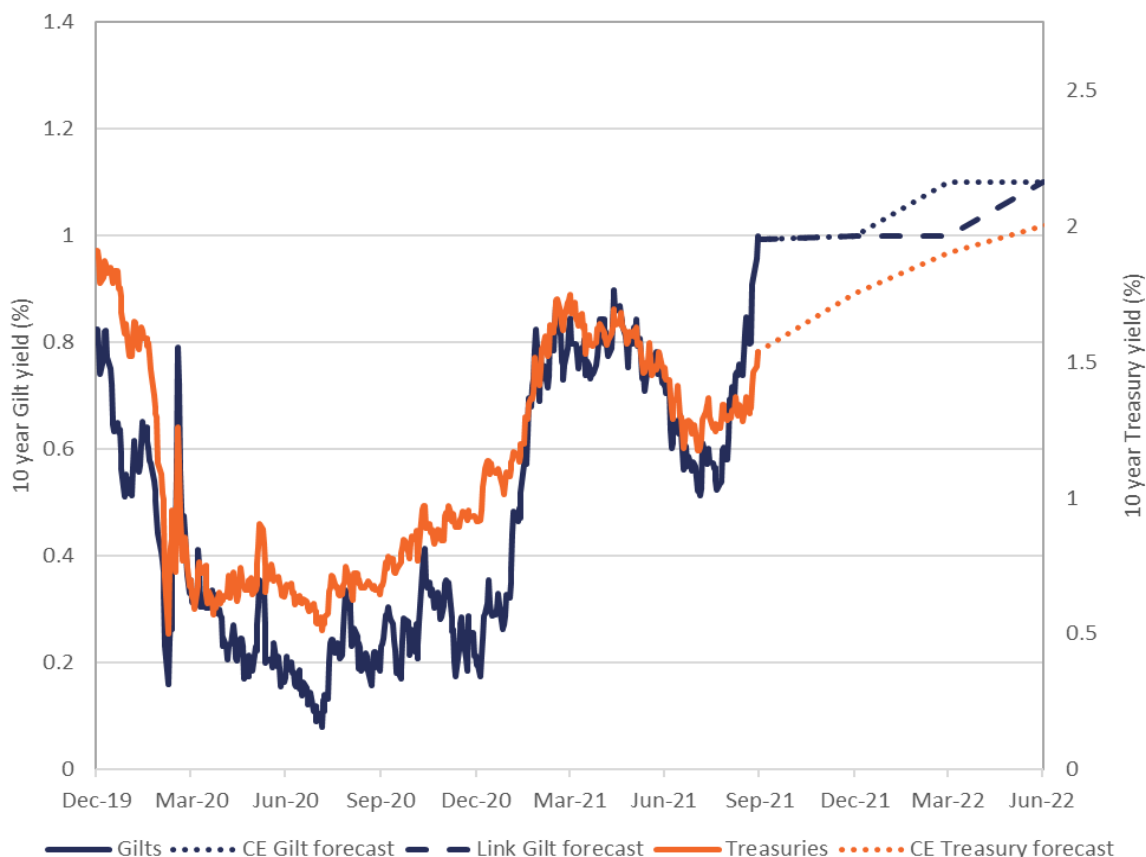
Gilt yields had, therefore, already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020 which caused gilt yields to spike up. However, yields then fell sharply in response to major western central banks taking rapid policy action to deal with excessive stress in financial markets during March and starting massive quantitative easing driven purchases of government bonds: these actions also acted to put downward pressure on government bond yields at a time when there was a huge and quick expansion of government expenditure financed by issuing government bonds. Such

unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply.

At the start of January 2021, all gilt yields from 1 to 8 years were negative: however, since then all gilt yields have become positive and rose sharply during the spring, especially in medium and longer-term periods, until starting a significant decline since May which was then sharply reversed in August / September. Repeated assurances by the Fed in the US, and by other major world central banks, that inflation would spike up after Covid restrictions were abolished, but would only be transitory, allayed investor fears until August / September when high inflation was again seen as a growing danger and both central banks in the US and UK gave indications that monetary policy tightening was now on the horizon. There is considerable concern that the US Fed is taking a too laid-back view that inflation pressures in the US are purely transitory and that they will subside without the need for the Fed to take significant action to tighten monetary policy. Lack of spare economic capacity and rising inflationary pressures are viewed as being much greater dangers in the US than in the UK. This could mean that rates will end up rising faster and further in the US than in the UK if inflationary pressures were to escalate; the consequent increases in treasury yields could well spill over to cause (lesser) increases in gilt yields.

Correlation between 10 year US treasury yield and 10 year gilt yield

The Link Group forecasts have included a risk of a 75% correlation between movements in US treasury yields and gilt yields over 10 years since 2011. As US treasury yields are expected to rise faster and further than UK gilt yields, there is an upside risk to forecasts for gilt yields due to this correlation. The graph below shows actual movements in both 10 year yields and forecasts by Link (gilt only) and Capital Economics.



- Yields on 10 year Gilts and Treasuries initially both fell during the first quarter of 2020, as signs emerged that the COVID-19 virus would become a global pandemic which would lead to a sharp downturn in economic growth.
- The correlation between 10 year yields in the UK and the US lessened during the second half of 2020 when US yields displayed an increasing tendency to rise, whilst UK yields remained more range bound. This divergence was consistent with the relatively better economic performance registered by the US during the pandemic, which was aided by historically low US business inventory levels needing to be rebuilt.
- During late 2020 gilt yields rose significantly, reflecting optimism that the fast vaccine roll-out in the UK would support a strong economic recovery during 2021.
- During September 2021, treasury yields rose sharply in response to growing investor concerns around high inflation and indications from the Fed that tapering of quantitative easing purchases of treasuries are likely to occur in the near future. Gilts also rose sharply, as did investor concerns around a sharp increase in inflation in the UK which is now likely to go over 4%. In addition, the MPC meeting on 23rd September flagged up major concerns around the strength of inflation which may require Bank Rate to go up much faster than had previously been expected.

Appendix 3: Link Treasury Solutions Limited Interest Rate Forecasts

The Council's treasury advisor, Link Treasury Solutions Limited, has provided the following forecast:

Link Group Interest Rate View 8.11.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.10	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.50	0.60	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.90	1.90	2.00	2.00
10 yr PWLB	1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.40
25 yr PWLB	2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70
50 yr PWLB	1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50

* LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average).

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

As shown in the forecast table above, five increases in Bank Rate from 0.10% to 1.25% have now been included, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

The balance of risks to the UK:-

- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Downside risks to current forecasts for UK gilt yields and PWLB rates include:-

- Labour and supply shortages prove more enduring and disruptive and depress economic activity.
- Mutations of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, resulting in further national lockdowns or severe regional restrictions.
- Bank of England acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- The Government acts too quickly to cut expenditure to balance the national budget.
- UK / EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- A resurgence of the Eurozone sovereign debt crisis. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU agreed a €750bn fiscal support package which has still to be disbursed. These actions will help

shield weaker economic regions in the near-term. However, in the case of Italy in the longer term, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.

- Weak capitalisation of some European banks, which could be undermined further depending on the extent of credit losses resulting from the pandemic.
- German general election in September 2021. Germany faces months of uncertainty while a new coalition government is cobbled together after the indecisive result of the election. Once that coalition is formed, Angela Merkel's tenure as Chancellor will end and will leave a hole in overall EU leadership.
- Other minority EU governments. Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile and, therein, impact market confidence/economic prospects and lead to increasing safe-haven flows.
- Geopolitical risks, for example in China, Iran or North Korea, but also in Europe and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- Longer term US treasury yields rise strongly and pull gilt yields up higher than forecast.

The balance of risks to medium to long term PWLB rates: -

There is a balance of upside risks to forecasts for medium to long term PWLB

Forecasts for Bank Rate

It is not expected that the MPC will embark on a series of increases in Bank Rate of more than 1.15% during the current and next three financial years as inflation is not expected to return to being sustainably above 2% during this forecast period.

Gilt yields and PWLB rates

The general situation is for volatility in bond yields to endure as investor fears and confidence ebb and flow between favouring relatively more "risky" assets i.e., equities, or the safe haven of government bonds. The overall longer-run trend is for gilt yields and PWLB rates to rise.

There is likely to be exceptional volatility and unpredictability in respect of gilt yields and PWLB rates due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields?

- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong will inflationary pressures turn out to be in both the US and the UK and so impact treasury and gilt yields?
- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within the forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

A new era – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be ‘sustainably over 2%’ and the ECB now has a similar policy.
- For local authorities, this means that interest rates for deposits and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the

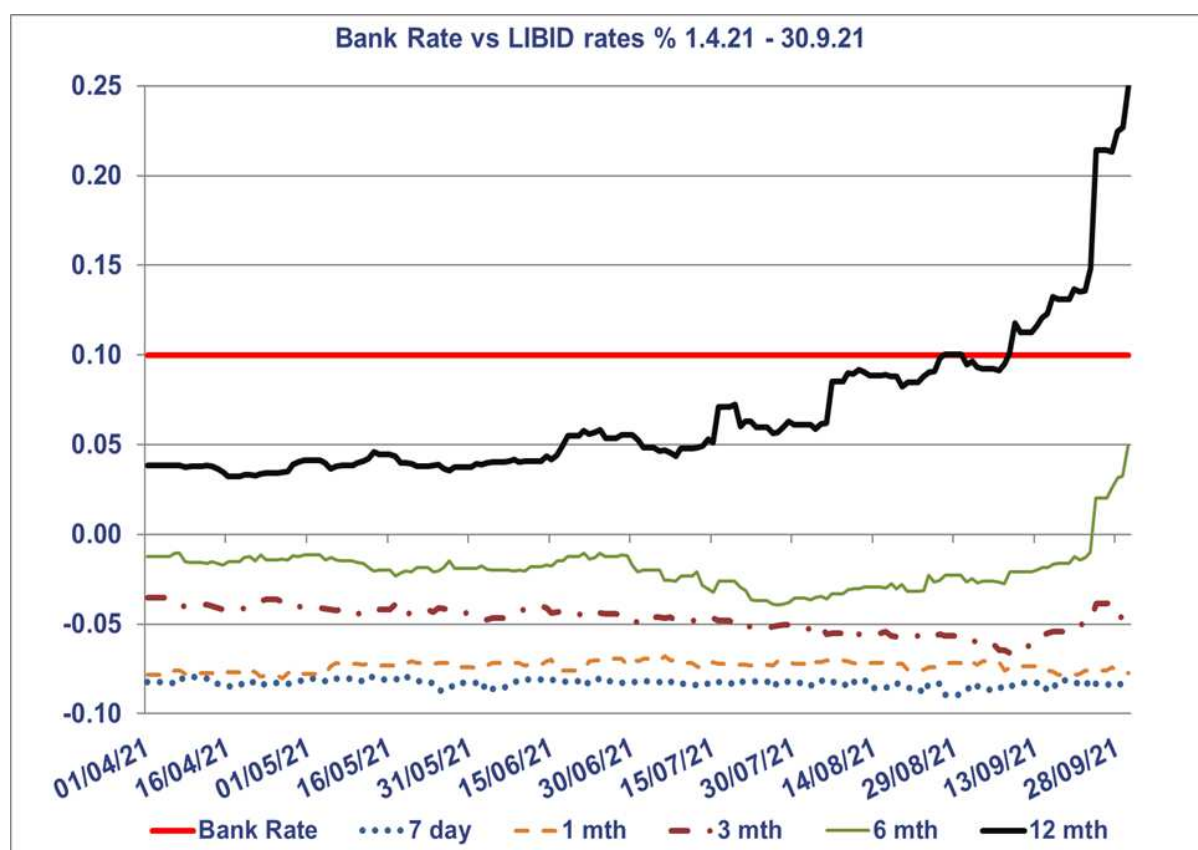
other hand, higher levels of inflation will help to erode the real value of total public debt

Following the changes on 11th March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB non-HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - *PWLB non-HRA Certainty Rate is gilt plus 80 basis points (G+80bps)*
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - *PWLB HRA Certainty Rate is gilt plus 80bps (G+80bps)*
 - *Local Infrastructure Rate is gilt plus 60bps (G+60bps)*
- * Those in italics are those currently applicable/available to Midlothian Council.

Interest Rates

	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.10	-0.08	-0.07	-0.04	0.05	0.25
High Date	01/04/2021	09/04/2021	06/07/2021	01/04/2021	30/09/2021	30/09/2021
Low	0.10	-0.09	-0.08	-0.07	-0.04	0.03
Low Date	01/04/2021	27/08/2021	26/04/2021	08/09/2021	27/07/2021	16/04/2021
Average	0.10	-0.08	-0.07	-0.05	-0.02	0.07
Spread	0.00	0.01	0.01	0.03	0.09	0.22



Creditworthiness

Significant levels of downgrades to Short and Long Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

CDS prices

Although CDS prices (these are market indicators of credit risk) for banks (including those from the UK) spiked at the outset of the pandemic in 2020, they have subsequently returned to near pre-pandemic levels. However, sentiment can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Appendix 4: Approved Countries for Deposit as at 7 December 2021**AAA**

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- U.K.

Housing Revenue Account – Rent Setting Strategy 2022/23

Report by Kevin Anderson, Executive Director - Place

Report for Decision

1. Recommendation

It is recommended that Council

- a) Approves the Rent Setting Strategy proposal for 2022/23 following the decision taken at the February 2021 Council meeting to defer the 3% rent increase proposed for 2021/22 until 2022/23.
- b) Approves the revision to the financing of capital expenditure as detailed in section 4 of the report

2. Purpose of the Report

This report presents a Rent Setting Strategy that will allow us to continue to deliver our objectives to keep rents affordable while improving and investing in our existing and new homes. It aims to secure governance for the change in the funding approach outlined to allow the next Council to consider a rent and investment strategy for the whole term of office post May 2022.

Date: 25 November 2021

Report Contact:

Name: Kevin Anderson, Executive Director - Place

Tel No. 0131 271 3102

Email: kevin.anderson@midlothian.gov.uk

3. Background

Midlothian Council's Strategic Housing Investment Plan (SHIP) was approved by Council on 16 November, 2021. It noted that the Council had surpassed 1,000 new build council homes built since the start of the new social housing programme in 2006 and the Council has continued to invest in building new social housing. There continues to be high demand for the Council's social housing as despite the success achieved at significantly increasing the new supply of affordable housing, it is evident that the level of housing need has increased with 4,296 households currently on the Housing List. In order to address this rapid increase in housing need the supply of new affordable housing across all tenures needs to increase and at the same time maintain investment in the existing housing stock particularly investment to support the shift to zero carbon.

In addition to receiving grant funding from the Scottish Government, the Council has, following tenant engagement and consultation increased rental charges annually in order to deliver the current level of services and invest in the plans for building new properties and carrying out asset management works on existing properties.

In February 2021, Council decided to defer the 3% rent increase proposed for 2021/22 to 2022/23 in the context of the Covid-19 pandemic impact and its effects upon households. The current financial model allows for rent increases of 1.1% from 2023/24 to 2036/37, this ensures that our current Housing Revenue Account (HRA) Capital Plan will continue to remain sustainable. Future capital investment, such as additional zero carbon initiatives and further phases of new social housing will be addressed when reviewing the rent strategy next year.

4. Options for future rent setting

Financial modelling has recently been undertaken in respect of the Housing Revenue Account to ensure that the council continues to adequately maintain its housing stock and meet set standards including maintaining stock to the Scottish Housing Quality Standard and Energy Efficiency Standards for Social Housing and enable the development of further phase of new council houses.

The Housing Revenue Account (HRA) reserve has continued to grow year on year, mainly due to, higher than projected levels of affordable housing subsidy, favourable interest rates on debt charges and more recently the impact of Covid-19 pandemic lockdown disruption in the construction industry causing delays in the capital programme. The HRA reserve balance at 31 March 2021 was £48.385 million and is projected to increase by £5.378 million to £53.763 million by 31 March 2022, this equates to almost two years rental income and shows the HRA can comfortably sustain another rent increase deferral for 2022/23.

The financial modelling completed has also identified the opportunity to utilise a further £25m of the reserve in this financial year to directly finance the approved capital investment plans (in addition to the £17m already proposed for the direct purchase of properties).

This approach will reduce the HRA capital financing requirement, the external borrowing requirement and reduce the HRA reserve. The way in which interest is allocated across the loans fund advances does however, mean there is an adverse impact on General Fund of circa £400k in the current year. This may be partly mitigated by actual capital expenditure being less than is currently projected for General Fund, so reducing the overall loan charges. If approved the impact across both HRA and General Fund will be reflected in the Quarter 3 monitoring report to Council on 15 February 2022 and in the revised HRA Capital plan.

This action would result in a projected HRA reserve at 31/3/2022 of £28.8m, reducing further by 31/3/2024 to £22.2m. The modelling also reinforces that this reserve is required to finance the approved investment plans. There is no requirement to apply the rent increase of 3% deferred from April 2021.

The approach outlined will allow next Council to consider a rent and housing investment strategy for the whole term of office post May 2022.

5 Report Implications (Resource, Digital and Risk)

5.1 Resource

The recommended change to utilise the HRA reserve in 2021/22 to fund HRA Capital Expenditure incurred this financial year as opposed to relying on borrowing will result in the following:

- A reduction in the Council's overall capital financing requirement resulting in a reduction in external borrowing. There will also be an increase in internal debt charges of approximately £0.449 million in 2021/22 attributable to the General Fund due to the current method used for interest apportionment, financial monitoring shows the general fund can support the additional charge.; and
- The remaining HRA reserve continues to be committed to funding the exiting new build commitments and supports the sustainability of both the HRA and the affordability of tenants rents.

5.2 Digital

None.

5.3 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.

The principal risks relate to balancing the need to invest in additional housing and providing adequate resources to maintain the existing housing stock whilst taking account of the affordability of rental charges and tenant and housing list applicant's views. Regular monitoring is in place to manage the financial and project risks. This ensures that any cost changes are identified and the implications assessed and reported promptly.

5.4 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.

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Provision of secure affordable housing will improve the quality of life for citizens and reduce the gap in health 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

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

A.5 Involving Communities and Other Stakeholders

The previous Rent Setting Strategy consultation undertaken included an in-person survey, meetings with Midlothian Tenant Panel and other Tenant Groups. In addition, the Rent Setting Strategy was discussed at the The Local Housing Strategy Working Group to ensure engagement with key stakeholders such as local RSLs, Shelter and the Scottish Government.

A.6 Impact on Performance and Outcomes

The proposed Rent Setting Strategy supports key objectives to keep rents affordable while improving and investing in our existing and new homes.

A.7 Adopting a Preventative Approach

The strategy for rent setting ensures that the Housing Revenue Account continues to provide for investment in existing stock to ensure housing is of good quality and investment of new housing to meet housing need in Midlothian.

Investment levels over the next five and ten years will be driven by three elements:

- Maintaining compliance with the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing (EESH);
- Meeting EESSH2 and the Scottish Government's carbon reduction targets; and
- New supply.

A.8 Supporting Sustainable Development

Good practice in relation to energy efficiency and sustainability is contained in the SHIP.

Background Papers:

Large Grants Allocation 2022-2025

Report by Joan Tranent, Chief Officer Children's Services, Communities and Partnership

Report for Decision

1 Recommendations

Council is recommended to:

- Approve the allocation of the large grants detailed in *Appendix 1* for 24 organisations totalling £1,458,448 over 3 years
- Approve the creation of a transition support fund for the organisations in *Appendix 2* who did not qualify for a large grant but meet a priority need or gap in services
- Approve the continuation of a small working group of cross-party elected members and council officers to monitor the transition fund spend and decide on any re-allocation of any additional resources resulting from organisations not accepting a reduced funding offer

2 Purpose of Report/Executive Summary

The Council's large grants scheme is available to voluntary and community organisations to deliver services across four funding streams to meet the priorities and outcomes of the Community Planning Partnership and the Single Midlothian Plan. The themes are reducing carbon emissions, reducing inequalities in health, learning and economic circumstances.

This report asks Council to:

- approve the recommendations of the scoring panels for the period 2022 to 2025
- approve the creation of a transition support fund to assist organisations who scored well but did not receive an allocation of funding due to the large volume of applications received and who meet an identified need or gap in services which would not otherwise be met. The organisations listed in *Appendix 2* were assessed by the panel as being in these categories; and
- agree to supplement the transition support fund if any successful organisation is unable to deliver their project with partial funding.

Date 12th November 2021

Report Contact: Karen McGowan 07990 136821
karen.mcgowan@midlothian.gov.uk

3 Background/Main Body of Report

- 3.1.1** In September 2020, Council approved the funding available to voluntary and community groups for large and small grants for a three year period from 2022 to 2025. The allocation to large grants was £520,000 a year for 3 years, a total of £1.56 million.
- 3.1.2** There are four grant streams which align with the priorities of the Single Midlothian Plan: reducing carbon emissions (a new stream), reducing inequalities in health, learning and economic circumstances.
- 3.2.1** Clear guidance was issued with the application forms detailing the information required under each section (*Appendix 3*). Offers of advice and support were made to anyone considering making an application. 42 people signed up for a MVA funding session with 32 attending, CLLE and MVA jointly offered 28 spaces for booked drop-ins and 19 received additional support from CLLE and MVA.
- 3.2.2** A core group of council officers from Communities Lifelong Learning and Employability (CLLE) facilitated and recorded the sessions but did not score applications. A cross-party group of elected members were involved in scoring all streams and were supplemented by other council officers and representatives from health with specific remits and expertise, members of the Third Sector Interface (TSI) and volunteer community members. Volunteer positions were advertised using the Myjobscotland website to ensure transparency and openness and 2 community members joined the panels.
- 3.2.3** Panel members were asked to declare if they had a vested interest or potential conflict of interest in advance of the panels. Those who declared this were asked to leave whilst the application was scored.
- 3.3.1** All assessments followed clear scoring criteria (*Appendix 4*) and were scored out of 75. Due to the large number of applications, only those scoring more than 50 were considered for funding.
- 3.3.2** No application was fully funded. The Panel agreed that successful organisations in the reducing inequalities in health, learning and economic circumstances should receive 70% of their costs with those in the carbon emissions stream receiving 50%. This was to ensure equity across the priorities as no application in the reducing carbon emissions stream scored over 50.
- 3.3.3** The creation of a transition support fund will provide some financial support to those organisations that were close to the funding threshold set by the panel (50 out of 75) and who were identified as filling a gap in provision either due to the service they provide or the geographical area they target. The Panel felt there was a risk to achieving the outcomes of the Single Midlothian Plan if these organisations were not funded. The four groups identified are listed in *Appendix 2*. We propose that each of these 4 organisations will receive approx.38% of their requested bid. The transition support fund will be supplemented

by any funds not accepted by successful organisations who are unable to deliver their project with partial funding

3.3.4 The monitoring process for the transition support funding will be carried out on a bi-monthly basis and payments to groups receiving support will be authorised only when the monitoring officer is satisfied that they are making progress.

3.3.5 Unsuccessful applicants can obtain detailed feedback on their application. MVA will offer support to these organisations to enable them to identify alternative funding streams and put in place sustainable plans for moving forward.

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

4.1 Resource

The recommended awards are included in *Appendix 1* of this report. A financial analysis of the number and type of applications received and the award allocations is included in *Appendix 5*.

Key points to note:

Sixty one applications were received totalling £4,455,709 over three years. £1,520,966 was requested in year 1, £1,462,660 in year 2 and £1,472,082 in year 3.

- The funding streams for reducing carbon emissions and reducing inequalities in economic circumstances had the least applications with eight in each. There were 25 applications for reducing inequalities in health and 20 for reducing inequalities in learning.

4.2 Digital

A web based form will be designed for future grants rounds. This will be piloted with the first round of the small grants with applications closing in December 2021.

4.3 Risk

The existing grants programme has been risk assessed and these risks are included in the Council's Risk Register. The programme is subject to internal audit that helps reduce the risks associated with managing the programme. The processes associated with awarding grants includes robust risk assessment procedures to ensure compliance with Following the Public Pound guidance.

Changes agreed to the monitoring and payment of grants will ensure greater scrutiny of spend and progress towards meeting outcomes. Link officers will be appointed to work with all grant recipients, monitoring and financial reports are required on a 6 monthly basis and further instalments of grants will not be paid until all documentation is received and checked and link officers are satisfied that satisfactory progress is being made. An end of project report detailing the

differences made by the Project will also be required at the end of the funding period.

This grant funding will help to sustain a vibrant voluntary sector in Midlothian in challenging financial times. The amount of funding available and the amount of applications received represents a potential risk to the funding of the voluntary sector who contribute to meeting the outcomes of the Single Midlothian Plan as not all projects can be funded.

The low number of applications received in two categories means that the number of successful applicants in the reducing carbon emissions and economic circumstances streams have received less funding but this is proportionate to the number of applications received (*Appendix 5*).

The proposed transition support fund, recommended in this report, will help mitigate against the risk of further increasing gaps in services for specific target groups and priority areas.

4.4 Ensuring Equalities

The integrated impact assessment concluded that the grant programme will have a positive impact on equality groups across Midlothian. The scoring criteria specifically references the impact on protected characteristics groups, how the organisation will promote equalities and the targeting of the 3 geographic priority areas of Dalkeith/Woodburn, Gorebridge and Mayfield/Easthouses.

4.5 Additional Report Implications (See Appendix A)

Appendices

Appendix A - Additional Report Implications

Appendix B - Background Information/Links

Appendix 1 - Recommended list of awards

Appendix 2 - Organisations identified for transition funding

Appendix 3 - Application Guidance

Appendix 4 - Scoring criteria

Appendix 5 - Financial analysis of grant applications

APPENDIX A – Additional Report Implications

A.1 Key Priorities within the Single Midlothian Plan

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

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

Please explain under this section how the proposals contained in this report will contribute to the achievement of the key priorities.

The grant streams are aligned to the four outcomes of the Community Planning Partnership and Single Midlothian Plan. Applications were assessed on how they met each of the outcomes of the plan and the differences they would make.

A.2 Key Drivers for Change

The Medium Term Financial Strategy approved by Council identified 9 key drivers for change. Which key drivers for change does this report relate to/support?

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

Consultation with communities identified 4 key delivery streams. Which key delivery streams does this report relate to/support?

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

The grants programme will help maintain a vibrant voluntary sector in Midlothian. With challenges to statutory funding, the voluntary sector has a key role to play in developing communities, reducing inequalities and supporting sustainable development and contributing to meeting the outcomes of the Single Midlothian Plan. Scoring all applications against key criteria has ensured that Best Value was a key part of the assessment process. One of the questions assessed focused on whether the project was good value for money and demonstrated realistic costs.

A.5 Involving Communities and Other Stakeholders

The application forms and criteria were co-produced with the voluntary sector and designed based on feedback from previous and potential applicants about the process and information available. Scoring panels included a wide range of council officers, representatives from health, cross-party elected members, community and voluntary sector representatives. Both CLLE staff and MVA staff offered significant support to organisations making applications through drop-in surgeries and one to one consultations and offered to give feedback and advice on draft applications.

A.6 Impact on Performance and Outcomes

By supporting the voluntary sector the grants recommendations will have a positive impact on the performance and outcomes of the Council and the Community Planning Partnership and contribute towards meeting the four key priorities.

A.7 Adopting a Preventative Approach

The successful organisations will continue to support the voluntary sector to undertake preventative work by reducing inequalities, carbon emissions, social isolation and the impact of poverty, improving mental and physical health and wellbeing, developing communities and supporting people into learning and employment. Without this valuable contribution, many of these services could not be delivered in Midlothian.

A.8 Supporting Sustainable Development

Reducing carbon emissions was a new stream introduced into the grants programme for 2022 to 2025. There were only a small number of applications to this funding stream and some did not demonstrate clearly the difference they would make to reducing carbon emissions. The criteria for this stream will be reviewed and refined in the light of this to see if we need to change anything, particularly around the restrictions on capital spend.

Supporting the voluntary sector through the grants programme will ensure that they play a key role in supporting sustainable development.

APPENDIX B

Background Papers/Resource Links (if applicable)

None

Appendix 1 - Recommended list of Large Grant Awards 2022-2025

Organisation	Purpose	Reqd Year 1	Reqd Year 2	Reqd Year 3	Total Requested	Recom Year 1	Recom Year 2	Recom Year 3	Total Recommended
Volunteer Midlothian	Running costs for the Transform Project – an inclusive volunteering project that offers 14-25 year olds the opportunity to volunteer as part of a small group with full support and supervision.	£30,727	£31,477	£32,107	£94,311	£21,509	£22,034	£22,475	£66,018
MVA	Community Engagement and Development Officer to deliver a programme of community engagement and capacity building aimed at grassroots community groups, third sector organisations and individual community activists and social entrepreneurs.	£25,915	£26,572	£27,677	£80,164	£18,141	£18,600	£19,374	£56,115
IntoWork	Continuation and extension of existing specialist supported employment service for disabled people/people with health conditions.	£33,500	£33,500	£33,500	£100,500	£23,450	£23,450	£23,450	£70,350
Edinburgh Napier University (Progress Through Learning Midlothian)	To continue to deliver and develop the Progress through learning Midlothian (PTLM) project; that works in partnership to widen participation in further and higher education, improve	£25,740	£26,399	£26,927	£79,066	£18,018	£18,480	£18,849	£55,346

	qualification levels and participation in lifelong learning .								
Gorebridge Community Development Trust	Core funding to allow the Development Trust to continue to lead services and expand social and recreational activities for local people.	£33,500	£33,500	£33,500	£100,500	£23,450	£23,450	£23,450	£70,350
RUTS - Vocational	Delivering nationally recognised (SQA & SCQF) vocational and sector specific qualifications specifically designed to support progress into employment, into better employment and into volunteering opportunities.	£32,133	£32,133	£32,133	£96,399	£22,493	£22,493	£22,493	£67,479
Access to Industry	Supporting unemployed residents who face significant disadvantage in moving into the labour market and whose learning and employment prospects are compounded by a history of substance misuse and/or offending. They may also have other barriers such as homelessness and mental health issues.	£24,801	£24,801	£24,801	£74,403	£17,361	£17,361	£17,361	£52,082
TOTAL LEARNING OUTCOMES		£206,316	£208,382	£210,645	£625,343	£144,421	£145,868	£147,452	£437,740

Organisation	Purpose	Reqd Year 1	Reqd Year 2	Reqd Year 3	Total Requested	Recom Year 1	Recom Year 2	Recom Year 3	Total Recommended
Y2K	Core costs towards the project which supports and improves the health and wellbeing of local young people as well as builds their resilience and transferrable life skills.	£32,929	£33,420	£33,925	£100,274	£23,050	£23,394	£23,748	£70,192
Gorebridge Community Cares	Support the delivery of a holistic programme of work to reduce inequalities focusing on 5 themes; physical and mental health, employment, education and training, green space and play.	£32,808	£33,285	£33,285	£99,378	£22,966	£23,300	£23,300	£69,565
Lothian Veterans	Provide advice and help to military veterans and their families; including housing and benefits advice, employability services, referral for health issues, emotional support, peer support and social inclusion activities and physical activities aimed at improving physical and mental health.	£26,500	£27,300	£28,100	£81,900	£18,550	£19,110	£19,670	£57,330
Play Therapy Base	Play Therapy support to children 3-14 year old who are experiencing emotional distress or mental health issues. 1 to 1 Play Therapy sessions or Filial therapy with parent and child.	£32,769	£32,769	£32,769	£98,307	£22,938	£22,938	£22,938	£68,815

Edinburgh Rape Crisis Centre	To meet the increasing need for specialist, trauma-informed outreach support service for women, non-binary people and members of the transgender community aged 16 and over in Midlothian who are affected by rape, sexual assault, childhood sexual abuse and commercial sexual exploitation.	£33,500	£33,500	£33,500	£100,500	£23,450	£23,450	£23,450	£70,350
MYPAS	Contribution to the core costs of the organisation to underpin delivery of all MYPAS current and future Midlothian services – drug and alcohol work, LGBT+ Service, Open Access Community Counselling, Family Counselling and Art Therapy.	£32,565	£32,891	£33,220	£98,676	£22,796	£23,024	£23,254	£69,073
Dalkeith CAB	Holistic outreach support for older people, isolated due to the impact of Covid, health conditions, disability, and other issues. Help provided through home visits, meeting at local community groups and by phone.	£21,527	£21,138	£21,560	£64,225	£15,069	£14,797	£15,092	£44,958
Midlothian SureStart	“Family Friends” project to befriend/support peers with a focus on families with children aged 0-3 who are struggling with low mood or social isolation.	£32,203	£33,465	£33,480	£99,148	£22,542	£23,425	£23,436	£69,404

Penicuik & District YMCA-YWCA	Access to a wide range of both indoor/outdoor activities that focus on both physical and mental health and well-being, stimulating lifelong learning, promoting the concept of 'Free Play'.	£30,649	£31,226	£31,226	£93,101	£21,454	£21,858	£21,858	£65,171
Play Midlothian	Address inequalities and use play to benefit groups of children who might not have access, or who need additional wellbeing support, particularly those from disadvantaged communities, disabled children, and socially excluded groups.	£31,871	£28,732	£23,254	£83,857	£22,310	£20,112	£16,278	£58,700
Children 1st	To meet the mental health and trauma recovery needs of Looked After Children and those on the Child Protection Register. Supporting children and their families to build confidence and resilience, facilitating access to help, reducing stigma and increasing social connectedness.	£33,279	£33,279	£33,279	£99,837	£23,295	£23,295	£23,295	£69,886
TOTAL HEALTH OUTCOMES		£340,600	£341,005	£337,598	£1,019,203	£238,420	£238,703	£236,319	£713,442

Organisation	Purpose	Reqd Year 1	Reqd Year 2	Reqd Year 3	Total Requested	Recom Year 1	Recom Year 2	Recom Year 3	Total Recommended
MFIN	To coordinate financial inclusion activity across Midlothian. Focussing	£20,161	£20,616	£21,383	£62,160	£14,113	£14,431	£14,968	£43,512

	on key anti-poverty awareness raising activity. Develop an affordable food network and bring together agencies active in food and community growing. Support activity around tackling fuel and digital poverty and promoting solutions.								
MAEDT	To continue to operate and provide essential services and facilities for the people of Mayfield and Easthouses. To grow and develop new services and facilities in response to needs identified by the community.	£33,500	£33,500	£33,500	£100,500	£23,450	£23,450	£23,450	£70,350
Home Link Family Support	Provide early intervention practical support to families with children in their early years to minimise the impact of poverty and to improve outcomes for the whole family.	£27,899	£28,388	£28,887	£85,174	£19,529	£19,872	£20,221	£59,622
TOTAL ECONOMIC CIRCUMSTANCES		£81,560	£82,504	£83,770	£247,834	£57,092	£57,753	£58,639	£173,484

Organisation	Purpose	Reqd Year 1	Reqd Year 2	Reqd Year 3	Total Requested	Recom Year 1	Recom Year 2	Recom Year 3	Total Recommended
The Orchard Project	Create and develop a food forest with orchard, a training and demonstration	£24,600	£23,800	£26,200	£74,600	£12,300	£11,900	£13,100	£37,300

	site, at the Midlothian Community Hospital (MCH).								
Changeworks	Develop and support community climate action in the Dalkeith area to take action to address the climate emergency.	£32,297	£32,202	£32,841	£97,340	£16,149	£16,101	£16,421	£48,670
Cyrenians	Deliver a range of activities centred around food growing and support people to grow their own and learn what to do with the produce.	£31,820	£31,587	£32,216	£95,623	£15,910	£15,794	£16,108	£47,812
TOTAL CARBON EMISSIONS		£88,717	£87,589	£91,257	£267,563	£44,359	£43,795	£45,629	£133,782

Appendix 2 - Organisations identified for Transition Support Fund

Organisation	Reqd Year 1	Reqd Year 2	Reqd Year 3	Total Reqd
Grandparents Parenting Again & Kinship Carers	£6,920	£13,840	£13,840	£34,600
Pathhead Youth Project	£14,450	£13,600	£13,750	£41,800
Midlothian Foodbank	£33,500	£33,500	£33,500	£100,500
Food Facts Friends	£31,954	£29,604	£30,833	£92,391
TOTAL	£86,824	£90,544	£91,923	£269,291

Remaining large grant budget

Year 1	Year 2	Year 3	TOTAL
£35,709	£33,882	£31,962	£101,552

It's proposed the above organisations receive approx 38% of their requested costs.

Midlothian Council Grant Scheme Guidance and Criteria 2022/25 for LARGE GRANTS

Item 8.8



Applications are welcome from asset locked community groups, charities and social enterprises. To apply you must be constituted and have a bank account. If you are a new group, you will need a statement of purpose and a bank account in the name of the group.

All applications should demonstrate how they meet the priorities of the Single Midlothian Plan:

- Reduce inequalities in learning outcomes
- Reduce inequalities in health
- Reduce inequalities in economic circumstances
- Reduce Midlothian carbon emissions to net zero

The single Midlothian Plan is available online:

www.midlothian.gov.uk/downloads/download/89/single_midlothian_plan

Grant funding can be used for things like:

- Volunteer expenses
- Running costs
- Start-up costs for new projects
- Staff costs
- Buying equipment
- Feasibility studies

There are some activities that are not eligible for grant funding:

- Repairs of buildings
- Capital projects
- Paying for religious services or religious materials
- Being spent exclusively on consultancy fees
- Paying for material that is designed to support political activity or a political party

Financial governance

We acknowledge that having unrestricted reserves is recognised as good practice in order to cover contingencies, for example statutory redundancy payments, however if your organisation has very significant reserves in relation to annual turnover then we may need to discuss this with you further.

The grants cover the period 2022/25

Grant	Maximum annual award	Grants will be allocated
Large	£33,500	Every 3 years

Criteria for Large Grants

GRANT STREAM	EXAMPLE OUTCOMES
<p>Reduce inequalities in learning outcomes</p>	<p>Projects which support people and communities to:</p> <p>Improve qualification levels and participation in local learning opportunities for all ages e.g.</p> <ul style="list-style-type: none"> • individuals are supported to progress into employment and into better employment • individuals are supported to participate in lifelong learning opportunities including arts and cultural activities • people are supported into volunteering opportunities <p>Support the capacity of groups to e.g.</p> <ul style="list-style-type: none"> • offer lifelong learning opportunities for citizens of all ages • strengthen skills of individuals and groups to develop the work of their organisation/community group, including governance arrangements
<p>Reduce inequalities in health</p>	<p>Projects which support people to:</p> <p>Protect and improve their mental wellbeing – e.g.</p> <ul style="list-style-type: none"> • supporting them to build personal resilience, • supporting access to help • reducing stigma • increasing social connectedness <p>Stay as well as they can, this could be through preventing ill health or preventing a condition from getting worse – e.g.</p> <ul style="list-style-type: none"> • increasing movement and exercise • increasing healthy eating • reducing smoking, drinking and drug taking • increasing access to services <p>Address barriers to health that are caused by poverty – e.g.</p> <ul style="list-style-type: none"> • increasing digital inclusion • improving living conditions • improving the ways people access help • increasing affordable/free opportunities for those living in poverty
<p>Reduce inequalities in economic circumstances</p>	<p>Projects which support people to:</p> <p>Increase income from employment e.g.</p> <ul style="list-style-type: none"> • access to lifelong learning and volunteering opportunities to increase skills and qualifications • access to digital devices, wifi and digital skills • access to support to gain employment or develop career paths <p>Reduce the cost of living e.g.</p> <ul style="list-style-type: none"> • households are supported to manage debt and fuel costs

GRANT STREAM	EXAMPLE OUTCOMES
	<ul style="list-style-type: none"> • individuals on low incomes are supported with transport costs to access employment, training, learning • individuals and families increase access to leisure, sports and arts experiences through reducing costs and other barriers to participation • increasing access to affordable, healthy food <p>Increase uptake of social security and benefits in kind e.g.</p> <ul style="list-style-type: none"> • providing support to individuals to maximise their household income
Reduce Midlothian carbon emissions to net zero	<p>Projects that support communities to contribute to initiatives to improve carbon reduction e.g.</p> <ul style="list-style-type: none"> • promote local food growing • reducing, reusing and recycling waste • promote engagement around climate change issues • develop managed open spaces in communities including community woodlands • promote 20 minute neighbourhoods where people are less reliant on commuting to access work and services • promote/facilitate active travel (walk, cycle, bus) • develop employment in green technologies • conserve green spaces and the natural environment in line with Midlothian Local Development Plan • community driven citizen science projects

Tips for Completing your Application Form

Please provide all of the critical details in the bid itself, rather than attaching it in supporting documentation. Do not assume the scoring panel has prior knowledge of your organisation or project, even if you have been funded previously.

Subheadings and bullet points are helpful for breaking up long sections of text!

Question 1

How many people will benefit?

Be as specific as possible. Based on your best estimate, please tell us how many people or organisations will participate in the funded activity or receive services from it. Numbers should be realistic rather than over-optimistic. For example, if it's a geographically-focused project, please don't simply give us the population figure for your whole town unless you can demonstrate how you will reach them all!

Question 2

As clearly as possible, tell us here WHAT you want to do with the council grant. Please describe the activities or services you will deliver and how you will deliver them: for example: face to face or online, by using new or existing members of staff, volunteers, sessional workers or other.

Question 3

This is where you link what you will actually deliver with the benefits that you want to make, and give us an idea of how you will show that through evaluation.

Outputs are the specific goods, services or activities that will be delivered. Please be as specific as possible

about the activity and the estimated numbers of people who will take part.

For example:

- *5 training workshops will be delivered to roughly 20 people each*
- *10 new volunteer opportunities will be created for people in our community garden*
- *100 people will be offered individual advice and support*

Outcomes are the changes that you will make as a result of the activities. Ideally, they should be presented using words such as 'more', 'better', 'improved,' 'increased,' etc. You should link your outcomes to the outputs that you are delivering as directly as possible.

For example:

- *Participants involved in training will have greater skills and self-confidence, leading to better outcomes in the labour market*
- *Volunteers will experience better mental health and reduced isolation*
- *Clients will feel that they have more control of their household finances*

Evaluation is how you will know you have made a difference. You may use different methods depending on your project, but this could include evaluation forms, focus groups, one to one feedback sessions, or other. You should consider your baseline knowledge, i.e. what you know at the START of the project so that you can measure the changes. Depending on your project, it may be important to measure where clients or beneficiaries are at the beginning and at various intervals throughout the project, not just at the end.

Question 4

In this question, we want to know WHY this project is needed. A strong bid will provide evidence of need, which may come from direct community engagement or research that you have done or data from existing sources. We'd like to know how your project will fill a gap in services and be confident that it will not duplicate work that may already be going on.

Here we also want to know how you believe your project will help meet the outcome of the grant stream that you have selected. Have a look at the menu of example outcomes under each stream or choose your own, but please demonstrate clearly how your activity will lead to better outcomes for local people with that selected theme.

It would strengthen your bid if you could tell us HOW YOU WILL KNOW this. Please provide a little detail about how you intend to evaluate your project.

Question 5

We like projects to be connected with what is already happening here in Midlothian. Please also use this section to tell us WHICH other local organisations or agencies you may be working in partnership with and some details of that partnership. For example, tell us if you're collaborating on delivery, signposting, referring people to them or taking referrals from them. You can also tell us if you're using their premises or drawing upon their expertise in some way.

We want to see that you've already done some of the groundwork in terms of building these relationships, so please give us some detail about how you've established links.

Question 6

We want to know about the expertise and skills you have within your organisation and how that makes you best placed to deliver this project. Examples might include:

- Knowledge of and established links with the local community;
- The skills, knowledge and experience of volunteers and/or directors;
- Staff members with expertise;
- Your organisation's track record in delivery;
- Training that your team has undertaken
- Assets and resources you have, including space, equipment, etc.

Question 7

It is not enough under this question to say that your organisation supports equal opportunities and is open to everyone in the community. Consider:

- What Policies and Procedures do you have in place that promote accessibility? If you do not have an equal opportunities policy then you may wish to write one. Contact MVA if you need assistance to do so.
- What do you do to make your premises accessible e.g. ramps, opening hours, outreach?.
- How do you market your services to make sure that everyone knows about them e.g. marketing to under-represented groups, Plain English, Other languages, Large print?
- How do you support vulnerable service users to participate? Do you give them additional support?
- Do you do any active work with your service users on equalities?
- Do you work in partnership with any specialist organisations?
- Do you provide training on equality and diversity for staff and volunteers?

Question 8

We know this is always a hard question to answer. Please consider:

- Timescales for identifying and applying for alternative funding, as well as any potential sources (as far as is possible at this stage);
- Whether it is viable to generate income through social enterprise, and what you will need to do in order for this to happen;
- Whether after three years, the project may need to develop or change and timescales for planning this;
- How you may wrap up the project if alternative funding or income is not available.

You will find out by the end of December 2021 if your application has been successful.

Further Support

If you need any additional support, further information or help with completing the application please contact: grants@midlothian.gov.uk or info@mvacvs.org.uk

Dates	Training and Information Sessions
Wed 8th Sept 10:00 – 11:30am	Writing a good funding application For those interested in applying for Midlothian's large grants funding programme https://www.eventbrite.co.uk/e/writing-a-good-funding-application-tickets-167283145391
Tues 21 st Sept 12:00 - 13:00 Thurs 23 rd Sept 17:00 – 18:00 Mon 27 th Sept 19:00 – 20:00 Thurs 30 th Sept 12:00 – 13:00	Online drop in sessions Find out more about the grants programme and an opportunity to discuss ideas https://www.eventbrite.co.uk/o/communities-and-lifelong-learning-midlothian-12452159200

Midlothian Council Large Grants Scoring Criteria 2022/25

Does the project meet the outcomes of the funding stream?	Q2	Has to be a yes or application not assessed			
Are the project costs eligible?	Q9 Yes/no/partial	These are not eligible: <ul style="list-style-type: none"> • Repairs of buildings • Capital projects • Paying for religious services or religious materials • Being spent exclusively on consultancy fees • Paying for material that is designed to support political activity or a political party 			
			EXAMPLE OF A 1	EXAMPLE OF A 5	EXAMPLE OF A 10
How clearly has the applicant described the differences the project will make and how they will know that you have achieved these outcomes?	Q3	Out of 10	A weak application: Outputs are not specific and no numbers Outcomes not linked to outputs The change made is not clear	An average application: Outputs are not specific but numbers are detailed	A strong application demonstrates: Specific outputs about the activity and the estimated numbers of people who will take part. Outcomes are linked to the outputs and identifies the changes that will be made as a result of the activity. How they will know the project has made a difference

How well does the application evidence the unmet need?	Q4	Out of 10	A weak application will: Not make reference to research and data sources No direct community engagement Not demonstrate that there is a gap in services Not demonstrate how the activity will lead to better outcomes	An average application: Makes reference to data sources but not how it has informed their project Is for an area out with the priority areas	A strong application will: Identify a target group in one of Midlothian's priority areas Provide evidence of need from direct community engagement or research and/or use data from existing sources. Confirm that the project will fill a gap in services and be confident that it will not duplicate work Demonstrate clearly how the activity will lead to better outcomes for local people
How well does the application demonstrate how they intend to evaluate the project?	Q4	Out of 10	A weak application will: Make no mention of evaluation	An average application: Only makes reference to 1 evaluation method No baseline information	A strong application demonstrates: A clear evaluation method that will show how you will know you have made a difference. A variety of methods A baseline knowledge, i.e. what they know at the START of the project so that they can measure the changes.

How well does the application demonstrate partnership working?	Q5	Out of 10	A weak application: Has no established partners	An average application: Makes reference to others working in the area but not to how they are working together	A strong application will demonstrate: Strong partnerships Contributes to community planning in Midlothian Examples of collaborating on delivery, signposting, referring people to them or taking referrals from them
How well does the organisation demonstrate they have the experience/expertise to deliver the project?	Q6	Out of 10	A weak application: Makes no reference to established links with the community No track record in delivery Training not up to date	An average application: Limited detail on skills, knowledge and experience of volunteers, and/or directors Limited detail on track record of delivery	A strong application will demonstrate: Knowledge of, and established links, with the local community The skills, knowledge and experience of volunteers, and/or directors Staff members with expertise A track record in delivery Team has undertaken current and relevant training Identifies assets and resources available including space, equipment, etc.
How well does the application demonstrate that the project will be accessible and promotes equality?	Q7	Out of 10	A weak application:	An average application:	A strong application will make reference to:

			<p>Makes no reference to policies and procedures promoting accessibility</p> <p>Staff and volunteers not trained on equality and diversity</p>	Makes satisfactory reference to Policies and Procedures that promote accessibility	<p>Protected characteristics groups</p> <p>Policies and Procedures that promote accessibility</p> <p>Accessibility of premises -e.g. ramps, opening hours, outreach</p> <p>Marketing to under-represented groups, Plain English, Other languages, Large print</p> <p>Support offered to vulnerable service users to enable them to participate</p> <p>Active work with your service users on equalities</p> <p>Partnership with specialist organisations</p> <p>Training provided to staff and volunteers on equality and diversity</p>
How well thought through is their exit strategy?	Q8	Out of 5	<p>A weak application will:</p> <p>Not consider an exit strategy</p> <p>Not consider alternative funding streams</p> <p>Not plan for wrapping up the project if alternative funding or income is not available</p>	<p>An average application:</p> <p>Acknowledges the need for an exit strategy but not identified alternative funding</p> <p>Acknowledges the potential to have to wrap up the project but not the practicalities of this</p>	<p>A strong application will:</p> <p>Provide timescales for identifying and applying for alternative funding</p> <p>Identify whether it is viable to generate income through social enterprise, and what</p>

					<p>will need to be done in order for this to happen</p> <p>Consider whether after three years, the project may need to develop or change</p> <p>Consider how you may wrap up the project if alternative funding or income is not available.</p>
<p>Do the project costings appear to be realistic, offer value for money and are they appropriate to the outputs of the project?</p>	Q9	Out of 10	<p>A weak application:</p> <p>Unrealistic costings</p> <p>Numbers rounded up with no detail</p> <p>Totals do not add up</p>	<p>An average application:</p> <p>Provide overall costings</p>	<p>A strong application will:</p> <p>Provide detailed costings</p> <p>Demonstrate value for money</p> <p>Totals add up</p>

Appendix 5 - Financial analysis of grant applications

Large Grant 2022 - 25 Applications Received

	YEAR 1	YEAR 2	YEAR 3	TOTAL	% FUNDING REQUESTED PER STREAM	NUMBER OF APPLICATIONS RECD
CARBON EMISSIONS	£188,204	£141,611	£145,485	£475,301	11%	8
ECONOMIC CIRCUMSTANCES	£242,882	£241,799	£244,621	£729,302	16%	8
HEALTH OUTCOMES	£611,033	£609,933	£611,843	£1,832,809	41%	25
LEARNING OUTCOMES	£478,847	£469,317	£470,133	£1,418,297	32%	20
TOTAL	£1,520,966	£1,462,660	£1,472,082	£4,455,709	100%	61

Large Grant 2022 – 25 Applications Recommended for Award

	YEAR 1	YEAR 2	YEAR 3	TOTAL	% FUNDING AWARDED PER STREAM	NUMBER OF APPLICATIONS AWARDED
CARBON EMISSIONS	£44,359	£43,795	£45,629	£133,782	9%	3
ECONOMIC CIRCUMSTANCES	£57,092	£57,753	£58,639	£173,484	12%	3
HEALTH OUTCOMES	£238,420	£238,703	£236,319	£713,442	49%	11
LEARNING OUTCOMES	£144,421	£145,868	£147,452	£437,740	30%	7
TOTAL	£484,291	£486,118	£488,038	£1,458,448	100%	24

Closed Circuit Television (CCTV) Network**Report by Kevin Anderson, Executive Director - Place****Report for Decision****1 Recommendations**

Council is recommended to approve the procurement and installation of Multi-Sensor Cameras across Midlothian CCTV estate and network, augmented by the procurement and use of redeployable wireless CCTV cameras, to be utilised at locations of interest or hot spot areas for community safety and detecting/deterring anti-social behaviour and environmental crimes. This would require the addition of £471,860 to the capital plan in 2021/22 and an addition to the annual revenue budget of £97,622 from 2022/23.

2 Purpose of Report

The purpose of this report is to provide Council with options and seek decision on upgrading the Council's existing public open space CCTV estate and network system, supplemented with redeployable cameras.

Date: 29 November 2021**Report Contact:** Derek Oliver, Chief Officer - Place**Email:** derek.oliver@midlothian.gov.uk

3 Background

- 3.1 A report was presented at August 2021 Council meeting, where Council approved Officers to undertake a fully costed options appraisal on the existing camera estate and network to deliver an appropriate service, in consultation with Police Scotland, to the communities of Midlothian; and report to Council.
- 3.2 Midlothian Council's public space CCTV system includes 56 cameras covering a number of main streets in Dalkeith, Penicuik, Bonnyrigg, Danderhall, Loanhead, Mayfield, Gorebridge, Roslin, Newtongrange and Sheriffhall Park and Ride. All cameras are identifiable and have signs indicating who is operating them and how they can be contacted.
- 3.3 In February 2018, as a result of financial pressures, Midlothian Council agreed through the Financial Strategy Report to manage a reduction of all open space CCTV activity and delete the Community Safety team, which oversaw the CCTV system and operations. The existing cameras continue to operate until a fault develops and, if unable to be repaired at minimal cost, are thereafter switched off and signage added to indicate that they are not active.
- 3.4 40 of the public space CCTV cameras are operational, with 16 units non-operational.
- 3.5 Issues around cabling and the analogue nature of the majority of the cameras means that the assets are limited in their use, lifespan and will deteriorate further without maintenance or upgrading.

4 Options

- 4.1 Police Scotland are content with the locations of current CCTV cameras, with redeployable wireless CCTV units augmenting the estate for targeted surveillance and identified hot spot locations for anti-social behaviour and/or environmental crimes.
- 4.2 The existing CCTV camera estate has been assessed and a costing exercise undertaken to upgrade the camera devices and cabling system to make it fit for purpose.
- 4.3 Costings were provided for Pan-Tilt-Zoom (PTZ) and Multi-Sensor cameras.
- 4.4 PTZ cameras can rotate left and right, up and down, while zooming in and out as needed. Most PTZs are deployed in larger spaces that require a 180 or full 360 degree view. A disadvantage of PTZ is that they can fail to capture an event or incident due to being out of view due to an automatic preset motion schedule, although can be mitigated by operator control which requires personnel resource.
- 4.5 Multi-Sensor cameras have the ability to provide up to 360 degree coverage with multiple image sensors. Each multi-sensory camera records its own footage and single, panoramic video images are created through the stitching process. Multi-sensor cameras can

provide more flexibility and detailed coverage within the field of view than other cameras.

- 4.6 Subject to a full procurement exercise, and additional costs to install network points and civil works, the indicative cost options for upgrading the existing network to accommodate new HD public space cameras and recording system to make the system fully operational:

<u>Danderhall</u>		
Multi sensor option		£38,014.00
PTZ Option		£35,739.00
<u>Loanhead</u>		
Multi sensor option		£50,745.00
PTZ Option		£48,830.00
<u>Mayfield</u>		
Multi sensor option		£36,325.00
PTZ Option		£34,105.00
<u>Bonnyrigg</u>		
Multi sensor option		£64,655.00
PTZ Option		£59,265.00
<u>Penicuik</u>		
Multi sensor option		£68,355.00
PTZ Option		£62,880.00
<u>Dalkeith</u>		
Multi sensor option		£114,830.00
PTZ Option		£102,295.00
<u>Control Room & Police Station</u>		
	£9,800.00	
Multi sensor option		£382,724.00
PTZ Option		£352,914.00

- 4.7 Redeployable wireless CCTV cameras to supplement the fixed camera estate would provide surveillance to areas outwith town centres. These are particularly useful for areas subject to anti-social behaviour and environmental crime. They are powered through street lighting columns. However, for the more remote areas, a unit with a rapid deployment tower would enable surveillance in areas where mains power was not immediately available, ideal for remote fly-tipping sites.
- 4.8 Wireless CCTV units are circa £10,000 per unit which include ANPR capability, with the rapid deployment tower circa £20,000. For coverage in each Ward area, it would be prudent for five wireless CCTV units and a rapid deployment tower with camera being procured.

5 Report Implications

6.1 Resource

Additional capital budget of £471,860 for the Multi Sensor Option or £440,560 for the Pan Tilt Zoom Option will be required for the upgrading of the public open space CCTV system and network and additional wireless units, including 5% contingency costs for associated civils works.

Capital Costs		
Fixed Camera CCTV	Multi sensor option	Pan Tilt Zoom Option
Danderhall	38,014	35,739
Loanhead	50,745	48,830
Mayfield	36,325	34,105
Bonnyrigg	64,655	59,265
Penicuik	68,355	62,880
Dalkeith	114,830	102,295
Control Room & Police Station	9,800	9,800
Total	382,724	352,914
Installation of network points and civil works	19,136	17,646
Capital Cost Fixed Camera CCTV	401,860	370,560
Wireless CCTV Units	50,000	50,000
Rapid Deployment Tower	20,000	20,000
Total Capital Cost	471,860	440,560

There will be a requirement for an increased annual revenue budget from 2022/23

Revenue Costs	Multi sensor option	Pan Tilt Zoom Option
Maintainance Costs	25,000	25,000
Loan Charges	72,622	67,804
Annual Revenue Costs	£97,622	£92,804

Monitoring of the surveillance system will be met within existing staffing establishments of Police Scotland and Protective Services.

The options presented in respect of CCTV provision will incur additional costs which are not budgeted for in the current year or provided for in future years projections. Consequently any service change will impact negatively on reserves if additional spend is incurred in this financial year. Otherwise future years costs would add to the underlying budget gap and so adversely impact on the ability to balance the 2022/23 budget. Accordingly prioritising funding to this service would necessitate compensatory service reductions or saving measures.

6.2 Digital

There will be a requirement for installation of digital infrastructure at each camera location, with a feed to Dalkeith Police Station.

6.3 Risk

Although not a statutory function to provide a CCTV system, the failure to address the deterioration and declining condition of the existing camera estate increases risks for not aligning with public safety objectives.

6.4 Ensuring Equalities

Having a properly maintained and operational CCTV system is vital to Midlothian's community safety. The subject of this report has a positive impact in the environment and as such does not affect the wellbeing of the community or have a significant detrimental impact on equality, the environment or economy.

6.5 Additional Report Implications

See Appendix A

APPENDIX A – Report Implications**A.1 Key Priorities within the Single Midlothian Plan**

The route map outlines the phases of service recovery and transformation which will underpin 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

Consultation with Police Scotland will be imperative.

A.6 Impact on Performance and Outcomes

The report aims to measure progress through outcomes.

A.7 Adopting a Preventative Approach

The report is based on the creation of a wellbeing economy which prioritises prevention, fairness for people, the economy and the environment.

A.8 Supporting Sustainable Development

New systems can be assessed to consider energy management and utilise sensor technology for utility consumption.

Community Safety

Report by Kevin Anderson, Executive Director - Place

Report for Decision

1 Recommendations

Council is recommended to consider the options set out in this report for Community Safety services.

2 Purpose of Report/Executive Summary

This report results from a motion passed at Council on 5 October 2021 requesting a paper to the next full Council to establish a business case for investing in measures to robustly address and prevent antisocial behaviour, including an option to reinstate Community Safety Officers.

A report was submitted to Council on 16 November 2021 detailing the policy and practice in relation to antisocial behaviour in communities and our landlord duties in council housing.

Date: 3 December 2021

Report Contact:

Name: Kevin Anderson, Executive Director - Place

Tel: 0131 271 3102

kevin.anderson@midlothian.gov.uk

3 Background

3.1 The motion approved at Council on 5 October, 2021 stated;

Midlothian Council reaffirms its belief that antisocial behaviour in our communities is wholly unacceptable. The Council also recognises that antisocial social behaviour has an impact across the community, and especially so for close neighbours of perpetrators.

Whilst appropriate enforcement action should always be pursued rigorously by all partners involved, the prevention of anti-social behaviour and de-escalation of anti-social behaviours could potentially save resources and distress to Midlothian residents.

Therefore, the Council will bring forward a paper to the next full Council to establish a business case for investing in measures to robustly address and prevent antisocial behaviour, including an option to reinstate Community Safety Officers.

Midlothian Council also notes that the role of Police Scotland is crucial to a joined up approach in tackling anti-social behaviour and asks that they are asked to contribute to the forthcoming paper.

4 Community Safety

4.1 Midlothian Council budget savings agreed in February 2018 resulted in significant changes to community safety arrangements in Midlothian. Reduction in staffing and resources of the Community Safety Team placed an even greater reliance on partnership working in order to respond to community safety issues. As a consequence, locally there has been a notable change in the relationship with communities. There has been a move away from solely safety or justice strategies to a focus on the holistic needs of communities focused on people having strong networks of support, building connections across and between communities, and empowering people in communities to support each other and to take collective action.

4.2 Since the Community Safety team was disbanded in February 2019 the role of the Community Safety and Justice Manager has focused solely on Community Justice which sits in a legislative framework. The funding for this post comes exclusively from a (temporary) Scottish Government grant so that Community Justice can be coordinated and delivered locally. In terms of current governance, there is a Community Justice Working Group (made up of statutory and voluntary agencies) that develops and implements the Community Justice Outcome Improvement Plan 2020-2023 (CJOIP). This is a 40 action plan that seeks to reduce reoffending across Midlothian. The working group reports directly to the Community Safety and Justice Partnership Board. Further, the Board is one of the thematic partners within the Community Planning Partnership. Overall accountability for Community Justice sits with the underpinning legislation and with Community Justice Scotland.

- 4.3** In relation to Community Safety specifically, all governance groups were disbanded along with the team. There were a number of previous working groups and a weekly Tasking & Coordination (TAC) meeting with Police colleagues and Council services and other partner services. Given that there was no framework to take forward actions, the Antisocial Behaviour (ASB) Strategy has not been progressed since 2019. As noted in the strategy, it was to be reviewed by the Community Safety Team. With regards to the ASB Policy, this is a Housing only policy, as previously reported to Council on 16 November 2021.
- 4.4** Community Safety in Midlothian is now contained to five actions that are reported within the Single Midlothian Plan. The actions that are reported on are single agency actions rather than partnership ones. These actions came from feedback from the Citizens Panel and are as follows:
- Work with partner agencies to prevent violent behaviours, manage violent offenders and develop a programme of interventions to reduce levels of violent crime- Police only action.
 - Undertake a range of communication and engagement activity regarding responsible alcohol consumption- Mid and East Lothian Drugs and Alcohol Partnership action
 - Develop substance misuse services to reduce immediate harm, future harm and promoting recovery- Mid and East Lothian Drugs and Alcohol Partnership action
 - Raise awareness of Violence Against Women and Girls with services and communities- Violence Against Women and Girls Partnership
 - Educate people regarding speeding, drink driving and responsibly parking- Road Safety action

5 Options Model

- 5.1** The Council's Communities, Lifelong Learning and Employability service have maintained street work with the aim of engaging with young people, building relationships, providing advice, information, promoting activities and linking to employment support. The team operate on the principles of voluntary engagement and harm reduction with resource for 8 trained street workers to be out for 4 hours covering Midlothian weekly.
- 5.2** A further focus on strategic planning will look at how we can identify and act upon delivery of the Community Safety and Justice Strategy and Plan, performance management, analytical support, planning and implementation of prevention activity and interventions related to community safety priorities (substance misuse, gender based harm, crimes of dishonesty, violent crime, ASB, home safety and unintentional harm, death and injury on Midlothian's roads, community involvement in setting and delivering outcomes and safeguarding communities) and

other topics partners see as relevant to strategic planning.

5.3 There is an opportunity to review Community Safety, to support local and national organisations to better understand, share and align their efforts with focus on operational activity. This will look at how we can continue to facilitate partnership working on ASB cases and other offending activity, tasking and coordinating of Police CAT teams, information sharing and compliancy with GDPR and other topics partners see as relevant to community safety operations and model options to cost and which elected members can consider.

5.4 In order to address ASB within our communities, in addition to what our Housing Services already provides to tenants, an option would be to adopt a Safer Communities model, similar to other neighbouring Local Authorities, whereby Antisocial Behaviour Officers work alongside housing officers and Resolution officers (mediation service) to holistically address the issues of community safety priorities such as early intervention and prevention and coordination of the joint working between council representatives and the Police CAT teams.

However, a complete reinstatement of the former Community Safety Team establishment has been costed at a minimum £419,428 as a full year effect as detailed in the table below. This does not include additional capital and revenue on-costs for digital supplies and service systems that would be required for any case management purposes.

<i>Re-instate Community Safety Team Costing</i>				
Internal Post Title	Grade	FTE	Bottom SCP (inc On-Costs)	Top SCP (inc On-Costs)
Community Safety Manager	Grade 11	1	68,317	74,828
Community Safety and Development Officer	Grade 7	1	42,033	46,045
Community Safety and Estates Team Leader	Grade 7	1	42,033	46,045
Community Safety Officer	Grade 6	1	36,160	39,588
Community Safety Officer	Grade 6	1	36,160	39,588
Community Safety Officer	Grade 6	1	36,160	39,588
Mediation Service Co-ordinator	Grade 6	1	36,160	39,588
Community Safety and Estates Assistant	Grade 4	1	30,445	31,799
Total Internal Posts		8	327,468	357,069
Seconded Police Posts	Estimated Grade Equivalent			
ASB Officer	Grade 8	1	47,428	47,428
Partnership Analyst	Grade 7	1	42,032	42,032

Total Seconded Posts		2	89,460	89,460
Other				
Supplies and Services/Mobiles			2,500	2,500
Total Other Costs			2,500	2,500
Total Yearly Cost			419,428	449,029

6 Report Implications (Resource, Digital and Risk)

6.1 Resource

Any options to develop or deploy an alternative Community Safety provision will incur additional costs which are not budgeted for in the current year or provided for in future years projections.

Consequently any service change will impact negatively on reserves if additional spend is incurred in this financial year. Otherwise any future costs would add to the underlying budget gap for future years and so adversely impact on the ability to balance the 2022/23 budget. Accordingly prioritising funding to this service would necessitate compensatory service reductions or saving measures.

6.2 Digital

No digital implications at present as reporting on existing policies and practice.

6.3 Risk

No risk implications at present as reporting on existing policies and practice.

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

No IIA required as reporting on existing policies and practice.

6.5 Additional Report Implications

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

No change as reporting on existing policies and practice.

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

No change as reporting on existing policies and practice.

A.5 Involving Communities and Other Stakeholders

No change as reporting on existing policies and practice.

A.6 Impact on Performance and Outcomes

The last available outcomes report for the former service effectiveness in ASB cases was recorded in 2018 and is noted below for information.

OUTCOMES	PR - PARTY REFUSED MEDIATION	S - SUCCESSFUL AGREEMENT REACHED	US - UNSUCCESSFUL NO AGREEMENT	PS - PARTIALLY SUCCESSFUL PART AGREEMENT REACHED	O - OTHER OUTCOME	% SATIS OUTCOME	Totals
JANUARY	2	8	0	0	1		11
FEBRUARY	4	6	0	0	1		11
MARCH	0	6	0	0	0	100%	6
APRIL	0	8	0	0	1	100%	9
MAY	0	6	0	0	0	100%	6
JUNE	0	9	0	0	0	100%	9
JULY	0	4	0	0	1	100%	5
AUGUST	2	3	0	0	1	50%	6
SEPTEMBER	0	3	0	0	4	100%	7
OCTOBER	3	3	1	0	1	63%	8
NOVEMBER	2	4	1		3	80%	10
DECEMBER	2	1	0	0	2		3
Totals							

A.7 Adopting a Preventative Approach

No change as reporting on existing policies and practice.

A.8 Supporting Sustainable Development

No change as reporting on existing policies and practice.

Waste Diversion Re-Use

Report by Derek Oliver, Chief Officer - Place

Report for Noting

1 Recommendations

Council is recommended to note the current position with diverting material from waste streams for re-use and that:

- (i) Waste Services will provide a container at Stobhill Recycling Centre to act as a Re-use Cabin;
- (ii) An Expression of Interest is currently being drafted for advertisement in January 2022 to assess local charitable / third sector demand for furniture and household items.

2 Purpose of Report

The purpose of this report is to outline the position of diverting material from waste disposal at Stobhill HWRC for re-use in response to the Motion approved at the meeting of Midlothian Council on 16th November 2021.

Date: 25 November 2021

Report Contact:

Name: Derek Oliver, Chief Officer - Place

Email: derek.oliver@midlothian.gov.uk

3 Background

- 3.1 Following an idea submitted to the Chief Executive from a Council employee in the Make A Difference scheme in early 2019, staff in the Partnership and Communities Team entered an arrangement with MARC (Midlothian Advice & Resource Centre) to offer a reuse cabin at Stobhill Recycling Centre.
- 3.2 This was put in place as a pilot arrangement from April 2019 and diverted around 500kg of waste each month. Around 500 tonnes of bulky waste, scrap metal and wood are collected at Stobhill Recycling Centre each month so the scheme diverted around 0.1% of these waste streams.
- 3.3 In terms of savings in disposal costs, the Reuse Cabin saved the Council around £20 a month. The figure is low as the majority of items diverted were wood furniture which would have instead been placed in the wood recycling stream for which the disposal cost is relatively low - not the bulky waste stream. There was also some income lost from the reuse of scrap metal items.
- 3.4 All waste put in the bulky waste skip undergoes secondary treatment to remove card, plastics, metals and wood and only items unsuitable for incineration are sent to landfill.
- 3.5 Due to COVID-19, the Recycling Centre closed in March 2020. Although the site re-opened in July 2020, continuing restrictions on the quarantining of waste materials meant that the re-use cabin could still not be used.
- 3.6 As MARC were continuing to pay for the rental of the cabin, the decision was taken by them to remove this in August 2021.
- 3.7 The Service Level Agreement with MARC was intended to ensure that both furniture and household bric-a-brac was reused. In practice, MARC's primary focus was on furniture that could either be sold to raise funds, or reused as part of the furniture voucher scheme for start-up homes. Because of this their waste acceptance criteria for the quality of donated furniture was, understandably, high.
- 3.8 It also meant that household items donated for reuse were routinely removed from the Reuse Cabin by Recycling Centre staff, to ensure adequate room was available for larger furniture items, with these items instead placed in the appropriate skip for disposal / recycling.
- 3.9 To address this, MARC were encouraged to engage with other local charity sector partners to take the furnishing and other household items for reuse but no partnership agreements were put into place and no other organisations arranged to collect bric-a-brac from the Reuse Cabin.
- 3.10 Waste Services also experienced issues in receiving timely waste data reports of the items being removed.

4 Current Re-use Arrangements

- 4.1 Bicycles in suitable condition are refurbished / reused separately by Loanhead Bike Workshop and RUTS.
- 4.2 Electrical items are not included in any reuse arrangement. Under the Waste Electrical and Electronic Equipment (WEEE) Directive, all WEEE brought to the site falls into the ownership of the Producer Compliance Scheme (PCS) who fund the collection and recycling of electrical items. Our PCS has funded one local organisation to register as a WEEE authorised treatment facility for Henry branded vacuum cleaners but space at the Recycling Centre limits storage of multiple separate waste streams.
- 4.3 Hand tools are currently collected separately for refurbishment / reuse by the Scottish Prison Service at both Stobhill and Penicuik Recycling Centres.

4 Immediate Actions

- 4.1 MARC's removal of their own container has resulted in Waste Services taking ownership of the project from the Partnership and Communities Team.
- 4.2 Waste Services will procure a new container to be in place at Stobhill Recycling Centre to act as a Re-use Cabin, with appropriate awareness signage in place for service users at site.
- 4.3 As only part of Penicuik Depot is licensed to accept waste, there is insufficient room for a re-use shed at this location at this time.
- 4.4 An Expression of Interest (EoI) is currently being drafted to assess local charitable / third sector demand for furniture and household items. To maximise reuse of items, potential Service Partners must have Revolve, or equivalent, accreditation and commit to regular visits to the Recycling Centre to remove items for reuse / refurbishment. No income or charge for donated items is expected. It is intended that this EoI is advertised early in January 2022.
- 4.5 Waste Services is aware of an organisation that is currently working successfully with a neighbouring authority and anticipate interest from local charities. The Service will also promote to organisations aiming to refurbish items.
- 4.6 Submissions will be evaluated against set criteria and awarded with the intention that new agreements will be operational from April 2022. Associated communication and marketing activities will take place to promote the arrangement at this time.
- 4.7 As part of the EoI, potential Service Partners are being asked to be explicit in outlining the items they would have a need for to take as part

of this service and in detailing their waste acceptance criteria so that both parties, as well as local residents donating suitable items, can be confident that items donated for re-use will, in fact, be refurbished / reused and not simply sold.

5 Future Actions

- 5.1 The redevelopment of Stobhill Depot offers the potential for a “re-sale” cabin to be located close to the Recycling Centre to divert items before they enter the Recycling Centre, subject to Planning and SEPA licensing consents etc. It would be intended that this facility would be operated by an external organisation with relevant experience in relevant legislation such as Trading Standards relating to the preparation and sale of goods – separate to the Council management of the Recycling Centre itself.
- 5.2 Any future re-development of Penicuik Depot will include a re-use and/or re-sale facility.

6 Report Implications

6.1 Resource

The provision of a container for storing materials will incur costs to Waste Services, which will be met within existing budgets.

6.2 Digital

Not applicable at this stage.

6.3 Risk

Not applicable at this stage.

6.4 Ensuring Equalities

The subject of this report has a positive impact in the environment and as such does not affect the wellbeing of the community or have a significant detrimental impact on equality, the environment or economy.

6.5 Additional Report Implications

See Appendix A

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

The route map outlines the phases of service recovery and transformation which will underpin 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

Consultation with charities and third sector.

A.6 Impact on Performance and Outcomes

The report aims to measure progress through outcomes.

A.7 Adopting a Preventative Approach

The report is based on the creation of a wellbeing economy which prioritises prevention, fairness for people, the economy and the environment.

A.8 Supporting Sustainable Development

Stage 2 Masterplan and Outline Business Case for Dalkeith Town Centre Regeneration

Report by Fiona Clandillon, Head of Development

Report for Decision

1 Recommendations

It is recommended that the Council:

- a) Endorse the preparation of a Stage 2 masterplan for Dalkeith Town Centre that updates and expands on the previous masterplan and progresses an outline business case for the development to be progressed, as a necessary step for delivery.
- b) Approve the release of £60,000 from the General Reserve that, along with £20,000 funding from the Housing Revenue Account, will be used to fund the work needed to update the masterplan and strengthen the economic, financial and commercial case.

2 Purpose of Report/Executive Summary

This report provides the Council with a proposal to take forward a Stage 2 masterplan and Outline Business Case for Dalkeith Town Centre that will:

1. Articulate a broader vision for the future of Dalkeith and how the town centre masterplan can help deliver this;
2. Reflect changes since the 2016 masterplan's preparation, particularly in relation to town centre role post-COVID-19; Midlothian Council's commitment to be Net Zero by 2030; updated and emerging strategies on Council assets and learning estate; and different ways of working and living in a post-COVID landscape.
3. Incorporates a robust economic, financial and commercial case as part of an overall outline business case. This should highlight the benefits of the project, detailed financial appraisals and specify commercial options for the delivery of the masterplan. These new, detailed strands of work will allow a route to delivery of the development proposals to be identified.

Date 23rd November 2021

Report Contact: Fiona Clandillon, Head of Development

fiona.clandillon@midlothian.gov.uk

3 Background/Main Body of Report

- 3.1 A number of masterplans for Dalkeith town centre have emerged over the years. Most recently, the Dalkeith Town Centre Masterplan was presented to Midlothian Council in 2016. It was not approved by Midlothian Council and as a result, the redevelopment has not progressed due to the significant capital investment required.
- 3.2 One of the key components of the 2016 redevelopment was the location of Midlothian Council HQ on the site. Once it became clear that the Council did not intend to relocate from its existing premises, in 2019 the financial case for the development was revisited. The replacement of Council offices with residential development improved the financial case for the development, however the masterplan itself was not updated and the updated financial case was not presented back to Midlothian Council.
- 3.3 Since the COVID-19 pandemic necessitated a move to working from home for most Council employees, Midlothian Council has been considering how best to utilise its estate, now that working practices have been transformed. This has opened up the opportunity to reassess the number of properties the Council needs and to look instead at ways of regenerating Dalkeith Town Centre.
- 3.4 At a meeting of the full Council on 29th June 2021 it agreed that the local ward councillors and the local community should be involved in work to bring forward a deliverable regeneration plan for the area. This could potentially mean repurposing some office buildings for other uses, as well as providing new affordable housing, retail and business premises and the existing library and arts centre would be included for replacement with a potential community hub building.
- 3.5 To take this forward there is a need to review the masterplan from 2016 to ensure it reflects current community and stakeholder needs, a changed economic context and a changed corporate environment in which Midlothian Council is operating within.
- 3.6 This is not a full re-write of the masterplan. Rather, it is an update and then progression of more detailed elements (Stage 2) that are required to inform an Outline Business Case for the proposal. Therefore, we will retain the elements which remain relevant, update elements that need it and strengthen or add aspects of the proposal so that a well-rounded Outline Business Case for the regeneration of Dalkeith town centre can be reviewed and taken forward to Full Business Case stage.

Retain, Update, Strengthen

- 3.7 Much of the technical work that sits behind the 2016 masterplan will still be relevant and the principles and general conclusions of the Smith Scott Mullan (SSM) architects' report are sound.

3.8 However, there is a need for an update of the masterplan as the following key components of the proposed development have changed:

- No longer a requirement for a Council HQ within the site. This creates space for alternative uses and reduces the need for car parking provision within the site.
- Estate rationalisation of Midlothian Council under consideration, with a changed approach to office provision in the town centre likely.
- Commitment to housing led regeneration for town centres in Midlothian to support town centres. This will have a significant impact on the financial and commercial case for the masterplan.
- Kings Park Primary School no longer relocating to Fairfield House, with re-design within Kings Park Primary School campus now underway. The opportunities this redesign presents in relation to the wider town centre need to be considered and incorporated into the masterplan.
- Ongoing desire for library replacement with community facilities to be retained in town centre.

3.9 There is a need to update the masterplan in light of Midlothian Council's commitment to being Net Zero by 2030. This will:

- Influence the design of any homes for social rent by the Council as they will require to be Passivhaus certified. This may affect site layouts/building orientation/massing.
- Place greater importance on how people access and move through the town centre, with greater emphasis on active travel and connecting with public transport proposals including the Orbital Bus Route.
- Place greater importance on the need for high quality green and blue infrastructure to address issues such as biodiversity and surface water management.

3.10 Finally, the changes brought about by the COVID-19 pandemic need to be considered. As noted in [A New Future for Scotland's Towns](#), the move to working from home and the reduction in commuting and recreational visiting has changed the pattern of movement and footfall. People have tended to stay local, relied on local facilities and community and have begun to reassess their priorities and what is important to them. This could have far-reaching effects enhancing the role of local neighbourhoods and small town centres such as Dalkeith, while recognising the challenges this presents some businesses. A refreshed vision for Dalkeith is needed to take these changes into account and to ensure Dalkeith is in the best possible position to adapt to this post-COVID environment.

3.11 While SSM undertook a thorough community engagement approach, to ensure these views are still relevant and up to date it is proposed that

Nesta engage with the local community again to check that the views expressed at the time are still held.

This engagement would check:

- What are people's views of Dalkeith town centre (potential to use the [Place Standard](#) or [Your Town Audit](#) approach)
- How do they see its role now
- How do they see its role in the future
- What kind of presence do they want Midlothian Council to have in the town centre

- 3.12** This could be further supported by internal consultation on the future role of Dalkeith, both as a town centre and as a location for Council services. Nesta could undertake this, or it could be led by Business Transformation team.

Strategic Objectives

- 3.13** Bringing forward the regeneration of Dalkeith will support the delivery of a number of key strategic objectives of Midlothian Council.

- The development will help to deliver several priorities from Midlothian's Routemap through and out of the COVID-19 crisis, including economic renewal through capital investment and a reinvigorated town centre; accelerated capital programme for housing; hub and spoke service delivery; and changed approaches to the workplace and active travel through digital by default, remote working and carbon neutral by 2030.
- Housing led regeneration will assist in counteracting any impacts of rationalisation of Council office space and integrate delivery of 20 minute neighbourhoods into approach.
- Replacing a significant number of buildings in the town centre that are not energy efficient with homes built to Passivhaus standard, as well as creating a stronger town centre that supports 20 minute neighbourhoods and local living will support the Council's Net Zero by 2030 commitment.
- This masterplan will shape the delivery of Midlothian's plans for business transformation, specifically the emerging hub & spoke model.
- The masterplan will support the emerging Asset Management Plan and a long term strategy in relation to Council assets.

- The masterplan will support the emerging Transport Strategy / Orbital Bus Route Proposal. A multi-modal approach will be taken to access town centre that prioritises active travel and public transport.

Benefits

- 3.14** The Outline Business Case for the masterplan will focus on the delivery of four key High Level Benefits

Economic Benefits

- Initial capital investment in town centre, supporting jobs.
- Longer term job creation and economic impact of operational jobs created by significantly enhanced built environment and new / additional commercial space, generating higher footfall and wider economic uplift to town centre economy.
- Focus on energy efficient buildings support transition to green economy, as skills / SMEs will work on capital programme.

Net Zero Benefits

- Replacement of dated, costly commercial and housing stock with energy efficient buildings that are fit for purpose.
- Integration of green/blue infrastructure into town centre to support climate change mitigation / adaptation measures.
- Enhancement of town centre to embed 20-minute neighbourhood principles and local, sustainable living patterns.

Housing

- Creation of new, high quality housing in a mix of tenures that will help meet housing need in Midlothian while creating a diverse and sustainable town centre population, that will further support services.

Council Service Delivery

- Adapt Council service delivery to post-COVID-19, supporting hub and spoke model, which creates accessible customer hubs for essential services and high quality, efficient accommodation for Council employees, working in partnership for place-based solution and creation of sustainable 20 minute neighbourhoods for local communities.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

Financial

The proposed budget for advisory fees for this work is £80k. Given that delivery of housing is one of the four key high level benefits for this work, it is proposed that the Housing Revenue Account pays for 25% of the advisory work, with the remainder to be funded by the General Reserve.

Human Resource

The Resource to drive the project forward will derive from appointed consultants guidance and support from a Steering Group comprised of the Senior Responsible Officer (Fiona Clandillon) and other Senior Officers who will attend regular governance meetings.

The Steering Group will provide regular updates to the Cross Party Place Group.

4.2 Digital

There are no digital resource implications.

4.3 Risk

The following are risks to the Council if the project does not go ahead.

Financial Risks:

- Negative impact on town centre / economic development as uncertainty around plans for redevelopment stymie investment further.
- Costs of retaining largely vacant Council buildings (e.g. Buccleuch House)
- Impact on HRA of extensive voids and cost of maintaining low demand, high cost housing.
- Abortive costs associated with expenditure on earlier iterations of the town centre masterplan.

Reputational risks:

- Midlothian Council has sought to progress plans before and they have not been delivered. Following June 2021 meeting, there is need to ensure plans developed that are deliverable.

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

There are no equalities implications.

4.4 Additional Report Implications (See Appendix A)

See Appendix A

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Insert text here

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

The report aims to deliver best value.

A.5 Involving Communities and Other Stakeholders

The report outlines options and has been based on feedback gathered during consultation and strategic planning groups which have been taking place across the Directorates and also undertaken by NESTA in the Listen & Learn exercise.

A.6 Impact on Performance and Outcomes

The report aims to measure progress through outcomes.

A.7 Adopting a Preventative Approach

The report is based on a wellbeing economy which prioritises prevention, fairness for people, the economy and the environment.

A.8 Supporting Sustainable Development

This phase aims to promote our commitment to being Carbon Neutral by 2030 through the impact of activities on the environment such as reducing travel to work, mileage, reducing premises costs for lighting and heating.

APPENDIX B

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

Title of Report: Annual Procurement Report 2020/21

Report by Kevin Anderson, Executive Director, Place

Report for Information

1 Recommendations

The Council is asked to note the Annual Procurement Report on regulated procurements during 2020/21.

2 Purpose of Report/Executive Summary

The Annual Procurement Report on regulated procurements during 2020/21 has been prepared and is being presented to Council's for noting being published on the Council's website.

Date 22 November 2021

Report Contact:

Andrew Helmn, Chief Procurement Officer.

andrew.helm@midlothian.gov.uk

3 Background/Main Body of Report

3.1 Where a public organisation is required to prepare a procurement strategy or review an existing one, for example, and if it has an estimated value of regulated procurement spend of £5 million or more (excluding VAT) in a financial year, it must also publish an annual procurement report. The Procurement Reform (Scotland) Act 2014 sets out what, as a minimum, each annual procurement report must contain. The annual procurement report should be relevant and proportionate, providing transparency of its purchasing activities. The annual report monitors the authority's regulated procurement activities against delivery of its procurement strategy. This Annual Procurement Report for the 2020-2021 financial year is attached as an Appendix to this report.

3.2 The Procurement Reform (Scotland) Act 2014 lists the minimum requirements that the Annual Procurement Report must contain which are as follows:

- a) a summary of the regulated procurements that have been completed during the period of the report;
- b) a review of whether those procurements complied with the Council's procurement strategy;
- c) to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future procurements do comply;
- d) a summary of any community benefits requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report;
- e) a summary of any steps taken to facilitate the involvement of supported businesses during the year covered by the report;
- f) a summary of regulated procurements the authority expects to award in the next two financial years;
- g) such other information as the the Scottish Ministers may specify.

The attached Midlothian Council Annual procurement Report complies with the above statutory requirements.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

There are no resource implications arising from this report.

4.2 Digital

There are no digital implications arising from this report.

4.3 Risk

There are no risk implications arising from this report.

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 – Annual Procurement Report

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

Relevant colleagues and stakeholders have been consulted in the development of the Annual Procurement Report

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

Annual Procurement Report



'Midlothian – a great place to grow'

Midlothian Council Annual Procurement Report

(1st April 2020 – 31st March 2021)

Contents

- Introduction
- Summary of Regulated Procurement
- Review of Regulated Procurement Compliance
- Community Benefit Summary
- Supported Business Summary
- Future Regulated Procurements Summary
- Review of Midlothian's Procurement Strategy 2018 – 2023
- Appendix 1: Regulated Procurements Completed (1st April 2020 – 31st March 2021)
- Appendix 2: Regulated Procurement Forward Plan (1st April 2021 – 31st March 2023)

Introduction

The Procurement Reform (Scotland) Act 2014 requires any public contracting authority such as Midlothian Council (who is required to publish a procurement strategy) to prepare and publish an annual procurement report on all our regulated procurement activities.

The annual procurement report is intended to:

1. Aid visibility of procurement activities
2. Be a mechanism for conveying how the Council is meeting legislative requirements; and
3. Outline how the Council's procurement activity is contributing to the delivery of its broader aims and objectives.

Section 18(2) of the Procurement Reform (Scotland) Act 2014 details the minimum content of the annual procurement report:

- A summary of regulated procurements completed during the year
- A review of whether those procurements complied with the authority's procurement strategy
- Where any procurements did not comply, a statement of how the authority intends to ensure future regulated procurements do comply
- A summary of community benefit requirements imposed as part of the regulated procurement that were fulfilled during the year
- A summary of any steps taken to facilitate involvement of supported businesses
- A summary of regulated procurements the authority expects to commence in the next 2 financial years

This procurement report will review Midlothian's Procurement Strategy 2018-2023 and evaluate the organisations procurement activity and further supports Midlothian Council's commitment to transparency within it procurement activity.

Summary of Regulated Procurements

Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires organisations to include “a summary of the regulated procurements that have been completed during the year covered by the report”.

Regulated procurement refers to any procurement above £50,000 for goods and services or £2,000,000 for works. A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. Regulated procurements can refer to new contracts and framework agreements but also to mini-competitions and call-offs from existing framework agreements.

The principle of transparency requires an organisation to approach its public procurements in an open and inclusive manner.

During the period of this annual procurement report (1st April 2020 – 31st March 2021) Midlothian Council carried out the regulated Procurements found in Appendix 1 and provides a high level summary which includes:

1. The date of award
2. The name of the supplier(s)
3. Title of contract
4. Estimated value of contract/framework
5. Contract start date
6. Contract end date

Review of Regulated Procurement Compliance

Section 17 of the Act requires all regulated procurements to be carried out in line with the organisations procurement strategy. Section 18(2) states that an annual procurement report must include a “a review of whether those procurements complied with the authority’s procurement strategy” and “the extent to which any regulated procurements did not comply, and a statement detailing how the organisation will ensure that future regulated procurements do comply”.

Prior to the commencement of any regulated procurement exercise a commodity strategy is developed. Commodity strategies are reviewed as part of the governance procedures. This involves a review by the project team and various members of management to ensure commodity strategies reflect and adhere to the values and principles set out in the overall procurement strategy. Commodity strategies reflect Midlothian Council’s procurement strategy and ensure that the procurement exercise follow a journey that embeds our organisations principles, values and objectives.

This methodology aims to ensure that all regulated procurements align with the Procurement Strategy. Furthermore, our approach to strategic procurement in this way maximises the added value potential in each and every procurement exercise.

Following the appointment of a new team lead earlier in the year, a review into the templates used for pre-procurement strategies and post-procurement recommendation reports will be undertaken. We continually strive to strengthen and develop our internal governance and recognise that strategy development is crucial in the creation of our contracts and frameworks.

To ensure suppliers (locally and nationally) are paid timeously the Council is committed to paying all suppliers within 30 days. Prompt payment clauses requiring a 30 day payment term are embedded within our contractual terms and conditions. Suppliers are required to apply the same terms and conditions with their subcontractors who are supporting and delivering the council contract. During the reporting period the Council paid 93.1% of invoices within agreed timescales.

The combined strategy development and procurement processes in place ensured that all regulated procurements were undertaken in compliance with the legal and procedural framework, and as a result in compliance with our overarching Procurement Strategy.

Community Benefit Summary

Section 18(2) of the Procurement Reform (Scotland) act states that it is mandatory for the annual procurement report to include a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report.

Section 25 of the Procurement Reform (Scotland) Act 2014 mandates that all contracting authorities must consider whether to impose community benefit requirements as part of the procurement when the estimated contract value is greater than or equal to £4,000,000. However, community benefits are a key objective of the Council's Procurement Strategy 2018-2023 meaning all appropriate procurements must consider community benefits during the commodity strategy stage.

Incorporating community benefits into our procurement activity recognises that we contribute to the delivery of social and environmental benefits. Suppliers are required to make a community benefits submission as part of their overall tender submission. Community benefits secured through the procurement process are recorded and monitored over the lifetime of the contract. This is currently recorded on the Cenefits software system but work is ongoing to explore alternative solutions.

Key community benefit outcomes secured during the reporting period include:

- Targeted recruitment and training e.g jobs, training, work experience, job shadowing opportunities, apprenticeships for young persons and unemployed individuals
- Community Consultation, engagement and strengthening community relations
- Sponsorship of local organisations

Supported Businesses Summary

Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires organisations to include a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report.

Supported Businesses make an important contribution to the Scottish economy, through the goods and services they deliver, but also by providing meaningful employment, training and social support for those who otherwise may be excluded from the workplace.

The council's procurement manual instructs that consideration be given to inclusion of supported businesses in all regulated procurements. In addition the procurement intranet page includes details of supported businesses who currently have contracts with Scottish Government and Scotland Excel.

During the reporting period there were no regulated Midlothian procurements awarded to supported business. The reason for this is that the goods, services or works associated with the awarded contracts over the reporting period are not currently provided by existing supported businesses.

Future Regulated Procurements Summary

Section 18(2) of the Procurement Reform (Scotland) Act 2014 states that it is mandatory that the annual procurement report must include a summary of the regulated procurements the authority expects to commence in the next two financial years.

Acting in a transparent and proportionate manner is an effective way by which an organisation can encourage competition and achieve better value for money in its procurements. It promotes wider participation in the public procurement process and this information will give notice to suppliers of future opportunities.

Future regulated procurements have been identified via the following means:

1. Current contracts on the council's contract register that will expire and need to be extended or re-let over the next two years.
2. New procurements identified via future work plans provided by Council service teams.

A full list of anticipated procurements in the next two years can be seen in Appendix 2.

Review of Midlothian's Procurement Strategy 2018 – 2023

Midlothian's 2018-2023 strategy consisted of 3 main themes;

1. Economic – Supporting the local economy
2. Social - Deliver safe, quality and innovative services that meet citizens' needs
3. Commercial Efficiency and Contract & Supplier Management – Securing best value for money

Economic

The Procurement Team published a Local/SME Procurement Strategy in conjunction with Economic Development colleagues. The two teams continue to work in partnership to limit any barriers or obstacles which would have been preventing local businesses from participating in Council contracts.

Without question, this area can be developed considerably but in the last 2 years, resource within the Procurement team has prevented progress and stunted growth.

Social

The Cenefits system was implemented as a means of recording Community Benefits (CB's). This was a partial success in that the system offers a clean way of recording/tracking CB's. However, resource remains a challenge from both Council and Supplier side in relation to the execution of the CB. Midlothian are actively exploring alternative solutions.

Community Benefits are included in every competitive procurement as standard. As are Key Performance Indicators and Service Level Agreements where appropriate and proportionate.

Commercial Efficiency and Contract & Supplier Management

The Procurement Team continue to work closely with Scotland Excel, Scottish Procurement (Scottish Government) and Crown Commercial Services to establish best value for money solutions. In addition, cross Council collaborations remain in place for certain contracts.

The team is currently split into 3 Categories;

1. Social Care and People
2. Construction & Commercial Operations
3. Construction

It is unlikely however that a full Category Management approach to these areas can be credibly claimed. A recent departure has left the team with only 2 x Procurement Professionals. The nature of the work has resulted in reactive methodologies as oppose to the proactive approach Category Management requires.

Appendix 1

COMPLIANT REGULATED PROCUREMENTS OVERVIEW (between 1st April 2020 - 31st March 2021)													
Ref #	Project Name	Description & Type of Contract (A, B & C)	Supplier	Contract Value £	PCS Award Date	PCS Award Ref #	Contract Start Date	Contract End Date (not including extensions)	Living Wage (Y/N)	Supported Business (Y/N)	Local (Y/N)	SME (Y/N)	
MID/19/35	Physiotherapy Services	The provision and management of a Physiotherapy Service for Midlothian Council.	Midlothian Physiotherapy	90,000.00	24/09/2020	SEP395384	07/09/2020	06/09/2023	No	No	Yes	Yes	
MID/19/25	Midlothian Science Zone Project Co-Ordinator	Project Co-Ordinator to deliver activities within Midlothian Science Zone.	Emma McCallum	52,000.00	24/09/2020	SEP395391	01/10/2020	30/09/2022	No	No	No	Yes	
MID/20/63	Managed Print Service	The Provision of a Print Managed Service.	Xerox (UK) Limited	542,164.00	18/01/2021	JAN404456	01/01/2021	31/12/2022	No	No	No	No	
MID/20/50	Sale of ground with a requirement to enter into a contract for the Design and Construction of 70No. units for social rent	Sale of ground with a requirement to enter into a contract for the Design and Construction of 70No. units for social rent Cat A Contract	Springfield Properties (GB)	8,821,252.92	26/03/2021	MAR410485	26/03/2021	26/03/2023	No	No	No	No	
MID/20/26	Supply of an Articulated Tractor	1 x 44 tonne articulated tractor	Lothian DAF (GB)	74,450.00	25/01/2021	JAN404952	25/01/2021	25/01/2021	No	No	Yes	No	
MID/20/44	Purchase of 4 Mini Buses	Purchase of 4 mini buses	A M Phillip Trucktech Ltd (GB)	78,000.00	21/12/2020	DEC402727	21/12/2020	21/12/2020	No	No	No	Yes	
MID/20/60	Purchase of Two Tower Vehicles	Purchase of 2 tower vehicles	A M Phillip Trucktech Ltd (GB)	136,000.00	15/12/2020	DEC402164	15/12/2020	15/12/2020	No	No	No	Yes	
MID/20/58	Purchase of Two Single Cab Tipplers	Purchase of 2 single cab tipplers	A M Phillip Trucktech Ltd (GB)	57,500.00	15/12/2020	DEC402160	15/12/2021	15/12/2021	No	No	No	Yes	
MID/20/56	Purchase of Two Crew Cab Tipplers	Purchase of 2 crew cab tipplers	A M Phillip Trucktech Ltd (GB)	61,600.00	15/12/2020	DEC402147	15/12/2020	15/12/2020	No	No	No	Yes	
MID/20/28	Framework Agreement for the Supply of Horticultural Products	The proposed framework agreement shall encompass a wide range of Horticultural Products including bulk items, fertilisers, chemicals and miscellaneous bagged items.	Rigby Taylor Ltd (GB) / Green-Tech Ltd (GB) / SCOTBARK (GB) / Agrovista UK Limited (GB) / Rigby Taylor Ltd (GB) / Green-Tech Ltd (GB) / Rigby Taylor Ltd (GB) / Agrovista UK Limited (GB) / Aitkens (GB) / Rigby Taylor Ltd (GB) / Green-Tech Ltd (GB) / SCOTBARK (GB)	330,469.00	16/11/2020	NOV399961	01/11/2020	31/10/2023	No	No	No	Yes	
MID/20/47	Purchase of 2 Electric Vans	Purchase of 2 electric vans	A M Phillip Trucktech Ltd (GB)	92,537.00	13/11/2020	NOV399637	13/11/2020	13/11/2020	No	No	No	Yes	
MID/20/48	Purchase of 3 EV Vans	Purchase of 3 EV vans	Evans Halshaw Renault (GB)	56,677.50	13/11/2020	NOV399634	13/11/2020	13/11/2020	No	No	No	No	
MID/20/34	Purchase of Two Mini Sweepers	Purchase of 2 mini sweepers	Bucher Municipal (GB)	148,000.00	03/11/2020	NOV398486	03/11/2020	03/11/2020	No	No	No	No	
MID/20/39	Purchase of New Hook Vehicle	Purchase of new hook vehicle	A M Phillip Trucktech Ltd (GB)	122,000.00	30/10/2020	OCT398272	30/10/2020	31/10/2020	No	No	No	Yes	
MID/20/11	Main Contractor for Delivery of New Build Housing and Retail Unit at Burnbrae Road, Bonnyrigg	Main Contractor for Delivery of New Build Housing and Retail Unit at Burnbrae Road, Bonnyrigg	Fleming Buildings Ltd (GB)	3,377,393.25	20/10/2020	OCT397460	20/10/2020	20/10/2022	No	No	No	Yes	
MID/20/37	Supply of 4 26 Tonne RCV's	Supply of 4 26 tonne RCVs	Dennis Eagle Limited (GB)	658,204.00	15/10/2020	OCT397153	15/10/2020	15/10/2020	No	No	No	No	
MID/20/04	Treatment of Residual waste and Associated Services	The Authority, is inviting tenders in respect of a Term Contract for the provision of disposal and/or treatment capacity for residual waste	Levenseat Ltd (GB)	2,600,000.00	06/07/2020	JUL389820	01/07/2020	30/06/2023	No	No	No	Yes	

Appendix 2

COMPLIANT REGULATED PROCUREMENTS PIPELINE (between 1st April 2021 - 31st March 2023)							
Ref #	Project Name	Description	New/extension/re-let	Estimated Value (£)	Expected publication date	Expected Award Date	Expected Contract Start Date
MID/21/05	Employee Wellbeing Services	Midlothian Council seeks and EAP service to support the health and wellbeing of its employees.	Re-let	69,000.00	23/02/2021	15/04/2021	18/08/2021
MID/21/09	Early Years & Childcare and Childcare Training	Provision of Early Learning & Childcare and Childcare Training	Re-let	98,850.00	08/04/2021	15/06/2021	01/09/2021
MID/21/24	Provision of Home to School Taxi Services	To establish a framework agreement for the provision of home to school taxi services for Midlothian Council.	Re-let	1,500,000.00	12/05/2021	04/08/2021	18/08/2021
MID/21/11	Mobile and Data services	The provision of Mobile and Data Services	Re-let	600,000.00	10/05/2021	10/05/2021	10/06/2021
MID/21/31	Equipped for Learning Email and Google Work	Equipped for Learning Email and Google Workspace Migration	New	167,725.00	25/06/2021	25/06/2021	28/07/2021
MID/XX/XX	Social Care Transport Provision	The provision of Social Care Transport	Re-let	1,500,000.00	17/01/2022	09/03/2022	01/04/2022
MID/XX/XX	Occupational Health Services	The provision of Occupational Health Services	Re-let	82,500.00	17/01/2022	01/03/2022	01/04/2022
MID/XX/XX	Supply, Installation of Smart Meters	The Supply, Installation of Smart Meters	New	70,000.00	23/01/2023	01/03/2023	31/03/2023
MID/XX/XX	Provision of Insurance Services	The Provision of Insurance Services	Re-let	900,000.00	18/04/2022	01/06/2022	01/07/2022
MID/XX/XX	Web Filtering for Schools	Web Filtering for Schools	New	300,000.00	01/10/2021	01/10/2021	01/11/2021
MID/XX/XX	Sheriff Officer & Debt Collection	Sheriff Officer & Debt Collection Service	Re-let	500,000.00	06/02/2022	15/07/2022	17/08/2022
MID/XX/XX	AV Equipment Support & Maintenance	Audio Visual maintenance and support services	Re-let	90,000.00	27/06/2022	01/08/2022	01/09/2022
MID/XX/XX	Managed Print Service	Manged Print Service	Re-let	1,500,000.00	30/08/2022	01/10/2022	01/01/2023
MID/XX/XX	Provision of Removals and Storage Service	Provision of Removals and Storage Service	Re-let	250,000.00	01/12/2022	06/01/2023	01/02/2023
MID/XX/XX	Consultancy	Business Gateway Consultancy	Re-let	150,000.00	23/01/2023	01/03/2023	31/03/2023
MID-20-03	Community Mental Health Support Services	Lot 1 - Community Mental Health and Wellbeing Support	New	850,255.00	07/01/2021	30/04/2021	01/07/2021
MID-20-03	Community Mental Health Support Services	Lot 2 - Support for People in Crisis and Distress	New	326,177.00	07/01/2021	30/04/2021	01/07/2021
MID-20-03	Community Mental Health Support Services	Lot 3 - Delivery of Midlothian Access Point/ Short term low level interventions	New	234,005.50	07/01/2021	30/04/2021	01/07/2021
MID-20-14	Midlothian Carer Services	Lot 1 - Carer Identification, Carer Information & Advice Services	New	826,302.00	07/01/2021	30/04/2021	01/07/2021
MID-20-14	Midlothian Carer Services	Lot 2 - Carer Health & Wellbeing Services (including short breaks service)	New	703,889.00	07/01/2021	30/04/2021	01/07/2021
MID-20-54	Care at Home	Lot 1 - Penicuik and surrounding area, Loanhead, Bilston, Roslin	New	3,796,303.68	22/03/2021	05/10/2021	01/09/2021
MID-20-54	Care at Home	Lot 2 - Bonnyrigg, Rosewell, Danderhall, Dalkeith, Woodburn	New	7,020,249.60	22/03/2021	05/10/2021	01/09/2021
MID-20-54	Care at Home	Lot 3 - Gorebridge and surrounding area, Newtongrange, Mayfield, Easthouses	New	6,425,764.80	22/03/2021	05/10/2021	01/09/2021

Appendix 2 continued

MID-21-04	School Counselling Service	School Counselling Service for children and young people aged 10 – 18 years	New	1,531,460.00	29/03/2021	05/10/2021	01/09/2021
MID/xx/xx	M&E Term Contract	Mechanical and Electrical Maintenance Term Contract	Re-let	4,600,000.00	01/05/2022	15/09/2022	01/10/2022
MID/xx/xx	Highway maintenance	Highway maintenance contract	New	4,000,000.00	01/07/2022	01/07/2022	01/07/2022
MID/xx/xx	Housing Newbattle	New housing at Newbattle High School Site	New	23,000,000.00	01/11/2021	01/03/2022	01/07/2022
MID/XX/XX	Gas Audit Services	Provision of gas audit services in domestic and commercial properties	Re-let	160,000.00	15/01/2022	15/05/2022	01/06/2022
MID/XX/XX	Easthouses Primary School	Primary school at Easthouses in Midlothian	New	15,000,000.00	01/10/2022	01/03/2023	01/04/2023
MID/XX/XX	Intermediate Care, day Care and Extra Care Facilities Polton Street	Care facilities at Polton Street Bonnyrigg	New	10,000,000.00	23/09/2021	01/04/2022	01/05/2022
MID/XX/XX	Windows and Doors	Supply of windows and doors for domestic properties in Midlothian	Re-let	2,000,000.00	01/12/2021	25/11/2021	01/12/2021
MID/21/53	Supply of 3 RCVs	Supply of 3 RCVs	New	150,000.00	03/11/2021	03/11/2021	03/11/2021
MID/XX/XX	Woirdburn Primary School	Extension of existing Primary School	New	11,400,000.00	15/01/2022	01/06/2022	01/07/2022
MID/XX/XX	Mayfield St Lukes	Replacement school campus at Mayfield	New	15,000,000.00	01/11/2022	01/03/2023	01/04/2023
MID/XX/XX	Beeslack High School	Replacement school campus in Penicuik	New	50,000,000.00	01/04/2022	01/09/2022	01/10/2022
MID/XX/XX	Housing Newton Church Road Danderhall	Provision of 24 units at Newton Church Road Danderhall	New	TBC - High Value / Complex	01/04/2022	01/09/2022	01/04/2023
MID/XX/XX	Housing Bonnyrigg High Street	Provision of 20 units at High Street Bonnyrigg	New	4,900,000.00	01/02/2022	01/06/2022	01/07/2022
MID/XX/XX	Housing Stobhill Road Gorebridge	Provision of 25 units at Stobhill Road Gorebridge	New	5,900,000.00	01/06/2022	30/09/2022	01/11/2022
MID/XX/XX	A701 Link Road	A701 relief Road, A702 Spur Road, A701 active travel corridor and Straiton Junction signalisation	New	30,000,000.00	01/06/2022	01/11/2022	01/12/2022
MID/XX/XX	Gulley machine	Provision of a Gulley machine	New	150,000.00	01/12/2021	01/12/2021	01/12/2021
MID/XX/XX	Hilled Main Building	Main building at Hillend Ski Centre	New	11,000,000.00	01/12/2022	01/05/2023	01/06/2023
MID/XX/XX	Hillend Glamping Units	Glamping units at Hillend Ski Centre	New	1,000,000.00	01/03/2023	01/04/2023	01/06/2023
MID/XX/XX	Planer/Cold Milling Machine	Provision of a Planer/Cold Milling machine	New	300,000.00	TBC	TBC	TBC
MID/21/43	Hillend Civils Utilities and Minor Works	Civils contractor for the provision of upgrade and alteration works to A702 junction	New	5,000,000.00	06/09/2021	01/03/2022	31/03/2022
MID/XX/XX	Primrose Lodge - 4 Units and 2 Respite Units	Services for people with Profound and Multiple Learning Disabilities	New	3,200,000.00	01/07/2022	01/09/2022	01/12/2022
MID/XX/XX	Early Learning and Childcare	Early Learning and Childcare Provision	New	7,000,000.00	01/02/2022	01/05/2022	01/08/2022
MID/XX/XX	Day Services - Learning Disabilities	Day Services - Learning Disabilities	New	TBC - High Value / Complex	01/03/2022	01/06/2023	01/09/2023
MID/XX/XX	Befriending Service & Therapeutic Family Work	Befriending Service & Therapeutic Family Work	Re-let	597,934.00	10/01/2022	01/03/2022	01/06/2022
MID/XX/XX	Lasswade Primary School	Lasswade Primary School	New	TBC - High Value / Complex	01/04/2023	01/09/2023	01/10/2023
MID/XX/XX	Kings Park Primary School Extension and Refurbishment	Kings Park Primary School Extension and Refurbishment	New	TBC - High Value / Complex	01/04/2023	01/09/2023	01/10/2023