

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

Council is asked to:

- a) Note that the Terms of Reference have been updated for BTB to deal with future year savings with the existing Change and Transformation Programme savings for the current year being monitored and reported to the quarterly Financial Monitoring meetings. These reports are then presented to Council as part of the ongoing Financial Monitoring updates and to formalise this change with a closure report for the existing programme to BTSG
- b) The Performance team has now changed to the Continuous Improvement Team in order to drive continuous improvement, utilising the Customer Service Excellence Standard.
- c) Note that the transformation of services as a result of Covid-19 was approved by Council in June and is called the Midlothian Route Map through and out of the crisis which will ensure a strategic and future focus for BTB/BTSG. This is also complimented by the Nesta Listen and Learn report.
- d) Note the intention to review/close a number of the actions, as outlined in appendix C, currently shown in the Best Value Assurance Report Improvement Action Plan which have been superseded as a result of the Covid-19 pandemic.

2 Purpose of Report

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

Date: 26 October 2020**Report Contact:**

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3 Background

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

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

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

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

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

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

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

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

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

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

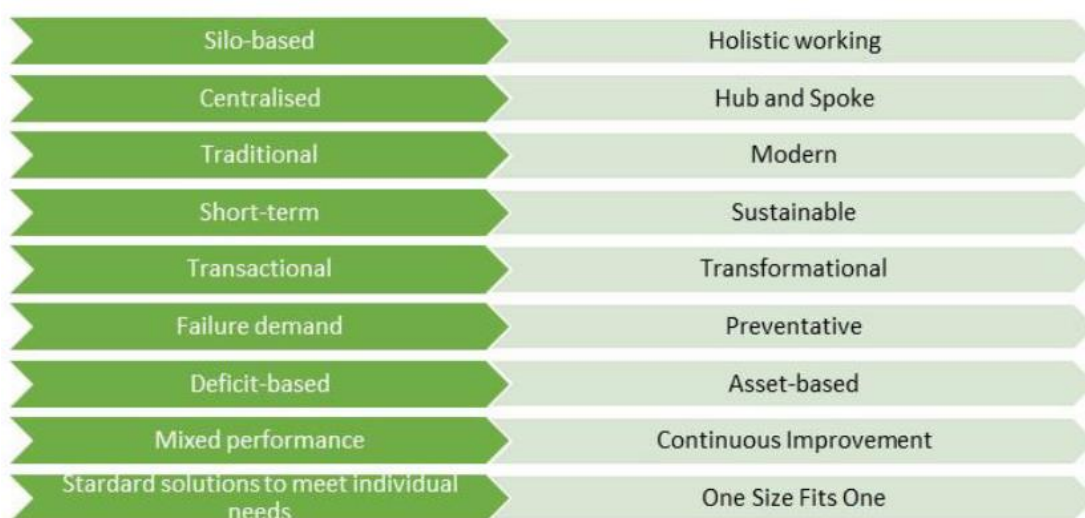


Diagram 1: 9 Key Driver for Change

4 Progress

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

- The Medium Term Financial Strategy was approved by Council in June 2019 and an update to secure the 2020/21 budget approved on 11 February 2020 and supporting transformation plans were approved by Council in February 2019.
- Consolidation of change and transformation plans into a single programme with a clear governance route through BTB and BTSG.
- Launch of the Council's new Senior Leadership Structure to support the strategic delivery of the Council's Vision and ambition which includes the Medium Term Financial Strategy and the Route Map through and out of the crisis.
- Alignment of change and transformation savings plans for BTB/BTSG with the quarterly financial reporting process.
- Establishment of the Financial Monitoring Board which meets every quarter to scrutinise in year financial performance of services.
- Further engagement with BTSG to progress implementation of Elected Member and Officer Protocol.
- Ongoing discussions and development to support Elected Member development using a range of delivery options including briefings, seminars and cross-party working groups and introduction of a process to capture activity centrally.
- Council received an update on the Workforce Strategy in December 2019
- Initial pilot of Financial Dashboard within Children's Services to support further roll-out.
- Implementation of gateway reviews and reporting process to improve transparency of Capital Plan and Asset Management Board progress.
- Progress to increase community ownership of local neighbourhood plans is shown in the reporting process introduced for plans and updates going to the Community Planning Working Groups and wider memberships within community councils

4.2 Midlothian and its communities have faced an unprecedented challenge as we have grappled with how to respond to a global pandemic. On 20 March 2020 the council moved to critical service delivery in response to the Covid-19 Pandemic. Whilst this experience has been extremely challenging, it has also acted as a catalyst for change with staff across the Council rapidly adapting to working completely differently, delivering more services remotely and trying to maintain services whilst supporting people through the crisis.

- 4.3** The rapid response to the pandemic has resulted in a complete transformation of how the council works, including remote working, local by default, digital transformation and services reviewing how they operate. There are things we have paused or stopped doing and we've also started doing lots of new things. These are outlined in the Midlothian Route Map through and Out of the crisis which was approved by Council in June 2020.
- 4.4** The need to respond at pace with the impact of COVID has resulted in a number of changes to the ways services were delivered and included:
- Launch of the #kindnessmidlothian CPP campaign on 18 March 2020.
 - Daily meetings of the Corporate Incident Management Team to monitor and respond appropriately to the crisis during the period of lockdown
 - Chief Executive initiated scheduled weekly virtual meetings with Leader and Depute Leader, the Administration, Group Leaders and Political Groups
 - Initial weekly and then fortnightly meetings with Community Planning Partners to harness the collective response to the crisis
 - Council committees and meetings held virtually online for officers and elected members commencing in June 2020.
 - A large number of staff undertaking alternative duties to support critical services and to support the local response interventions put in place
 - All non-essential staff working remotely
 - Contact Centre/Customer Service staff transitioned to remote working
 - Significant impact on previously agreed transformation savings and priorities
- 4.5** As identified in Midlothian's Best Value Assurance Report the council needs to continue to implement financial planning arrangements to address budget gaps, underpinned by robust financial budgeting and monitoring arrangements. The immediate and ongoing financial impact of the pandemic has been a key focus during the crisis and regular updates regarding financial implications have been provided to both CMT and Council. The most recent updates for both the Covid-19 Financial Update and the Financial Monitoring 2020-21 reports are provided elsewhere on today's agenda.
- 4.6** The introduction of Midlothian's Route Map through and out of the crisis seeks to both support recovery and to retain the best elements of the transformation which took place in response to Covid-19. The strategy for recovery, as we continue to respond and emerge from this crisis, is based on the creation of a Wellbeing Economy, designed to achieve wellbeing, inclusion and fairness for our communities and to protect and enhance our environment. The overarching principle is that in delivering services, whether commissioned internally or externally, that

we keep our communities, our employees and our environment safe minimising exposure to Covid-19, or any other harmful agent, at the same time as meeting our commitment to being carbon neutral by 2030. The introduction of the Route Map has also resulted in the need to revisit and reset the existing change and transformation programme.

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

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

Priority interventions to support recovery:

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

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

- 4.9** The previous Change and Transformation Programme and associated savings will be monitored and reported as part of the established

quarterly financial monitoring process. In light of Covid-19 a further exercise with the relevant accountants is currently underway to ensure that all savings aspects of the programme are captured and transitioned for future scrutiny to the existing quarterly Financial Monitoring activity and a closure report will be presented to BTB/BTSG to ensure a formal audit trail of the change in approach is recorded.

- 4.10** To continue the focus on delivering against the Route Map the following workstreams are taking forward the key strategic projects: digital by default, locality place planning and remote working. Using the 9 drivers for change will allow a more holistic programme to develop and ensure that the vision, ambition and intended transformation supports a strategic and forward facing focus for BTB/BTSG.
- 4.11** Working in partnership with Nesta, an innovation foundation, activity was also undertaken to interview staff from a range of services across the Council who shared their experiences during the pandemic. The output of the work undertaken with Nesta and a staff survey produced a Listen and Learn report which will also be used to further inform the continuous improvement and transformation activities to be taken forward by services. The activities identified will be informed by the recommendations within the Listen and Learn report and be set out against the drivers for change, previously identified, and as represented in appendix D. This approach will ensure that plans put in place are created with a holistic approach and avoid the risk of any silo based development of plans within services.
- 4.12** Resetting the Council's approach to transformation and continuous improvement in line with the Road Map and the Listen and Learn Report ensures a continued focus on Best Value. With the proposed plan development ensuring continued good governance via BTB and BTSG, effective management of resources informing the development of delivery plans, and a focus to deliver improved outcomes to Midlothian's residents, businesses and visitors.
- 4.13** EY, the Council's External Auditors, in their Annual Audit Report to Audit Committee on 12 October 2020 noted progress across a number of the areas shown in the Accounts Commission Findings set out in section 3.3 including noting:
- that the adoption of the MTFs and supporting governance meant savings proposals were well advanced prior to Covid-19 and that updates would be provided to Council later in 2020 providing options to balance the 2021/22 and 2022/23 budgets.
 - that the Council demonstrates good financial control of the in-year budget, including understanding the impact of Covid-19 in early 2020/21. Further noting that financial reporting was clear and consistent throughout the year and that improvements have been made to the management and monitoring of the capital programme. The Annual Audit Report identified some areas such as delivery of savings as requiring continuing focus and attention.

- that the Council has demonstrated shared leadership to respond to the pandemic and that there is a need for continued member and officer focus to safeguard financial sustainability.
- that early work to develop Midlothian's local route map through and out of the crisis provides clear and coherent focus on priorities, including economic recovery for the community.
- that the key features of good governance are in place and operating effectively, further recognising that the Council responded quickly to ensure that governance arrangements were appropriate and operating effectively during the lockdown period and that members continued to have access to sufficient information as a result of the implementation of virtual meetings, and regular briefings to all members.

5 Report Implications (Resource, Digital and Risk)

5.1 Resource

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

5.2 Digital

There are no IT issues arising from this report.

5.3 Risk

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

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

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

5.4 Additional Report Implications (See Appendix A)

See Appendix A

Appendices

Appendix A – Additional Report Implications

Appendix B – Background information/Links

Appendix C – Best Value Assurance Report Recommendations Action Plan

Appendix D – Listen and Learn Report Extract

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

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

- Reducing inequalities in learning outcomes
- Reducing inequalities in health outcomes
- Reducing inequalities in economic circumstance

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

A.2 Key Drivers for Change

Key drivers addressed in this report:

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

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

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

A.4 Delivering Best Value

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

A.5 Involving Communities and Other Stakeholders

The Best Value Assurance Report was produced following engagement with both officers and partners and following a significant review of

documentation available, including documents from partners and communities.

A.6 Impact on Performance and Outcomes

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

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

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

A.7 Adopting a Preventative Approach

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

A.8 Supporting Sustainable Development

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

APPENDIX B

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

1. Best Value Assurance Report Midlothian Council
https://www.audit-scotland.gov.uk/uploads/docs/report/2019/bv_190704_midlothian.pdf
2. Midlothian – Listen and Learn Report
https://www.midlothian.gov.uk/downloads/download/731/nesta_listen_and_learn_report_for_midlothian_council_-_september_2020

Best Value Assurance Report Recommendations: Action Plan

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



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





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

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

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

In their report to Audit Committee on 12 October EY (External Auditor) noted that the adoption of the MTFS and supporting governance meant savings proposals were well advanced prior to Covid-19 and further noted that updates would be provided to Council later in 2020 providing options to balance the 2021/22 and 2022/23 budgets. The Annual Audit Report also noted that the Council has demonstrated shared leadership to respond to the pandemic and that there is a need for continued member and officer focus to safeguard financial sustainability.

2. The council needs to develop & sustain constructive relationships between members & between members & officers. Implement effective cross-party governance arrangements, ensure that it delivers the medium-term financial strategy & transformation plans.
Note that existing plans were superseded as a result of the Council's COVID-19 response and the necessary changes introduced in the immediate, recovery and renewal phases.





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

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

In their report to Audit Committee on 12 October EY (External Auditor) noted that the key features of good governance are in place and operating effectively, further recognising that the Council responded quickly to ensure that governance arrangement were appropriate and operating effectively during the lockdown period and that members continued to have access to sufficient information as a result of the implementation of virtual meetings, and regular briefings to all members.

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


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

| Action | Due Date | Status | Progress | Comment & Planned Improvement Action |
|--|-------------------------------|---|----------|---|
| Review and update the Council's Workforce Strategy and associated Service Workforce Plans to fit with the revised priorities and finances as per MTFS. | 31-Aug-2020 TBA |  | 25% | Q2 20/21: Update – The workforce strategy was refreshed and presented to Council in December 2020 Service workforce plans were expected to be updated to reflect both MTFS and new leadership structure but this has been disrupted by the focus on the response to the pandemic . Services are currently preparing new service plans reflecting the new leadership structure, route map and approved nesta recommendations and the service workforce plans will flow from that over the remainder of the year |
| Develop data analytics to support real time reporting for managers in relation to people and financial data | 31-Aug-2020 TBA |  | 50% | Q2 20/21: Update – Proof of concept developed for HR data and financial dashboard piloted for Children's Services. Pandemic has resulted in resources being diverted but this will be progressed as part of refreshed digital strategy and be a key focus on the newly formed Digital led transformation board |
| Develop data analytics for a data set to support Elected Member and Officer understanding and decision making with regards to financial performance | 30-Sep-2020 TBA |  | 25% | Q2 20/21: Financial Dashboard were piloted successfully for Children's Services in 2019/20 and this has assisted in identifying areas where business processes which support/impact on the service can be improved and where more detailed information is sought by managers (for example transport costs at client level rather than service level) . Building on the Children's Services pilot the plans were to roll out to other services and doing so as part of the transition to support the new leadership structure. Further work to do this was delayed as a consequence of the onset of the pandemic and also the loss of expertise previously committed to this work. |
| Ensure workforce planning and profiles reflect the changing pressures on services due to the growing population | 30-Sep-2020 TBA |  | 0% | Q2 20/21: Update - Due date initially reset as a result of COVID however responses and subsequent changes introduced during the crisis now call for this action and target date to be reviewed. See first action above |

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

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



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

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

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

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

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

| Action | Due Date | Status | Progress | Comment & Planned Improvement Action |
|--|----------------------------|---|----------|---|
| Develop data analytics to support real time reporting for financial data and budget monitoring (see Actions 3.2/3.3) | 31-Aug-2020 31-Mar-2021 |  | 50% | Q2 20/21: Financial Dashboard were piloted successfully for Children's Services in 2019/20 and this has assisted in identifying areas where business processes which support/impact on the service can be improved and where more detailed information is sought by managers (for example transport costs at client level rather than service level). Building on the Children's Services pilot the plans were to roll out to other services and doing so as part of the transition to support the new leadership structure. Further work to do this was delayed as a consequence of the onset of the pandemic and also the loss of expertise previously committed to this work. (see earlier comment) |
| Refresh governance structure on the delivery of savings and in relation to MTFS following June Council. | 31-Aug-2019 |  | 100% | Q3 19/20: Complete. The MTFS was approved at Council in June 2019. Further work is now being progressed to agree a revised terms of reference looking towards longer term planning. |


Update - The unprecedented economic turbulence and scale of required state intervention will inevitably have both short and longer term implications for public finances across the UK and Scotland which will require the Council to reassess its medium and longer term financial planning and investment

programme as the full financial, economic and fiscal impact of the pandemic becomes clearer in the months ahead and indeed as the Council in response re-shapes its priorities moving forward. Members should note that the financial position remains fluid as the impact and consequences of the pandemic both for Council services and for communities across Midlothian continue to evolve. Further updates on the financial position and outlook will be provided to the Council on a regular basis recognising that the financial impact of the pandemic will continue to evolve over the remainder of the financial year.

In their report to Audit Committee on 12 October EY (External Auditor) notes that the Council demonstrates good financial control of the in-year budget, including understanding the impact of Covid-19 in early 2020/21. Further noting that financial reporting was clear and consistent throughout the year and that improvements have been made to the management and monitoring of the capital programme. The Annual Audit Report identified some areas such as delivery of savings as requiring continuing focus and attention.

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

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





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

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

In their report to Audit Committee on 12 October EY (External Auditor) recognised that early work to develop Midlothian's local route map through and out of the crisis provides clear and coherent focus on priorities, including economic recovery for the community.

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




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


| Action | Due Date | Status | Progress | Comment & Planned Improvement Action |
|--|-------------------------------|---|----------|---|
| Develop an Elected Member Development Programme (including use of 360 Tool) | 30-Jun-2020 TBA |  | 50% | Q2 20/21: Update – Further due date reset required following covid-19. As we move through the recovery stage of Covid-19, engagement with the Improvement Service has been initiated to ensure members have full access to development materials and to identify a programme which is appropriate for members given the changes introduced. An initial programme has been informed by and shared with members and will be used to inform development programme during 2020/21. |
| Introduce an Elected Member Learning and Development commitment and personal development plans? | 30-Jun-2020 TBA |  | 20% | Q2 20/21: Update - Further due date reset required following covid-19 and a suitable period of adjustment for elected members. A draft Personal Development Plan has been shared with members and discussions regarding implementation are planned for future Group meetings. |
| Re-establish a central Training Records system for Elected Members | 30-Jun-2020 |  | 100% | Q2 20/21: Complete – Process set up to capture scheduled development sessions activity centrally prior to Covid-19, further checks carried out in Q2 confirmed process was still in place. |
| Improve the quality of reports to ensure they are readily understood and Elected Members are clear on what decisions they are being asked to make. | 30-Jun-2020 |  | 100% | Q2 20/21: Complete - In order to support the virtual meeting environment members are required operate within during and following the initial lockdown a virtual meeting protocol and revised reporting template were introduced to provide further clarity of the purpose of the report and key information required. |

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

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

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

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

| Action | Due Date | Status | Progress | Comment & Planned Improvement Action |
|---|-------------------------------|---|----------|--|
| | | | | consultation process has begun in relation to the A701 secondary school. Public engagement processes on Community Asset transfer have been undertaken in relation to Bonnyrigg After school club, Loanhead after school club and Bonnyrigg Rose Community Football Club asset transfer requests. Service user joint planning groups have participated in the delivery of a new Community Justice plan Service user joint planning groups have participated in the delivery of a new IJB delivery plan Third sector summits are held with IJB directorate, the third sector adult and youth and children's forums meet regularly with Council , the youth and children work group meet each week before the GIRFEMC board to agree points they wish to raise on the agendas and responses to proposals coming from CPP partners |
| Review future models (as a result of reduced internal capacity) for working with communities in designing and delivering services | 30 Sep 2020 TBA |  | 10% | Q2 20/21: Update - Due date initially reset as a result of COVID however responses and subsequent changes introduced during the crisis now call for this action and target date to be reviewed. |

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

Midlothian's Future Vision

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

