

Commercial Operations Performance Report Quarter Two 2019/20

Progress in delivery of strategic outcomes

Commercial Operations continues to consider how it can transform in order to improve outcomes for our communities by contributing to the Council's short to long term priorities whilst taking into account the significant financial challenges ahead.

To enable us to deal with future service demands of an increasing population the council needs to cut costs and redesign services. Progress in delivering outcomes across the key service areas that follow has been and will continue to be informed by applying the 'Delivering Excellence' continuous improvement approach (within the context of bottom up service reviews) of looking at how we do things with a focus on priorities and considering what could be changed or done differently.

In support of the Council's strategic approaches Commercial Operations are progressing the following transformational activities aimed at maximising the use of assets and creating flexibility across the workforce:

1. Development of the Street Scene/neighbourhood model for service delivery to involve local communities and/or the criminal justice teams.
2. Maximising the utilisation of the Council's fleet and passenger transportation arrangements (including third sector providers) by reducing costs and contributing to the environmental agenda in reducing the travel carbon footprint.
3. Changing the way that Council Staff travel on behalf of the Council.
4. Seeking commercialisation opportunities and trading with a wide range of organisations including the Private Sector and public sector partners.
5. Reducing the volume of waste managed and maximise recycling from all sectors with a clear focus on Municipal Premises as detailed within a developed waste strategy.
6. Developing community participation opportunities with local organisations and groups, particularly in our parks and open spaces.

All services continue to contribute to environmental responsibilities, providing opportunities for young people through positive destinations work placements, supporting the economic growth of Midlothian and working in partnership with Communities and Voluntary Organisations.

The structure of Commercial Operations is being geared towards co-location on one depot site in 2020. This will see a leaner management team (five senior managers reducing to three) and a workforce where job profiles will be more generic in nature allowing greater flexibility and cross skilling at all levels. The post of Waste Services manager and Risk, Health & Safety and Civil contingencies was merged in August, 2019. However, it is recognised that there are significant challenges in terms of recruiting into other skilled and professional positions particularly within the road services, vehicle maintenance and land service areas.

The development of the Waste Management Strategy will influence future direction of Waste Services and was considered in the programme of cross cutting services review meetings. Once approved, the Strategy will ensure that Waste Services has sufficient plans in place to meet legislative and policy requirements to achieve landfill reduction targets. Long term disposal outlets for residual, food and dry recycle waste streams are secured although the dry recycle market in particular continues to be volatile.

We will continue to explore options for future service delivery through partnerships (e.g. waste facilities with City of Edinburgh and work through the Edinburgh, Lothian, Borders, and Fife (ELBF) for Road Services, shared services (e.g. Health and Safety with East Lothian) and co-production with community partners (e.g. grounds maintenance, and winter service).

Landscape and Countryside

Much of the focus continues within this service around securing funding and generating income to deliver on a range of measures to contribute to the Council's financial position.

The service are partnership working with Education to develop Midlothian Council's first Early years outdoor setting at Vogrie and other locations utilising our current facilities and staff resources. A service level agreement is being progressed. The team are also involved in progressing a possible site at Alderbank in Penicuik.

In contributing positively to the council's improved health outcomes, with several play areas installed at Gorebridge Primary school and Nursery. A play area was also installed at Woodburn Terrace and also at Mayfield Nursery extension which is going to be used as an exemplar by the care inspector and included in the best practice guide. St David's Nursery ongoing play area improvement works being progressed. At Lasswade Nursery the section has been involved in extending the play provision. Three additional Nursery improvements are at the design stage.

Rosewell Park wheeled sport facility ground investigations have been completed. The tender for this project has been issued. This project is being funded from developer contributions and a draft design has been completed for a wheeled sports facility in Auld Gala Park.

Two sites were awarded Green Flags, Kings Park and Straiton Pond. This success was the first submission for Straiton pond. Only two sites out of a possible six were submitted due to financial restrictions. Two different sites will be submitted each year going forward.

The Ranger Service has generated a total of 5,358 hours of volunteer time to maintain areas across Midlothian.

The majority of the Galas and Events have now been successfully completed.

Waste Services

The pilot for a reuse cabin located at Stobhill recycling centre has been extended. The 'Making a difference' idea submitted by a member of the waste team offers local charities the chance to reuse furniture and other bulky items left in our recycling centre.

Subscriptions for the chargeable kerbside garden waste collection service closed on 30 September. The uptake for 2019 was 17,646 properties with 18,516 bins requested realising an income of £648,060.

SEPA has initially verified 2018 recycling rate at 58.2%. For 2018, Midlothian was the third highest performing Local Authority area in Scotland.

Travel and Fleet Services

All drivers who require a Certificate of Professional Competence (CPC) have completed the necessary 35 hours training.

Utilising external funding from the Scottish Government, a new post of Sustainable Transport Project Officer has been approved and will be appointed during quarter 3. The project officer will continue the work began by the intern who was employed in previous quarter.

Road Services

The Roads team have made good progress in quarter 2 of the 2019/20 capital programme for carriageway and footway improvement schemes. 33 individual schemes are being progressed in the programme and 15 have been completed at the end of quarter 2, representing a total of 3.29km and 1.47km of carriageway and footway resurfacing respectively.

The team have also been successful in bidding for a support plus grant to the value of £20,680. This is for bike maintenance and bikeability in schools, a cycle training programme about gaining practical skills and understanding on how to cycle on today's roads safely and with confidence.

Recruitment of the grant funded post for an 'Active Travel Marketing Officer' took place during quarter 2 with an expected start date beginning of November 2019.

Street lighting took on a new apprentice electrician this quarter.

Health, Safety and Civil Contingencies

The Health and Safety team have reviewed the Council's Health and Safety Policy and prepared the Health, Safety and Wellbeing Strategy covering the next 4 year period. These were presented to CMT on the 16th of October 2019 where they were approved. A revised audit/review programme for management arrangements were also presented and approved. Publication of both will be on the Council's intranet.

The Health and Safety team delivered a programme of training which includes driver CPC training to meet a training need for the Council and to avoid having to purchase this training from external suppliers at cost to the Council. This insourcing activity has gained cost savings for the Council. This resulted in all those requiring to be trained by the 9th of September 2019 deadline receiving the required five modules (5 days) training.

The team have been providing a lead to the preparations for a no-deal exit from the European Union. This has been supported by the full time Contingency Planning Officer and a Risk, Safety and Health Adviser supporting preparatory arrangements.

Challenges and Risks

The services continue to progress through bottom up reviews, with Landscape and Countryside completed, which will endeavour to ensure that the services are best placed to meet financial challenges as well as the challenge of a growing population. These reviews consider all aspects of the internal and external environment and ensure due consideration is given to the optimum vehicle for service delivery.

As part of the decisions taken to achieve a balanced budget for 2018/19 a number of posts within Commercial Operations were deleted. This is exacerbated as there are a number of posts where the staff members are approaching expected retiral. It is crucial therefore that robust plans are in place to ensure that cross skilling continues to be promoted where appropriate and that all opportunities to increase the availability of new talent is explored which will include bringing in young people and making best use of sharing of expertise with other partners, albeit adjoining authorities are reporting the same issues.

Key service challenges include:

Landscape and Countryside Services

Resourcing staff to carry out the monumental safety work required this winter and in addition the recording system will also need to be upgraded to meet the new burials memorial legislation.

Improve the Playground inspection system and the knowledge of play inspectors.

Updating of the dated schedules used for recharging for Grounds Maintenance tasks and improvements also required to invoicing information.

Due to less burials and lair purchases than last year, burial income is well down compared to budgeted forecast.

An increase in weed complaints have been received from customers and residents due to the impact on the environment after weed killer restrictions were implemented and the weed growth is evident. Alternative control methods are being trialled to evaluate cost and their effectiveness in reporting any policy review to elected members.

Managing the change required to meet savings and communicating changes to Councillors, Staff and the Public. In addition, managing the closure of Vogrie Golf Course and seeking businesses to take over the running and marketing of the Golf Course and the redeployment of staff and increasing Vogrie Country Park income by £70,000. Further to this, the bottom up review has resulted in a number of changes within the service which will require the support of staff and communities alike. For example with the saving of £40,000 from shrub bed maintenance.

The service is continuing to work closely with local communities in an effort to mitigate some of the changes which will impact on the visual amenity of Midlothian. This includes floral displays, grass cutting, allied to the positive work carried out by various groups in the parks around Midlothian. In Quarter 1 the majority of communities have taken on some floral maintenance in their communities. The maintenance of Floral displays at war memorials has been continued at previous levels which will results in an estimated overspend of £25,000. In addition, grass maintenance

standards have also been continued at previous levels which will result in an estimated overspend situation for the section in the region of £75,000.

Continued challenges with the general lack of suitably skilled labour is impacting the work in the hard landscape squad. The team have had challenges in recruiting suitable staff this year and have lost two staff.

Ensuring a more holistic approach to tree safety issues for the Council going forward and in addition there may be challenges ahead in dealing with the impact of Ash die back on the Midlothian Tree stock.

Difficulties in delivering the core path plan review with a reduction in staffing and dealing with community asset transfer requests and their implications consulting with Fields and Trust as well as resource to work with Easthouses community to develop proposals for Easthouses Park and secure funding for park proposals.

Waste Services

Absorbing the increasing number of new build housing and the impact of capacity on all collection routes as indicated in the outcome of the recent service review where no additional savings were recognised.

The new charge for kerbside garden waste collections is expected to divert some garden waste to the residual waste stream and this may affect the recycling rate in 2019/20.

The increase in charges for kerbside trade waste collections may have an impact on customer retention and therefore projected income.

Non target materials being presented in the blue bins continues to impact on the additional processing cost charged for these materials.

Midlothian Council is required to have litter zoned all council's land according to the revised methodology, before this June. However it has been put on hold until clarification on the use of OS maps and licencing agreement with Scottish Government for use of Ordinance Survey data and derived data.

Sickness Absence and staff reductions are challenging along with the Medium term Financial Position and impending Management Restructure.

Travel and Fleet Services

Recruitment of vehicle technicians is still a challenge to ensure maintenance of fleet. Challenge to reduce revenue spend across the whole of the services provided by the Travel Team and assist other services to reduce transport and vehicle operating costs.

Road Services

Ongoing pressure on Midlothian's existing road network as housing development and population increase continues. Ongoing constraints on the road maintenance budget will prove a significant challenge to maintain the road network at current condition levels. Currently 35% of the road network in Midlothian is deemed to be in need of maintenance treatment.

New legislation and government requirements, to improve coordination of roadworks, will be rolled out over the next 12 months, including a new Transport Bill, a One Scotland Gazetteer from the Improvement Services, and a new version of the Scottish Road Works Register. Existing internal systems will require to be updated or replaced as appropriate and training provided for relevant staff, whilst maintaining the Service level provision.

Flood risk associated with a privately owned culvert carrying the Loanburn in Penicuik is ongoing. At the end of Q2, a privately appointed contractor began work to repair the partially collapsed culvert, however the risk of flooding to upstream properties remain whilst the repairs are carried out. As required by legislation, the Service will continue to monitor water levels in the Loanburn and take appropriate action (e.g. provision of pumps and personnel) to mitigate flood risk to surrounding properties during periods of heavy rainfall. The Council will seek to recover our costs associated with this service provision.

Concern over the turnover of transportation planning responses and road construction consents. This is due to the large increase in development and limited resources in the current climate.

Health, Safety and Civil Contingencies

The capacity of the team to deliver against all of our priorities have been impacted as a result of a need to increase capacity in CPC driver training beyond the original programme in order to meet a greater element of the demand than had been envisaged at the outset of setting the team up to take on this new area of training.

The team re-established the EU exit working group with the purpose of planning Council responses, in the event of a no deal on the 31st of October 2019 following the UK Governments extension to article 50. The group has been meeting weekly from August onwards as the countdown to the 31 October continues, unless conditions change. The level of resourcing within the team presents an ongoing challenge to provide the desired income stream, adequately monitor health and safety performance and provide the range of support services provided by the team. A revised audit programme and management arrangement review programme have been developed to help manage workload and respond to the Health, Safety and Wellbeing Strategy highlighted above.

Commercial Operations



Successes and Challenges

Corporate Performance Indicators (latest)

5 On Target 8 On Target 0 Data Only Indicator 6 Data is not yet available

Service Plan Actions (latest)

1 Off Target 18 On Target/Complete 0 Data is not yet available

Service Plan PIs (latest)

5 Off Target 10 On Target 2 Data Only Indicator 0 Data is not yet available

Service Risks (latest)

15 High Risk / Medium Risk

Corporate PIs Off Target as at 31st October 2019

Key PIs 5 Off Target

Performance against revenue budget

% of invoices paid within 30 days of invoice receipt (cumulative)

% of Service PIs that are on target/ have reached their target. (does not include Corporate PIs)

Percentage of complaints at stage 1 complete within 5 working days

Percentage of complaints at stage 2 complete within 20 working days

Service Plan Actions Off Target as at 31st October 2019

Key Actions 1 Off Target

Develop additional workstreams to achieve income for the Council

Service Plan PIs Off Target as at 31st October 2019

Key PIs 5 Off Target

Number of volunteer hours in countryside sites

Income secured by sourcing third party opportunities through Land and Countryside working on hard and soft landscaping

Income achieved by providing additional training courses to external organisations (cumulative)

Income achieved by Commercialisation

Reduce by £150,000 expenditure on Travel costs

High Risks as at 31st October 2019

Key Risks 0 High Risk / Medium Risk

15 Risks at Medium and 0 Risks are high

Key PIs
 ● Off Target
 ✓ On Target
 📄 Data Only Indicator
 ? Data is not yet available

Key Actions
 ● Off Target
 ✓ On Target/Complete
 ? Data is not yet available

Key PIs
 ● Off Target
 ✓ On Target
 📄 Data Only Indicator
 ? Data is not yet available

Key Risks
 ● High Risk / Medium Risk
 ? Data is not yet available