

Minute of Meeting

Midlothian Council
Tuesday 17 December 2024
Item No: 5.2



Midlothian Council

Date	Time	Venue
Tuesday 12 November 2024	11:00 am	Council Chambers, Midlothian House/Hybrid

Present:

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

In attendance:

Kevin Anderson, Executive Director Place	Morag Barrow, Joint Director, Health and Social Care, Chief Officer of Midlothian Integrated Joint Board
Fiona Clandillon, Head of Development, Capital and Entrepreneurial Projects	Gareth Davies, Senior Manager Property and Facilities (virtual attendee)
David Gladwin, Chief Financial Officer (Section 95 Officer)	Iina Jaara, Democratic Services Team Leader
Saty Kaur, Chief Officer Corporate Solutions	Derek Oliver, Chief Officer Place

Maria Perez, Democratic Services Officer	Fiona Robertson, Executive Director Children, Young People and Partnerships
Nicola Thorburn, Democratic Service Officer	Alan Turpie, Legal and Governance Manager / Monitoring Officer
Dr Grace Vickers, Chief Executive	

1. Welcome, Introductions and Apologies

The Provost, Councillor McCall, welcomed everyone to this meeting of the Midlothian Council and advised that the meeting was open to the public and would be webcast live.

Apologies were received from the religious representative Anne-Theresa Lawrie.

The Provost welcomed a new staff member of Democratic Services, Nicola Thorburn.

The Provost expressed their gratitude to the Royal British Legion, Community Councils, community groups, police, council staff and volunteer groups for their work to support Remembrance Day. The Provost also thanked the Loanhead Boys' Brigade who were present at the Cenotaph and were the only Boys' Brigade group to be present at Remembrance celebrations in Scotland.

The Provost expressed their sadness for the passing of Bonnyrigg Rose Football Club Chairman Charlie Kirkwood, who passed away on the 1 November 2024. Charlie Kirkwood had been associated with the club for over 60 years and oversaw Bonnyrigg Rose from a struggling club to the ranks of the Scottish Premiership League. It was noted that Mr Kirkwood's passing will be a huge loss to the club.

The Provost highlighted the retirement of Catherine Findlay who joined Midlothian Council as a newly qualified teacher in Roslin Primary School. They later moved to Burnbrae where they acted as Deputy Head Teacher and then Acting Head Teacher of Bonnyrigg Primary School, later being promoted to Head Teacher. Mrs Findlay was due to retire last summer then but returned to Roslin Primary School as Deputy Head Teacher to assist the school. Mrs Findlay will be retiring soon and the Provost wished Mrs Findlay a long and happy retirement.

The Provost noted that Donny McDonald is due to leave Midlothian Council on 8 December 2024 to take a post in His Majesty's Inspectorate of Education. Mr McDonald served as a Head Teacher in Penicuik High School and after a period as School Group Manager they moved to St David's High School where they had a long career as Head Teacher. The Provost wished Mr McDonald all the best for the next stage of their career.

Finally, the Provost congratulated Kathleen White, who is shortly due to retire from their post at Hawthorn Family Learning Centre. Ms White joined Midlothian 45 years ago as a nursery nurse and will be much missed by parents, children and members of staff. The Provost wished Ms White a long and happy retirement.

2. Order of Business

The order of business was as per the agenda previously circulated.

3. Declarations of interest

None.

4. Deputations

None.

5. Minutes of Previous Meetings

Item No.	Report Title	Submitted by:
5.1	Minute of Midlothian Council of 8 October 2024	Executive Director Place
Outline and Summary of Discussion		
<p>The Minute of the Meeting of Midlothian Council held on the 8 October 2024 was submitted for approval.</p> <p>Members noted that on page 14 of the minutes there is a reference to Normandy Court Allocation Policy and asked that the minute is amended to note that this development is reserved to the 55-plus age demographic and that any deviation from this policy should be subject to a discussion between the Executive Director and the Cabinet Member.</p> <p>Councillor Parry moved to approve the minute of Midlothian Council of 8 October 2024 with the suggested Amendment. This Motion was seconded by Councillor Virgo.</p>		
Decision		
<p>The Minute of the Meeting of Midlothian Council held on 8 October 2024 was approved with suggested amendment.</p>		
Action		
Democratic Services		

Item No.	Report Title	Submitted by:
5.2	Action Log	Executive Director Place
Outline and Summary of Discussion		
<p>The Action Log was submitted for consideration.</p> <p>Councillor Parry provided an update on the letters sent, two of these were in connection with Item 18 in the Action Log. With regards to the letter to the UK Government Chancellor requesting additional budget for Local Authorities, there was a very brief response to this letter which acknowledged the correspondence received.</p> <p>For the letter sent to the Scottish Government Transport Cabinet Secretary regarding the A720 Grade Separation, no direct response has been received. Councillor Parry confirmed that they had written to the Scottish Government regarding Mayfield town centre regeneration funding. This letter has been shared with the other political group leaders. Councillor Parry confirmed that they had written a letter to the Scottish Government regarding the consequential following the UK budget announcement and this letter will be added to the December Council agenda.</p> <p>Councillor Scott provided an update on Item 13 of the Action Log regarding the letter sent to the Convener of Education about the Scottish Qualification Authority remaining in Shawfair. Councillor Scott was pleased to report the Convener responded to advise they expected that the new qualifications body will continue to operate from the building the Scottish Qualification Authority is currently occupying in Shawfair.</p> <p>Members asked for an update on Item 1 on the Action Log as it is stated that the learning estate survey should be ready by November. Member asked for assurances that there will be sufficient information available to Council to decide on the Capital Plan prioritisation at December Council. The Executive Director Place advised that they expect to meet the December deadline. The Executive Director for Children, Young People and Partnerships advised that they have been in touch with an external consultant regarding pupil projections and a report is expected shortly.</p> <p>The Action Log was moved by Councillor Parry and seconded by Councillor Virgo.</p>		
Decision		
The Action Log was approved.		

6. Questions to the Leader of the Council

None.

7. Motions

None.

8. Reports

Report No.	Report Title	Submitted by:
8.1	Financial Monitoring 2024/25 – General Fund Revenue	Chief Financial Officer (Section 95 Officer)
Outline and Summary of Discussion		
<p>The Chief Financial Officer (Section 95 Officer) presented the report for noting. The purpose of this report is to provide the Council with an update on projections of performance against the budget for the current financial year and to provide commentary on areas of material variance against budget. The budget figures in Appendix 1 show a projected net overspend of £2.2 million which is a deterioration of £0.4 million from the position at Quarter 1.</p> <p>The Chief Financial Officer advised that Section 3 of the report shows the most significant areas of variance against the budget, highlighting cost pressures in known areas such as client transport, fleet repairs, implementation of approved saving measures and new areas of financial pressure such as workforce, waste disposal, insurance claims and Council Tax yield. Cost pressures are offset by underspends on areas such as loan charges, lower than projected energy price per unit and lower than expected number of pupils in schools.</p> <p>Section 4 presents the latest position for the Midlothian Integration Joint Board (MIJB). Elected Members attended a briefing on 24 October 2024 showing a projected overspend of £8.4 million for the current financial year of which £5.2 million relates to Adult Social Care. Projected overspend has fallen from Quarter 1 forecast and there is a Health and Social Care Partnership recovery plan in place but Quarter 2 projection indicates a high risk of unplanned utilisation of reserves. There are efforts to contain spend from Health and Social Care and further detail of MIJB financial performance will be provided to the MIJB and Elected Members in coming weeks.</p> <p>Section 5 of the report covers the General Fund reserve position, with non-earmarked reserves being £6.8 million, £2 million in excess to minimum reserve strategy, but significantly less than projected and mostly linked to the budget gap and financial pressures of the MIJB.</p> <p>Section 6 outlines risks such as those related to teacher salaries and employers' pension contributions.</p> <p>The Provost thanked the Chief Financial Officer for the report and opened it up for discussion.</p> <p>Members expressed concern about the possible overspends for Quarter 2 not being recoverable and potential for these overspilling into the next financial year. Members commented that while some overspends are expected it would be helpful to take stock of how consistent overspend in some areas such as transport, maternity cover, and MIJB budgets will affect the next financial year and what their impact will be. It would also be necessary to consider the costs of a changing workforce and discuss these with Human Resources.</p>		

The matter of the proposed National Insurance employer contribution increase resulting from the UK budget was also discussed. A letter has been sent to the UK Government from the Council Leader asking for clarity on the funding for this, along with a letter to the Scottish Government to ensure the local government allocations are paid to Midlothian. The Chief Financial Officer noted that there was information about an estimated £500 million available for Local Authorities to fund National Insurance increases released by the Convention of Scottish Local Authorities following the UK budget. This figure was described as an early estimation for noting at this stage, and that there are discussions in the background to clarify this matter and how the distribution will work. It was noted that if the consequential were fully passed to local government in Scotland it would change the Council's financial position.

Regarding recurrent overspends in areas like client transport, Elected Members asked if this needs to be factored in when calculating figures with a view to next year's budget and whether it would also be necessary to recalculate the Council Tax. The Chief Financial Officer stated that the client transport overspend is due to this project being delayed in its delivery. While the project is now making good progress it will be necessary to provide funding to bridge the gap currently. In terms of the next financial year Council Tax calculations, the Chief Financial Officer stressed it would be necessary to look at several variables for the 2025-2026 budget, therefore these calculations are subject to change.

A further point was made by Elected Members regarding the budget consultation in that there is little information regarding the MIJB in the proposals. Members noted that this body delivers Council services with a Council workforce. While Elected Members were previously briefed on the MIJB overspend and some of the cuts being considered, it was suggested that these difficult decisions are made visible to the public as the likelihood is that the MIJB may not be able to find the budget shortfall without very harsh cuts or having to dip into reserves. Demand for the services that the MIJB delivers has increased and will continue to increase in coming years, but it is necessary to cut spend.

Elected Members raised that it would be necessary to know the estimated shortfall for the MIJB for the next financial year as soon as possible to determine if there is funding to provide the services that are crucial to deliver. The Chief Financial Officer responded that the Council needs to join up this discussion with the discussions taking place in the MIJB meetings. Elected Members commented that while there have been budget gaps in the MIJB in the past, they were concerned about the magnitude of the shortfall and the potential that the public may not be aware that these decisions are out with the control of Elected Members, even if the services are provided by Midlothian Council.

The Joint Director of Health and Social Care/ Chief Officer of the MIJB acknowledged the financial pressures discussed by Elected Members. The Health and Social Care Partnership is working on financial recovery plans, and the position has improved from Quarter 1. Further work aims to reduce spending, and savings proposals will be discussed at the MIJB meeting on 19 December 2024 and presented to Elected Members in January 2025. The Joint Director of Health and Social Care/Chief Officer MIJB advised that the cuts proposed could mean closure

of wards, care homes and packages of care at home, that are not palatable but essential due to funding pressures.

Elected Members discussed that it may be necessary to publish a more detailed budget consultation with more clarity on the role of the MIJB to the public, and while the gap is quite worrying and much bigger than in previous years unfortunately there is limited scope for action due to the way integration works.

Elected Members discussed the option to extend the budget consultation, and to add the proposals that will be made at the upcoming MIJB meeting to raise awareness among the public and allow them more time to give their views. It was noted however that there are governance aspects to consider, and while the Council can make a recommendation to the MIJB it is necessary the MIJB makes its own decisions as experts on matters of Health and Social Care. The Joint Director Health and Social Care/Chief Officer MIJB confirmed that the governance around the scheme of integration means that the MIJB can make funding decisions over Council services.

Members moved on to discuss the Alpine Coaster and what return on investment would be provided. The Chief Financial Officer responded that the business case for this project was approved in December 2022, and the costs of different components changed since the approval of that business case which caused a small overspend for this financial year. Firm financial projections can be provided at the end of the current financial year. The Chief Financial Officer explained the Alpine Coaster is having a positive impact on the Council's revenue budget. In terms of the project breaking even by the end of the year will depend on user numbers remaining high over the winter and opening hours being extended and it is hoped the festive period will bring an opportunity to increase visitor numbers. It was highlighted that the shortfall on the Alpine Coaster project was due to circumstances beyond the Council's control and this project is proof that Midlothian Council can deliver large scale projects.

The Council noted the recommendations set in the report.

Decision

The Council noted the recommendations set in the report.

Report No.	Report Title	Submitted by:
8.2	Housing Revenue Account – Revenue Budget and Capital Plan 2024/25	Chief Financial Officer (Section 95 Officer)
Outline and Summary of Discussion		
<p>The Chief Financial Officer (Section 95 Officer) presented the report for noting. The purpose of this report is to provide the Council with an update of expenditure and income in the current financial year for the Housing Revenue Account and a projected outturn.</p> <ul style="list-style-type: none">Capital investment is projected to be £54.5 million.		

- Revenue account is projected a net underspend of £0.5 million with the main variances against budget outlined in section 3.2 of the report.
- The forecast for Housing Revenue Account shows a projected general reserve of £36.1 million earmarked to support capital investment in new build program in years to come.

The Provost thanked the Chief Financial Officer for the report and opened it up for discussion.

Elected Members raised the matter of the increased employer National Insurance contributions and asked whether it would have any staffing cost implications for the Housing Revenue Account. Elected Members also commented that the National Insurance contribution increase is also likely to have an impact for the private building companies and may result in the Council getting less value for money when contracting building projects. The Chief Financial Officer advised the estimated cost of the National Insurance employer contributions increase will be in the vicinity of £5 million for the Council, and that this will put pressure on the Housing Revenue Account. As for the matter of private house builders, inflation will affect all businesses contracted for capital projects but the consequences for the Housing Revenue Account or any other budgets are not yet known. Members sought assurances that this National Insurance increase will not have a negative effect on tenants. The Executive Director Place stated that if there were additional loan costs this would impact the existing Rent Strategy and influence the Rent Strategy from 2025-2026.

Elected Members commented that some of the developments in process suggest the Council is not getting the best value for money. A further point was made that there are risks surrounding affordability, and delay in project completion. It was suggested that alternative building models like modular housing may be a way to mitigate those risks. The Executive Director Place reminded Elected Members that alternative house building models will be discussed as a separate agenda item at today's meeting but noted that now the average unit cost per new build property is £300,000 and that this has increased due to the markets being particularly volatile and subsidies being reduced. Further work is needed to reflect the land cost and build these costs into the future Rent Strategy.

Concerns were raised by Elected Members as to whether the rising housing costs would have a bearing on the £36 million reserve goals, and the Chief Financial Officer was asked to provide a long term projection or a balance sheet for this activity to ensure Council is in a position to deliver the housing planned given the financial landscape. The Chief Financial Officer agreed to provide details of the multi-year Housing Revenue Account financial model to Elected Members but noted projections need to tie in with outcomes of other projects like passive housing. Nevertheless, advance numbers can be provided for guidance.

A further point was made that tax allowances had not been mentioned, although these are likely to have an impact on the lowest paid people's ability to pay rent.

The Chair agreed and advised that the Council Leader, as the Chair of the Cost of Living Task Force is aware of the matter, and that it will be discussed in that forum.

Decision

The Council noted the recommendations in the Housing Revenue Account.

Action

Chief Financial Officer to provide details of the multi-year Housing Revenue Account financial model to Elected Members.

Report No.	Report Title	Submitted by:
8.3	General Services Capital Plan 2024/25 – Quarter 2 Monitoring, Report by Chief Financial Officer	Chief Financial Officer (Section 95 Officer)

Outline and Summary of Discussion

The Chief Financial Officer (Section 95 Officer) presented the report for noting, except for Section 3.1 which is for decision. The purpose of this report is to provide Council with an update on General Services Capital Plan for the current financial year incorporating revisions to the plan, projected performance against projected budgets for the year and forecasted upcoming expenditure.

Section 3.1 presents a new capital project for approval (upgrades to the Steading in Rosewell) which is fully funded by developer contributions.

Section 4.2 provides detail on rephasing between financial years of some projects with a decrease of £24 million of projected in year spend from the approved budget, and £14 million from the figures presented at Quarter 1. Actual expenditure at Quarter 2 is £22.5 million, about 35% of the revised budget and this adds a cautionary note to the deliverability of the rephase plan. Resulting impact of rephase expenditure reduces in-year borrowing requirement to £38.4 million and impacts loan charges figures referred to in the General Fund Revenue report discussed earlier.

Sections 4.3 to 4.5 provide in year expenditure, available funding and borrowing with Section 5 updating the position of the Capital Fund.

Members are asked to note the financial performance for the year and to specifically approve inclusion of the project outlined in Section 3.1.

The Provost thanked the Chief Financial Officer for the report and opened it up for discussion.

There was a general observation made about the slippage in the Capital Plan and how this year's figures suggest more on course position compared to last year. It was also noted that Midlothian Council is handling the delivery of multiple great scale projects and Elected Members passed praised to the appropriate officers and staff.

Councillor Winchester asked to be recused from the discussion and left the Council Chamber for the remainder of this item.

It was noted that the current plan does not show any provision for Dalkeith town centre regeneration, Vogrie Park and replacing the chairlift at Hillend. Clarification was sought that these projects were not devaluated and whether their absence could be interpreted as Midlothian Council not having the ability to afford them. The Chief Financial Officer advised that the report only concerns projects that the Council has approved and are underway.

Councillor Parry moved the report, seconded by Councillor Virgo.

Councillor Winchester rejoined the meeting.

Decision

The Council noted the General Services Capital Plan 2024/25 - Quarter 2 Monitoring report and approved the Steading Rosewell Development upgrade project as recommended in the report.

The Provost left the Council Chamber at 12.05 and the meeting continued, chaired by the Deputy Provost.

Report No.	Report Title	Submitted by:
8.4	School Admissions Policy Consultation	Executive Director Children, Young People and Partnerships

Outline and Summary of Discussion

The report was presented by the Executive Director Children, Young People and Partnerships who explained that the purpose of this report is to seek approval to undertake a review, followed by a statutory consultation, to update Midlothian Council's Admission Policy for all schools (excluding Early Learning and Childcare) in line with the Schools (Consultation) (Scotland) Act 2010.

Council is requested to:

- Authorise the Executive Director, Children, Young People and Partnerships to undertake a review, followed by a statutory consultation, to update Midlothian Council's admission policy for all schools (excluding Early Learning and Childcare) in line with the Schools (Consultation) (Scotland) Act 2010;
- Agree that a report on the outcome of the consultation and recommendations will be brought back to Council for consideration.

The Deputy Provost thanked the Executive Director Children, Young People and Partnerships for the report and opened the item for questions and comments.

Elected Members asked for further clarification on the purpose of the paper and the recommendations. The Executive Director Children, Young People and

Partnerships explained that after the previous Education Appeals panels it was agreed that the process would be reviewed which would inform any needed changes to the Admissions Policy. An informal review will also take place with key stakeholders, parents and pupils. Some elements of the Admissions Policy will still require a statutory consultation. Elected Members also asked if the children of Armed Forces personnel could be enrolled in school prior to moving to Midlothian. The Executive Director Children, Young People and Partnerships explained that this issue has been discussed in relation to the Admissions Policy, and they are aware that this is possible in some Local Authorities. However, the challenge is knowing where those children would be living which would determine their school place. Elected Members also asked about the school placement of Gypsy, Roma and Traveller children and the Executive Director Children, Young People and Partnerships advised that schooling of Gypsy, Roma and Traveller children is subject to different legislation.

The report was moved by Councillor Scott and seconded by Councillor Parry.

Decision

Council approved the report and its recommendations.

Report No.	Report Title	Submitted by:
8.5	Climate Change/ Net Zero Report	Executive Director Place

Outline and Summary of Discussion

The report for decision was presented by Chief Officer Place who explained that the report asks Council to consider the findings of the Climate Action Support Report (CASR) prepared by Aether consultants relating to climate emissions reduction trajectories for the Council's estate. Considering the challenges presented, particularly those pertaining to finance, Council is recommended to realign the target deadline of 2030 for net zero emissions from the Midlothian Council estate to 2045 in-line with the Scottish Government's own targets.

Council is recommended to:

- i. Consider the findings and recommendations of the February 2024 Aether Climate Action Support Report (CASR) attached as Appendix C. This report details the required climate emissions reduction trajectories of the Midlothian Council estate needed to meet the Council's 2030 net zero deadline.
- ii. Given the challenges (particularly financial) presented therein, approve realignment of the target deadline of 2030 for net zero emissions from the Midlothian Council estate to 2045.
- iii. Instruct a refresh of the Council's Climate Change Strategy in line with recommendation (ii).
- iv. Note the update on the Climate Ready South East Scotland (CRSES) work program (Appendix B).

The Deputy Provost thanked the Chief Officer Place for the report and opened the item for questions and comments.

Elected Members noted the financial constraints Council is facing which have made it impossible to comply with the 2030 deadline for net zero, and expressed hope that Council would reach its targets by 2045 or as soon as possible. Elected Members also highlighted the energy consumption part of the report and the need for an energy audit of Council owned buildings and the high costs of installing electric vehicle charging points. The Chief Officer Place explained that an Electric Vehicle Strategy for installation and infrastructure exists and mentioned further ongoing work on improving footways.

Elected Members raised further concerns regarding the delay in net zero targets, emphasising that people look to the public sector for leadership. Elected Members asked what the impact of Midlothian Council pushing back its target to 2045 is on a global scale, to which the Chief Officer Place replied that that is not part of the report. It was highlighted that despite Midlothian's global impact on these targets being small, all Local Authorities should have similar aspirations.

Elected Members suggested that it would be helpful to have a per capita report next time and asked if the Chief Officer Place expects the net zero changes to be implemented in private and public planning as well. The Chief Officer Place responded by stating that new legislation on energy efficiency in social housing has arrived which should eventually extend to private dwellings and private rental housing. The new Midlothian Local Development Plan 2 also covers new legislation on energy efficiency and carbon footprint.

No more questions were asked, and the Members approved the report.

Decision

Council approved the report and its recommendations.

Report No.	Report Title	Submitted by:
8.6	Midlothian Strategy for Inclusive Economic Growth 2025-2030	Executive Director Place

Outline and Summary of Discussion

The report for decision was presented by the Chief Officer Place, who explained that the existing Midlothian Council Strategy for Growth 2020-2025 and Economic Renewal Addendum has been reviewed to align with the Scottish Government National Strategy for Economic Transformation and the Edinburgh and South East Scotland City Region Deal Regional Prosperity Framework. It is recommended this new strategy be adopted as the Council's Economic Strategy for 2025 - 2030. The Council is recommended to approve the Midlothian Strategy for Inclusive Economic Growth 2025 – 2030 and instruct officers to create a delivery plan for the period of the strategy.

The Deputy Provost thanked the Chief Officer Place for the report and opened the item for questions and comments.

Elected Members welcomed the paper and praised the positive direction Midlothian Council is heading towards. Elected Members highlighted the progression in procurement and the high number of small to medium businesses in the area which according to statistics was 2570 in 2023. It was also stated that the number of businesses hoping to move to Midlothian is high and that Council needs to take this into consideration. Elected Members highlighted the previous agreement to have small start-up units in Hopefield which has not progressed but could help to meet this need. Elected Members also noted the importance of Council making strategic investments to attract businesses.

No more questions were asked. The Members approved the report, which was moved by Councillor Cassidy and seconded by Councillor Imrie.

Decision

Council approved the recommendations as stated in the report.

The Council meeting took a break at 12:41 and resumed at 1pm, after which the Provost also resumed chairing.

Report No.	Report Title	Submitted by:
8.7	Midlothian Council Digital Transformation Strategy 2024 - 2029	Chief Officer Corporate Solutions

Outline and Summary of Discussion

The report for decision was presented by the Chief Officer Corporate Solutions who explained that the report presents the Midlothian Council Digital Transformation Strategy 2024-2029, outlining activity that will be undertaken to ensure that the Council benefits and thrives from technology and data. The Chief Officer Corporate Solutions highlighted that the Council is facing a significant budget gap and new ways of working are key to bridging the gap and continuing to deliver services. To achieve this, the Council requires its workforce to have the digital skills, capacity and tools to be agile to meet the needs of its citizens.

Council is recommended to:

- Note the information in this report on activity to date
- Approve the new Digital Transformation Strategy 2024-2029 (Appendix B)

The Provost thanked the Chief Officer Corporate Solutions for the report and opened the item for questions and comments.

A question was asked about the street repair reporting tools. The Chief Officer Corporate Solutions confirmed that Council uses FixMyStreet which reports to the contact centre and gave further details about a pilot program with Road Services to detect potholes. It was also highlighted by Elected Members that according to a 2024 digital exclusion report, 15% of Scottish adult population lacks basic digital skills which was mentioned only once in the report. The Chief Officer Corporate Solutions agreed with the comments regarding digital exclusion. and explained that there is a lot of work being done across the Council to support those who are not digitally literate, including projects like Equipped for Learning, digital support sessions ran through local libraries, and support for older residents from the Communities, Lifelong Learning and Employability service.

Elected Members also asked about the accessibility of housing benefit applications online, and how these can be improved. The Chief Officer Corporate Solutions explained that all customer processes will be reviewed as part of the Revenues Transformation Project but highlighted that some services are managed by the Department of Work and Pensions and the Scottish Government which the Council may have minimal influence over. Concerns were raised about the cost benefit of the digital transformation, to which the Chief Officer Corporate Solutions responded that aspects of the transformation which will require funding will be discussed at the Business Transformation Steering Group. It was also highlighted that the transformation will help the Council to address growth needs in the future.

The connectivity of rural communities was raised by Elected Members and the Chief Officer Corporate Solutions explained that the hardware Council controls is keeping up with the software but that pockets of Midlothian exist that are not as well connected. Work is ongoing to determine how to best support these communities.

The paper was moved by Councillor Parry and seconded by Councillor Virgo.

Decision

The Council approved the recommendations as detailed.

Report No.	Report Title	Submitted by:
8.8	Offsite Construction Housing Report	Executive Director Place

Outline and Summary of Discussion

The report for decision was presented by the Executive Director Place who explained that at the Council Meeting held on 16 November 2021, a Motion was approved in respect of the Social Housing Programme Strategy and construction. This report provides a progress update.

It is recommended that Council;

- a) approves a pilot housing project of modular build in Newtongrange, Main Street (former swimming pool site) in 2026/27, and
- b) notes the Proposed Housing Demonstrator sites in Penicuik, with the delivery programme for this development (11 homes) scheduled to be received in November 2024, also to
- c) consider the uncommitted site at Rullion Road, Penicuik (circa 50 homes) to be designated for a further offsite construction project in 2027/28.

The Provost thanked the Executive Director Place for the report and opened the item for questions and comments.

Some Elected Members expressed concerns about the proposal for this site and explained that the content of the consultation did not mention modular housing and that the majority of the consultation responses supported housing with no more than 1.5 storeys.

Councillor Drummond proposed an Amendment to remove part A of the recommendations and further consult on the housing use on the site, seconded by Councillor Pottinger.

Other members expressed concerns regarding any delays to approving this project which may impact those on the housing waiting list. The Executive Director Place explained that the site has been designated as a housing site for a long time and has been subject to some of the planning process already. The Head of Development, Capital and Entrepreneurial Projects explained that the consultation only asked for views on the pool site being used for housing and the Council meeting today is discussing the method of housing that will be delivered.

Elected Members discussed the proposal to bring the site back to consultation and what this would mean in practice. Elected Members also stated that views regarding this project have been affected by negative press, and some felt that the consultation was not conducted well. The Provost asked the Executive Director Place to clarify if this site was designated as a mixed development of commercial or residential in the Strategic Housing Investment Plan, to which the Executive Director Place responded that this is an alternative housing development.

The Legal and Governance Manager/Monitoring Officer explained that one third of the Members present need to support the use of a roll call vote for Council to conduct the vote through this method instead of a show of hands. A third of the Members supported the roll call vote.

The votes were divided as follows.

Name	Motion	Amendment	Abstain
Cllr Alexander	X		
Cllr Bowen	X		
Cllr Cassidy	X		
Cllr Curran		X	
Cllr Drummond		X	
Cllr Imrie		X	
Cllr McCall	X		
Cllr McEwan		X	
Cllr McKenzie	X		
Cllr McManus			
Cllr Milligan		X	
Cllr Parry	X		
Cllr Pottinger		X	
Cllr Russell		X	
Cllr Scott	X		
Cllr Smaill	X		
Cllr Virgo	X		
Cllr Winchester	X		
TOTAL	10	7	

10 Members voted for the Motion, 7 for the Amendment. There were no abstentions. Councillor McManus was not present to cast a vote. The Motion was carried.

The report was moved by Councillor McKenzie and seconded by Councillor Parry.

Decision

The Council approved the recommendations as stated in the report.

9. Private

Exclusion of Members of the Public

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

9.1 Midlothian House & Fairfield House - Rationalisation Options Appraisal
report by Executive Director Place

Date of Next Meeting

The next meeting will be held on Tuesday 17 December 2024 at 11am.

The meeting concluded at 14:34.