SUBMISSION FROM MIDLOTHIAN COUNCIL

A number of electronic links to the Midlothian Council Website have been included in this submission to provide more specific details. In order for the electronic link function to work the document should be read in association with an internet web browser and a live online internet connection.

1. Spending Review

The Spending Review provides a budget settlement for local government for the three-year period until 2015. The impact of the three year settlement for Midlothian on the planning and management of the following three areas has been addressed in the associated reports to Midlothian Council on 28 June, 23 August and 27 September. The three areas are:

i. The Council’s budgets over the next three years;
ii. the Community Planning Partnership strategy and its Single Outcome Agreement (SOA); and
iii. the Council’s relations with other public service providers, including private and third sector bodies.


Council meeting 27 September – Report on the Midlothian Single Outcome Agreement (SOA) sets out the indicators agreed for the Midlothian SOA and Community Plan which includes partnership working with other bodies. SOA Appendix A; SOA Appendix B

Council meeting 27 September – Report on the Revenue Budget 2012/13 to 2014/15 provides an update in relation to the impact that the Scottish Government Grant settlement will have on the Council’s budget plans.

2. Increasing demand for services

The projections that we have made in terms of the increasing demand on our Council for services, including interaction with other public service providers are accounted for in the reports to Council listed in this document associated with the Business Transformation Strategy.

3. Public Service Reform

i. The Council has been reviewing and developing the way that it funds, manages and provides services including working with other colleague local authorities and other public sector bodies. For example the shared services programme and in particular the shared education and children’s services project with East Lothian Council.
ii. Midlothian Council moved from a resource-based budget distribution, planning and management system to a system based on outcomes four years ago. This system makes use of a needs analysis based on the demographic, social and economic profile of the Council area. Whilst this system has been established it is still being refined as an approach on a year by year basis. The Council and Corporate strategic planning priorities are outcome based with performance being measured and evaluated through the Council governance processes on a quarterly basis.

4. **Overall funding levels**

The Draft Budget will have the following impact on our revenue income in 2012-13; and the longer-term implications of the three-year settlement, including the implications of continuing the freeze on council tax are as set out in the following reports to Midlothian Council.


In addition the report also sets out the Midlothian Council’s strategic approach to addressing the budget shortfall through the Business Transformation programme. The report on the Business Transformation Service Review Programme provides an example of the specific programme of reviews that has been set to ensure effective, efficient and economically viable services which also deliver budget savings.

5. **Managing the Reducing funding resources and associated expenditure**

i. Our Business Transformation strategy which was initiated in February 2010 seeks to ensure that as a Council we aim at being effective, efficient and economically viable. Our commitment to continuous improvement is in pursuit of excellence in relation to delivering excellent services for the people of Midlothian. Our Business Transformation strategy comprises four elements that provide the strategic approach for the management and delivery of services through effective, Asset Management, Customer Services, People, and Procurement. The Service Review programme provides a robust and challenging approach to the review and redesign of service models through option appraisal, and where a shared service is an option for consideration through the mechanism of collaborative working.

ii. The Council also has an extensive and developing community engagement strategy where elected members, community planning partners and citizens of Midlothian have the opportunity to highlight service priorities, consider alternative service delivery options and models, and consider which services should be afforded a degree of protection or which could be reduced or discontinued.
iii. The three year service review programme has set targets for the effective delivery of service including financial adjustments associated with efficiency savings for the next three years.

Council meeting 23 August – Report on the Revised Business Transformation Strategy sets out the strategic approach that Midlothian Council is to take to be effective, efficient and economically viable services.

6. Capital Spending

The reduction in capital spending has had the following impact on our Council’s ongoing capital investment plan. The Council has already restricted its capital spending programme to essential projects and will have no other alternative but to increase its borrowing in order to continue with its capital programme.


7. Equal Pay

We have made provision for potential settlements of equal pay claims. We have settled a number of cases and there are a small number of cases still outstanding. The financial impact of this is as set out in the Council’s published accounts.

8. Welfare reform and other legislation

We have quantified where possible the anticipated impact on our Council that will result from the UK Government’s Welfare Reform Bill; and for the other areas of potential new legislation or regulation (European Union, UK Government or Scottish Government) that we think will add to the challenges faced by our Council.

Council meeting 23 August – Report on Welfare Reform sets out the anticipated impact of the Welfare Reform Bill with additional information in the associated appendices to the report to Council on Welfare reform. Appendix 1; Appendix 2; and Appendix 3

Forbes Mitchell
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21 October 2011