

# MIDLOTHIAN COUNCIL



## TRANSFORMATION BLUEPRINT 2023-2028 AND SUPPORTING MEDIUM TERM FINANCIAL STRATEGY

## VISION AND PURPOSE

Our vision for Midlothian is to be a great, green place to grow. This transformation blueprint, and supporting medium term financial strategy, are designed in line with the Single Midlothian Plan and is supported by the Council's Service Plans.

## SHAPING SERVICES FOR THE FUTURE

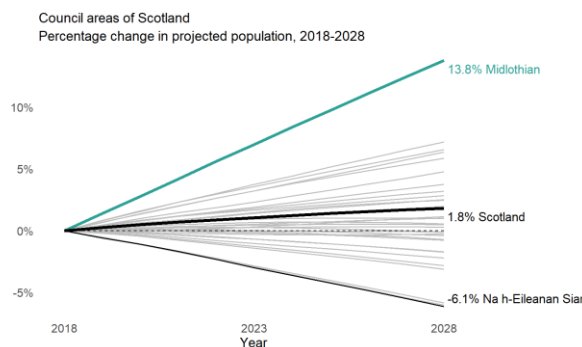
The last three years have brought significant and unprecedented challenge to our communities as we responded to the COVID-19 pandemic and the cost of living crisis. This strategy builds on the nine drivers for change which were approved by Council in 2019 and our Midlothian Route Map through and Out of the Covid pandemic which was approved in June 2020. As we move into a new post-pandemic world, we are committed to building on the learning and new ways of working that were adopted during this period, and renew our focus on delivering our key priorities at the most local level possible.

Rooted in the creation of a wellbeing economy, the vision of our new 5 year strategy focuses on reducing inequalities at the same time as looking after the health of our planet. Specifically we have three main aims:

- Individuals and communities have improved health and learning outcomes
- No child or household live in poverty
- Significant progress is made towards net zero carbon emissions by 2030

As the fastest growing local authority in Scotland, Midlothian will see a growth rate between now and 2028 of 13.8% compared to the Scottish average of 1.8%:

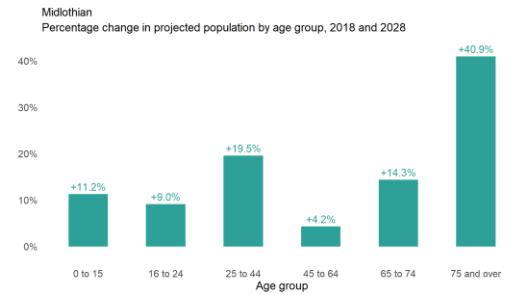
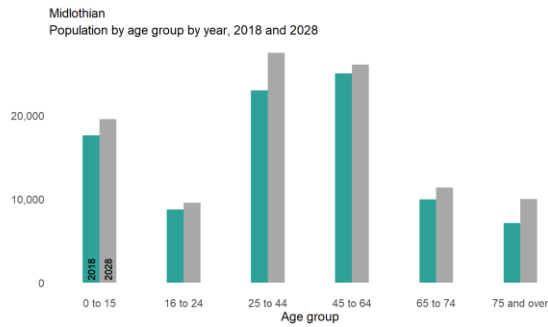
Fig 1: NRS 2018-28 % Change in Projected Population



Our demographic profile shows growth in all age groups but particularly acute in the 0-15 years and over 75 age groups and therefore there will be significant demand for early years, schools and older people's services. In 2021 there were 9.3% more births than in 2020. There is also an increase in working age population:

Fig 2: NRS Midlothian 2018-28, Population by age group

Fig 3: Midlothian % change in projected Population by age group 2018-28



Therefore, to accommodate growth within the resources available we will need to think differently about the services we deliver and how we deliver them.

Some services will be transformed to meet our growing population within the financial envelope available, others may be delivered in a different way and some will need to stop. Fostering a collaborative culture where everyone is focused on the same end goal – creating effective and efficient services which will benefit our citizens – will be crucial to future success.

This Transformation Blueprint will focus on the nature of the work we will do, developing a 21<sup>st</sup> century workforce supported by a workplace fit for the future where joined up services are delivered in a holistic and integrated way. We will deliver the Blueprint through a series of transformation sprints to ensure that we drive forward the pace of change. These sprints will take the form of a series of 100 day collaborative challenges, a proven method of delivery within Midlothian.



## Transformation Blueprint Objectives

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1. Support the Council to address the 5 year funding gap of £29.121 million outlined in the MTFS
  2. Follow the Money to ensure that the services we commission, contracts we manage and digital solutions we use deliver value for money.
  3. Develop an organisational workforce that is flexible ensuring that all staff have the necessary skills to work effectively supported by digital technologies that fit for a 21<sup>st</sup> century workforce
  4. Design a workplace fit for the future delivering services in a holistic and integrated way as well as utilising our assets to maximise their potential.
  5. Drive forward multi-agency transformation to deliver systems-level change resulting in integrated service delivery which improve community outcomes
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## MEDIUM TERM FINANCIAL STRATEGY

The fiscal environment continues to be extremely challenging and, together with rapid demographic growth, presents both opportunities and challenges. This means that we will need to transform our services so they are fit for the future, embracing new technologies and data analytics in order to adapt.

Councils have a difficult balance between maximising assets in support of their social purpose against protecting the bottom line. We must think innovatively, review how digital technology can drive efficiencies and make the most of existing assets and partnerships to explore new ways of working, including consolidation, collaboration and commercialisation. This is necessary to only to ensure that organisations survive, but is vital if we want to thrive. Battling with tight budgets, an unstable economy, rapid demographic growth and increasingly complex demands from customers will need strong leadership, discipline and commercial acumen to identify new revenue streams and open up new channels to market, enhance efficiencies and most importantly to improve the lives of all households.

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
<b>Opening Budget Gap</b>		<b>7.001</b>	<b>12.492</b>	<b>16.298</b>	<b>20.649</b>
2023/24 Approved Budget	0.000				
Use of Covid Funding to mitigate savings shortfall	1.166				
Retrospective Service concessions	4.093	4.093	4.093	4.093	4.091
	<b>5.259</b>	<b>11.094</b>	<b>16.585</b>	<b>20.391</b>	<b>24.740</b>
Funding for 23/24 pay costs met from 22/23 cross year flexibility (2.5% in 23/24 budget, SG funding assumption of 3% = 0.5% gap)	0.873				
<b>Revised Opening Budget Gap</b>	<b>6.132</b>	<b>11.094</b>	<b>16.585</b>	<b>20.391</b>	<b>24.740</b>
Pay Inflation (3%)	5.817	5.991	6.171	6.356	6.547
Utilities and other Contractual inflation	2.199	2.125	2.161	2.199	2.238
Containment of MIJB funding at Flat Cash	(1.241)	(1.271)	(1.307)	(1.345)	(1.383)
School Demographics	2.000	2.000	1.000	1.000	1.000
Loan Charges (4% of net revenue budget from 25/26 onwards – see Capital Plan Prioritisation Exercise)	4.984	2.588	0.134	0.149	0.155
In-year Service Concession impact	(0.188)	(0.209)	(0.222)	(0.232)	(0.249)
Destination Hillend Net Income	(0.919)	(1.413)	0.133	(0.028)	(0.016)
VAT on Leisure income	(0.400)	0.000	0.000	0.000	0.000
Scottish Government Grant - funding for pay (otherwise flat cash)	(2.012)	0.000	0.000	0.000	0.000
Council Tax Band D number increase	(1.391)	(1.354)	(1.394)	(1.436)	(1.479)
Lothian Buses Dividend	0.000	0.000	(0.450)	0.000	0.000
Other costs	0.065	(0.030)	(0.033)	(0.029)	(0.033)
<b>Gap</b>	<b>15.046</b>	<b>19.521</b>	<b>22.778</b>	<b>27.025</b>	<b>31.520</b>
Full year impact of 23/24 approved savings measures	(1.980)	(0.867)	(0.212)	0.000	0.000
Council Tax Rate increase (3%)	(1.972)	(2.069)	(2.175)	(2.285)	(2.399)
Retrospective Service Concessions	(4.093)	(4.093)	(4.093)	(4.091)	0.000
<b>Budget Gap to be addressed</b>	<b>7.001</b>	<b>12.492</b>	<b>16.298</b>	<b>20.649</b>	<b>29.121</b>

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## OUR APPROACH

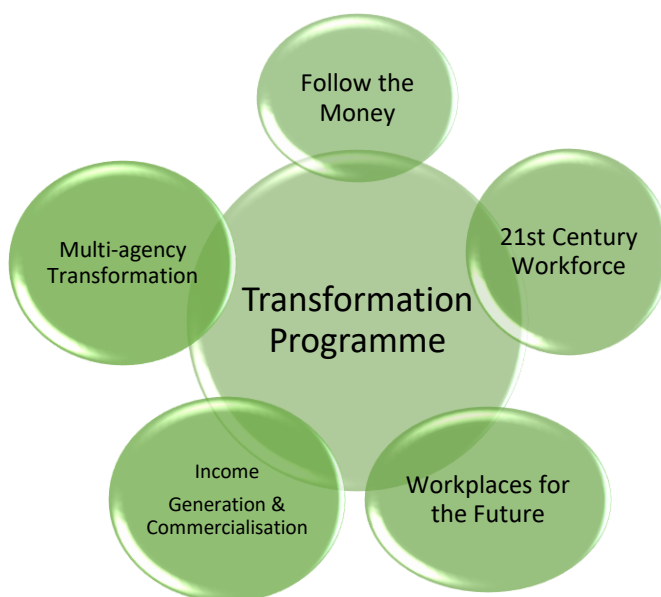
### The Transformation Blueprint

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The key strategic linkages to create a future environment for the way in which we operate can be summarised in the following dimensions



### Transformation Programme Themes at a glance



# TRANSFORMATION THEMES

## Theme 1: Follow the Money

### Elected Member Sponsor:

This theme focusses on how we commission and contract services to ensure that we deliver value for money. Due to the rapid demographic growth we are experiencing we will need to think differently about how we commission services and how we manage contracts to ensure that we instil early intervention and prevention into all service planning and design, providing the foundation for the commissioning cycle and budget planning. Key strategic outcomes include demand control, independence, improved prediction and agile response. Strategic resource allocation and reduced operating costs will be key to this theme.

There are five sprints within this theme, each sprint will have a Senior Responsible Officer (SRO):

- Commissioning including increasing the % spend in Midlothian (SRO: Chief Officer Corporate Solutions)
- Contract Management (SRO: Chief Officer Corporate Solutions)
- Transport Review (SRO: Chief Officer Place)
- The Promise (SRO: Chief Social Work Officer)
- Included, Engaged and Involved (SRO: Chief Operating Officer Education)

Commissioning is the strategic activity of identifying need, allocating resources and procuring a provider to best meet that need, within available means. The Blueprint aims to transform the way we commission services, increasing the amount we spend locally and how we manage our contracts. We also aim to look at how we can commission more services with a focus on Prevention and Early Intervention in order to reduce expensive spend further down stream. This will mean that we need to work as 'One Council' planning services around whole families. The table below provides a summary of the steps we will take, why and what success will look like:

What will we do?	Why?	What will success look like?
Forensic identification and examination of internal and external demand	Quick identification and elimination of unwanted demand	We will prevent more than we provide
A clear analysis of demand using a tiered approach	Increased sense of ownership by communities	A more mature relationship between the Council and its Citizens
Utilise predictive analytics to identify future need	To identify harm before it happens	More people will be supported within the community, reducing the spend on statutory service
Work as 'One Council' designing support around households	To reduce expensive spend further down stream	





## Theme 2: 21<sup>st</sup> Century Workforce

### Elected Member Sponsor:

The world we live in is changing fast. Multi-agency working, government policy and a changing population continues to place enormous pressure on the public sector and the leadership teams that deliver these essential services. As the role of councils adjusts to the changing landscape, so too are the skills required, and responsibilities of management and front-line staff. Leadership teams need to become more commercially astute to create a sustainable business model, drive innovation and maximise the technology across the organisation. It is also important that we are a trauma-informed workforce with strong interpersonal and communication skills. Front-line staff must be ready to take on more varied responsibilities, such as managing and delivering quality health and social services, renewing community cohesion and supporting the most vulnerable.

#### There are three sprints within this theme

- Developing roles which move away from silo-based working to the delivery of joined-up services in our 'One Stop Shop' hubs (SRO: Chief Officer Corporate Solutions)
- Digital Transformation (SRO: Chief Digital Officer)
- Making Performance Matter (SRO: HR Strategic Lead)

The overall purpose of this theme is to continue to transform the culture of the Council in line with the ethos of the 21<sup>st</sup> Century Public Servant and our people values: CREST:

- **Celebrate** - Recognise, celebrate and share all our achievements
- **Respect** - Respect each other's differences in a culture of trust and flexibility
- **Excellence** - Make the most of opportunities to develop ourselves and our teams to provide excellent services
- **Support** - Lead by example and be approachable and supportive of each other
- **Together** - Work together to make a difference for Midlothian

We will develop a flexible workforce together with enhancing our "Grow your own Talent" strategy by creating generic working roles and clear progression routes so that our workforce can see e.g. how they can develop from starting out as an apprentice to promoted positions.

What will we do?	Why?	What will success look like?
We will work as 'one council' removing silo based working	To ensure that we take a person-centred approach	Joined-up services, delivered at the most local level possible
Create flexible, generic remits to meet the needs of citizens	To enable our workforce to flexibly respond to the needs of our citizen at the first point of contact	Single, holistic points of contact for citizens e.g. Generic Hub centre staff who are trauma-informed
We will implement the updated Digital Strategy	To give citizens and businesses to ability and choice to interact with the council through integrated digital access To reduce unavoidable contact so that we can focus on those most in need	Updated Customer Portals with self-service and online services Deploy an 'assisted digital' customer delivery model
We will review our Making Performance Matter policy and practices	To ensure that our employees are supported, provided with appropriate CPD and regular feedback on performance	A supported workforce within a framework of high expectations and well developed development opportunities so that we 'grow our own talent'
We will update the Workforce Strategy		





## Theme 3: Workplaces of the Future

### Elected Member Sponsor:

This theme will focus on our Estates and Assets and has three main sprints:

- Hub and Spoke (SRO: Chief Officer Place)
- Estate Rationalisation (SRO: Executive Director Place)
- Just Transition to Net Zero (SRO: Chief Officer Place)

The theme will consider how the Council, and its partners, can best use their asset base to efficiently deliver services to support our wider transformation aims. Assets make a significant contribution to Council revenue, but also carry significant holding and maintenance costs along with compliance and income risks. Our backlog maintenance costs will continue to increase, and substantial investment is required to meet our net zero aspirations.

Through the implementation of an updated Estate and Asset strategy we will continue to optimise the use of our assets, including a review of assets in our communities, to maximise utilisation with a reduced more affordable footprint. By its nature, the estate should react to organisation for the future by supporting the work we do, how we do it and the physical spaces used to deliver it. Working across all services and transformational workstreams we aim to have the right assets, at the right time, in the right place to deliver for our citizens, staff and partners.

The Estates and Assets strategy will include the Learning Estate Strategy, and a review of housing, operational and commercial properties. We will clarify and implement key roles and responsibilities in maintenance and management of our buildings, and develop standard practices and guidance on premises, all ensuring sustainability and carbon reduction is at the heart of decision-making. We will move to implement a 'One Stop Shop' approach in our Hubs to maximise the integrated services we can offer our citizens at the most local level within the financial envelope available.

As part of this transformation theme, we will also review the Council work/spaces and link this with our Multi-Agency transformation programme, looking for opportunities to share with partners and make the estate fit for purpose, including connectivity and digital delivery options

In order to achieve this, the table below outlines what we will do, why and what success will look like:

What will we do?	Why?	What will success look like?
Update the Learning Estate Strategy	We cant afford to have assets not fully utilised	Assets will be fit for purpose, in good condition and well utilised
Conduct a Housing Asset Review	Our assets need to be safe environments for users	Assets will be safe, secure and legally compliant
Accelerate our Net Zero Strategy	We are committed to meeting our net zero ambitions	Assets will be environmentally and economically sustainable
Reduce and Rationalise Property Assets	We require statutory school places to meet our rapid growth	Best Value will be received from our assets
Further develop medium and long term maintenance and investment plans	Realising best value (including non-financial returns) allows assets to be properly maintained and contribute to other aspects of service delivery	We will be sharing our asset base with partners and communities
Undertake a review of council spaces for the future		
Implement local by default 'One Stop Shop' solutions		

## Theme 4: Income Generation and Commercialisation

### Elected Member Sponsor:

Commercialisation and diversification to generate revenue is not an entirely new concept for the Council and plays a part in this strategy. Diversification and commercialisation will continue to be an important priority and senior decision makers must start thinking about short, medium and long term strategies for generating our own income. Effective e-commerce strategies will also need consideration as it is widely acknowledged that the UK population has embraced online shopping with retail providers and our adopting this approach with careful consideration is required of technology which is fit for purpose to cater for the diverse needs of our communities.

In order to maximise the potential of our assets, there are four initial sprints which are contained within this theme. The Chief Officer Place will be the SRO for the four sprints outlined below:

- Advertising and Marketing
- Holiday Programmes
- Events Management
- Sports Management

Keen to work at pace, three of these sprints will commence in Q1 (2023-24) and one in Q2 (2023-24):

Sprint	Q1 23-24	Q2 23-24	Q3 23-24
Advertising and Marketing	Plan	Implement Phase 1	Implement Phase 2
Holiday Programmes	Plan	Run Summer Programme	Review
Events Management		Plan	Implement
Sports and Creative Arts	Plan	Approval to move S&L to Place	Implement

What will we do?	Why?	What will success look like?
We will launch the advertising and marketing approaches to help business advertise across Midlothian	We cant afford to have assets not fully utilised	Assets will be fit for purpose, in good condition and well utilised
We will sweat our assets to ensure that we maximise their full potential	We cant afford to have assets not fully utilised Income generation can then be invested in care for the vulnerable	We will secure income generation on a sustainable basis
We will offer a range of wrap around and holiday provision for children and young people at Easter, Summer and October holiday times	To enable our children and young people to access a wide range of our of school opportunities while their parents/carers are working	High quality out of school provision delivered locally
We will review and update our Sport and Leisure Offer so that we are competitive in this market	We cant afford to have our sport and leisure facilities not fully utilised	We will secure income generation on a sustainable basis

## Theme 5: Multi-Agency Transformation

### Chair: Council's Chief Executive

Multi-agency transformation will be key if we are going to deliver sustainable futures at a time of fiscal constraint and rapid demographic growth. We will need to embrace 21<sup>st</sup> century solutions including technology driving positive outcomes in the community to consider how more advanced solutions such as connected devices, smart buildings and data analytics offer ways to manage property assets and resolve issues before they even become a problem. Given the multi-agency nature of this work, a new Board, called the Midlothian Multi-Agency Transformation Management Group (M-MATMG) will be established to deliver whole system change.

## GOVERNANCE FRAMEWORK FOR THE TRANSFORMATION BLUEPRINT

### Business Transformation Steering Group

In line with Standing Orders, this group will comprise of 5 Elected Members 2 SNP, 2 Labour and 1 Conservative. The composition, business, frequency of meetings, quorum and minute arrangements are all detailed within Standing orders.

### Business Transformation Board

The membership of the Business Transformation Board will be amended to devolve responsibility for the work of the blueprint to Chief Officers. The chair will rotate annually. The purpose of this group is to drive forward the work of the transformation Blueprint, lead on their SRO sprints and report their progress into CMT and BTSG:

BTB Membership	
Chief Officer Corporate Solutions	Chief Digital Officer
Chief Operating Officer Education	HR Strategic Lead
Chief Officer Finance	Continuous Improvement Manager
Chief Officer Place	PMO
Chief Social Work Officer	Head of Adult Health and Social Care

### Midlothian Multi-Agency Transformation Management Group (M-MATMG)

A new Board, called the Midlothian Multi-Agency Transformation Management Group, will be established to deliver whole system change outlined in theme 5. Governance for the projects within the multi-agency whole system reform work will be overseen by the Midlothian Multi-Agency Transformation Management Group (M-MATMG). M-MATMG will be chaired by the Council's Chief Executive with support from the PMO. Membership of the group consists of:

M-MATMG Membership	
Midlothian Council Chief Executive	
Director of Place	Area Commander, Scottish Fire and Rescue
Director of Education, Children and Partnerships	Chief Executive, NHS Lothian
Director of Health and Social Care (Chief Officer IJB)	Principal, Edinburgh College
Police Commander, J Division	Vice-Principal, University of Edinburgh

### Project Management Office (PMO)

A three year fixed term PMO will be established to drive forward the Transformation Blueprint. Funded from the BTB budget, the PMO will lead on key projects and will also provide project support to the Chief Officers, M-MATMG and BTSG.

## Appendix A: Project Timeline

Sprint	Q1 23-24	Q2 23-24	Q3 23-24	Q4 23-24	Q1 24-25	Q2 24-25	Q3 24-25	Q4 24-25	Q1 25-26	Q2 25-26	Q3 25-26	Q4 25-26
	Apr-June	July-Sept	Oct- Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar
Commissioning	Appoint	Scope	Agree	Implement			Evaluate					
Contract Management Review	Appoint	Scope	Agree	Implement			Evaluate					
Transport Review	Review	Implement		Demand assessmnet updated								
The Promise		Updated plan implemented										
Included, Engaged Involved		Demand assessment updated	Scope									
One Stop Shop Hubs	Develop	Approve Strategy	Open Hub 1	Open Hub 2	Review	Learn	Open Hub 3	Open Hub 4				
Digital Transformation		Approve Strategy	Imp Phase 1									
Making Performance Matter		Imp Phase 1										
Hub and Spoke		Scope	Agree	Implement								
Estate Rationalisation		Approve Strategy	Implement									
Just Transition to Net Zero		Update Strategy	Implement									
Advertising and Marketing	Plan	Implement Phase 1	Imp phase 2									
Holiday Programmes	Plan	Run Summer Programme	Review									
Events Management		Plan	Implement									
Sports and Creative Arts	Plan	Approve moving S&L to Place	Implement									
Mult Agency Transformation	Plan	Scope	Propose	Design Phase	Approve							



## Appendix B: A relentless focus on performance outcomes

Each programme will have a series of KPIs embedded within each sprint. The Chief Executive will monitor performance at CMT, Quarterly meetings with Executive Directors and Quarterly reports will be submitted to Cabinet and PRS. As part of our commitment to continuous improvement there will be a significant focus on making shift happen by moving the number of Quartile 3 and 4 LGBF into the top two measures in order to deliver better outcomes.

The LGBF indicators currently within the bottom two quartiles are:

Culture & Leisure	Net Cost per attendance at Sports facilities
	Percentage of adults satisfied with libraries
	Percentage of adults satisfied with parks and open spaces
	Percentage of adults satisfied with leisure facilities
Corporate Assets	Proportion of operational buildings that are suitable for their current use
	Proportion of internal floor area of operational buildings in satisfactory condition
Education	% achieving 5 or more awards at SCQF Level 5
	% SIMD Quintile 1 achieving 5 or more awards at SCQF level 5
	% SIMD Quintile 1 achieving 5 or more awards at SCQF level 6
	Overall Average Total Tariff
	Average Total Tariff SIMD Quintile 1
	Average Total Tariff SIMD Quintile 2
	Average Total Tariff SIMD Quintile 5
	Percentage of funded early years provision which is graded good/better
Corporate	The Percentage of council employees in top 5% of earners that are women
	Cost of collecting council tax per dwelling
	Percentage of income due from council tax received by the end of the year %
	Percentage of invoices sampled and paid within 30 days
	Proportion of Scottish Welfare Budget Spent
Economic Development	Percentage of Unemployed People Assisted into work from Council
	Cost of Planning and Building Standards Services per planning application
	Percentage of procurement spent on local enterprises
	No of business gateway start-ups per 10,000 population
	Cost of Economic Development & Tourism per 1,000 population
	Proportion of properties receiving superfast broadband
	Town Centre vacancy rates
Environment	Street Cleanliness Score
	Percentage of C class roads that should be considered for maintenance treatment
	Percentage of unclassified roads that should be considered for maintenance treatment
	Cost of trading standards and environmental health per 1,000 population
	Corporate Indicator - Cost of environmental health per 1,000 population
Financial	Uncommitted General Fund Balance as a % of council annual budgeted net revenue
	Ratio of Financing Costs to Net Revenue Stream - Housing Revenue Account

Adult Social Care	Self Directed Support (Direct Payments + Managed Personalised Budgets) spend on adults 18+ as a % of total social work spend on adults 18+
	Percentage of people aged 65 and over with long-term care needs receiving personal care at home
	Percentage of adults supported at home who agree that they are supported to live as independently as possible (data based on respondents whose care was funded by the council or health board)
	Percentage of adults supported at home who agree that they had a say in how their help, care or support was provided (data based on respondents whose care was funded by the council or health board)
	Percentage of carers who feel supported to continue in their caring role (data based on respondents whose care was funded by the council or health board)
	The Net Cost of Residential Care Services per Older Adult (+65) per Week
	Rate of readmission to hospital within 28 days per 1,000 discharges
	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections