

Notice of meeting and agenda

The City of Edinburgh Council

10.00 am, Thursday, 21 January 2016

Council Chamber, City Chambers, High Street, Edinburgh

This is a public meeting and members of the public are welcome to attend

Contact

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1. Order of business

- 1.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

2. Declaration of interests

- 2.1 Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

3. Deputations

- 3.1 If any

4. Reports

- 4.1 Revenue Budget 2016/20– reports (circulated)
 - (a) 2016-20 Revenue and Capital Budget Framework - referral from the Finance and Resources Committee
 - (b) 2016-20 Budget Proposals: Overview of Feedback and Engagement – referral from the Finance and Resources Committee
 - (c) Council’s Budget 2016/20 - Risks and Reserves – referral from the Finance and Resources Committee
 - (d) Council Revenue Budget Framework 2016/20 - Impact Assessments - referral from the Finance and Resources Committee
 - (e) Council Revenue Budget Framework 2016/20 - Carbon, Climate and Sustainability Impact Assessments – report by the Acting Executive Director of Resources
 - (f) Housing Revenue Account - Budget Strategy 2016/17-2020/21 - referral from the Finance and Resources Committee
- 4.2 Capital Investment Programme/Plan 2016/17 to 2023/24 – referral from the Finance and Resources Committee (circulated)
- 4.3 Common Good Asset Register – referral from the Corporate Policy and Strategy Committee (circulated)
- 4.4 Corporate Governance Payments to Third Parties: Proposals to Establish a Strategic Partnership – referral from the Communities and Neighbourhoods Committee (circulated)
- 4.5 Council Business Plan 2016-20 – report by the Chief Executive (circulated)

5. Motions

5.1 If any

Carol Campbell

Head of Legal and Risk

Information about the City of Edinburgh Council meeting

The City of Edinburgh Council consists of 58 Councillors and is elected under proportional representation. The City of Edinburgh Council usually meets once a month and the Lord Provost is the Convener when it meets.

The City of Edinburgh Council usually meets in the Council Chamber in the City Chambers on the High Street in Edinburgh. There is a seated public gallery and the Council meeting is open to all members of the public.

Further information

If you have any questions about the agenda or meeting arrangements, please contact Allan McCartney, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4246, e-mail allan.mccartney@edinburgh.gov.uk.

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The City of Edinburgh Council

10.00am, Thursday, 21 January 2016

2016-20 Revenue and Capital Budget Framework - referral report from the Finance and Resources Committee

Item number	4.1(a)
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 14 January 2016 considered a report on the impact on the Council's Revenue and Capital Budget Framework of the Scottish Government's announcement on 16 December 2015. The level of reduction in the Council's revenue funding allocation was significantly higher than anticipated. Members of the Corporate Leadership Team (CLT) had now considered the additional savings requirement of £16.7 million in 2016/17 and had set out how they proposed it should be addressed. The report has been referred to the City of Edinburgh Council for decision as part of budget setting process on 21 January 2016.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

2016-20 Revenue and Capital Budget Framework

Terms of referral

- 1.1 On 24 September 2015, the Finance and Resources Committee considered a report on the budget framework that set out a total Council-wide recurring annual savings requirement of at least £126 million over the period to 2019/20. Given the scale of the Council's financial challenge, however, the report indicated that further transformation-based proposals would be brought forward during the engagement period.
- 1.2 To this end, a subsequent report considered on 26 November 2015 set out proposals to a total value of £68.7 million over the period to 2019/20. When added to previous proposals, approval by Council was anticipated to retain an element of contingency for proposals not taken forward, risks and/or additional investment, subject to the ongoing availability of other planning assumptions, mainly the outcome of the Local Government Finance Settlement that was announced on 16 December 2015.
- 1.3 The provisional level of Settlement for 2016/17 showed an overall reduction in grant funding income relative to budget framework assumptions of £15 million. The subsequent additional reduction of £1.695 million therefore resulted in an increase in the overall shortfall in 2016/17 revenue grant funding relative to earlier assumptions to £16.7 million. The potential for a greater level of reduction than that assumed in the framework had already been identified as a risk and, to this end, the Council Leadership Team (CLT) had already begun to examine opportunities for acceleration of transformation programme proposals before the actual allocations were confirmed.
- 1.4.1 The Finance and Resources Committee agreed:
 - 1.4.1 To note the impact of the 2016/17 Local Government Finance Settlement on the 2016/20 budget framework.
 - 1.4.2 To note the officer recommendations to address the resulting shortfall relative to previous assumptions for each year covered by the framework.
 - 1.4.3 To refer the report to Council for decision as part of the budget setting process on 21 January 2016.

For Decision/Action

- 2.1 The Finance and Resources Committee has referred the report to The City of Edinburgh Council for decision as part of the budget setting process on 21 January 2016.

Background reading / external references

Minute of the Finance and Resources Committee, 14 January 2016.

Carol Campbell

Head of Legal and Risk

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10am, Thursday 14 January 2016

2016/20 revenue and capital budget framework

Item number	7.6
Report number	
Executive/routine	
Wards	

Executive summary

Members have previously considered a number of reports setting out the Council's funding gap over the period until 2016/20, indicating a need to identify recurring savings of at least £126m by 2019/20. It was emphasised, however, that the precise savings requirement would depend on the level of the Local Government Finance Settlement, details of which were awaited.

While only one year's figures were provided as part of the Deputy First Minister's announcement on 16 December, in common with local authorities across Scotland, the level of reduction in the Council's revenue funding allocation was significantly higher than anticipated. The actual level of settlement has therefore resulted in a need to identify an additional £16.7m of savings in 2016/17 and, based on available information relating to the Council's grant settlement for next year, a further £5m in 2017/18.

Members of CLT have now considered this additional savings requirement and set out how they propose it be addressed, thereby giving the potential for a balanced budget to be achieved across all four years of the framework whilst still allowing an element of political choice to be applied in the precise measures approved by elected members.

Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

2016/20 revenue and capital budget framework

Recommendations

- 1.1 Members of the Finance and Resources Committee are asked to:
 - 1.1.1 note the impact of the 2016/17 Local Government Finance Settlement on the 2016/20 budget framework;
 - 1.1.2 consider the officer recommendations to address the resulting shortfall relative to previous assumptions for each year covered by the framework; and
 - 1.1.3 refer the report to Council as part of setting the budget-setting process.

Background

- 2.1 On 24 September 2015, members of the Committee considered a report on the budget framework setting out a total Council-wide recurring annual savings requirement of at least £126m over the period to 2019/20. In terms of expenditure, this requirement reflected the combined net impact of increasing, demographic-driven demand for the Council's services, inflationary uplifts and other cost pressures driven by legislative reform. These increases contrasted starkly with a level of available resources through Council Tax, Government Grant and Non-Domestic Rates that was anticipated to remain essentially static over the same period. The proposed framework also included additional investment in both Health and Social Care and Corporate Property as a contribution towards re-establishing financial stability in these areas.
- 2.2 Following Council's previous approval of savings to a value of £22m as part of setting a balanced budget for 2015/16, at the September Finance and Resources Committee meeting members approved the release for public engagement of proposals totalling £25.6m. In addition, a number of other savings were referred to Council on 22 October, with £6.9m of proposals being approved.
- 2.3 Given the scale of the Council's financial challenge, however, the report to Committee on 24 September indicated that further transformation-based proposals would be brought forward during the engagement period. To this end, a subsequent report considered on 26 November set out proposals to a total value of £68.7m over the period to 2019/20. When added to the previous proposals, approval by Council was anticipated to retain an element of contingency for proposals not taken forward, risks and/or additional investment, subject to the on-going applicability of other planning assumptions. Chief amongst these assumptions was the outcome of the Local Government Finance

Settlement to be announced by the Deputy First Minister, John Swinney MSP, on 16 December. The following sections therefore set out the main aspects of the announcement, the resulting increase in the overall savings requirement across the period of the framework and a number of proposed and potential further means by which the gap is addressed.

Main report

Draft Scottish Budget announcement

- 3.1 The Draft Scottish Budget for 2016/17 was announced by the Deputy First Minister on 16 December. Indicative annual figures for the level of the Scottish Block for the period from 2016/17 to 2019/20 had previously been provided by the UK Government as part of its own Spending Review. Due both to the latter's unusually-late publication on 25 November and on-going discussions around the developing fiscal framework between the respective governments as part of the Scotland Bill, however, only one year's detailed allocations were announced by the Scottish Government.
- 3.2 The Draft Budget does, nonetheless, indicate a number of proposed principles and priorities to be reflected in subsequent years' Scottish budgets. These include adopting a more progressive approach to direct taxation and affording on-going real-terms protection to both Health and Police service expenditure, suggesting that a succession of further tight settlements for local government should be anticipated. The Deputy First Minister's announcement also confirmed the initiation of a full review of the current system of business rates and publication of the Scottish Government's formal response to the recommendations of the Commission on Local Tax Reform early in the new year.
- 3.3 The 2016/17 Budget is the first year for which a Minister of the Scottish Government will set the Scottish Rate of Income Tax (SRIT). Under the progressive devolution of powers through the Scotland Act, for the 2016/17 financial year the Scottish Government is only able to vary the percentage tax rate applicable to each existing band by the same amount, with the ability to vary the rates across different bands, or indeed introduce new bands, not available until 2017/18. On this basis, no changes relative to UK-wide rates have been made at this time.
- 3.4 The Scottish Government's financial plans continue to apply the main principles of reform underpinning the recommendations of the Christie Commission, emphasising the benefits of service integration and preventative action. Of particular relevance in this context is the transfer of an additional £250m from the NHS to health and social care partnerships (over and above existing funding for Integrated Care and Delayed Discharge Funds) as part of wider service integration to secure improved outcomes. As of the time of writing, further details are awaited on both the basis of allocation of these sums to local authority areas and the purposes for which funds may then be used but with an

expectation that clarification in each area will be available by mid-January. The updated budget position set out later in this report therefore makes a number of assumptions based on best-available information at this time.

- 3.5 The overall settlement for local government reflects continuing receipt of monies provided in recent years to support specific Scottish Government commitments, in particular the provision of free school meals for all P1 to P3 pupils and an expansion of free early years learning and childcare. Funding to support the Scottish Government's policy of mitigating aspects of the UK Government's welfare reform programme, in particular through the Scottish Welfare Fund, additional funding for the Council Tax Reduction Scheme and top-up Discretionary Housing Payments resources sufficient to mitigate in full the impact of Underoccupancy Regulations (the "bedroom tax") is also retained at existing levels.
- 3.6 Receipt of an authority's full funding package is contingent upon agreeing to a further year's Council Tax freeze in accordance with the Scottish Government's commitment not to increase levels over the current Parliamentary term. While also continued for a further year, current teacher number-related commitments have been redefined to relate specifically to maintaining absolute numbers at 2015 levels, with no similar stipulation around maintaining current pupil:teacher ratios. Precise arrangements for the sign-off of this "package" by individual Council Leaders, as well as any financial sanctions should any choose not to do so, remain to be finalised between COSLA (on behalf of councils) and the Scottish Government.

Revenue budget settlement for the Council

- 3.7 The Deputy First Minister's announcement and issuing of the accompanying Finance Circular on 16 December confirmed the Council's provisional level of revenue and capital funding for 2016/17.
- 3.8 As part of the process of issuing the Local Government Finance Settlement, an annual checking session involving both Local Government and Scottish Government officials is arranged. While this normally takes place in advance of the Finance Circular's issue, the timing of this year's UK Spending Review meant that the session was necessarily scheduled for 21 December, five days *after* the LGFS announcement.
- 3.9 By and large, the session confirmed the figures that had been circulated on 16 December. One issue that did emerge, however, was a required change to the calculation of the distribution of monies for the Strategic Waste Fund (SWF) former ring-fenced grant. The resulting restatement reduced Edinburgh's direct grant allocation by £0.909m, with a further unfavourable knock-on impact of £0.786m on distribution of the additional £25m provided within the Settlement to ensure that each authority receives at least 85% of the mainland average level of grant support (as the reduction to Aberdeen's allocation was of a proportionately higher amount).

- 3.10 Compared on a like-for-like basis, the provisional level of Settlement for 2016/17 showed an overall reduction in grant funding income relative to budget framework assumptions of £15m. The subsequent additional reduction of £1.695m therefore results in an increase in the overall shortfall in 2016/17 revenue grant funding relative to earlier assumptions to £16.7m. The potential for a greater level of reduction than that assumed in the framework had been identified as a risk and, to this end, the Council Leadership Team had already begun to examine opportunities for acceleration of transformation programme proposals before the actual allocations were confirmed. This said, the extent of the reduction was significantly higher than most commentators and councils alike had anticipated.
- 3.11 Edinburgh's overall year-on-year reduction in revenue grant is in line with the Scotland-wide average of 3.35% which, in turn, represents the largest year-on-year reduction since the creation of the Scottish Parliament. This clearly presents significant challenges to councils across Scotland and reinforces the need for, and importance of, the Council's own programme of service transformation and prioritisation.
- 3.12 Some supporting detail concerning the background to this reduction is awaited but Edinburgh's overall level of settlement primarily reflects the net impact of:
- **an increased relative share of most needs-based indicators** (particularly those related to school and young people's services, where the city's projected rate of growth is amongst the highest in Scotland, and more general measures of need based on the total population); and
 - **a significant reduction in the level of support for historic borrowing/leasing**, understood to relate to leasing agreements (which at the time were admissible as capital expenditure) entered into shortly after the Council's formation in 1996, the funding support for which was agreed at the time.
- 3.13 Such is the scale of the reduction arising from the latter issue that the Council has received £10.168m of support through the "floor" mechanism which limits the amount of year-on-year variation in grant funding levels. The impact of the above distributional changes has also affected the allocation of additional revenue funding provided under the Scottish Government's policy whereby no authority should receive less than 85% of the per capita Scotland-wide average, resulting in a net transfer of £2.64m from Edinburgh to Aberdeen as the two current beneficiaries of this policy.
- 3.14 It is important to emphasise that the table on page 11 of the Finance Circular does not include each council's full funding allocation and, as such, slightly overstates the overall level of grant funding reduction applied. Of particular relevance are monies provided in respect of a further year's Council Tax freeze which, given the size and profile of Edinburgh's tax base, have the effect of bringing its overall level of reduction in grant funding much closer to the Scottish average.

Implications for budget framework

- 3.15 Assuming full approval of the proposals that formed the basis of recent public engagement and prior to confirmation of the Local Government Finance Settlement in December, the framework offered the potential for (i) an element of proposals not to be taken forward and/or (ii) additional investment to be made in some, or all, of the risk and priority areas highlighted within the September report as shown below.

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
1. Cumulative overall savings requirement	68.7	84.8	105.1	125.9
2. Savings Approved, February 2015	(22.0)	(22.0)	(22.0)	(22.0)
3. Early approval savings, October 2015	(6.8)	(6.9)	(6.9)	(6.9)
Remaining savings requirement	39.9	55.9	76.2	97.0
4. Prioritisation proposals, September 2015	(22.2)	(24.6)	(25.1)	(25.6)
5. Transformation proposals, November 2015	(23.5)	(53.5)	(67.4)	(68.7)
Budget Framework 2016/20 Total Savings	(45.7)	(78.1)	(92.5)	(94.3)
(Provision)/shortfall for proposal rejection, priorities and other risks	(5.8)	(22.2)	(16.3)	2.7

- 3.16 While the Settlement announcement covered only one year, given the scale of the reduction in grant funding for 2016/17, assumptions for future years have been re-assessed. The budget framework therefore now assumes that this reduced level of funding forms the new baseline, with the previous levels of incremental year-on-year reduction i.e. 0.5% for both 2017/18 and 2018/19, applied to this lower sum. The projection for 2019/20 remains one of “flat cash” relative to the previous year.
- 3.17 Information provided to date by the Scottish Government indicates that a further, albeit smaller, reduction in support for the Council’s historic borrowing/leasing is anticipated in 2017/18. On this basis, an additional assumed reduction in grant funding of £5m, bringing the total year-on-year reduction to 1.2%, has also been incorporated within the framework for that year.
- 3.18 In the absence even of indicative funding allocations for 2017/18 and subsequent years, these projections remain subject to significant risk. Those indications that have been provided by the Scottish Government, however, suggest that, assuming re-election, the additional powers available under the Scotland Act may be used to increase overall public expenditure. Given both this and UK-wide forecasts of public expenditure, the revised assumptions are best-estimates at this time but will continue to be the subject of on-going review.
- 3.19 As part of the review of framework assumptions, the opportunity has also been taken to allocate an element of the incremental inflationary provision for 2018/19 and 2019/20 to reflect successive increases in employer’s superannuation contribution rates of 0.5% in those years. While this clearly reduces slightly the

remaining level of inflationary provision available to offset other pressures affecting those years, this change does not affect the overall savings requirement.

- 3.20 The above-mentioned changes in assumed grant funding result in a need to identify cumulative additional savings of £16.7m in 2016/17 and £21.7m in 2017/18 and subsequent years, thus bringing the overall requirement over the period to 2019/20 to £148m. The Acting Executive Director of Resources, working with CLT, has therefore identified a number of proposed means of addressing the gap in each of the first three years of the framework as set out in the table below.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
(Provision)/shortfall for proposal rejection, priorities and other risks per table at paragraph 3.15	(5.8)	(22.2)	(16.3)	2.7
Additional savings requirement - Local Government Finance Settlement, December 2015	16.7	21.7	21.7	21.7
Remaining gap (assuming all public engagement options accepted)	10.9	(0.5)	5.4	24.4
Proposed additional measures in response to December settlement:				
(i) H&SC demographic provision	(5.9)	(5.9)	(5.9)	(5.9)
(ii) Revision to additional Health and Social Care framework investment	(3.0)	(3.0)	(3.0)	(3.0)
(iii) Acceleration of transformation savings	(3.1)	(3.1)	0.0	0.0
(iv) Amendment to required provision for pay awards given revised staffing levels	(0.9)	(2.6)	(3.5)	(4.5)
(v) Transformation savings delivery / grant contingency	0.0	10.6	2.5	0.0
(vi) Provision for priorities/options not taken forward	2.5	5.0	5.0	5.0
(vii) Revision to provision for energy tariff increases	(0.5)	(0.5)	(0.5)	(0.5)
Remaining net savings remaining to be identified	0.0	0.0	0.0	15.5

Health and Social Care partnership funding

- 3.21 As noted earlier in this report, the Deputy First Minister's announcement intimated the creation of a new £250m Scotland-wide fund to support the integration of health and social care services across NHS and local authorities and build the capacity of community-based services. For planning purposes, at this stage it is being assumed that, in overall terms, a sufficient level of resources will be provided for the Edinburgh area to allow the Council's own existing level of additional demographic investment (i.e. £5.9m) to be applied against the wider corporate savings requirement, with discussions with NHS colleagues proceeding on this basis.

Health and Social Care additional budget framework investment

- 3.22 A report elsewhere on today's agenda points to a potential £3.0m current-year underspend within Health and Social Care, with a recommendation that this be used to supplement existing provision for staff release costs as part of the wider

transformation programme. In recognition of this position, going forward, it is proposed to reduce from £10m to £7m the baseline level of additional provision within the budget framework. Given the significant level of savings within Health and Social Care underpinning the framework, however, the adequacy of this level of funding will be kept under regular review in the coming months.

Savings assurance and proposal phasing

- 3.23 As part of assuring the robustness and deliverability of the proposals comprising the revenue budget framework, regular progress assessments have been reported to CLT. While, as anticipated given the nature and associated phasing of some of the transformational proposals, a number remain at a formative stage, it is the respective Directors' assessment that all can be delivered, albeit in some cases the phasing is different from that assumed in the September and November reports.
- 3.24 Recognising the potential for an additional savings requirement to emerge from the 2016/17 Settlement announcement, Directors have previously considered opportunities to accelerate the proposals contained within the framework. This has resulted in an increase in net savings totalling £3.13m and £3.052m respectively in each of the first two years of the framework, the detail of which is set out in Appendix 1. Members should take account of this acceleration, as appropriate, in their respective budgets.

Other changes to budget framework assumptions

- 3.25 The Council's current budget framework makes provision for employee pay awards, National Insurance and associated superannuation contributions based on existing staffing levels, adjusted for savings up to, and including, those contained in the February 2015 budget motion. Now that full details of the proposals comprising the 2016/20 framework are available, however, an estimate has been incorporated of the resulting reduction in required provision going forward, being £0.9m in 2016/17 rising to £4.5m by 2019/20. Members should note that these sums relate to reduced staffing levels going forward and do not reflect any changes in underlying provision for pay awards and associated on-costs.
- 3.26 The budget framework assumes an additional incremental £7m of Council Tax income each year from 2017/18, aligned to the Scottish Government's policy of maintaining the freeze policy for the duration of the current Parliamentary term. Any changes to local taxation arising from consideration of the recommendations of the Commission on Local Tax Reform may, however, be phased in and, as such, not be subject to full implementation until 2018/19. In addition, a number of the transformation proposals, such as those associated with libraries, music instruction and health and social care, sit primarily in 2017/18 and, given that they involve fundamental redesign of existing services, it may similarly be prudent to introduce an element of contingency to support such phased introduction. For these reasons and so as not to introduce additional expenditure which cannot be supported on a sustainable basis, the framework includes a contingency of £10.6m in 2017/18 and £2.5m in 2018/19.

3.27 The opportunity has also been taken to review the current cumulative budget framework provision for energy tariffs going forward. Based on best-available projections at this stage, it is not anticipated that the full level of provision in 2016/17 will be required and, on that basis, £0.5m has been assumed to be available to offset wider corporate pressures.

Provision for proposal rejection, risks and other priorities

3.28 The framework as presented to the Committee on 26 November included provision for rejected proposals, risk or investment in wider Council priorities of £5.8m, £22.2m and £16.3m over the period from 2016/17 to 2018/19. Given the subsequent reduction in grant funding, however, the affordability of this level of provision has been reconsidered. It is suggested that this provision be reduced to £2.5m in 2016/17 and £5m in subsequent years, thereby addressing an element of the additional savings requirement created by the reduction in grant funding. In this regard, the CLT has previously identified as a priority repairs and maintenance to Council property.

3.29 Given the absence of any previous contingency in 2019/20 (i.e. the level of savings identified within the framework did not fully offset the related savings requirement), introduction of a provision of £5m in that year only serves to increase the level of savings required. This lends additional weight to the need to introduce, for example, an annual efficiency target in line with that assumed by the Scottish Government (i.e. 3%) to reflect the bedding-in by that time of the revised Council structure. With this in mind, members should note that a further review, including identification of further potential savings measures couched in the Council's priority outcomes, will be undertaken upon publication of the Scottish Government's Draft Budget for 2017/18, expected at this stage to be no later than September 2016.

Overall impact of changes to framework assumptions

3.30 The combined impact of these proposals would leave a balanced position in each of the first three years of the framework. As noted above, it is proposed that an additional savings requirement be applied in 2019/20 to deliver a balanced and sustainable position across the framework as a whole.

3.31 While the scale of the Council's savings requirement means that alternative options are fairly limited, in formulating their respective budget proposals, members may also wish to consider some or all of the following:

- (i) reducing further the level of provision for rejected options and/or additional investment in priorities, although the total sum required will ultimately be determined by political choices and priorities;
- (ii) reconsidering the level of demographic-related investment contained within the budget framework;
- (iii) imposing a moratorium on the payment of employee pay steps (increments), saving up to £3.5m per annum;

- (iv) re-introducing proposals that, following consideration by the Capital Coalition, were not included in the framework;
 - (v) introducing further proposals.
- 3.32 Lead officers within Finance will be able to advise their respective Groups further on these and other matters.

Common Good Asset Register

- 3.33 At its meeting on 1 December 2015, the Corporate Policy and Strategy Committee considered a referral report from the Governance, Risk and Best Value Committee regarding costs and timescales involved in updating the register of Common Good assets, including potential community involvement in the registering of Common Good land. In setting their respective motions, political groups may wish to have regard to the indicative additional costs of this and Community Empowerment Act-related work.

Repairs and maintenance investment

- 3.34 Members may recall that the Council's approved revenue budget for 2015/16 included provision to increase, on a one-off basis, property repairs and maintenance expenditure by £2m. In view of a projected £7.9m increase in capital receipts relative to previous assumptions over the period of the 2015/20 Capital Investment Programme (CIP), the revenue framework makes provision for this additional investment to continue for a further two years by means of supplementing existing budgets through use of the Capital Fund. The capital budget report elsewhere on this agenda recommends that the remaining £3.9m be used to provide initial infrastructural investment to support the city's Local Development Plan.

Risks

- 3.35 As indicated in the report on the Council's financial strategy considered on 4 June 2015, the framework provision for demographic pressures in Communities and Families has been increased by £2.1m in 2016/17 in recognition of the additional pressures identified across the service. It was noted at that time that provision of additional funding in subsequent years was dependent upon the identification of corresponding additional savings. In addition, potential pressures with regard to implementation of the National Minimum Wage, Local Development Plan, City Deal and tram extension were highlighted.
- 3.36 Given both the tightness of the budget framework and the need for increased certainty concerning both the quantum and timing of these additional pressures, no specific provision has been included at this time but the position will remain under review as additional details of likely costs and future funding settlements become available.

Capital budget

- 3.37 The Deputy First Minister's announcement also confirmed the level of capital funding available in 2016/17. While, due to a £150m Scotland-wide reprofiling of the Scottish Government's capital budget, Edinburgh's level of grant funding in

2016/17 at £38.8m, is £7.2m below that assumed in the current Capital Investment Programme (CIP), £10.3m will be reinstated over the following three years as part of the reprofiling exercise. The timing of receipt of this funding cannot be confirmed at this point and there is no indication of what the grant settlement will be over the following three year period relative to the assumptions factored in to the 2016-2021 CIP. There is therefore no scope to increase the level of capital resources available to support additional capital investment at this time, given that the additional borrowing required will lead to further pressure on the revenue budget.

Measures of success

- 4.1 Relevant measures in setting the Council's revenue budget include:
- Accurate capturing and quantification of the key determinants of the Council's overall expenditure requirement and available sources of income, allowing a balanced overall budget for 2016/17 and subsequent years to be set as part of a longer-term sustainable framework;
 - Development of savings and investment options aligned to the Council's priority outcomes, with due opportunity provided for public consultation and engagement; and
 - Subsequent delivery of the approved savings, particularly where these are linked to additional service investment.

Financial impact

- 5.1 Inclusion of any additional revenue investment within the budget framework is contingent upon the development, and subsequent delivery, of corresponding savings, alongside management of all risks and pressures, particularly those of a demand-led nature.

Risk, policy, compliance and governance impact

- 6.1 The savings assurance process is intended to ensure that, as far as is practicable, those proposals approved by Council deliver the anticipated level of financial savings in a way consistent with the anticipated service impacts outlined in the respective budget templates. This process will be further aided by the integration into a single cost reduction plan of savings derived from the respective transformation and service prioritisation programmes.
- 6.2 Recent improvements to the budget monitoring process should also enhance CLT and elected member scrutiny of the management of service pressures and delivery of approved savings.

Equalities impact

- 7.1 As in previous years, those proposals comprising the budget framework have been assessed for their corresponding potential equalities and human rights impacts.
- 7.2 An overview of the outcome of these assessments is included elsewhere on today's agenda.

Sustainability impact

- 8.1 The proposals comprising the budget framework have also been subject to an assessment of their likely corresponding carbon impacts.
- 8.2 As of the time of writing, the results of these assessments are being collated and a separate briefing will be prepared for elected members prior to the proposals' consideration by Council to ensure that members pay appropriate regard to them in setting the Council's 2016/20 budget.

Consultation and engagement

- 9.1 An extensive period of public engagement has been undertaken on the proposals comprising the framework and a report summarising the main findings is included elsewhere on today's agenda.

Background reading/external references

[Common Good Asset Register – referral from the Governance, Risk and Best Value Committee](#), 1 December 2015

[2016/20 Revenue and Capital Budget Framework](#), Finance and Resources Committee, 26 November 2015

[2016/20 Revenue and Capital Budget Framework](#), Finance and Resources Committee, 24 September 2015

[Revenue Budget Framework 2016/20](#), Finance and Resources Committee, 13 May 2015

[Council's Budget 2015/16 – Risks and Reserves](#), Finance and Resources Committee, 15 January 2015

Hugh Dunn

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Links

Coalition pledges

Council outcomes CO25 the council has efficient and effective services that deliver on objectives.

Single Outcome Agreement

Appendices Appendix 1 – Rephrasing of Budget Framework proposals

Net acceleration/(slippage) relative to budget framework assumptions

Framework Proposal Number	Option	Service area	Division/Organisational Review	Savings 2016/17 £m	Savings 2017/18 £m	Savings 2018/19 £m	Savings 2019/20 £m
CF/EFF10	Management	Communities & Families	Children's Services	0.085	0.000	0.000	0.000
CF/EFF5	Reductions to Family Based Care and Throughcare	Communities & Families	Children's Services	0.064	0.000	0.000	0.000
CSE/EFF1	Culture	City Strategy & Economy	Culture	0.020	0.000	0.000	0.000
CSE/EFF6	Review funding arrangements for Winter Festivals	City Strategy & Economy	Culture	-0.400	0.000	0.000	0.000
CSE/EFF3	Economy	City Strategy & Economy	Economy	0.450	0.000	0.000	0.000
PLA/SP1	Parks and Greenspace	Place	Environment	-0.014	0.100	0.000	0.000
PLA/SP2	Task Force Gross Saving	Place	Environment	0.617	0.500	0.000	0.000
PLA/SP3	Waste Services	Place	Environment	0.286	0.000	0.000	0.000
PLA/ST2	Management	Place	Environment	0.013	0.000	0.000	0.000
PLA/EFF4	Transport	Place	Planning & Transport	0.226	0.000	0.000	0.000
PLA/ST2	Management	Place	Planning & Transport	0.193	0.000	0.000	0.000
CF/ST10	Re-design of Safer and Stronger Communities	Public Protection and CSWO	Safer and Stronger Communities	0.287	0.497	0.000	0.000
CF/ST11	Re-design of Homelessness Services (Gross Saving)	Public Protection and CSWO	Safer and Stronger Communities	0.225	0.000	0.000	0.000
CF/EFF8	Early Years	Communities & Families	Schools & Lifelong Learning	0.269	0.000	0.000	0.000
CF/EFF10	Management	Communities & Families	Schools & Lifelong Learning	0.314	0.000	0.000	0.000
CF/SP4	Redesign of Music Instructor Service	Communities & Families	Schools & Lifelong Learning	0.000	0.556	0.000	0.000
CF/ST7	Community Services	Communities & Families	Schools & Lifelong Learning	0.241	0.000	0.000	0.000
CF/ST8	Redesign of Libraries Service	Communities & Families	Schools & Lifelong Learning	0.254	1.400	0.000	0.000
Total				3.130	3.053	0.000	0.000

In the above analysis, positive figures represent net acceleration relative to framework assumptions and negative figures net slippage.

The City of Edinburgh Council

10.00am, Thursday, 21 January 2016

2016-20 Budget Proposals: Overview of Feedback and Engagement - referral report from the Finance and Resources Committee

Item number	4.1(b)
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 14 January 2016 considered a report which provided an overview of feedback received as part of the Council's 2015 Budget Engagement process. The report has been referred to the City of Edinburgh Council for consideration as part of setting the 2016/20 revenue budget framework.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

2016-20 Budget Proposals: Overview of Feedback and Engagement

Terms of referral

- 1.1 The approach used to engage citizens, staff, partner organisations and all other stakeholders in 2015 was hugely successful in achieving the Council's highest recorded response to budget engagement, and generated 4,183 responses (up by 31% on 2014) and more than 10,000 signatures to three petitions.
- 1.2 There was strong support for the Council to raise additional income in order to protect services, such as raising Council Tax and charging for services. There were further calls for Edinburgh to benefit from tourism directly through the introduction of a dedicated visitor levy. Significant opposition was received in relation to proposed changes to the Instrumental Music Tuition Service. There was a high response to proposals related to Business Support Services (especially schools) and School Crossing Guides (via petition). The Newhaven tram extension received a negative reaction, which in part appeared to be due to limited understanding of how the project would be financed.
- 1.3.1 The Finance and Resources Committee agreed:
 - 1.3.1 To note the report.
 - 1.3.2 To refer the report to Full Council for consideration as part of setting the 2016/20 revenue budget framework.

For Decision/Action

- 2.1 The Finance and Resources Committee has referred the report to The City of Edinburgh Council for approval as part of the budget setting process.

Background reading / external references

Minute of the Finance and Resources Committee, 14 January 2016.

Carol Campbell

Head of Legal and Risk

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10am, Thursday, 14 January 2016

2016-20 Budget Proposals: Overview of Feedback and Engagement

Item number	7.5
Report number	
Executive/routine	
Wards	All

Executive summary

This report provides an overview of feedback received as part of the Council's 2015 Budget Engagement process. This year's approach has been hugely successful in achieving the Council's highest recorded response to budget engagement, generating 4,183 responses (up by 31% on 2014), plus more than 10,000 signatures to three petitions.

There was strong support for the Council to raise additional income in order to protect services, such as raising Council Tax and charging for services. There were further calls for Edinburgh to benefit from tourism directly through the introduction of dedicated visitor levy. Significant opposition was received in relation to proposed changes to the Instrumental Music Tuition service. There was a high response to proposals relating to Business Support Services (especially schools) and School Crossing Guides (via petition). The Newhaven tram extension received a negative reaction, which in part appears to be due to limited understanding of how this project would be financed.

The findings suggest the need for further engagement on such proposals and projects to address concerns and explore alternative ways of service delivery where this is appropriate.

Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

2016-20 Budget Proposals: Overview of Feedback and Engagement

Recommendations

- 1.1 To note the contents of this report.
- 1.2 To refer this report to Full Council as part of setting the 2016/20 revenue budget framework.

Background

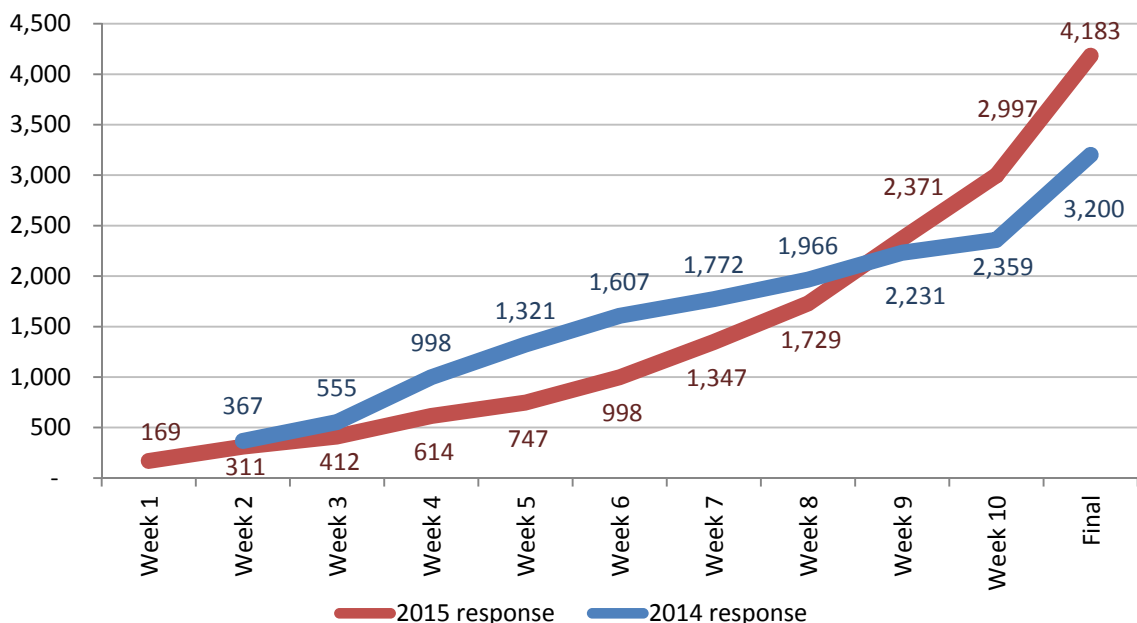
- 2.1 The Deputy First Minister announced a one-year Local Government Finance Settlement on 16 December. The headline level of revenue support to be made available to local authorities in 2016/17 is some 3% lower than the equivalent figure for 2015/16. This has significantly increased the overall level of savings requiring to be delivered by councils across Scotland, relative to earlier planning assumptions. In Edinburgh's case, the actual level of grant funding has added £16.7m to the overall savings requirement for 2016/17 and has reinforced the urgent need to transform, and where necessary prioritise, the Council's services.
- 2.2 In this context the City of Edinburgh Council continues to engage citizens, staff, partner organisations and all other stakeholders in a dialogue about what shared priorities are and how the Council should allocate its budget.
- 2.3 The Council seeks to reach the largest number of people and meaningfully engage with them on the budget. As the Council's annual revenue budget is almost £1bn and covers a diverse range of services, ensuring respondents are engaged and reasonably well-informed about the consequences of budget changes is a challenge. Each year the engagement programme has been adapted and improved based on learning from previous years.
- 2.4 In addition to the online planner and standard methods of communication, for 2015 the Council introduced an online survey to ensure demographic information was gathered alongside information that would otherwise be received by email, and the idea-generation tool Dialogue.
- 2.5 Following feedback and building on the success of the 2014 online planner, the renewed planner focused on a reduced set of strategic decisions for the organisation.

Methods of engagement and response

- 3.1 As the 2015 budget engagement took place over 11 weeks, the engagement activities were planned to attract people to the three digital engagement tools as well as highlighting a mix of Council services and transformation topics. More information about the communication tools and engagement activities is included in Appendix One.
- 3.2 In 2015 respondents were able to participate through:
- The online planner – looking at key choices in relation to the Council's Transformation Programme;
 - Dialogue – an online forum aimed at generating ideas to address new and existing challenges;
 - Online survey, email, telephone and letter – responding to the Council budget proposals;
 - Social media – directed people to the main engagement tools and also allowed them to post comments on specific budget proposals and submit their ideas;
 - Leaflets distributed to all libraries, community groups and centres, Council offices and to partner organisations; and
 - Face-to-face meetings conducted by service areas with their customers and partners.

Response numbers

- 3.3 A total of 4,183 responses to the budget engagement have been received by all methods. This compares to 3,200 responses by all methods in 2014 and represents a 31% increase in response over the budget period and is summarised in the following graph. The demographic summary is included in Appendix one.



3.4 This total response to the budget includes the following elements:

- 1,086 individuals completed the online budget planner;
- 153 ideas discussed on the Council's Dialogue site, resulting in 470 individual comments and 981 ratings;
- 832 responses submitted by the online survey and 235 responses were received by email, telephone and letter;
- 50 budget leaflets completed and returned; and
- 376 comments received through social media, including 204 comments on Facebook, 66 comments using #edinbudget, and a further 106 direct replies on Twitter.

3.5 In addition to this feedback, three petitions were received by the Council, these signatures are counted separately. The Council is considering how future petitions as part of the budget process can be recorded to enable the Council to understand whether respondents are individuals and living in Edinburgh. The following petitions were received:

- In opposition to the introduction of charges for the Instrumental Music Tuition Service (this online petition was noted as having received 9,905 signatories at 15:27 on Tuesday 22 December 2015. The petition was still open at that time);
- In opposition to the introduction of charges for the Instrumental Music Tuition Service (117 responses from pupils of Currie Community High School);
- In opposition to a reduction in hours for school crossing guides at lunch times (this online petition was submitted with 475 signatures).

Feedback on budget proposals

3.6 All feedback received has been made available to all elected members as a searchable electronic information pack. This report includes a summary of the main findings. Further information including the contextual evidence and differences between demographic groupings is included at Appendix two.

INC2 – Increase discretionary income by RPI+2%

3.7 As part of the online planner, respondents were offered the choice to vary the overall charges the Council issues over the next four years by a range of RPI to RPI+6%. 78% of respondents were in favour of above-inflation increases in service charges.

3.8 INC4 – Increase fee charges for section 109 permits to install pipe and cables in roads and pavements

3.9 There was strong support for this idea on the Council's Dialogue page with 23 votes and an average score of 4.9/5.

3.10 Other comments received were in favour of making utility companies and developers more accountable for road surfaces – through inspection, rental of roads while work was ongoing, and fines for work that was poorly carried out.

There would likely be significant public support for any policy aimed at making sure road works are completed to a good standard, in a reasonable time period, and that where this doesn't happen a responsible body is charged.

INC8 – Increase parking permit charges by 5%; INC9 – Increase pay and display charges; and PLA/INC2 – Increase parking charges by an average of 4.5% per year over four years

- 3.11 74% of respondents using the online planner favoured an increase in parking charges, with 32% supporting the Council's plan for immediate changes (INC8, INC9) and 43% supporting increases approximately double this. 20% wanted current charges to be frozen, while only 5% wanted to see a decrease.
- 3.12 Opinion was broadly similar across 50 other comments received on parking charges, with two-thirds in favour of increases and one-third opposed.
- 3.13 Supporters of increases in charges were opposed to cars in the city centre, in favour of public transport, and in favour of more active forms of travel. Those opposed felt that the Council was unfairly targeting motorists and believed that there would be negative economic consequences for Edinburgh by excluding drivers.

TP1 – Reduce third party payments for Community Learning and Development services

- 3.14 Reduction in Community Learning and Development (CLD) worker posts was opposed by customers receiving this service. More than 50 comments were received in support of CLD services, most of which came from customers of Cameron House. These comments emphasised that CLD services provide a social life-line that is particularly valued by older people, as well as classes being valued in themselves.

TP2 – Reduce grant payment to Festival City Theatre Trust; TP4 – Review funding arrangements for Winter Festivals

- 3.15 More than 40 comments were received in relation to festivals funding and, to a lesser extent, funding for the Festival Theatre. These were generally in support of the Council's plans and were in some cases strongly opposed to any spending on festival activities.
- 3.16 Extremely high levels of support (550 contacts, 10,000+ petition signatures) for the Instrumental Music Tuition service (noted later in this report) did not translate to support for culture spending in general in budget feedback received.

TP7 – Review allotment service and increase rents

- 3.17 The Council conducted a Dialogue with allotment holders, those on the allotment waiting list and interested members of the public. 25 ideas for allotments generated 126 comments and 166 votes. All feedback received will be passed on to the Allotments Service for consideration. In summary, the ideas were:
- Limiting plots to one per household;

- Reviewing the waiting list, particularly with regard to identifying where individuals already had allotments and were seeking a transfer;
- Turning full allotment plots into half plots when they become vacant;
- Exploring opportunities to develop community gardens in other areas of disused land; and
- Restrictions on entitlement to discounts.

3.18 The Council's proposal to increase allotment rents received 12 votes with an average rating of 2.4/5. Scores can range from a minimum of 1 to a maximum of 5, therefore the mid-point of the scale is 3, and a score of 2.4 would indicate this idea was unpopular with those voting.

3.19 In addition to Dialogue, more than 30 comments were received about the allotments service. Most were opposed to increasing charges in principle, cited a previous agreement to maintain rents at £100 per year until 2020, and asked for the Council to keep to that agreement. However some respondents felt that current discount levels were too high and they were happy to pay higher rents.

TP8 – Reduce spending on block-contracted services by 10%

3.20 More than 30 responses were received in relation to care services, however most did not specifically mention the 10% reduction and were instead stressing the importance of these services. Those responses that did mention reduction questioned how this could be done without a real decline in the quality of service and were concerned this would happen.

TP9 – Reduce funding to Police Scotland

3.21 Police Scotland's 24-page response to the funding reduction is available in the information pack which has been sent to all members. Key points from this response include:

- A service-level agreement (SLA) was created after previous reductions in funding were rejected by Council following consultation. This SLA has resulted in named officers being assigned to community policing in each ward and the city centre;
- Identification that the loss of funding would result in a reduction of 11 officers which would impact directly on the size of taskable forces, reduce the ability of Police Scotland to engage in local partnership working, and could lead to antisocial behaviour and hate crime developing into more serious criminality;
- With specific regard to CF/SR1 (the proposal to end the night time noise team), Police Scotland estimate that 63% of calls received about night time noise in Edinburgh are referred to the night time noise team, with around 37% being responded to by police. If the referrals were all dealt with by Police Scotland, that would equate to a 10% increase in the total number of incidents dealt with and during busy periods it would be likely that many of these could not be attended. This would have a material impact on Edinburgh residents.

3.22 Fewer than 20 comments were received in relation to Police Scotland funding, and were opposed to the reduction. Particular concerns were raised about this reduction in relation to the proposed changes to stair lighting maintenance. Concerns about Police funding were disproportionately expressed by older respondents.

SP8 – Reduce gully cleaning service

3.23 Around 10 responses were received in relation to gully cleaning and all were opposed to the changes. Respondents' views varied from stating that they did not believe gullies were currently cleaned as frequently as claimed, to observing that more blockages would result in higher costs and that these savings were therefore a false economy.

P3 – Reduce use of employee overtime by 25%; P4 – Reduce use of agency staffing by 20%; and PLA/EFF3 – Reduction in staff and agency costs

3.24 General feedback, not in relation to specific budget proposals, urged the Council to reduce overtime, agency, and consultancy. This was part of more than 70 comments which looked for a general reduction of Council employee numbers, management numbers, pay and benefits – particularly pensions. Around 15 further comments asked for a reduction in the number of Councillors and their remuneration.

CO/ST12 – Business Support Services

3.25 More than 160 comments were received in relation to administrative changes in schools related to Business Support Services changes. These were almost always firmly opposed and made the following points:

- Any reduction in education spending was opposed;
- Parents had been led to believe that education spending was ring-fenced and protected against cuts. There was confusion that this applied only to teacher numbers and not all school staff;
- It was felt to be obvious that a reduction in administrative staff numbers would result in administrative tasks being placed on teaching staff, and that this would cause a reduction in the amount or quality of teaching time; and
- The work done by non-teaching staff in school was valued and there was a perception that head teachers and deputy head teachers already carried out too much administration.

3.26 Without any emphasis on schools administration, the Business Support Services proposal was included as part of the online planner. The planner focused on the speed at which Business Support Services would be created and the Council's stance towards redundancies as part of transformation.

3.27 24% of respondents favoured a slower implementation of the transformation plan, with reduced use of redundancies and increased reliance on natural wastage. This was slightly higher (30%) amongst current Council employees.

41% of respondents supported the Council's current plan, while 35% wanted to see changes made more quickly.

General feedback on proposals SP3; CF/EFF5; CF/EFF8; CF/EFF9; and CF/ST1-6

- 3.28 Extensive feedback was received on areas related to education and the provision of services to vulnerable children and their families. However this feedback was fragmented and not specifically addressed against budget proposals. This section summarises all feedback received that would appear relevant.
- 3.29 There were concerns these proposals would negatively impact services already perceived to be stretched. Respondents highlighted that the children receiving these services are vulnerable, with specific support needs, and that staff currently supporting them have a special range of skills and duties which are vital to help these children reach their potential. There were concerns that if staff numbers were reduced, and children were required to go to mainstream schools, this would negatively impact on their development. It was felt that children attending special schools do so as they are unable to succeed at mainstream schools. Respondents also perceived the proposals as going against our legal duties to support pupils and the principles of 'getting it right for every child.'
- 3.30 Cutting resources would mean that remaining staff would have reduced ability to manage behaviour in classes, write care plans or interact with pupils and parents appropriately. If children with additional needs were included in mainstream classes then this would require extra planning and support within schools.
- 3.31 Regarding the proposal to reduce the number of Pupil Support Assistants, respondents were opposed to the plans as they felt there were already insufficient resources available. Some respondents mentioned personal experiences where specialist 1:1 care was not provided due to existing reductions in support and that some pupils were receiving 1:2 support, even though the pupils had differing needs.
- 3.32 The proposals were seen to be short sighted; respondents felt that a reduction in support for excluded children and those with special needs would likely lead to increased long-term costs in terms of unemployment, crime etc and that the lack of support would ultimately affect their independence and potential to lead fulfilling lives later on.
- 3.33 A number of respondents felt that the proposals mention 'review' or 'redesign' of services but are unclear on the actual detail, therefore they found it difficult to comment on them.
- 3.34 The EIS Union responded specifically on proposal CF/ST6 – Family solutions review. This response echoed those received from other interested parties and highlighted the increased risk of a child becoming looked-after by the Council if family support was reduced. It was felt this would lead to higher costs in the long term and poorer outcomes for children, and was described as "short sighted".

CF/EFF2 – Closure of Panmure School

- 3.35 More than 30 comments were received in relation to proposed closure of Panmure school (also referred to as Panmure St Ann's). These comments were all in opposition to the proposal. The arguments against the closure are summarised at Appendix two.

CF/ST8 – Redesign of library services; CF/SP2 – Community centre staff reduction

- 3.36 17% of respondents were in favour of more local delivery. 23% supported the Council's current plans to merge some facilities. However 60% of all respondents were in favour of service hubs that provide more services at the expense of very local provision.
- 3.37 In contrast to the planner response, more than 30 comments received in other ways were either opposed to merging libraries and community centres, or to any reduction in library or community centre services. Instead of merging facilities, some respondents suggested reducing opening hours.

CF/SP4 – Redesign of Music Instructor Service

- 3.38 More responses were made about music tuition than any other service. More than 550 comments were received in opposition to the proposed reduction in funding for the service, including from teaching union EIS, compared to fewer than 20 comments in support of the change.
- 3.39 The proposed change was the subject of two petitions; one from school pupils, the other open to the general public. These petitions, mentioned earlier in this report, have accrued more than 10,000 signatures at the time of writing.
- 3.40 It should be noted that the draft budget proposals were only in relation to extracurricular music tuition and not classroom teaching of music. The number of teachers and the amount of class time given for music would not be impacted by these changes. Instrumental music tuition is a service delivered outside of normal class time. Following a summary of feedback on the tuition proposal, suggestions are made as to how any future engagement on this policy could be taken forward.
- 3.41 The comments and petitions make the following key points:
- Although this proposal covers tuition outside of class teaching, respondents view it as essential for skills development;
 - Music has an important role in engaging all children in their education, but is felt to be especially important for children who are not otherwise academically inclined, those with learning difficulties, and those with mental health issues;
 - Moving from free provision to paid provision of the service will result in some families being unable to afford tuition. This may mean money has been wasted on purchase of an instrument. This was felt to be more likely to impact on families who are "just outside" of any remaining threshold of

free provision and would make little difference to children from “rich families”;

- Requiring payment will increase the extent to which music is, and is viewed as, an elitist subject;
- Because of Edinburgh’s role as the Festival City, it was viewed as incongruous that the Council could attract musicians to play from all over the world, but cannot afford to provide music tuition for its own children;
- Various orchestras and ensembles that are effectively supported by this service could cease operating, possibly due to a shortage of children being taught how to play for more expensive instruments;
- A 75% reduction in the service’s budget was an alarming and unexpected figure, which was viewed as excessive even by those who stated their willingness to make some contribution to the provision of the service;
- The proposals do not provide sufficient detail on the alternative delivery model to provide confidence or assurance; and
- Respondents would like alternative ways of generating income to be considered, such as fund raising concerts and other charitable activities, before charging was implemented.

3.42 Feedback on this proposal indicates that there is considerable scope for the Council to improve the clarity of charges for extracurricular music tuition. While it seems likely that many would be opposed to charges in principle, it is equally likely that a charging element would be acceptable in a broader context and with appropriate supporting information. In particular, any future proposal on this subject should:

- Ensure head teachers are meaningfully engaged in the creation of any plans for the service;
- Ensure consideration has been given to transitional arrangements that would not require individual pupils to abandon any course of study for financial reasons; and
- Ensure that exemptions has been developed before engaging with parents, and that a charging policy identifies:
 - a. the criteria by which pupils would be exempt, receive a discounted rate, or be asked to pay full price;
 - b. how expensive musical instruments would be purchased; and
 - c. a price that parents of non-exempt pupils would be expected to pay.

PLA/SP3 – Waste Services

3.43 Two significant areas of the waste services proposals were addressed in the Council’s Dialogue – moving to three-weekly garden waste collection and moving to four-weekly glass recycling collections.

3.44 More than 30 comments were received in general relating to waste collection and recycling. These stressed the importance of delivering these services on a regular basis, and respondents would like these services to improve, but they were on balance neither for nor against the budget proposals. This feedback likely reflects the attention waste services receives as a core local authority

service, and it may be the case that most respondents mentioning waste collection or recycling had not actually read the waste proposals.

PLA/SP4 – Withdrawal of School Crossing Patrol Guide service at lunchtime

3.45 There were fewer than 10 responses in opposition to withdrawing this service at lunch times and fewer than five responses were in favour. However a petition was received in opposition to the changes with 475 signatures.

3.46 Those in opposition made two distinct points:

- Removing crossing guides increases risk and therefore reduces the safety of children; and
- A reduction in hours would force some crossing guides to seek alternative work.

3.47 Those in favour of the changes did not believe that removing crossing guides at lunch time represented a significant increase in risk.

PLA/SR1 – Stop repairs and maintenance of Stair Lighting Service in tenements

3.48 Fewer than 20 responses were received in relation to stair lighting. These were generally in opposition to the Council's current proposal to stop maintenance of stair lights. For some respondents, the provision of stair lighting in a built-up area was no different than the provision of street lighting in an area with few homes and they felt that the Council should provide this.

3.49 The range of views expressed also included those who were concerned that without the Council providing maintenance, no-one would provide maintenance. Respondents cited difficulties with arranging repairs to common parts of the property. It was felt that the growth in private renting and the inability of owners to agree on common repairs and maintenance would mean stair lights would fail and this would create spaces in which accidents, antisocial behaviour and crime would be more likely.

3.50 It was suggested that a change in the law would be necessary to require owners and landlords to introduce factoring arrangements, and it was felt by some that the Council simply charging for this service would be the simplest way of dealing with the issue.

General feedback on third party payments and voluntary sector

3.51 The full submission to the budget by Edinburgh Voluntary Organisations Council (EVOC) is included in information packs sent to elected members. In summary the points made by EVOC were:

- Council budget seems disconnected from changes in administrative structures, particularly with regard to the Integrated Joint Board;
- Use of the word "efficiency" is disingenuous – the Council should simply describe cuts as cuts;

- Geography has not been given enough consideration when funding is allocated to organisations, leading to “post code lotteries”;
- Reductions in preventative services should be reconsidered as these help to avoid greater costs later;
- Changes to management in the Council have raised concerns about loss of organisational knowledge, and uncertainty over decision-making;
- EVOC welcome the Council’s stated position on empowered communities, but feels that reality does not match rhetoric and more genuine co-production between partners is imperative.

3.52 More than 20 comments were received in relation to voluntary sector funding and how the Council works with the voluntary sector. Overall feedback was that respondents felt these services were valuable and that the Council should continue to support them. Respondents emphasised that additional work could be done by volunteers and that the Council needed to do more to ensure people had opportunities to volunteer.

3.53 Using the online planner, respondents were asked about the Council’s role with the voluntary sector and commissioned services. 72% of respondents were supportive of something close to the Council’s planned approach involving more co-design and delivery of services with partners. More radical positions were less favourably viewed, with only 16% supporting the Council moving to become a commissioning body with no direct delivery of services; and only 11% looking for the Council to bring all services in-house for additional control and accountability.

Online planner choices

3.54 Eight key strategic areas were presented to the public in the online planner, with potential choices available in each case. Five of these areas have already been reported alongside the associated budget proposals. Overall reaction to the remaining three proposals is summarised below.

Council Tax

3.55 Of the 1,086 responses to the online planner, a majority (63%) of those were in favour of increasing Council Tax from 2017/18 to pay for services, while 9% wanted to see a reduction. A quarter of respondents (25%) were in favour of increasing Band D Council Tax by around £100, while 38% opted for the more modest £50 increase.

3.56 Those with long term illnesses or disabilities were more likely to support increases in Council Tax, with 73% favouring some kind of increase, compared to 62% of those without disabilities.

3.57 Looking at the ward-level response from the online planner reveals that there was support for a Council Tax increase in each ward, though this varies substantially as shown in the following table. Av. indicates the average score in relation to the online planner – where -50 represented a reduction in Council Tax by £100 per year for Band D properties, while +50 was a £100 per year increase.

Ward	Av.	Ward	Av.
Almond	10.7	Leith	17.9
City Centre	6.4	Leith Walk	23.6
Colinton/Fairmilehead	9.0	Liberton/Gilmerton	27.6
Corstorphine/Murrayfield	18.5	Meadows/Morningside	14.5
Craightinny/Duddingston	14.0	Pentland Hills	23.6
Drum Brae/Gyle	19.0	Portobello/Craigmillar	25.8
Forth	25.0	Sighthill/Gorgie	25.4
Fountainbridge/Craiglockhart	19.0	Southside/Newington	19.9
Inverleith	9.7		

- 3.58 Scores show strong support for an increase in 13/17 wards, but lower levels of support in City Centre, Colinton / Fairmilehead, Inverleith, and Almond.
- 3.59 Feedback from all other engagement methods was similar, with 150+ comments in favour of either Council Tax increase and / or Council Tax reform. Fewer than ten comments were received in opposition to a Council Tax increase.
- 3.60 A broad consensus of feedback was that holding Council Tax at the same level for an extended period of time was undesirable when services were being cut, there was a strong feeling that respondents wanted to pay more to maintain funding in key areas and the delivery of important services. There was a very high level of understanding that this was a Scottish Government policy. Respondents expressed negative perceptions of the Scottish Government in respect of the Council Tax Freeze.
- 3.61 However respondents stated that any increase in Council Tax should also be accompanied by the Council making efficiencies and that more tax revenue should not be a substitute for this.
- 3.62 While revenue raising through Council Tax increases had support, it was still cited as a regressive tax and calls were made for reform through revaluation, introduction of additional Council Tax bands for more valuable homes, selective increases in tax only for higher bands, and for the system to be replaced in favour of a more progressive income-based local tax.
- 3.63 It was also suggested through the Council's Dialogue that students should make some financial contribution towards Council services. The idea received 13 votes and had an average score of 4.6/5. The original idea received through Dialogue was for a contribution of £5 per week. In other feedback, a similar amount was suggested of £200 per year or a percentage of the normal Council Tax bill for their property.

Renewable energy generation

- 3.64 27% of online planner respondents were in favour of a more ambitious strategy on renewable energy generation, with the Council actively seeking opportunities

to invest in renewables to gain more income in future. However the majority (73%) preferred a more cautious approach. Some suggested that the Council had already “missed the boat” in developing renewable energy opportunities.

Electronic billing

- 3.65 81% of respondents supported moving to digital billing by default, with customers having to opt-in to paper billing. There was strong consensus on this issue and in supplementary comments many respondents felt this was an obvious and preferable solution, with paper bills being used only for identification purposes.
- 3.66 While fewer than 1% were in favour of the current system of paper bills, 19% preferred an opt-in to digital billing, rather than an opt-out system. It should be noted that these are all results of online engagement, and may therefore not represent the views of the whole population on online issues.

Dialogue ideas

- 3.67 Feedback on the Council’s Dialogue page that relates directly to budget proposals has been included previously. Aside from these, the highest rated ideas suggested on the Council’s Dialogue page have been summarised below. The Council has undertaken to investigate the highest rated proposals and to implement those that are practical, or feed back on those that cannot be implemented.

Tourist tax

- 3.68 In addition to more than 60 comments received from all sources asking for the introduction of a tourist tax, the introduction of a charge for visitors to the city was the second most discussed suggestion on the Council’s Dialogue site (second only to the proposal to create a social enterprise to deliver music tuition). The idea received 36 votes with an average score of 4.6/5.
- 3.69 There was consensus that around £2 per room, per night was a fair charge and one which respondents had experienced themselves when visiting cities throughout Europe. However it was also suggested that a percentage cost or a fee relative to the type of room (hostel, B&B, hotel) would be fairer as flat rate charges would be disproportionate for very cheap room rentals.
- 3.70 The phrase “tourist tax” appears to be well recognised by respondents and does not appear to have strong negative connotations. Given attitudes to both tourists and festivals amongst some residents, the notion of specifically “taxing” tourists may be viewed more positively than introducing a “transient visitor levy”.

Congestion charging

- 3.71 Introducing a congestion charge was a popular idea, with 23 votes and an average score of 4.4/5, however comments diverged significantly from the voting with around half of those discussing the idea being moderate to strongly opposed.

- 3.72 Around 15 additional comments were received suggesting that the Council reconsider a city centre congestion charge.
- 3.73 It was not possible to judge the extent of general public support for a congestion charge from the information received.

Other feedback

Newhaven Tram extension

- 3.74 More than 150 comments were received in opposition to the extension of the tram line to Newhaven, while fewer than 10 responses were received in support.
- 3.75 Respondents directly linked tram spending with budget problems and attributed all of the Council's current financial issues to the tram. It was suggested that the whole capital cost of tram extension construction could be transferred to revenue spending on education, care for vulnerable adults, etc. and that this would more than meet the current budget shortfall.
- 3.76 The feedback suggests a general misunderstanding on the financing of the tram project and the benefits of a tram extension. The Council's revenue and capital budgets are separate and while capital budget spending can be financed through borrowing, revenue budget spending cannot. The Council would only invest in extending the tram if the additional fare income covered the cost of borrowing, therefore there would be no impact on the revenue budget of extending the tram line. However this also means that the funding for tram could not be used to address the shortfall in the revenue budget.
- 3.77 The Council may be able to influence overall opinion by more clearly communicating the benefits of the extension, while making appropriate assurances about the financial costs of the extension.
- 3.78 Nevertheless there are significant negative attitudes towards trams which appear to be unlikely to change.

Measures of success

- 4.1 The success of a budget engagement process is determined by several criteria, including:
- a. The number of individuals who are reached by messages about the consultation, raising awareness that the Council is engaging on its budget;
 - b. The number of individuals who attend events;
 - c. The number of individuals who complete and submit the online planner;
 - d. The number of comments made on the budget by any means;
 - e. The demographic representativeness of those responding;
 - f. The extent to which individuals and organisations have been able to understand and meaningfully input into the budget process. Unlike other

measures of success, this is subjective and takes into account wider feedback on the budget process.

- 4.2 In addition to the information provided earlier in this report, addressing points a-c, the following feedback has been received on the budget process itself:
- a. Respondents found the full financial information difficult to understand or not detailed enough – often due to the evolving nature of proposals related to the Transformation Programme;
 - b. The purpose of the online planner was questioned for not covering the full range of Council services. However the planner included all Council services in 2014 and was used in 2015 to concentrate on key Transformation choices and feedback from 2014 budget engagement;
 - c. Multiple response methods, while intended to provide the broadest range of opportunities for individuals to engage with the budget, could be confusing and did in some cases result in respondents going from one web page to another without being clear on how to submit their feedback.

The process is reviewed each year, and all of this feedback will be considered when designing any future budget engagement activity.

Financial impact

- 5.1 The budget engagement process is met from within existing budgets and resources.

Risk, policy, compliance and governance impact

- 6.1 There is a general acceptance that a local authority has a responsibility to meaningfully engage with stakeholders on its budget. An open, transparent budget engagement process is a key part of several corporate strategies and local community plans. This process reduces the overall risk of legal action and reputational damage for the Council.

Equalities impact

- 7.1 The engagement process has been designed to be inclusive through all communication channels, reaching both individuals and special interest groups, using a range of promotional material.
- 7.2 All proposals from the budget are in the process of being equalities rights impact assessed both individually and cumulatively. The results of these ERIAs will be reported to Full Council as part of the budget process.

Sustainability impact

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below.
- 8.2 This budget engagement process has no appreciable impact on carbon emissions. Through any engagement process it is hoped that services and their customers will develop more sustainable ways of operating.
- 8.3 The need to build resilience to climate change impacts is not relevant to this report, however specific proposals may have climate change impacts and these will be reported on as part of their individual impact assessments.
- 8.4 The budget engagement process will help achieve a sustainable Edinburgh through ensuring a diverse range of people have a meaningful say on issues that affect the economic wellbeing and environmental stewardship of the city.

Consultation and engagement

- 9.1 The budget engagement process is one of the Council's key projects for ensuring citizens, staff and other stakeholders have a voice in priorities for the city and how its budget is spent.
- 9.2 This budget engagement is part of a four year programme of continuous engagement with citizens, staff and the Council's partner organisations on all issues relating to the budget and transformation of services, including integration of health and social care services. Methods have been established for enabling meaningful dialogue with all stakeholder groups and these will be continually reviewed with these groups to ensure they are accessible and relevant for obtaining all types of feedback.

Background reading/external references

Responses received to engagement

[Budget and Transformation 2016-20 Approach to Engagement](#)

[Interim Budget Engagement Results 2015](#)

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Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All
Appendices	Appendix one – communications campaign Appendix two – Expanded comments on budget proposals Appendix three – map of distribution of budget responses

APPENDIX ONE

Edinburgh's budget challenge: your city, your say Communications campaign and response

A proactive and sustained communications campaign ran from 5 October until 17 December to ensure that as many people as possible in Edinburgh were aware of the opportunity to have their say on the Council's 2016-2020 budget proposals. The campaign's key message was that people had the opportunity to have their say about the budget proposals, using the strapline 'Your city, your say'.

A wide range of communication tools were used to deliver the 11 week engagement campaign to maintain interest and target different audiences across the different demographics of the city's population. Where possible no or low-cost tools were used. In particular there was significant use of PR and social media, with the Edinburgh Evening News providing sustained coverage of the different proposals throughout the period, and STV Edinburgh also hosting several Convener Q+A sessions.

Social media was also used significantly, and for the second year, the Council staged a Convener's Q+A session at the City Chambers, which was attended by members of the public and webcast live to an audience of over 200 people on the night. In addition and to ensure the campaign was as inclusive and engaging as possible some paid-for communications were required. The communications campaign cost less than £15,000 in total.

The communications were developed throughout the campaign to reflect the additional proposals announced on 20 November, the extended deadline, the ideas suggested by the people of Edinburgh, as well as the need to try and encourage more women to have their say to provide more balanced feedback. A variety of channels were used to reach people and encourage them to give their views, ideas and solutions through any number of the engagement tools including the dialogue page, planner, survey, leaflet, phone, and email.

Digital channels

Various digital channels were used at no cost. This included the web pages at www.edinburgh.gov.uk/budget which were created to provide the core budget information which were updated throughout the process. This included highlighting the changes that had been made to the 2015/16 budget as a result of people's previous feedback to demonstrate that the Council listens to and actions people's views. The web pages also linked to the 2016-2020 proposals and gave a variety of options about how people could get involved and have their say. 13,241 people visited the web pages during the engagement period. People were directed there from all other communication channels including the [Council's website](#) home page and the [Consultation Hub](#).

Other no-cost digital tools were used including an electronic signature, which was incorporated in Council emails. Four e-fliers were also sent to nearly 1,000 individuals, businesses and organisations, including people who participated in 2014, various equalities organisations, community groups and partners to encourage people to have their say.

A sustained social media campaign encouraged people to use the various engagement tools, highlighted key milestones such as the budget Question Time event, highlighted specific budget proposals and reflected people's ideas to generate interest. In addition to publishing social media posts, a number of promoted posts and adverts were used to reach those people in Edinburgh who do not follow the Council's Facebook and Twitter accounts.

163 Tweets, including two adverts, were posted with a reach of 591,983. This resulted in 619 retweets, 195 Likes and 1,619 people clicked on the links to the website or engagement tool. 21 Facebook posts including two adverts, reached 149,769, with 1,465 clicking on the links, 183 likes and 69 shares. 3 posts on LinkedIn reached 13,343, resulting in 82 clicks and 9 likes. This proactive social media activity resulted in a total of 152 comments on the budget.

Those who took part in the planner, could also encourage others to take part by using the built in Twitter and Facebook links.

Four adverts, at no cost, were run on the digital boards along Princes Street. Paid-for adverts were also used on a range of websites, including mobile. Specific websites were targeted, including the Herald, Edinburgh Evening News and Scotsman aimed at Edinburgh users.

The overall click through rate was 0.29%, approximately four times more than the industry average. Ads delivered to mobile sites outperformed other digital ads - click through rates were 0.38% and delivered the most impressions.

Overall, this digital advertising campaign resulted in 4,513 click throughs to the budget website. There was a spike in click throughs on 24 November.

An online advert was also placed on the Edinburgh Reporter's website. From the Edinburgh Reporter website there were 301 click throughs to the Council's budget website and five click throughs via the mobile ad.

Messages were also included on a number of the Council's plasma screens in the main neighbourhood offices and libraries at no cost, and a message ran on the contact centre's phone line throughout the campaign. A presentation was developed for employees and councillors to use at engagement events. Online articles were also included in the Leader's Report, Usher Hall and Tenants newsletters.

Marketing and advertising

In addition to 1,000 posters, 14,000 leaflets were printed and distributed across the city to target those people who don't use online channels, providing them with an opportunity to have their say using a tear-off freepost form.

Lamppost wraps, which have been highly successful in other campaigns, were rolled out across the city in three phases in high footfall areas. Advertising on phone boxes and bus shelters were also used across the city to encourage pedestrians, public transport users and vehicle users to have their say.

Adverts were also placed in the printed editions of the Metro, Edinburgh Evening News, as well as local media including the Leither, Trinity Spotlight, Stockbridge Spotlight and Edinburgh South West.

Media and events

Media releases were issued to mark the start of the engagement, the release of the additional proposals and the Scottish Government budget announcement. Working with the Edinburgh Evening News and Edinburgh Reporter, a series of councillor opinion pieces and interviews were also run.

43 articles appeared in the media including the Edinburgh Evening News, The Scotsman, Edinburgh Reporter, the Times (online), Herald (online) and on STV (online).

Five features also appeared on local radio stations and six interviews with councillors appeared on STV Edinburgh.

The Evening News' editor chaired our webcast Budget Question Time event which is the second year the Council has organised this. A panel of five senior councillors answered questions from the 40+ guests at the event, as well as questions previously submitted by Twitter, with 200 people watching live via the webcast, and 360 have watched the archive recording.

Employee communications

In addition to various engagement events, colleagues were encouraged to take part by email, service area newsletter, and through articles on the Council's intranet site and in turn encourage their family, friends and customer to have their say.

Gender gap

An interim report showed that only 37% of respondents were women. To help address this and achieve a balanced response a series of communications actions were taken. Around 75% of the Council's Facebook followers are women and so an advert was created specifically designed for them, and only issued to women users. Some of the outdoor advertising and lamppost wraps were also specifically placed near areas predominantly used by women, including schools. The final analysis shows a fairly even gender split.

Analysis

Respondents cited the following channels as the way they found out about the budget engagement:

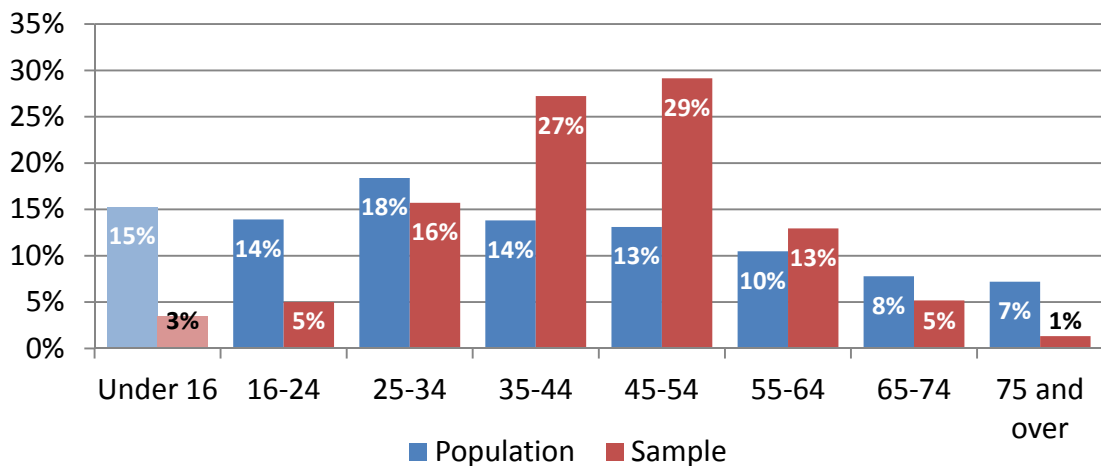
Email	18%
Council website	16%
Advertising on lampposts	11%
Council staff communications	9%
Twitter	9%
Facebook	9%
Press coverage	8%
Press or outdoor advertising	5%

Demographics

This demographic summary is based on information supplied by respondents. It should be noted that many responses are received in formats that do not encourage or permit respondents to supply information about who they are, such as letter, email, petition, Facebook, Twitter and Dialogue. Respondents are also not required to submit any demographic information for their response to be considered as part of the budget engagement process as some respondents prefer not to provide this information, and would not participate if this information was mandatory. As a result, reasonable demographic information is available for around 1,500 respondents (35% of the total sample).

In contrast to the 2014 budget engagement, where 41% of respondents were women, in 2015 a total of 53% of responses were received from women. The population of the city is 51% female, around the same as was achieved in the sample. In part this apparent increase in participation from women may be due to the introduction of an online survey which was promoted in preference to email or letter contact. This survey allowed demographic information to be captured which was not available in previous years.

The age profile of respondents has remained similar to that recorded in 2014 – both the 2014 and 2015 engagement exercises have attracted an overall younger demographic than in 2013. However, as in 2014, generating responses from the 16-24 and 75+ age groups is challenging, and the overall response is dominated by the 35-54 age groups.



Results for the online planner, shown later in this report, instead of using all 1,086 planners, uses 892 respondents who have supplied an Edinburgh post code. These 892 responses are weighted by age and gender to better reflect the views of all Edinburgh residents.

A map showing the distribution of responses around the city is included as an appendix to this report. There has been good coverage of all areas of the city, with no apparent geographic bias. Also shown on the map are areas of deprivation (Scottish Index of Multiple Deprivation, 2012, 15% most deprived data zones) and responses have been received from all deprived areas.

7% of respondents (111 of 1,518 answering the question) identified themselves as having a disability or long term illness that impacted on their ability to perform daily activities.

12% of respondents (180 of 1,534 answering the question) identified themselves as being from a non-white and / or non-British background. In the 2011 census, 8% of Edinburgh residents identified as non-white, while 11% identified themselves as being non-British.

Employment was only asked of respondents using the budget planner, and is thus based on only 885 responses. Of these:

- 2% were unemployed – approximately representative of Edinburgh;
- 4% were full-time students – less than the 12% estimated for Edinburgh and likely due to lower response levels amongst the 16-24 age group;
- 67% were employed full-time – reflecting the high level of participation amongst 25-64 year-olds.

Around 27% of respondents are Council employees – this is in line with all previous years where around a quarter of respondents were employed by the Council.

Appendix Two: Full Results

Feedback on budget proposals

All feedback received has been made available to all elected members as a searchable electronic information pack. This report will only address those areas where at least ten responses have been received.

INC2 – Increase discretionary income by RPI+2%

As part of the online planner, respondents were offered the choice to vary the overall charges the Council issues over the next four years by a range of RPI to RPI+6%.

78% of respondents were in favour of above-inflation increases in service charges. 22% favoured inflation-only increases, 43% backed the Council's current plan of RPI+2%, while 29% favoured RPI+4%. Increasing charges by RPI+6% was the least popular choice, supported by only 5% of respondents.

Higher levels of increase were favoured by 25-54 year-olds, with 39% being in favour of RPI+4% or RPI+6%. By contrast only 26% of those in aged 55 and over supported increases at that level. This older age group favoured indirect Council Tax increases over direct service charges.

INC4 – Increase fee charges for section 109 permits to install pipe and cables in roads and pavements

There was strong support for this idea on the Council's Dialogue page with 23 votes and an average score of 4.9/5.

Other comments received were in favour of making utility companies and developers more accountable for road surfaces – through inspection, rental of roads while work was ongoing, and fines for work that was poorly carried out. There would likely be significant public support for any policy aimed at making sure road works are completed to a good standard, in a reasonable time period, and that where this doesn't happen a responsible body is charged.

INC8 – Increase parking permit charges by 5%; INC9 – Increase pay and display charges; and PLA/INC2 – Increase parking charges by an average of 4.5% per year over four years

74% of respondents using the online planner favoured an increase in parking charges, with 32% supporting the Council's plan for immediate changes (INC8, INC9) and 43% supporting increases approximately double this. 20% wanted current charges to be frozen, while only 5% wanted to see a decrease.

Opinion was broadly similar across 50 other comments received on parking, with two-thirds in favour of increases and one-third opposed.

Supporters of increases in charges were opposed to cars in the city centre, in favour of public transport, and in favour of more active forms of travel. Those opposed felt

that the Council was unfairly targeting motorists and believed that there would be negative economic consequences for Edinburgh by excluding drivers.

TP1 – Reduce third party payments for Community Learning and Development services

Reduction in Community Learning and Development (CLD) worker posts was opposed by customers receiving this service. More than 50 comments were received in support of CLD services, most of which came from customers of Cameron House. These comments emphasised that CLD services provide a social life-line that is particularly valued by older people, as well as classes being valued in themselves.

All respondents requested that the Council reconsider its plans to reduce CLD workers posts and make no cuts to this service.

TP2 – Reduce grant payment to Festival City Theatre Trust; TP4 – Review funding arrangements for Winter Festivals

More than 40 comments were received in relation to festivals funding and, to a lesser extent, funding for the Festival Theatre. These were generally in support of the Council's plans and were in some cases strongly opposed to any spending on festival activities.

Extremely high levels of support (550 contacts, 10,000+ petition signatures) for the Instrumental Music Tuition service (noted later in this report) did not translate to support for culture spending in general in budget feedback received.

TP7 – Review allotment service and increase rents

The Council conducted a Dialogue with allotment holders, those on the allotment waiting list and interested members of the public. 25 ideas for allotments generated 126 comments and 166 votes. All feedback received will be passed on to the Allotments Service for consideration. In summary, the ideas were:

- Limiting plots to one per household;
- Reviewing the waiting list, particularly with regard to identifying where individuals already had allotments and were seeking a transfer;
- Turning full allotment plots into half plots when they become vacant;
- Exploring opportunities to develop community gardens in other areas of disused land; and
- Restrictions on entitlement to discounts.

The Council's proposal to increase allotment rents received 12 votes with an average rating of 2.4/5. Scores can range from a minimum of 1 to a maximum of 5, therefore the mid-point of the scale is 3, and a score of 2.4 would indicate this idea was unpopular with those voting.

In addition to Dialogue, more than 30 comments were received about the allotments service. Most were opposed to increasing charges in principle, cited a previous

agreement to maintain rents at £100 per year until 2020, and asked for the Council to keep to that agreement. However some respondents felt that current discount levels were too high and they were happy to pay higher rents.

TP8 – Reduce spending on block-contracted services by 10%

More than 30 responses were received in relation to care services, however most did not specifically mention the 10% reduction and were instead stressing the importance of these services. Those responses that did mention reduction questioned how this could be done without a real decline in the quality of service and were concerned this would happen.

TP9 – Reduce funding to Police Scotland

Police Scotland's 24-page response to the funding reduction is available in the information pack which has been sent to all members. Key points from this response include:

- A service-level agreement was created after previous reductions in funding were rejected by Council following consultation. This SLA has resulted in named officers being assigned to community policing in each ward and the city centre;
- Identification that the loss of funding would result in a reduction of 11 officers which would impact directly on the size of taskable forces, reduce the ability of Police Scotland to engage in local partnership working, and could lead to antisocial behaviour and hate crime developing into more serious criminality;
- With specific regard to CF/SR1 (the proposal to end the night time noise team), Police Scotland estimate that 63% of calls received about night time noise in Edinburgh are referred to the night time noise team, with around 37% being responded to by police. If the referrals were all dealt with by Police Scotland, that would equate to a 10% increase in the total number of incidents dealt with and during busy periods it would be likely that many of these could not be attended. This would have a material impact on Edinburgh residents.

Fewer than 20 comments were received in relation to Police Scotland funding, and were opposed to the reduction. Particular concerns were raised about this reduction in relation to the proposed changes to stair lighting maintenance. Concerns about Police funding were disproportionately expressed by older respondents.

SP8 – Reduce gully cleaning service

Around 10 responses were received in relation to gully cleaning and all were opposed to the changes. Respondents' views varied from stating that they did not believe gullies were currently cleaned as frequently as claimed, to observing that more blockages would result in higher costs and that these savings were therefore a false economy.

P3 – Reduce use of employee overtime by 25%; P4 – Reduce use of agency staffing by 20%; and PLA/EFF3 – Reduction in staff and agency costs

General feedback, not in relation to specific budget proposals, urged the Council to reduce overtime, agency, and consultancy. This was part of more than 70 comments which looked for a general reduction of Council employee numbers, management numbers, pay and benefits – particularly pensions. Around 15 further comments asked for a reduction in the number of Councillors and their remuneration.

CO/ST12 – Business Support Services

More than 160 comments were received in relation to administrative changes in schools related to Business Support Services changes. These were almost always firmly opposed to the changes. The main points raised were:

- Any reduction in education spending was opposed;
- Parents had been led to believe that education spending was ring-fenced and protected against cuts. There was confusion that this applied only to teacher numbers and not all school staff;
- It was felt to be obvious that a reduction in administrative staff numbers would result in administrative tasks being placed on teaching staff, and that this would cause a reduction in the amount or quality of teaching time; and
- The work done by non-teaching staff in school was valued and there was a perception that head teachers and deputy head teachers already carried out too much administration.

Without any emphasis on schools administration, the Business Support Services proposal was included as part of the online planner. The planner focused on the speed at which Business Support Services would be created and the Council's attitude towards redundancies as part of transformation.

24% of respondents favoured a slower implementation of the transformation plan, with reduced use of redundancies and increased reliance on natural wastage. This was slightly higher (30%) amongst current Council employees. 41% of respondents supported the Council's current plan, while 35% wanted to see changes made more quickly.

General feedback on proposals SP3; CF/EFF5; CF/EFF8; CF/EFF9; and CF/ST1-6

Extensive feedback was received on areas related to education and the provision of services to vulnerable children and their families. However this feedback was fragmented and not specifically addressed against budget proposals. This section summarises all feedback received that would appear relevant.

There were concerns these proposals would negatively impact services already perceived to be stretched. Respondents highlighted that the children receiving these services are vulnerable, with specific support needs, and that staff currently

supporting them have a special range of skills and duties which are vital to help these children reach their potential. There were concerns that if staff numbers were reduced, and children were required to go to mainstream schools, this would negatively impact on their development. It was felt that children attending special schools do so as they are unable to succeed at mainstream schools. Respondents also perceived the proposals as going against our legal duties to support pupils and the principles of 'getting it right for every child.'

Cutting resources would mean that remaining staff would have reduced ability to manage behaviour in classes, write care plans or interact with pupils and parents appropriately. If children with additional needs were included in mainstream classes then this would require extra planning and support within schools.

Regarding the proposal to reduce the number of Pupil Support Assistants, respondents were opposed to the plans as they felt there were already insufficient resources available. Some respondents mentioned personal experiences where specialist 1:1 care was not provided due to existing reductions in support and that some pupils were receiving 1:2 support, even though the pupils had differing needs.

The proposals were seen to be short sighted; respondents felt that a reduction in support for excluded children and those with special needs would likely lead to increased long-term costs in terms of unemployment, crime etc and that the lack of support would ultimately affect their independence and potential to lead fulfilling lives later on.

A number of respondents felt that the proposals mention 'review' or 'redesign' of services but are unclear on the actual detail, therefore they found it difficult to comment on them.

The EIS Union responded specifically on proposal CF/ST6 – Family solutions review. This response echoed those received from other interested parties and highlighted the increased risk of a child becoming looked-after by the Council if family support was reduced. It was felt this would lead to higher costs in the long term and poorer outcomes for children, and was described as "short sighted".

CF/EFF2 – Closure of Panmure School

More than 30 comments were received in relation to proposed closure of Panmure school (also referred to as Panmure St Ann's). These comments were all in opposition to the proposal. The arguments against the closure were, in summary:

- A belief that only some of the pupils currently in Panmure can be accommodated at Gorgie Mills, raising questions about alternative provision;
- A belief that there is a lack of appropriate skills and training amongst mainstream teaching staff;
- A belief that current provision within schools for children with additional support needs is inadequate and that mainstreaming would disadvantage all children in the class;

- That there is no effective alternative provision of social, emotional and behavioural needs (SEBN) at secondary school level in Edinburgh;
- That teaching staff from Panmure School would be lost, resulting in a loss of necessary skills within the Council;
- Rising schools rolls may require a similar facility again in a relative short time.

CF/ST8 – Redesign of library services; CF/SP2 – Community centre staff reduction

Proposals for services to occupy shared buildings were included as part of the online planner. The focus of this proposal was whether respondents preferred shared-service hubs in which more services would be provided, or if they preferred specific services to maintain their own facilities, thus ensuring more local delivery but at higher cost.

17% of respondents were in favour of more local delivery. 23% supported the Council's current plans to merge some facilities. However 60% of all respondents were in favour of service hubs that provide more services at the expense of very local provision.

Those with a long-term illness or disability were more likely to be in favour of local delivery options (26% compared to 16% of those without a disability). In earlier reports it was reported that residents who had lived in Edinburgh for longer were more in favour of hubs than newer residents, but in the final data and after weighting this difference was no longer present. There was also no significant difference by age, gender, whether the respondent was a parent or a Council employee.

In contrast to the planner response, more than 30 comments received in other ways were either opposed to merging libraries and community centres, or to any reduction in library or community centre services. Instead of merging facilities, some respondents suggested reducing opening hours.

It is likely that without a detailed plan of what alternative service provision would look like in this area, many customers would view these proposals as a simple cut to services.

CF/SP4 – Redesign of Music Instructor Service

More responses were made about music tuition than any other service. More than 550 comments were received in opposition to the proposed reduction in funding for the service, including from teaching union EIS, compared to fewer than 20 comments in support of the change.

The proposed change was the subject of two petitions; one from school pupils, the other open to the general public. These petitions, mentioned earlier in this report, have accrued more than 10,000 signatures at the time of writing.

It should be noted that the draft budget proposals were only in relation to extracurricular music tuition and not classroom teaching of music. The number of teachers and the amount of class time given for music would not be impacted by these changes. Instrumental music tuition is a service delivered outside of normal class time. Following a summary of feedback on the tuition proposal, suggestions are made as to how any future engagement on this policy could be taken forward.

The comments and petitions make the following key points:

- Although this proposal covers tuition outside of class teaching, respondents view it as essential for skills development;
- Music has an important role in engaging all children in their education, but is felt to be especially important for children who are not otherwise academically inclined, those with learning difficulties, and those with mental health issues;
- Moving from free provision to paid provision of the service will result in some families being unable to afford tuition. This may mean money has been wasted on purchase of an instrument. This was felt to be more likely to impact on families who are “just outside” of any remaining threshold of free provision and would make little difference to children from “rich families”;
- Requiring payment will increase the extent to which music is, and is viewed as, an elitist subject;
- Because of Edinburgh’s role as the Festival City, it was viewed as incongruous that the Council could attract musicians to play from all over the world, but cannot afford to provide music tuition for its own children;
- Various orchestras and ensembles that are effectively supported by this service could cease operating, possibly due to a shortage of children being taught how to play for more expensive instruments;
- A 75% reduction in the service’s budget was an alarming and unexpected figure, which was viewed as excessive even by those who stated their willingness to make some contribution to the provision of the service;
- The proposals do not provide sufficient detail on the alternative delivery model to provide confidence or assurance; and
- Respondents would like alternative ways of generating income to be considered, such as fund raising concerts and other charitable activities, before charging was implemented.

Feedback on this proposal indicates that there is considerable scope for the Council to improve the clarity of charges for extracurricular music tuition. While it seems likely that many would be opposed to charges in principle, it is equally likely that a charging element would be acceptable in a broader context and with appropriate supporting information. In particular, any future proposal on this subject should:

- Ensure head teachers are meaningfully engaged in the creation of any plans for the service;
- Ensure consideration has been given to transitional arrangements that would not require individual pupils to abandon any course of study for financial reasons; and
- Ensure that exemptions has been developed before engaging with parents, and that a charging policy identifies:
 - a. the criteria by which pupils would be exempt, receive a discounted rate, or be asked to pay full price;
 - b. how expensive musical instruments would be purchased; and
 - c. a price that parents of non-exempt pupils would be expected to pay.

PLA/SP3 – Waste Services

Two significant areas of the waste services proposals were addressed in the Council's Dialogue – moving to three-weekly garden waste collection and moving to four-weekly glass recycling collections.

The glass recycling proposal received 8 votes with an average score of 3/5. Comments on this proposal were supportive, though ability to store glass recycling for a month might be an issue for some households. Comments also indicate there may be a preference for on-street recycling facilities over kerbside collections.

Garden waste collection received 4 votes with an average score of 3/5.

More than 30 comments were received in general relating to waste collection and recycling. These stressed the importance of delivering these services on a regular basis, and respondents would like these services to improve, but they were on balance neither for nor against the budget proposals. This feedback likely reflects the attention waste services receives as a core local authority service, and it may be the case that most respondents mentioning waste collection or recycling had not actually read the waste proposals.

PLA/SP4 – Withdrawal of School Crossing Patrol Guide service at lunchtime

There were fewer than 10 responses in opposition to withdrawing this service at lunch times and fewer than five responses were in favour. However a petition was received in opposition to the changes with 475 signatures.

Those in opposition made two distinct points:

- Removing crossing guides increases risk and therefore reduces the safety of children; and
- A reduction in hours would force some crossing guides to seek alternative work.

Those in favour of the changes did not believe that removing crossing guides at lunch time represented a significant increase in risk.

PLA/SR1 – Stop repairs and maintenance of Stair Lighting Service in tenements

Fewer than 20 responses were received in relation to stair lighting. These were generally in opposition to the Council's current proposal to stop maintenance of stair lights. For some respondents, the provision of stair lighting in a built-up area was no different than the provision of street lighting in an area with few homes and they felt that the Council should provide this.

The range of views expressed also included those who were concerned that without the Council providing maintenance, no-one would provide maintenance. Respondents cited difficulties with arranging repairs to common parts of the property. It was felt that the growth in private renting and the inability of owners to agree on common repairs and maintenance would mean stair lights would fail and this would create spaces in which accidents, antisocial behaviour and crime would be more likely.

It was suggested that a change in the law would be necessary to require owners and landlords to introduce factoring arrangements, and it was felt by some that the Council simply charging for this service would be the simplest way of dealing with the issue.

General feedback on third party payments and voluntary sector

The full submission to the budget by Edinburgh Voluntary Organisations Council (EVOC) is included in information packs sent to elected members. In summary the points made by EVOC were:

- Council budget seems disconnected from changes in administrative structures, particularly with regard to the Integrated Joint Board;
- Use of the word "efficiency" is disingenuous – the Council should simply describe cuts as cuts;
- Geography has not been given enough consideration when funding is allocated to organisations, leading to "post code lotteries";
- Reductions in preventative services should be reconsidered as these help to avoid greater costs later;
- Changes to management in the Council have raised concerns about loss of organisational knowledge, and uncertainty over decision-making;
- EVOC welcome the Council's stated position on empowered communities, but feels that reality does not match rhetoric and more genuine co-production between partners is imperative.

More than 20 comments were received in relation to voluntary sector funding and how the Council works with the voluntary sector. Overall feedback was that respondents felt these services were valuable and that the Council should continue to support them. Respondents emphasised that additional work could be done by

volunteers and that the Council needed to do more to ensure people had opportunities to volunteer.

Using the online planner, respondents were asked about the Council's role with the voluntary sector and commissioned services. 72% of respondents were supportive of something close to the Council's planned approach involving more co-design and delivery of services with partners. More radical positions were less favourably viewed, with only 16% supporting the Council moving to become a commissioning body with no direct delivery of services; and only 11% looking for the Council to bring all services in-house for additional control and accountability.

Online planner choices

Eight key strategic areas were presented to the public in the online planner, with potential choices available in each case. Five of these areas have already been reported alongside the associated budget proposals. Overall reaction to the remaining three proposals is summarised below.

Council Tax

Of the 1,086 responses to the online planner, a majority (63%) of those were in favour of increasing Council Tax from 2017/18 to pay for services, while 9% wanted to see a reduction. A quarter of respondents (25%) were in favour of increasing Band D Council Tax by around £100, while 38% opted for the more modest £50 increase.

Those with long term illnesses or disabilities were more likely to support increases in Council Tax, with 73% favouring some kind of increase, compared to 62% of those without disabilities.

Looking at the ward-level response from the online planner reveals that there was support for a Council Tax increase in each ward, though this varies substantially as shown in the following table. Av. indicates the average score in relation to the online planner – where -50 represented a reduction in Council Tax by £100 per year for Band D properties, while +50 was a £100 per year increase.

Ward	Av.	Ward	Av.
Almond	10.7	Leith	17.9
City Centre	6.4	Leith Walk	23.6
Colinton/Fairmilehead	9.0	Liberton/Gilmerton	27.6
Corstorphine/Murrayfield	18.5	Meadows/Morningside	14.5
Craightinny/Duddingston	14.0	Pentland Hills	23.6
Drum Brae/Gyle	19.0	Portobello/Craigmillar	25.8
Forth	25.0	Sighthill/Gorgie	25.4
Fountainbridge/Craiglockh	19.0	Southside/Newington	19.9

art			
Inverleith	9.7		

Scores show strong support for an increase in 13/17 wards, but lower levels of support in City Centre, Colinton / Fairmilehead, Inverleith, and Almond.

Feedback from all other communication methods was similar, with 150+ comments in favour of either Council Tax increase and / or Council Tax reform. Fewer than ten comments were received in opposition to a Council Tax increase.

A broad consensus of feedback was that holding Council Tax at the same level for an extended period of time was undesirable when services were being cut, there was a strong feeling that respondents wanted to pay more to maintain funding in key areas and the delivery of important services. There was a very high level of understanding that this was a Scottish Government policy. Respondents expressed negative perceptions of the Scottish Government in respect of the Council Tax Freeze.

However respondents stated that any increase in Council Tax should also be accompanied by the Council making efficiencies and that more tax revenue should not be a substitute for this.

While revenue raising through Council Tax increases had support, it was still cited as a regressive tax and calls were made for reform through revaluation, introduction of additional Council Tax bands for more valuable homes, selective increases in tax only for higher bands, and for the system to be replaced in favour of a more progressive income-based local tax.

It was also suggested through the Council's Dialogue that students should make some contribution towards Council services. The idea received 13 votes and had an average score of 4.6/5. The original idea received through Dialogue was for a contribution of £5 per week. In other feedback, a similar amount was suggested of £200 per year or a percentage of the normal Council Tax bill for their property.

Renewable energy generation

27% of online planner respondents were in favour of a more ambitious strategy on renewable energy generation, with the Council actively seeking opportunities to invest in renewables to gain more income in future. However the majority (73%) preferred a more cautious approach. Some suggested that the Council had already "missed the boat" in developing renewable energy opportunities.

Electronic billing

81% of respondents supported moving to digital billing by default, with customers having to opt-in to paper billing. There was strong consensus on this issue and in supplementary comments many respondents felt this was an obvious and preferable solution, with paper bills being used only for identification purposes.

While fewer than 1% were in favour of the current system of paper bills, 19% preferred an opt-in to digital billing, rather than an opt-out system. It should be noted that these are all results of online engagement, and may therefore not represent the views of the whole population on online issues.

Dialogue ideas

Feedback on the Council's Dialogue page that relates directly to budget proposals has been included previously. Aside from these, the highest rated ideas suggested on the Council's Dialogue page have been summarised below. The Council has undertaken to investigate the highest rated proposals and to implement those that are practical, or feed back on those that cannot be implemented.

Tourist tax

In addition to more than 60 comments received from all sources asking for the introduction of a tourist tax, the introduction of a charge for visitors to the city was the second most discussed suggestion on the Council's Dialogue site (second only to the proposal to create a social enterprise to deliver music tuition). The idea received 36 votes with an average score of 4.6/5.

There was consensus that around £2 per room, per night was a fair charge and one which respondents had experienced themselves when visiting cities throughout Europe. However it was also suggested that a percentage cost or a fee relative to the type of room (hostel, B&B, hotel) would be fairer as flat rate charges would be disproportionate for very cheap room rentals.

The phrase "tourist tax" appears to be well recognised by respondents and does not appear to have strong negative connotations. Given attitudes to both tourists and festivals amongst some residents, the notion of specifically "taxing" tourists may be viewed more positively than introducing a "transient visitor levy".

Congestion charging

Introducing a congestion charge was a popular idea, with 23 votes and an average score of 4.4/5, however comments diverged significantly from the voting with around half of those discussing the idea being moderate to strongly opposed.

Around 15 additional comments were received suggesting that the Council reconsider a city centre congestion charge.

It was not possible to judge the extent of general public support for a congestion charge from the information received.

Other feedback

Newhaven Tram extension

More than 150 comments were received in opposition to the extension of the tram line to Newhaven, while fewer than 10 responses were received in support.

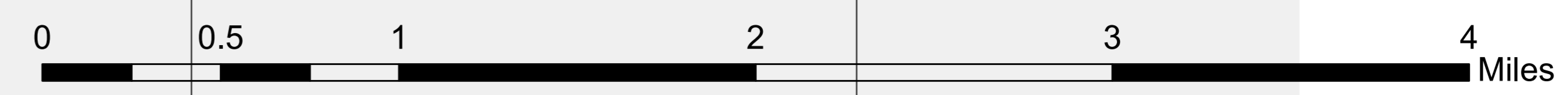
Respondents directly linked tram spending with budget problems and attributed all of the Council's current financial issues to the tram. It was suggested that the whole capital cost of tram extension construction could be transferred to revenue spending on education, care for vulnerable adults, etc. and that this would more than meet the current budget shortfall.

The feedback suggests a general misunderstanding on the financing of the tram project and the benefits of a tram extension. The Council may be able to influence overall opinion by more clearly communicating the benefits of the extension, while making appropriate assurances about the financial costs of the extension.

The Council's revenue and capital budgets are separate and while capital budget spending can be financed through borrowing, revenue budget spending cannot. The Council would only invest in extending the tram if the additional fare income covered the cost of borrowing, therefore there would be no impact on the revenue budget of extending the tram line. However this also means that the funding for tram could not be used to address the shortfall in the revenue budget.

Nevertheless there are significant negative attitudes towards trams which appear to be unlikely to change.

Budget proposals - respondent postcodes

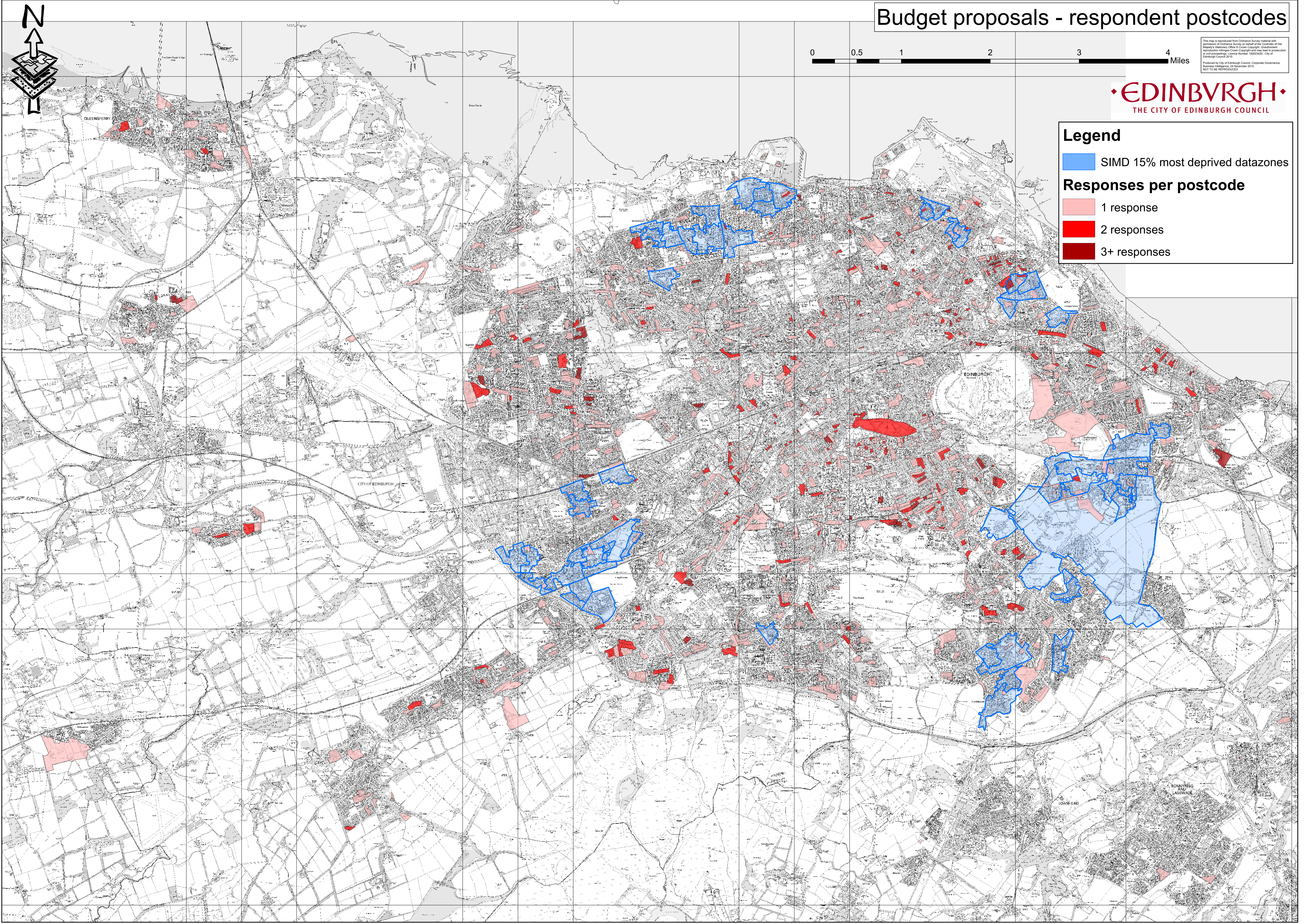


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NOT TO BE REPRODUCED



Legend

- SIMD 15% most deprived datazones
- Responses per postcode**
 - 1 response
 - 2 responses
 - 3+ responses



The City of Edinburgh Council

10.00am, Thursday, 21 January 2016

Council's Budget 2016/20 – Risks and Reserves - referral report from the Finance and Resources Committee

Item number	4.1(c)
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 14 January 2016 considered a report on the risks inherent in the revenue and capital budget framework and the range of measures and provisions established to mitigate these. The report has been referred to the City of Edinburgh Council for decision on 21 January 2016 as part of the budget setting process.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Council's Budget 2016/20 – Risk and Reserves

Terms of referral

- 1.1 General or unallocated reserves were held against the risk of unanticipated expenditure or reduced income that arose in any particular year. In addition some specific/earmarked reserves were set aside to manage timing differences between the receipt of income and expenditure being incurred, in accordance with accounting rules.
- 1.2 The reserves held by Council were reviewed annually as part of the revenue budget process. The review considered the levels of balances, the risks inherent in the budget process and the adequacy of arrangements in place to manage these known risks.
- 1.3 The Finance and Resources Committee agreed:
 - 1.3.1 To note the report.
 - 1.3.2 To refer the report to Council for decision on 21 January 2016 as part of the budget setting process.

For Decision/Action

- 2.1 The Finance and Resources Committee has referred the report to The City of Edinburgh Council for decision as part of the budget setting process.

Background reading / external references

Minute of the Finance and Resources Committee, 14 January 2016.

Carol Campbell

Head of Legal and Risk

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00am, Thursday, 14 January 2016

Council's Budget 2016/20 – Risks and Reserves

Item number	7.7
Report number	
Executive/routine	
Wards	

Executive summary

The report advises members on the risks inherent in the revenue and capital budget framework and the range of measures and provisions established to mitigate these.

Links

Coalition pledges	P30
Council outcomes	CO25
Single Outcome Agreement	SO1 , SO2 , SO3 , SO4

Council's Budget 2016/20 – Risks and Reserves

Recommendations

- 1.1 Members of the Finance and Resources Committee are asked to:
 - 1.1.1 note the content of this report; and
 - 1.1.2 remit the report to Council for decision on 21 January 2016 as part of the budget setting process.

Background

- 2.1 This report advises members of significant risks identified in the budget process, quantifying these wherever possible, and sets out the range of measures and provisions put in place to mitigate these.
- 2.2 General or unallocated reserves are held against the risk of unanticipated expenditure or reduced income arising in any particular year. In addition some specific/earmarked reserves are set aside to manage timing differences between the receipt of income and expenditure being incurred, in accordance with accounting rules.
- 2.3 The reserves held by the Council are reviewed annually as part of the revenue budget process. The review considers the level of balances, the risks inherent in the budget process and the adequacy of arrangements in place to manage these known risks.

Main report

Risks

- 3.1 There will always be risks inherent in the budget process. What is important is that these are identified and mitigated / managed effectively. Appendix 1 shows a risk matrix, setting out how the known risks identified in this report are managed. It is important to recognise, however, this list should not be seen as exhaustive due to the complexity of the Council's activities and the environment within which it operates.
- 3.2 Risks have been categories into one of three groups – (i) risks associated with the delivery of major projects, savings proposals, internal improvement plans

and severance costs, (ii) on-going risks and (iii) emerging risks. The most significant of these are summarised below:

Risks associated with the delivery of major projects, savings proposals, internal improvement plans and severance costs

3.3 The budget process makes assumptions about the delivery of major projects and the level of savings that can be achieved. There are a number of potential risks within this area:

- The ability to deliver both the savings already approved by Council that impact in 2016/17 and savings proposals set out in the revenue budget framework for decision on 21 January 2016, within the timescales stated; and
- The deliverability of services within the baseline level of available resources, particularly in areas where the majority of expenditure is demand-led in nature.

3.4 The budget proposals set out at the Finance and Resources Committee meetings on 24 September and 26 November 2015 are sufficient to address the Council's net savings requirement up to and including 2018/19, if all are accepted. Inbuilt to these proposals are additional savings which provide the potential for an element of the proposals not to be taken forward.

3.5 A robust process of active tracking and reporting on savings delivery has been established during 2015/16. Progress will continue to be regularly reported to the Finance and Resources and relevant Executive Committees in conjunction with ongoing budget challenge meetings by service directors.

3.6 The Transformation programme will impact on overall employee numbers and there will be significant staff release costs associated with this. It is not possible to assess the adequacy of provisions with certainty at this stage as the work-streams are not at an advanced enough stage to quantify the timing and magnitude of the total funding requirement.

On-going risks

3.7 The ICT Transformation programme has funding set aside for additional investment to support the transition to the new provider. There is sufficient funding for currently known commitments however there are risks around additional costs arising as the migration process moves forward.

Financial Settlements and wider fiscal policy changes

3.8 Details of the 2016/17 financial settlement were announced on 16 December 2015 and confirm a reduction of funding of £16.7m compared to that assumed in the budget framework, details of which are outlined in the Budget Update report elsewhere on today's agenda. Whilst plans for 2016/17 reflect the confirmed level of funding, the levels of funding for future years could vary for a number of

reasons, including updated population data and the complexities of the distribution formula. Implementation of the principal recommendations contained within the Scotland Bill 2015-16 could also have a significant impact on the future funding arrangements for national and local government. While based on best-available assumptions, levels of public expenditure are furthermore subject to both Scottish Government and wider UK Government fiscal policy.

Loss of income

- 3.9 Assumptions are made in the budget process on the level of income that will be generated for services. There are risks related to these assumptions around (i) demand for chargeable services and (ii) the ability to collect all income due. The Council has a range of measures to mitigate the risk, such as service level agreements with external users, application of the Council's corporate debt policy and regular monitoring.

Demographic changes

- 3.10 The risk relates to the overall level of demand for services and the ability to provide for this within the available resources. The budget framework identifies £12.1m in 2016/17 for additional expenditure due to demographic pressures, reflecting the additional £2.1m approved in June 2015 to acknowledge the net impact of higher numbers of school pupils, those with learning and/or physical disabilities and at-risk children than previously projected.
- 3.11 The review of the current level of provision within the Long Term Financial Plan reported to Committee in June identified additional potential cumulative pressures within Children and Families services of £7m over the period from 2017/18 to 2019/20 and there is a risk that the current level of provision may not be sufficient to meet the actual cost pressures.

Council Tax Freeze

- 3.12 The budget framework assumes that 2016/17 will be the last year of the Council Tax Freeze, in line with the Scottish Government's policy commitment over the current parliamentary term. An additional £7m of income is included in the framework as a result of levying an indicative 3% increase in 2017/18 and each year thereafter. There is a risk that this increase is not achieved and alternative income or compensating savings are required. More fundamentally, there is a risk that changes to the system of local taxation result in a lower-than-anticipated overall level of revenues generated, although this seems less likely due to a broad consensus around making current arrangements more progressive.

Infrastructure

- 3.13 The risk relates to there being insufficient resources to maintain adequately the Council's existing and planned infrastructure, resulting in reduced service provision and / or increased costs in the future. Members of the Corporate Leadership Team (CLT) have considered where any additional service investment within the budget framework might be best directed and, at this stage, identified property repairs and maintenance as the key priority.

Local Development Plan

- 3.14 There is a significant risk that the Council will require to support additional borrowing and running costs associated with new infrastructure required as a result of the Local Development Plan. No specific revenue provision is included at this stage pending greater certainty over the financial impact and profile of this requirement.

Large-scale emergencies

- 3.15 The risk relates to the Council requiring to meet the first £1.896m (2015/16 threshold) of any costs for large-scale emergencies for which claims are made under the Bellwin scheme and the ability to manage this within the overall level of resources available to the Council. Bellwin thresholds represent 0.2% of a local authority's budgeted net revenue expenditure.

Statutory notices

- 3.16 Provisions have been made within the financial statements to 31 March 2015 for impairment of the debtors balance relating to statutory notices and settlements. The current provisions are deemed to be sufficient however there is a potential risk of failure to recover expected amounts of outstanding debts. The detailed position on billing and recovery is reported on a monthly basis to the Finance and Resources Committee.

Universal Credit / Welfare Reform

- 3.17 The risk relates to the impact on service and Housing Benefits budgets from the introduction of Universal Credit as it is rolled out across Scotland. Welfare reform will provide further exposure to risk through, for example, non-direct deductions for Council Tax Reduction elements of Council Tax bills.
- 3.18 There are risks that service users will suffer financial hardship which may impact on housing, health and general welfare resulting in greater need for emergency intervention from Council services.

Dilapidations and other related contractual commitments

- 3.19 Dilapidation costs relate to payments for disrepair at the termination of leases. A reserve has been established for dilapidations however there is a risk that the sums within this will not be sufficient. There are ongoing negotiations related to

a number of properties; the value and timing of these settlements is as yet unknown.

Legal Claims

- 3.20 There is an increased risk of compensation claims arising as a result of specific events and emerging issues.

Inflation

- 3.21 The majority of the Council's operating expenditure, whether incurred directly or indirectly (including employee costs), is subject to the effects of inflation. Corresponding provision has therefore been made across all key areas of expenditure, based on available economic forecasts and other relevant factors. Particularly in the case of contractually-committed sums and negotiated settlements, however, there is a risk that this level of provision is insufficient.
- 3.22 An increase in interest rates could also impact on borrowing costs. The Treasury team, however, monitors the position to mitigate the impact on the Council.

Health and Social Care Integration

- 3.23 There is a risk that funding will be insufficient to deliver the planned outcomes. The Integration Joint Board has been established and work is ongoing to identify how the available resources are to be spent to deliver on the national outcomes and how the balance of care will be shifted from institutional to community-based settings within available resources. The volatility of expenditure in areas of the National Health Service may expose the Integrated Joint Board to further financial risks.

Capital Receipts

- 3.24 There is a risk relating to the realisation of capital receipts in line with amounts assumed in the capital investment programme and the ability to afford and deliver the full programme if these do not materialise, together with assumed contributions to both the Strategic Acquisition Fund and staff release costs associated with the transformation programme.

Emerging risks

City Region Deal

- 3.25 The Council may incur additional borrowing costs or require short-term cash flow funding in supporting its participation in the City Region Deal for the Edinburgh and South East of Scotland Region. No specific provision is included at this stage, pending greater certainty over the financial impact and profile of this requirement.

National Minimum Wage

- 3.26 The Chancellor of the Exchequer announced in July 2015 a staged increase in the level of the national minimum wage to around £9 per hour by April 2020 based on median earning projections. While the direct impact on the Council is not anticipated to be significant given the current payment of the Living Wage of £7.85 per hour, the annual financial impact in the area of purchased care (where average pay rates are currently below this level) could potentially exceed current levels of provision by around £9m by 2019/20.

Tram extension

- 3.27 The report to Council on 19 November 2015 provided an update on the proposed Edinburgh Tram extension, including the route of the extension and the potential financial implications.

Apprenticeship Levy

- 3.28 The Chancellor's Spending Review and Autumn Statement on 26 November 2015 confirmed the introduction of an Apprenticeship Levy of 0.5% of an employer's pay bill, applicable to large employers (over 250 employees), to be implemented by 1 April 2017. While the levy will apply to all UK employers, precise arrangements for implementation are devolved to the Scottish Government.

Reserves

- 3.29 Members are aware that the Council holds a number of earmarked balances within the General Fund. At 31 March 2015, the General Fund balance stood at £117.476m, of which £104.451m was earmarked for specific purposes. The unallocated General Fund balance remained at £13.025m, in line with the medium term strategy. There are planned movements in reserves during 2015/16, with a projected balance at 31 March 2016 of £106.367m.
- 3.30 The current budget does not provide for any further contributions to the unallocated General Fund. The level of reserve at 31 March 2015, together with the forward strategy, is considered appropriate in light of the financial risks that are likely to face the Council in the short to medium term.
- 3.31 There are a number of planned contributions to / from the earmarked balances held within the General Fund. Details of these planned movements are shown in Appendix 2. Appendix 3 provides details on the purposes of the main earmarked balances held.
- 3.32 The amount held in the insurance fund is deemed adequate, taking into consideration the estimated value of outstanding claims. This is subject to on-going review.

- 3.33 The Capital Fund has been built up over a number of years, the level of reserve as at 31 March 2015 stood at £35.927m. Members are reminded of the approval to draw down £7.5m of funding from this reserve to support capital investment priorities during 2015/16, with retained reserves of £28.427m projected at 31 March 2016.
- 3.34 There will be a call on a number of the earmarked reserves, including the Capital Fund, to support the funding of staff release costs of the Transformation Programme. The timing and value of this call on reserves has yet to be fully established and will be reported to Committee as the programme progresses.

Measures of success

- 4.1 The Council identifies and quantifies, where possible, risks that are inherent in the revenue budget in advance of these materialising and puts mitigating actions in place.
- 4.2 The Council maintains an adequate level of unallocated General Fund reserves.

Financial impact

- 5.1 The report identifies where funding has been made available for the risks set out. Council holds unallocated General Fund reserves against the likelihood of unfunded risks occurring.

Risk, policy, compliance and governance impact

- 6.1 The aim of this report is to identify the key risks to the Council and outline actions to manage those risks through planning, mitigating actions and use of reserves, as outlined in the attached appendices.

Equalities impact

- 7.1 While there is no direct additional impact of the report's contents, all budget proposals are now subject to an assessment of their potential equalities and rights impacts. The equalities and rights impacts of any substitute measures identified to address savings shortfalls are similarly assessed.

Sustainability impact

- 8.1 While there is no direct additional impact of the report's contents, the Council's revenue budget includes expenditure impacting upon carbon, adaptation to climate change and contributing to sustainable development. In addition, all

budget proposals are now subject to an upfront Impact Assessment.

Consultation and engagement

9.1 A budget consultation and engagement exercise has been undertaken.

Background reading/external references

[Council's Budget 2015/16 - Risks and Reserves](#), City of Edinburgh Council, 12 February 2015

[2016 20 Revenue and Capital Budget Framework](#), Finance and Resources Committee, 24 September 2015

[2016 20 Revenue and Capital Budget Framework](#), Finance and Resources Committee, 26 November 2015

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Links

Coalition pledges	P30 – Continue to maintain a sound financial position including long term financial planning
Council outcomes	CO25 – The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential SO4 – Edinburgh’s communities are safer and have improved physical and social fabric
Appendices	Appendix 1 – Risk Matrix Appendix 2 – Projected Movement in General Fund Appendix 3 – Earmarked balances

Risk Matrix

The table below summarises how the risks identified in the report are managed. Explanations of the actions set out in the “Provision to Manage” column follow the table.

Risk	Provision to Manage
Transformation programme	Workforce Reductions – Earmarked provision Regular monitoring of savings delivery
Financial settlements	Long-Term Financial Plan Regular monitoring of public expenditure projections and recognise potential or actual grant variations in LTFP
Demographic changes leading to rising service demands	Long-Term Financial Plan
Infrastructure	Asset Management Plan / Mitigating Action
Large scale emergencies	Unallocated reserve
Property conservation	Earmarked provision / Unallocated reserve
Dilapidations Legal Claims	Long-Term Financial Plan Unallocated reserve
Service area -specific risks	Mitigating action
Universal Credit/Welfare Reform	Long-Term Financial Plan Ongoing monitoring of impacts
Health and Social Care Integration	Ongoing development of Strategic Plan with NHS

Definitions of 'Provision to Manage' used in above table

Asset Management Plans – will require to be addressed through asset management plans.

Earmarked provision – the Council has set monies aside in an earmarked reserve or other provision to meet the estimated costs.

Mitigating Action – Directors to identify alternative measures to manage risks within available resources

Long-Term Financial Plan – provision in the Long-Term Financial Plan

Unallocated Reserve – Council would require drawing funding down from the unallocated General Fund balance to meet costs

Projected Movement in General Fund

Appendix 2

	Projected Balance at 31.3.16 £000	Projected Investment / (Withdrawal) £000	Projected Balance at 31.3.17 £000
<u>Unallocated General Fund</u>	13,025	-	13,025
<u>Balances Set Aside to Manage Financial Risks</u>			
Balances Set Aside For Specific Investment	8,936	(3,560)	5,376
Council Priorities Fund	66	1,700	1,766
Contingency Funding, Workforce Management	12,901	(10,002)	2,899
Dilapidations Fund	9,476	(1,500)	7,976
Insurance Fund	12,605	48	12,653
<u>Balances Set Aside from Income Received in Advance</u>			
Licensing Income	1,405	4	1,409
Lothian Buses	5,000	(3,000)	2,000
Other Minor Funds	234	(40)	194
Pre-paid PPP Monies	1,599	135	1,734
National Performance Centre	1,996	(1,996)	0
Council Tax Discount Fund	20,907	(1,316)	19,591
Unspent Grants	4,180	0	4,180
Strategic Acquisition Fund	7,500	(2,000)	5,500
<u>Balances Set Aside for Investment in Specific Projects which will Generate Future Savings</u>			
IT Transformation	782	(782)	0
Energy Efficiency	863	3	866
Spend to Save	3,892	(1,411)	2,481
<u>Balances Set Aside under Devolved School Management Scheme</u>			
Devolved School Management	1,000	0	1,000
Total General Reserve	106,367	(23,717)	82,650
Capital Fund	28,427	(28,427)	0

Earmarked balances

Appendix 3

Balances set aside to manage financial risk	Source/purpose
Balances set aside for specific investment	Funding set aside for specific projects; including improved and iPFM.
Council Priorities Fund	Monies set aside primarily from service and corporate underspends, combined with the residual balance from the former budgetary flexibility scheme, which are utilised to meet key Council priorities or expenditure pressures
Contingency funding, Workforce management	Held to cover costs of workforce management changes including staff severance costs.
Dilapidations Fund	This represents monies set aside to meet dilapidation costs arising from the termination of property leases and other related contractual commitments.
Insurance Fund	Insurance Funds can be used to defray any loss where an authority could have insured against a loss but has not done so and for paying premiums on an insurance policy. This includes the power to meet excesses on insurance policies.
Balances set aside from income received in advance	
Licensing Income	This represents the surplus derived from licensing cabs and houses in multiple occupation and liquor licences. Council is not permitted to use this surplus on other services.
Lothian Buses	Holds dividend income previously paid by Lothian Buses which will be drawn down to support operations of Transport for Edinburgh.
Other Minor Funds	Minor funds held in respect of major exhibitions, social inclusion and a legacy for Craiglockhart Young People's Centre
Pre-paid PPP monies	Holds monies set aside in recognition of the phasing issues relating to the former 'level playing field support' grant monies.
Balances set aside from income received in advance (cont.)	Source/Purpose

National Performance Centre	Holds monies returned by the police and fire authorities at March 2013, following the creation of unitary providers. Proposed to use as the Council's contribution for the National Performance Centre for Sport.
Council Tax Discount Fund	Holds monies received as a result of reducing Council Tax second home discounts. Use of the fund is prescribed by the Scottish Government and is restricted to affordable housing type projects.
Unspent grants	Holds monies set aside at the year end, in accordance with proper accounting practice, where income has been received prior to the relevant expenditure being incurred.
Strategic Acquisition Fund	Funds set aside to sit alongside private sector finance to create new city development opportunities.

Spend to Save

IT transformation	<p>Monies set aside from efficiencies in the ICT contracts for the following purposes:</p> <ul style="list-style-type: none"> (i) cash releasing efficiency projects; (ii) modernising government, through enhanced use of IT; (iii) new ways of working; and (iv) strategic financial planning
Energy Efficiency	Monies received from the Scottish Government's Energy Efficiency Initiative to facilitate the operation of spend-to-save schemes in this area. While this fund will cease to be ring-fenced with effect from April 2016, it is the expectation that monies will continue to be invested in energy efficiency-related measures.
Spend to Save	A fund set up in February 2000 to assist service areas to deliver revenue savings in future years through longer-term financial planning.

The City of Edinburgh Council

10.00am, Thursday, 21 January 2016

Council Revenue Budget Framework 2016/20 – Impact Assessments - referral report from the Finance and Resources Committee

Item number	4.1(d)
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 14 January 2016 considered a report on the main potential equality and rights impacts of proposals described within the draft revenue budget framework 2016/20, and identified recommendations for mitigating potential negative equality and rights impacts alongside assessments of cumulative impacts. The report has been referred to the City of Edinburgh Council for consideration on 21 January 2016 as part of the budget setting process.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Council Revenue Budget Framework 2016/20 – Impact Assessments

Terms of referral

- 1.1 The Council's Draft Revenue Budget Framework 2016/20 set out a series of savings and additional income proposals. The report presented a summary of equality and rights impact assessments (ERiAs) on these proposals, and of associated mitigating actions to address negative impacts, all of which should inform the budget decision on 21 January 2016.
- 1.2 Under the 'Framework to Advance Equality and Rights 2012-2017', the Council was implementing a five year corporate programme of ERiA development. The programme comprised ongoing ERiAs of existing policies and services, which included any proposed changes to policies and services. Continual improvement of budget proposals and decisions were a key feature of the programme.
- 1.3 The Finance and Resources Committee agreed:
 - 1.3.1 To note the potential equality and rights impacts associated with the revenue budget 2016/20 options and the recommendations to mitigate potential negative impacts.
 - 1.3.2 To note the cumulative equality and rights impacts across all revenue budget options.
 - 1.3.3 To refer the report for consideration at the Council budget meeting on 21 January 2016.

For Decision/Action

- 2.1 The Finance and Resources Committee has referred the report to The City of Edinburgh Council for consideration at the Council budget meeting on 21 January 2016 as part of the budget setting process.

Background reading / external references

Minute of the Finance and Resources Committee, 14 January 2016.

Carol Campbell

Head of Legal and Risk

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00am, Thursday 14 January 2016

Council Revenue Budget Framework 2016/20 – Impact Assessments

Item number	7.8
Report number	
Executive/routine	
Wards	All

Executive summary

This report presents a summary of the main potential equality and rights impacts of proposals described within the draft Revenue Budget Framework 2016/20, and identifies recommendations for mitigating potential negative equality and rights impacts alongside assessments of cumulative impacts.

Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

Council Revenue Budget Framework 2016/20 – Impact Assessments

Recommendations

- 1.1 It is recommended that the members of the Committee:
 - 1.1.1 Pay due regard to the potential equality and rights impacts associated with the revenue budget 2016/20 options, and the recommendations to mitigate potential negative impacts;
 - 1.1.2 Consider the cumulative equality and rights impacts across all revenue budget options; and
 - 1.1.3 Refer this report for consideration at the Council budget meeting on 21 January 2016.

Background

- 2.1 The Council's Draft Revenue Budget Framework 2016/20 sets out a series of savings, and additional income proposals. This report presents a summary of equality and rights impact assessments (ERiAs) on these proposals, and of associated mitigating actions to address negative impacts, all of which should inform the budget decision on 21 January 2016.
- 2.2 Under the 'Framework to Advance Equality and Rights 2012-2017', the Council is implementing a five year corporate programme of ERiA development. The programme comprises ongoing ERiAs of existing policies and services, which includes any proposed changes to policies and services. Continual improvement of budget proposals and decisions are a key feature of this programme.
- 2.3 As well as meeting the requirements of the Equality Act 2010 public sector equality duty, and human and children's rights conventions, ERiAs enable the Council to assess the positive and negative impacts on people with protected characteristics in the City. It also enables the development of mitigating actions to counteract negative impacts.

Main report

- 3.1 The findings from the annual review of the budget ERIA process identified the need to incorporate an initial proportionality and relevance assessment at the beginning of the development of budget proposals.
- 3.2 Budget proposers were asked in July 2015 to carry out an initial proportionality and relevance assessment of the proposals as they were developing. The purpose of the initial assessment was to determine which protected characteristics might be impacted on, the significance of the impacts and if a full ERIA was required.
- 3.3 Subsequently the potential equalities and rights impacts were reported on the early option proposals that were considered and approved by Council on 22 October 2015.
- 3.4 In September 2015 the 13 initial assessments that identified the need for an ERIA started to gather evidence to be presented to the January committee. The key findings from these ERIsAs are summarised at 3.8.
- 3.5 The remaining budget proposals are undertaking ERIsAs throughout the development and implementation stages of the proposal and the ERIA findings and recommendations will be reported to Senior Management Teams, Council Leadership Team and Executive Committees over the coming financial year.
- 3.6 Throughout this process, support and advice was provided by the Equality and Rights Lead Officers in each service area. The Corporate Policy and Strategy Team co-ordinated delivery of the ERIA programme, subsequent analysis and reporting. Completed budget ERIsAs are published on the Council website and initial assessments can be supplied on request.
- 3.7 In order to ensure that opportunities for coproduction were maximised, the Council's Equality and Rights specialists developed a programme of events to encourage the involvement of organisations working with people with protected characteristics. These were aligned to the Council budget engagement activity and attended by the Budget Engagement Team. The information gathered from the budget engagement process has been analysed for relevance to the Council's equality and rights framework and used as evidence to inform the ERIA analysis of the budget options.
- 3.8 **Summary of the main potential equalities and rights impacts**
 - 3.8.1 Business Support Services – Transformation programme – phase one. The ERIA covers Communications, ICT and Human Resources. *Impacts* - The Business Support integrated services model will consolidate teams, improve processes and align ways of working. This will significantly improve customer relations and ensure the delivery of an efficient and effective customer service. The Review will follow the Council's

Organisational Review Procedure and Recruitment and Selection Policy to make sure all staff are treated with equality and non-discrimination before the law. The review will seek to protect existing flexible or part-time working arrangements. Staff will be assigned to posts in the new structure in accordance with the Protocol for Assignment to Posts. *Mitigation* – Officers will ensure the views of staff/unions are taken into account and help finalise the terms of reference, job descriptions and Protocol for assignment to Posts. There will be continued engagement for those with protected characteristic (as set out in the guidance for stakeholder engagement).

- 3.8.2 Youth Work Redesign (relates to the proposal to reduce third party payments in CLD related services). *Impacts* – Concerns have been raised about limiting the youth work contract to service for young people aged 11-25 and not younger children and how the needs of vulnerable groups such as disabled young people will be met. *Mitigation* - a strategic oversight group will ensure that issues of distribution across the strategic outcomes addressed as part of the grant programme and with contracts. Staff will continue to meet with organisations to discuss implications and inform them that they will have the opportunity to apply to the Communities and Families grants programme. The views of children and young people will continue to be central to the redesign.
- 3.8.3 Adoption allowances for young people aged 18 and over *Impacts* – young adults will have equality and consistency with peers and have access to universal benefits.
- 3.8.4 Review of family and pupil support services *Impacts* – No negative impacts have been identified at this early stage of the review. The review will take into account statutory duties and the delivery of Council outcomes regarding exclusion and priorities in regard to early intervention, the balance of care and securing positive outcomes for children and young people in need. The review will involve all key partners including schools, Police Scotland and Children Services Management Groups and Area Co-ordinators. *Mitigation* - Area Co-ordinators are involved in further development of this proposal and ERIA and ensuring that monitoring of impact is embedded in planning and implementation.
- 3.8.5 Reduce spending on block-contracted services by 10% *Impacts* - There may be impacts arising from this proposal as a result of reduction in levels of contact with vulnerable people. *Mitigation* – Support provider organisations will be asked to make necessary reductions in a way that minimises impact on front line services.

- 3.8.6 Increased charges for residential accommodation, telecare and other local authority charges *Impact* – Paying more in charges for care will not be perceived as positive by service users or their families. However, the financial assessment rules are designed to ensure that people are not charged more than they can afford. The rules for charging for residential care are prescribed by statute and residents do not pay the full cost of residential care. *Mitigation* - The impact of increases in social care charges is mitigated by means-testing. However, the impacts on individuals may be perceived or experienced as significant. Council officers have discretion under the Council’s current charging policy for adult social care to reduce charges in response to evidence of individual hardship.
- 3.8.7 Unblock reablement allowing more people to benefit from improved self-care at lower cost *Impacts* – the reablement approach enhances people’s health and wellbeing by maximising opportunities to undertake daily living activities and provides an environment whereby people can achieve their potential.
- 3.8.8 Reduced funding to Police Scotland *Impacts* - The reduction of funding to community policing will not impact on access to Police Scotland and on core policing duties and responses. However, public perception and media coverage could report the reduction as impacting negatively. *Mitigation* – Any changes to accessing community policing services provided by Police Scotland are publicised and communicated to the public.
- 3.8.9 Commissioned services Housing Support *Impacts* – A reduction in services could result in less support for people in many areas of service delivery. Many services assist clients to access housing, health, care and other services, that they would not be able to access without support. Many services work to eliminate harassment, discrimination and victimisation and to promote understanding of the specific issues facing clients who are homeless or at risk of homelessness across the protected characteristics. Services encourage clients to participate in the community and use their voice to influence how services are run. A reduction in service may mean this is no longer supported leaving vulnerable clients without an opportunity to participate in society and influence service delivery. *Mitigation* – The Commissioning Team will work with services to see what the effects will be and update the ERIA and present this with all future updates.
- 3.8.10 Increase parking permit charges *Impacts* – there could be negative impacts for older people, and people on fixed incomes. However, it is hoped that this will encourage, where possible, more motorists to

consider alternative forms of transport. *Mitigation* – Officers would develop a framework to profile individuals by protected characteristics who do not renew or cancel their parking permit due to increased cost. Consideration should be given to broadening the pricing criteria for permits.

3.8.11 Increase pay and display charges *Impacts* – This income generating proposal will support the ongoing delivery of statutory services to the most vulnerable members of our communities. The increase in charges have potential to impact negatively on older drivers, families with young children and pregnant women. *Mitigation* – Officers can develop a promotional campaign to highlight alternative forms of public transport and with partners, develop key indicators to assess the impact of the changes aligned to the Hate Crime Strategy and Transport Charter.

3.8.12 Street lighting repairs *Impacts* – the new approach may impact negatively across all rights as the fear of going out in the dark could restrict attendance to events/organisations where there is a lack of light in and around buildings. If there is no escalation in policy to repair street lights around buildings of significance in terms of protected characteristics there could be an increase in victimisation and harassment. A Gold Command Group has been established in response to the increase in Islamophobia incidents in the City post Paris bombing. *Mitigation* – develop a framework to identify building of significance and localities to enable the Confirm system to automatically categorise the repair classification. A staff development programme to support hate crime identification to be implemented.

3.8.13 Clarence response service *Impacts* – a new approach should enhance rights by increasing road safety and reducing the risk of injury (including the potential for life limiting injury). Potential negative impacts could arise if there was an increase in Category one defects that exceed the reduced number of Defect Repair Squads and access, and/or safeties were comprised. *Mitigation* - A framework to ensure consistent categorisation of defects needs to be developed and implemented across localities. Diversity Officers and Roads Managers to identify key buildings (e.g. place of worship) that may require a higher priority in to the Confirm Works Order Management System. The impact of the repairs of Category 2 defects will be monitored for disproportionate impacts.

3.8.14 Reduce bus stops and shelters maintenance *Impacts* – There could be negative impacts on health and wellbeing if offensive graffiti removal is not put in place. The fear of hate crime incidents may increase due to concerns associated with offensive graffiti. The lack of removal may lead to the normalisation of offensive graffiti. *Mitigation* – Ensure the Councils

Offensive Graffiti Policy is communicated to the new contractor. Use hate Crime analysis to identify hot spots to priorities repairs.

3.8.15 Increase discretionary income – Retail Price Index (RPI) plus 2% - the Council's Corporate Charging Policy explicitly recognises the importance of taking into account both equalities and sustainability-related impacts in the application of charging increases. Many of the Council's charges, particularly those in respect of health and social care are also means-tested and linked to the service user's ability to pay. Given the vast range of services for which charges are levied, the appropriateness of levying the proposed level of increase, and associated mitigating measures, is best undertaken at service level. An overview of actions undertaken as part of this assessment and others where mitigating actions have been identified in the preceding sections will therefore be reported to the Finance and Resources Committee early in the new financial year.

3.9 A significant consideration is the cumulative impacts on people with protected characteristics as a result of revenue budget proposals, and associated changes to services. For example:

3.9.1 Some older citizens and disabled service users may face changes and reductions in the health and social care services that they receive. This may make it more difficult to access free or low cost activities, lead to social isolation, with associated negative health and wellbeing impacts.

3.9.2 Particular demographics of employees may be more negatively affected overall from employee cost reductions across the Council. (e.g. National concerns have been raised regarding part-time/middle-aged female staff being most affected by recession and austerity). Therefore some further analysis of who is most likely to be affected by staffing reductions is required and, if appropriate, action identified to mitigate impacts.

3.10 In line with the Council Equality and Rights Framework lessons learned from this year's budget preparation will be reviewed and incorporated into the Equality and Rights Officer Work Plan.

Measures of success

4.1 Due regard to the equality and rights impacts has been given to each of the savings, and additional income budget options.

4.2 The potential equality and rights impacts are taken into account when budget decisions are being made, and recommendations for mitigating negative impacts are implemented and reported on.

- 4.3 The potential cumulative (both annual and incremental) equality and rights impacts are taken into account, and mitigating actions are identified when each year's budget decisions are being made.

Financial impact

- 5.1 This report identifies the potential risks in relation to equality and rights. The Council could be the subject of a legal challenge if these risks are not considered and addressed. Other financial risks relate to savings derived from preventative services which may result in increased demand on other crisis intervention services.

Risk, policy, compliance and governance impact

- 6.1 The incorporation of equalities and rights, and carbon impact assessments as an integral part of the budget development process reflects both good practice and relevant legal duties. This activity enables the Council to highlight any unintended consequences of specific proposals on vulnerable service users, climate change and partnership and prevention activity, increasing the effectiveness of the mitigating actions.
- 6.2 The process is also aligned to wider council and Edinburgh Partnership strategies and plans, enabling more effective prioritising of available resources in a way that best supports the needs of vulnerable service users and groups.

Equalities impact

- 7.1 Undertaking equality and rights impact assessment is intended to ensure that any negative impacts, including cumulative impacts, for protected characteristic groups set by the Equality Act 2010 are reduced.
- 7.2 It also ensures that the Equality Act 2010 public sector equality duty is met with regard to (i) eliminating unlawful discrimination, victimisation and harassment; (ii) advancing equality of opportunity and (iii) fostering good relations, and that any infringements on human and children's rights are minimised.

Sustainability impact

- 8.1 Carbon impacts assessments have enabled consideration of the public body duties under the Climate Change (Scotland) Act 2009. The findings of these assessments will also help to achieve a sustainable Edinburgh with regard to progressing climate change, social justice and community wellbeing objectives.

Consultation and engagement

- 9.1 Relevant feedback from the budget engagement, that has taken place in the months leading up to budget setting, has informed equality and rights, and carbon impact assessment analysis.

Background reading/external references

Draft Council Revenue Budget Framework 2014-2018: Additional Information on Savings Proposals

[A Framework to Advance Equality and Rights 2012-2017](#) (Policy and Strategy Committee, 12 June 2012)

[Draft Council Revenue Budget Framework 2013-2018 – Equality and Rights Impact Assessment](#) and click on Item 4.1(d)

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Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All
Appendices	None

10.00am, Thursday 21 January 2016

Council Revenue Budget Framework 2016/20 – Carbon, Climate and Sustainability Impact Assessments

Item number	4.1(e)
Report number	
Executive/routine	
Wards	All

Executive summary

This report presents a summary of the main potential carbon, climate change and sustainable development impacts of some of the proposals described in the draft Revenue Budget Framework 2016/20. The report complements the separate report on equality and rights impact assessments referred on to today's Council meeting.

The report notes that incorporating carbon, climate and sustainability impact assessments from the earliest stages of proposal development enhances the quality of the proposal and facilitates more robust decision-making.

The report also makes recommendations for reducing any risk from failure to meet statutory duties to consider carbon, climate and sustainability in decision-making processes.

Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

Council Revenue Budget Framework 2016/20 – Carbon, Climate and Sustainability Impact Assessments

Recommendations

- 1.1 It is recommended that the Council:
 - 1.1.1 notes the potential carbon, climate and sustainability impacts associated with revenue budget 2016/20 proposals, including the cumulative impacts described at 3.10-3.11;
 - 1.1.2 reiterates the need for Council officers to carry out assessments of likely impacts on carbon emissions, climate change adaptation, social justice, economic wellbeing and sustainable development iteratively from the earliest stages of proposal development through to implementation;
 - 1.1.3 considers this report in conjunction with the complementary report on equality and rights impact assessments; and
 - 1.1.4 approves the recommendations made at 3.15 to minimise risk from failing to meet statutory duties.

Background

- 2.1 The Council's Draft Revenue Budget Framework 2016/20 sets out a series of savings and additional income proposals. This report presents a summary of carbon, climate change and sustainable development impact assessments carried out on some of these proposals and recommends actions to address risk from failure to meet statutory duties.
- 2.2 In response to the Climate Change (Scotland) Act's introduction of the Public Bodies Climate Change Duties, the Council is implementing an ongoing corporate programme to embed carbon, climate change and sustainable development impact assessment in standard business practice and decision-making activity. Assessment of Council budget proposals is a key element of this programme.
- 2.3 As well as helping the Council meet its statutory duties, assessing the potential impacts in terms of carbon emissions, adaptation to climate change and the

three 'pillars' of sustainable development at the earliest possible stage and then iteratively as Council activities are developed and implemented enables the Council to design and deliver better quality services.

- 2.4 Information on carbon, climate change and sustainable development impact assessments relating to the *Capital Budget* is included in a separate report to today's Council meeting.

Main report

- 3.1 Assessments of likely carbon emission impacts were included in the budget preparation process in 2013/14 and 2014/15. This year, for the first time, officers were asked to assess the potential impacts of their budget proposals in terms of all three Public Bodies Duties – carbon emissions, climate change adaptation and sustainable development. Full, clear guidance prepared by the Corporate Policy and Strategy Team was integrated into budget preparation packs circulated by Finance officers in summer 2015. Support and advice was available from the Corporate Policy and Strategy Team, which provided analysis and reporting on completed assessments.
- 3.2 In their assessments, officers were asked to indicate whether any impacts were likely to be positive or negative in both the short and long term (that is, up to two years ahead and from two to 50 years ahead). Aspects of carbon, climate and sustainability that officers were prompted to consider were as follows.
- Carbon emissions from the areas of operation taxed under the Carbon Reduction Commitment, ie: waste sent to landfill; energy usage in Council buildings (including Edinburgh Leisure properties but not Council housing); street and stair lighting and street furniture; fleet fuel consumption and business mileage. Officers were asked to note if the proposal was already included in the Council's Sustainable Energy Action Plan (SEAP) and/or Carbon Management Plan (CMP).
 - Vulnerability of Edinburgh's people and places to extreme weather events resulting from climate change (eg storms, high winds, flooding, high temperatures), including: residents, communities and services to communities; Council premises and the city's transport and coastal infrastructure; ecosystems, biodiversity, parks and other greenspaces. Officers were asked to note if the proposal included climate change resilience action.
 - Social justice and the quality of people's lives, the local economy and citizens' economic participation, and resource consumption and effects on

the natural and built environment. Officers were asked to note if the proposal contributed to achieving Sustainable Edinburgh 2020.

- 3.3 Impact assessments on the early option proposals were supplied timeously, analysed and reported for consideration by Members in October 2015.
- 3.4 Following intensive efforts by Finance and key service area contact officers, three quarters of the assessments had been received by 14 January. It should further be noted that a number of the outstanding assessments relate to proposals remaining at an early stage and Finance officers will encourage the use of carbon, climate and sustainability assessments as part of the development process so as to make the finalised plans more robust.

Summary of Anticipated Impacts

- 3.5 Of the completed impact assessments, forty-six (62%) concluded that neither positive nor negative impacts were foreseen. These are listed in Appendix 1.
- 3.6 Thirteen proposals (17%) were considered to have **positive** short and long term impacts, contributing to delivering on Sustainable Edinburgh 2020. These are listed in Appendix 2.
- 3.7 Ten proposals (13%) were considered to have potential **negative** short and long term impact and relevant officers have therefore been asked to consider mitigating actions may be taken in these areas. The proposals concerned are listed in Appendix 3.
- 3.8 Six proposals (8%) were considered to have **mixed** positive and negative impacts. These are shown in Appendix 4.
- 3.9 None of the completed assessments showed that the budget proposal is included in the SEAP or CMP, that climate change resilience actions were incorporated, or – apart from the thirteen described at 3.6 – that the proposal contributed to delivering a more sustainable Edinburgh.

Cumulative impacts

- 3.10 A large number of this year's budget proposals are to reduce the Council's staffing levels. Many individual impact assessments note a likely positive impact from decreased carbon emissions and reduced environmental impacts but comment that this will be minimal given the number of staff affected by the specific proposal. However, the cumulative impact of staff reductions across all proposals will be more significant as long as scope for property rationalisation is optimised.
- 3.11 Similarly, potential negative impacts on economic wellbeing and social justice from combined job losses should be taken into account across all budget proposals. Several assessments for individual budget proposals state that with re-training and a fairly buoyant employment market any job reductions may be absorbed by the market and provide a more sustainable economic mix between public and private sector. While this may be true where small numbers of

specialist workers are concerned, large numbers of similarly skilled job-seekers are likely to encounter difficulties, even accepting the statement that the employment market is buoyant. Former staff who are unable to move quickly into new jobs may, in the short term, experience reduced quality of life and potential health and social consequences, which could result in increased demand for reduced Council services.

- 3.12 In acknowledging the unprecedented scale of workforce reorganisation, the Council has already recognised the impact on staff affected by the changes. These include operating a phased staff release programme, putting in place the Career Transition Service with professional support for individuals to optimise job-seeking skills and access job opportunities as well as business start-up guidance if required.

Overview and Recommendations

- 3.13 For last year's budget setting the Council achieved a 98% completion rate for carbon impact assessments of budget proposals, using a simple one-page template integrated into Finance's budget development package. As this approach was so successful, it was repeated this year, adding a single additional page to the template so as to cover all three of the Public Bodies Duties. Officers also had option of using the Council's SAM ("Sustainability, Adaptation, Mitigation") e-tool to assist them.
- 3.14 While noting the majority of 2016/20 proposals also undertook relevant analysis, Council is asked to reiterate to the Council Leadership Team the need to put in place measures to ensure that in future all corporate, policy and delivery activity uses the SAM tool iteratively in all activity initiation, development and management processes, and that all requirements for impact assessments on budget proposals are fulfilled according to the schedule set by the Head of Finance.
- 3.15 Proposals which are at an early stage of development are further advised to build consideration of the Duties into the development process so as to strengthen them. The consequences of not impact assessing budget proposals are that proposals are potentially less robust, Members are not provided with information to help decision-making and the Council is failing to meet fully its statutory duties under the Climate Change (Scotland) Act.

Measures of success

- 4.1 Potential carbon emissions, climate change adaptation and sustainable development impacts are taken into account when budget decisions are being made.
- 4.2 Senior managers across all Service Areas take responsibility and ownership for compliance with Council systems put in place to ensure that statutory duties are met.

Financial impact

- 5.1 Unconsidered impacts of carbon emissions and climate change adaptation have the potential to increase the Council's expenditure as a result of:
- unnecessary consumption of fuel for power, heating, lighting and transport;
 - failure to minimise Carbon Reduction Commitment outgoings; and
 - a need to rectify damage to assets, services and citizens from climate change impacts.

Risk, policy, compliance and governance impact

- 6.1 Legal and reputational risk from failure to consider the Climate Change (Scotland) Act 2009 Public Bodies Duties in a key Council decision-making process.

Equalities impact

- 7.1 A separate report on equality and rights impact assessment undertaken on the Draft Revenue Budget Framework 2016/20 has been submitted to today's Council meeting.
- 7.2 Assessing and mitigating equality and rights impacts assists the Council in meeting social justice and community wellbeing aspects of its statutory duty to act in the way it considers most sustainable.

Sustainability impact

- 8.1 The actions described in this report were instigated with the express purpose of helping the Council to meet its responsibilities under the Climate Change (Scotland) Act's Public Bodies Duties.

Consultation and engagement

- 9.1 No specific feedback from the budget engagement that has taken place in the months leading up to budget setting has been supplied in relation to carbon, climate and sustainability assessment analysis. A number of comments making reference to issues of wider relevance to environmental, economic and social sustainability were received and these are reflected within the report and appendices on the budget engagement elsewhere on the agenda.

Background reading/external references

[Item 7.4 Council Revenue Budget Framework 2015/18 - impact assessments](#) (Finance and Resources Committee, 3 February 2015)

[Assessing impacts on Sustainability, Adaptation and Mitigation](#)

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Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All
Appendices	Appendix 1 - Assessments highlighting neither positive nor negative impacts Appendix 2 - Assessments highlighting positive impacts Appendix 3 - Assessments highlighting potential negative impacts Appendix 4 - Assessments highlighting potential mixed impacts

Assessments highlighting neither positive nor negative impacts

- CF/EFF1 Advocacy services review
- CF/EFF4 Review of support staff within all Special Schools
- CF/EFF5 Reductions to Family Based Care and Throughcare
- CF/EFF6 Savings from funding available for prudential borrowing commitments
- CF/SP3 Re-configuration of the Children and Young People's Review Team
- CF/SP6 Renegotiate fees for foster placements for young people aged 18+
- CF/SP7 Adoption allowances for young people aged 18+
- CF/SP8 Review of family and pupil support services
- CF/ST1 Reduce residential provision by four beds
- CF/ST3 Reconfigure primary and secondary social, emotional and behaviour difficulties support
- CF/ST11 Re-design of Homelessness Services (General Fund share)
- CO/ST1 Corporate Operations – Finance
- CO/ST2 Corporate Operations - Commercial & Procurement
- CO/ST3 Corporate Operations - Internal Audit & Risk
- CO/ST4 Corporate Operations - Legal Services
- CO/ST5 Corporate Operations - Human Resources
- CO/ST6 Corporate Operations - Strategy & Insight
- CO/ST7 Corporate Operations - Transformation and Business Change
- CO/ST8 Corporate Operations - Digital & IT
- CO/ST9 Corporate Operations - Information Management
- CO/ST10 Corporate Operations - Committee & Election Services
- CO/ST11 Corporate Operations - Members' Services
- CO/ST12 Corporate Operations - Business Support
- CO/ST13 Corporate Operations - Customer Services
- CO/ST14 Corporate Operations - Communications
- CSE/EFF2 Culture Third Party Payments
- CSE/EFF4 Economy Third Party Payments
- CSE/EFF5 Reduce grant payment to Festival City Theatre Trust
- CW/EFF1 Additional savings through procurement
- CW/EFF2 Reduction in consultant expenditure
- CW/INC1 Increase in discretionary income – Retail Price Index (RPI) plus 2%
- CW/ST1 Reduce use of employee overtime by 25%
- CW/ST2 Reduce use of agency staffing by 20%
- HSC/EFF4 Reduce the size of in-house home care service by 25% and purchase more care at home
- HSC/SP3 Improve management of service user demand
- PLA/EFF1 Public Health
- PLA/EFF2 Licensing and Trading Standards

Assessments highlighting neither positive nor negative impacts (contd.)

- PLA/EFF5 Place Third Party Placements
- PLA/EFF6 Reduce funding to Police Scotland by a total of £0.5m (includes £0.25m through transformation programme)
- PLA/SP1 Parks and greenspace
- PLA/SP4 Withdrawal of School Crossing Patrol Guide service at lunchtime
- PLA/SP7 Reduce bus stops and shelters maintenance
- PLA/INC3 Increase fee charges for section 109 permits to install pipes and cables in roads and pavements
- PLA/INC4 Increase fee for Temporary Traffic Regulation Orders
- PLA/INC5 Increase bus station income
- PLA/INC6 Review allotment services and increase rents

Assessments highlighting positive impacts

- CF/EFF2 Closure of Panmure School – reduced carbon emissions and climate change vulnerability on the assumption that the building becomes surplus to requirements, no change anticipated regarding economic, social and environmental sustainability
- CF/EFF3 Reduce one class at Rowanfield School – reduced carbon emissions from decrease in waste and transport, and improved vulnerability to climate change from reduced client base
- CF/ST4 Disability respite services – improved social justice from the Service’s support for greater flexibility and service user choice
- CSE/EFF1 Culture Service restructure – reduced carbon emissions and improved economic well-being and environmental good stewardship in the long-term
- CSE/EFF3 Economy Service – reduced carbon emissions in the long-term
- HSC/SP4 Unblock reablement, allowing more people to benefit from improved self-care at lower cost – improved social justice because citizens will become more independent, with a winter plan in place to mitigate against increased vulnerability to climate change impacts
- PLA/EFF8 Efficiencies in the waste service – reduced carbon emissions resulting from a decrease in landfilled waste and energy usage in buildings (this is expected to outweigh a possible increase in fuel consumption due to alternative tipping locations), and a positive environmental impact from the closure of the Powderhall Waste Transfer Facility
- PLA/INC2 Increase parking charges by an average of 4.5% per year over four years; and
- PLA/INC7 Increase parking permit charges by 5%; and
- PLA/INC8 Increase pay and display charges – impacts of all three are reduced carbon emissions and resource consumption and improved built and natural environment resulting from effective parking management
- PLA/SP2 Task Force – reduced carbon emissions from lower fuel consumption by vehicles and potential rationalisation of depots, and a positive environmental impact long-term from roll-out of meadows and reduced use of glycosate
- PLA/SP6 New approach to managing Clarence response service defect repairs – reduced carbon emissions resulting from decreased fuel consumption, with resilience action built into the proposal to address an increase in communities’ vulnerability to climate change impacts
- PLA/ST1 Create a Housing Development Service – will ensure minimal carbon impacts because developments will be in line with higher energy efficiency standards and sustainable transport objectives, and the proposal’s affordable housing, regeneration in areas of deprivation, job and training opportunities, promoted use of brownfield sites will all have a positive impact on social justice.

Assessments highlighting potential negative impacts

- CSE/EFF6 Review funding arrangements for Winter Festivals – decrease in social justice as some free family events may be cancelled, and reduced direct economic impact resulting from a reduced programme of events
- HSC/EFF1 Redesign staffing skills mix in in-house services – decrease in social justice, as although pay will still be above the Living Wage, financial commitments may be an issue
- HSC/EFF2 Review of in-house older people’s day services – there is a small possibility of increased carbon from travel time if service users move to other services further away but the detail of this is not yet known, and if people do not get a substitute service following closure of their existing service, there is a risk of reduced social justice
- HSC/EFF8 Reduce spending on block-contracted services by 10% - slight reduction to the quality of people’s lives and their economic participation, which it is intended will be mitigated by efficiencies in service delivery
- HSC/INC1 Increased charges for residential accommodation, telecare and other local authority charges – decrease in social justice, detailed in the Equality & Rights Impact Assessment which is summarised at paragraph 3.8.6 in this [complementary report](#)
- HSC/SP1 Community Equipment Service to cease providing equipment available from retailers for people with low or moderate level needs – for those that cannot afford to buy the equipment, the effect on their quality of life may be detrimental
- PLA/EFF3 Reduction in staff and agency costs – reduction in short-term employment and long-term job opportunities will decrease economic wellbeing of Edinburgh residents
- PLA/EFF4 Transport – reduction in short-term employment and long-term job opportunities will decrease economic wellbeing of Edinburgh residents
- PLA/EFF7 Reduce commissioned services - Housing Support (sheltered housing/temporary accommodation) – decrease in social justice and economic wellbeing because the Council’s relationship with the voluntary sector could be significantly compromised
- PLA/INC1 Planning & Building Standards – reduction in short-term employment and long-term job opportunities will decrease economic wellbeing of Edinburgh residents; potential for further job reductions long-term if reduced service capacity results in a decline in development activity in the city

Assessments highlighting potential mixed impacts

- CF/ST2 Reconfiguration of residential provision – carbon emissions from waste and energy use will decrease and increased use of preventative approaches offer potential for increased inclusion and participation, but there is a risk that if provision is insufficient isolation will increase
- HSC/EFF7 Consolidate care and support/care at home pricing levels - a light adverse impact on social justice will be mitigated by supporting providers to minimise impact of reductions in expenditure on front line service
- PLA/SP3 Waste Services - although carbon emissions will decrease because less fuel is consumed, the loss of around 50 FTE Council jobs may not be wholly mitigated by a potential increase in personnel required in the private sector to meet demand for service from former trade waste customers
- PLA/SP5 New approach to street lighting repairs – although carbon emissions will decrease because less fuel is consumed this will be outweighed by an increase in vulnerability to climate change impacts and their effects on communities, and a decrease in social justice is also considered possible
- PLA/SR1 Stop Repairs and Maintenance of Stair Lighting Service in Tenements – reduced Council carbon emissions from waste and transport in the short term and potential benefit for local businesses taking over the work, but lights are less likely to be repaired leading to reduced community safety and health risks and energy consumption may increase from lower spec but cheaper repairs; additionally, the Council will be paying carbon tax without being able to control consumption. Further consideration is being given to measures that could mitigate these risks
- PLA/SR2 Reduce gully cleaning service – although carbon emissions will decrease because less fuel is consumed this will be outweighed by an increase in vulnerability to climate change impacts and their effects on communities

The City of Edinburgh Council

10.00am, Thursday, 21 January 2016

Housing Revenue Account – Budget Strategy 2016/17 – 2020/21 - referral report from the Finance and Resources Committee

Item number	4.1(f)
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 14 January 2016 considered a report on the 2016/17 budget, five year Housing Revenue Account (HRA) budget strategy and the proposed rent levels for 2016/17. The report has been referred to the City of Edinburgh Council for approval on 21 January 2016 as part of the budget setting process.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Housing Revenue Account – Budget Strategy 2016/17 – 2020/21

Terms of referral

- 1.1 The Council is the sixth largest landlord in Scotland with around 20,000 homes in direct management within the Housing Revenue Account (HRA). Another 2,100 homes were managed through private sector leasing and a number of limited liability partnerships (LLPs) established under the Scottish Government's National Housing Trust. In September 2015, the Council approved the development of an additional citywide LLP for the purpose of encouraging the building of new market rented homes.
- 1.2 The HRA sets out the income and expenditure on services to Council tenants. Its investment strategy sets out improvements to tenants' homes and neighbourhoods. The HRA was self-funding, with around 92% of its income from tenants' rents and service charges. It also received some income from the sale or lease of land and properties held on the HRA account. Each year the Council must approve the HRA budget and rent level. This included consideration of the financial impact of plans for the year ahead, as well as the five year capital programme and the 30 Year Business Plan.
- 1.3 The Finance and Resources Committee agreed:
 - 1.3.1 To prioritise investment in measures and services that reduced the cost of living for tenants and expanded the Council led house building programme to 8,000 homes.
 - 1.3.2 To refer the 2016/17 budget, draft five year capital programme and the proposed rent levels for 2016/17, set out in Appendices 1 to 6 of the report, to the Council budget meeting for decision.
 - 1.3.3 To note the Council had made significant progress in improving tenants' homes and establishing one of the largest house building programmes in the country over the last five years.
 - 1.3.4 To note the financial hardship faced by many tenants and the impact of the shortage of affordable homes in the city on those on low to moderate incomes.
 - 1.3.5 To note that at 2.0% the 2015/16 rent increase was the third lowest among Scottish local authorities and was significantly lower than the 8.8% rent increases experienced by private sector tenants.

For Decision/Action

- 2.1 The Finance and Resources Committee has referred the 2016/17 budget, draft five year capital programme and the proposed rent levels for 2016/17, set out in Appendices 1 to 6 of the report, to the Council budget meeting on 21 January 2016 for approval as part of the budget setting process.

Background reading / external references

Minute of the Finance and Resources Committee, 14 January 2016.

Carol Campbell

Head of Legal and Risk

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

10.00am, Thursday, 14 January 2016

Housing Revenue Account - Budget Strategy 2016/17-2020/21

Item number	7.14
Report number	
Executive/routine	Executive
Wards	All

Executive summary

This report seeks approval of the 2016/17 budget and five year Housing Revenue Account (HRA) budget strategy.

The Council is the sixth largest landlord in the country. Operating on a commercial basis, the HRA is self-funded by tenants' rents and income from its assets. Tenants' satisfaction with their homes and the housing service is amongst the highest in Scotland.

The report notes the significant financial challenges experienced by many tenants and, more widely, the impact of rising housing costs in the private housing market on those on low to moderate incomes. The report also notes that the housing market is failing to address the acute shortage of affordable homes in the city, and to meet the needs of a growing older population and those with complex physical and mental health issues.

The report sets out a new strategy which prioritises future investment in programmes and services that significantly reduce tenants' living costs and which significantly expands the current, Council led, housebuilding programme from 3,000 to 8,000 affordable homes.

At its meeting on 10 November 2015, Health, Social Care and Housing Committee agreed the budget strategy and to further consultation being undertaken with tenants. The proposals set out in the report respond directly to what tenants are saying. The pace and scale of investment over the next five years are based on tenants priorities identified through the budget consultation exercise. The investment will be paid for by reducing running costs and maximising income through greater efficiency in managing assets and other resources, while keeping rent increases affordable.

Links

Coalition pledges	P30 P8
Council outcomes	C10 C16 C25
Single Outcome Agreement	SO2 SO4

Housing Revenue Account - Budget Strategy 2016/17- 2020/21

Recommendations

It is recommended that Finance and Resources Committee:

- 1.1 Agrees to prioritise investment in measures and services that reduce the cost of living for tenants and expand the Council led housebuilding programme to 8,000 homes.
- 1.2 Agrees to refer the 2016/17 budget, draft five year capital programme, and the proposed rent levels for 2016/17, set out in Appendices 1 and 6, to the Council budget meeting for approval.
- 1.3 Notes the Council has made significant progress in improving tenants' homes and establishing one of the largest housebuilding programmes in the country over the last five years.
- 1.4 Notes the financial hardship faced by many tenants and the impact of the shortage of affordable homes in the city on those on low to moderate incomes.
- 1.5 Notes that, at 2.0%, the 2015/16 rent increase was the third lowest among Scottish local authorities and was significantly lower than the 8.8% rent increases experienced by private sector tenants.

Background

- 2.1 The Council is the sixth largest landlord in Scotland with around 20,000 homes in direct management within the HRA. Another 2,100 homes are managed through private sector leasing and a number of limited liability partnerships (LLPs) established under the Scottish Government's National Housing Trust. In September 2015, the Council approved the development of an additional citywide LLP for the purpose of encouraging the building of new market rented homes.
- 2.2 The HRA sets out the income and expenditure on services to Council tenants. Its investment strategy sets out improvements to tenants' homes and neighbourhoods. The HRA is self-funding, with around 92% of its income coming from tenants' rents and service charges. It also receives some income from the sale or lease of land and properties held on the HRA account.
- 2.3 Each year Council must approve the HRA budget and rent level. This includes consideration of the financial impact of plans for the year ahead, as well as the five year capital programme and the 30 Year Business Plan.

- 2.4 On 12 February 2015, the Council approved the HRA Budget for 2015/16. It set out a £235 million investment programme over five years. This included £173 million to improve existing tenants' homes and £62 million for new build affordable homes. The Council approved a 2% rent increase. This was the lowest rent increase in Edinburgh in ten years and the third lowest among Scottish local authorities that year. It was also almost a fifth of the average rent increase experienced by private sector tenants in the city.
- 2.5 In May 2015, a sub-group of the Tenants' Panel was established to advise on the development of the HRA budget. This approach was agreed with Edinburgh Tenants Federation (ETF). This 'Rent Matters' group has met on six occasions, up to November 2015. Its remit includes assisting the Council to scrutinise how costs are allocated to the HRA and how tenants can get value for money for the rents they pay. In recent months the main focus of the group has been on how to consult all tenants on their investment priorities.
- 2.6 On 16 June 2015, the Health, Social Care and Housing Committee approved the latest version of the 30 year HRA Business Plan – Invest to Improve, Invest to Grow. The report set out the long-term drivers for the HRA Business Plan which were:
- Increasing the supply and quality of homes.
 - Creating successful communities.
 - Delivering tenant investment priorities.
 - Ensuring value for money for Council tenants.
 - Supporting the Council's Transformation Programme.
 - Supporting health and social care objectives.
- 2.7 The HRA Business Plan includes a 30 year financial model which aims to ensure long-term financial stability for the Housing Service. It is regularly reviewed and assumptions are tested during each budget cycle. It is used to project the planned income and expenditure through the HRA and ensure decisions have a positive impact over the 30 year period. The key Business Plan assumptions are set out in Appendix 2.
- 2.8 The HRA Business Plan was referred on from the Health, Social Care and Housing Committee to the Finance and Resources Committee on 27 August 2015. The Finance and Resources Committee agreed that the options for increasing the HRA contingency and future investment fund over the next five years should be explored. This report sets out the result of that review.
- 2.9 In September 2015, Health, Social Care and Housing Committee approved the 'Housing Service Transformation Plan 2015-17' which sets out an improvement plan for the Housing Service which seeks to respond to the changing needs of customers, in line with the Council's wider strategy for organisational change. The report set out the following five year goals for the Housing Service:

- An exemplar in customer service and outcomes.
 - The most energy cost efficient landlord in Scotland and the UK.
 - The most financially efficient social landlord.
 - Employees and partners who are empowered and supported by their organisations and accountable to their customers and communities.
- 2.10 This report highlighted a series of priorities for the housing service to 2020/21. These include reviewing the management of mixed tenure repairs and improvements as well as improving the support offered to tenants to help them pay rent and prevent debt. Transformation also places more emphasis on planned maintenance and maintaining a good quality environment in the neighbourhoods around Council tenants' homes.
- 2.11 At its meeting on 10 November 2015, Health, Social Care and Housing Committee noted the significant progress over the last five years in improving tenants' homes and establishing one of the largest housebuilding programmes in the country. It also noted the hardship faced by many tenants and the impact of the shortage of affordable homes in the city on those on low to moderate incomes.
- 2.12 Committee supported the approach of prioritising investment in measures and services that would reduce tenants' cost of living. It recommended further consultation with tenants to establish which measures would have the greatest impact on tenants' lives.

Main report

- 3.1 Over the last ten years considerable progress has been made in modernising tenants' homes, improving facilities, making homes cheaper to heat and investing in the surrounding environment.
- 3.2 In the last five years an average of £8,000 has been invested per home. More than 6,500 new kitchens and bathrooms have been installed and over 10,000 homes have benefitted from energy efficiency measures, such as new boilers, heating systems, insulation, windows and external doors. In addition to this, tenants have benefitted from further modernisation investment to common areas including lift car upgrades, stair windows, door entry systems and external fabric improvements.
- 3.3 The impact of investment in homes is reflected in high levels of tenant satisfaction. Tenant satisfaction with the overall housing service, with the quality of their home and with their neighbourhood is amongst the top three local authorities in Scotland. Tenant satisfaction with housing repairs provided by Edinburgh Building Services (EBS) is high at 92% in 2014/15, which compares well with other landlords.

- 3.4 The award winning 21st Century Homes Programme forms the core of the Council's wider housebuilding programme. Combined with Council participation in the National Housing Trust (NHT), nearly 3,000 homes are being delivered at sites across the city. The overall programme is one of the biggest Council led housebuilding programmes in Scotland. Appendix 3 shows the citywide impact of the current programme. Including homes built by housing associations, the annual output of affordable homes has trebled since the recession to over 1,000.

Challenges

- 3.5 Many Council tenants are experiencing real and significant financial hardship and there are not sufficient homes being built in the housing market which meet current need and demand and the challenge of a growing population.
- 3.6 The challenges facing Council tenants are considerable. Independent research shows that since 2008 low income households have seen their incomes decline in real terms by between 10% and 30%. Through consultation and engagement tenants report significant challenges in meeting their day to day essential living costs, including paying for energy, food and clothing.
- 3.7 For households on low to moderate incomes, demand for housing continues to outstrip supply. Over 150 bids are made for every home available to let by the Council and housing associations. To put this in context, recent industry reports suggest that an estimated 22 student households are competing for every available let in the private rented market.
- 3.8 Between 2013/14 and 2014/15, overall homeless presentations fell, but the length of time households spend in temporary accommodation has been increasing. Homeless households struggle to find long-term secure accommodation. In addition, the number of homeless families seeking help has been increasing despite the overall reduction in homelessness.
- 3.9 Over the next twenty five years the population of Edinburgh is predicted to grow by almost 30%. The number of older people over 75 living in the city is expected to grow by over 75% and the number of people requiring intensive levels of support, including those with complex physical and mental health needs, is expected to increase by 61%.
- 3.10 Housing costs in the private sector, in terms of house prices and private rents increased in the previous year by around 9%, making the private sector prohibitively expensive for those on low and many on moderate incomes.

A new strategy – Putting tenants first

- 3.11 This report proposes a new, more ambitious strategy, built on the success of the current HRA investment programme. This seeks to respond directly to what tenants are telling us. It also builds on the Council's commitment to value for money, ongoing service improvement and to improving the neighbourhoods where tenants live.

- 3.12 There are two key elements to this strategy. The first is to align future investment in tenants' homes to measures that significantly reduce the cost of living for tenants and strengthen tenant confidence in the Housing Service.
- 3.13 The second element of the new strategy is to expand significantly the current housebuilding programme from 3,000 to 8,000 affordable homes.

Saving tenants' money

- 3.14 Taking into account the financial hardship many tenants face, the new strategy will seek to prioritise investment in services and improvements to tenants' homes that directly reduce their cost of living.
- 3.15 Since May 2015, a sub-group of the Tenants' Panel has been working with officers to advise on the development of the HRA budget. The 'Rent Matters' working group has met six times to plan, develop and deliver the 2016/17 budget consultation.
- 3.16 In discussions with ETF, the group distilled the consultation into eight core savings options. Tenants were asked to prioritise which options they thought would best contribute to reducing tenants' living costs.
- 3.17 The consultation ran between 19 October and 30 November 2015, receiving 261 responses and around 200 comments on individual measures. This is a significant increase on previous years. The consultation process is detailed in the 'Consultation and Engagement' section of this report. A detailed breakdown of the consultation results can be found in Appendix 5.
- 3.18 Over three quarters of all respondents believed that building new homes, improving the energy efficiency of homes and providing cheaper energy would have a profound impact on their living costs.
- 3.19 Taking these views into account, the proposed five year budget strategy includes £140 million to expand the Council's house building programme and deliver energy efficiency improvements to existing homes. This includes an acceleration of heating and insulation programmes. Up to 3,500 new heating systems will be installed in the next five years along with improvements to the insulation to another 3,700 homes. The current programme assumes an output of 700 new heating systems per year. The programme has been reviewed to accelerate years one to three of the new programme to achieve an average output of 1,000 new heating systems per year. As part of the strategy, feasibility studies will be undertaken in 2016, to examine the potential to use clusters of multi storeys as the anchor for the development of local district heating networks, in partnership with other public sector services and commercial interests.
- 3.20 Options to accelerate the heating and insulation programme further will be explored in 2016 and reported to Health, Social Care and Housing Committee. In addition to this, the Council's partnership with the Edinburgh based social enterprise Our Power will lead to a more stable and affordable energy supply.

- 3.21 The consultation respondents also identified that energy advice and education could also reduce use and costs further. Over a third of respondents believed that targeted energy advice, when used in conjunction with energy efficiency measures and low cost energy, could help reduce costs.
- 3.22 The draft budget therefore also includes funding of a two year pilot project to provide tenants with a dedicated service which would offer an initial audit of their energy use and behaviour and advice and support to minimise energy costs. The advice would be targeted at those tenants most at risk of fuel poverty.
- 3.23 Half of respondents felt that using Council land to support tenants to grow fruit and vegetables could reduce food bills. Tenants also identified the wider social benefits to taking an active role in local community life. Work will be undertaken to explore options for expanding the network of tenant allotments and community gardens developed on HRA land.
- 3.24 Almost half of respondents (49%) felt a discount card could help reduce living costs; however its success would be dependent on the types of goods and services offered. It was also felt that there could be wider community benefits if local shops were involved in the scheme. A tenant discount card is under development and will be introduced in 2016. Options for expanding the range of partners and suppliers prepared to support the tenant discount card will be explored in the first half of 2016.
- 3.25 Most Council tenants live in mixed tenure blocks. Agreement with owners is required for common improvements and repairs. Many home owners in these circumstances are on low incomes and have little capital or savings to pay for these costs. There was broad agreement from tenants that mixed tenure management is challenging, but could not be ignored as the quality of homes are deteriorating and tenants in mixed tenure blocks are unfairly disadvantaged. Over a third of respondents felt that the provision of equity loans to support homeowners could be a way of progressing Council led improvement schemes. However, many respondents felt that loans should only be given to those in most need. The exact criteria of the loans will be developed in consultation with tenants.
- 3.26 Access to the internet offers wide ranging benefits to tenants. The majority of Council services will now be accessible online; as well as this, benefit claims will be made online, most jobs are advertised online and the internet often provides access to cheaper goods and services. There is a risk that some Council tenants will become excluded unless they are supported to become digitally literate. Over a third of respondents felt that access to cheaper broadband would help them save money.
- 3.27 Those tenants who already have access to the internet may not benefit from the additional savings as they already have access to cheaper goods and services; however, they could benefit from significantly reduced service costs when compared to their current provider. Work is underway to explore the feasibility of improving the digital infrastructure to Council homes and providing digital services at no or little cost to tenants.

- 3.28 Based on the outcome of the consultation, investment in building new homes, energy efficiency measures and reducing energy costs will be prioritised and delivered at pace. The remaining options will be scoped in consultation with tenants and the outcome of this work will be reported to Health, Social Care and Housing Committee later in 2016.

Customer focused services, locally delivered

- 3.29 Taking into account the vulnerability of Council tenants and the financial challenges they face both now and in the future, the housing service needs to adapt to meet their needs and expectations.
- 3.30 As a first step, it is envisaged that local housing management teams will adopt a more customer facing, patch based model where lettings, rent collection and debt prevention, repairs and neighbourhood issues will be dealt with by a single local housing officer. Combined with improvements in technology and digitally available services. This approach recognises the vulnerability of many tenants and seeks to strengthen the confidence and reassurance that they gain through a direct relationship with their local housing officer.
- 3.31 This approach has been supported by tenants and reflects the model adopted by many social housing landlords which have strong track records of performance improvement over the last few years. It also responds to the change in the way many tenants will pay their rent in future. Through the implementation of Universal Credit, tenants who had their rent paid directly to their landlord will receive it directly. A more direct relationship with tenants will help prevent arrears and personal debt.
- 3.32 In line with the objectives of the Council's Transformation Programme, staff will be empowered and challenged to provide outstanding customer service and take a high degree of personal responsibility for looking after their local neighbourhoods. It is envisaged that patch based housing officers will significantly strengthen the Council's locality model by building relationships and local knowledge in the areas in which they work.
- 3.33 To deliver to the Council's Transformation Programme the draft budget includes a £400,000 change fund to reshape services to respond to tenant priorities.

Building more affordable homes

- 3.34 The second element of the strategy is to expand the Council led housebuilding programme from 3,000 homes to 8,000 homes. Tenants strongly support building more Council homes, with over 87% of respondents believing it to be one the Council's core investment priorities.
- 3.35 An additional 5,000 affordable Council homes for social and mid-market rent can be funded through the HRA Business Plan within the next 10 years. This HRA led investment would make a significant strategic contribution to housing need in the city and ensure that those homes are built at a price households on low and moderate incomes can afford.

- 3.36 This strategy will make a step change in the Council's strategic response to meeting the high and growing demand for new affordable homes. It also provides an opportunity to plan and target future investment to areas of particular need.
- 3.37 The Council and NHS Lothian have identified the need to invest in specialist housing for people with complex physical and health needs and, more generally, meet the housing and care needs of the city's growing older population.
- 3.38 Working closely with the Integrated Joint Board the Council, and its housing association partners, will be able to support planned investment in new and more specialist housing for these groups.
- 3.39 Work is ongoing with NHS Lothian regarding the potential for HRA led developments, which could provide around 500 homes alongside integrated Health and Social Care facilities. This would add to the current 21st Century Homes Programme to build around 80 accessible homes and two care homes. The need to target investment in older people's housing and homes for those with more complex physical and mental health needs will also form part of the next Strategic Housing Investment Plan.
- 3.40 In addition to completing the existing housebuilding programme over the next two years, new sites will need to be identified for the next phase of Council led housebuilding. This will require a new approach to securing and acquiring land for affordable homes. This will involve strengthening partnerships with other public sector agencies and private sector landowners to deliver more homes, quickly, at a cost that is affordable. Private sector house-builders will be encouraged to build homes for competitive market rents. The Affordable Housing Policy will ensure that a 25% affordable housing contribution is secured when house builders develop housing for market sale or market rent.
- 3.41 Discussions are also taking place with the Council's not-for-profit housing partners to identify how they could match the Council led programme with a similar number of new affordable homes and strengthen the partnership that already exists to deliver affordable housing in the city. It is anticipated that if these discussions are productive, partners could potentially jointly fund the delivery of 16,000 affordable homes over the next 10 years. The Housing Needs and Demand Assessment 2 (HNDA2) estimates that around 4,000 new homes of all tenures are required in Edinburgh each year for ten years to meet current and future demand. Major developers of affordable housing including Places for People and the Wheatley Group have already committed to delivering another 1,000 and 700 affordable homes respectively.
- 3.42 Investment on this scale in new housebuilding will have a positive impact on the wider economy. According to Scottish Government multipliers it is estimated that building 16,000 homes over the next 10 years will generate investment of £4 billion and create over 30,000 jobs. Once the homes are completed, they are expected to bring in additional annual general fund revenue of £18.7 million through Council Tax income. It will also make a significant contribution to the

regeneration of brownfield sites and provide new accessible homes for older people.

- 3.43 The biggest challenge to delivering new affordable homes is securing sites for development. At present, affordable housing developers do not have control of many sites that could be developed. The strategy for accelerating housebuilding must, therefore, incentivise landowners, including public sector landowners, to enter into new partnerships with affordable housing developers to secure long-term returns rather than short-term profit.

Quality and Security

- 3.44 In addition to prioritising measures to reduce the cost of living for tenants and expanding the housebuilding programme, the HRA will continue to invest in improving other aspects of the quality and condition of tenants' homes.
- 3.45 This includes previous commitments made by the Council, including an expansion of the kitchen and bathroom replacement programme which will ensure that no tenant has a kitchen or bathroom over 25 years old by 2016/17 and over 20 years old by 2020.
- 3.46 All homes will meet statutory requirements including the new Energy Efficiency Standard for Social Housing (ESSH). Subject to owner agreement and participation, investment will also be made to bring homes in mixed tenure blocks up to the SHQS by prioritising the installation of secure door entry systems. Nearly 3,000 tenants living in mixed tenure blocks do not have modern secure door entry systems.
- 3.47 Appendix 6 details the five year capital budget which sets out a strategy to reduce tenants' cost of living by up to £1,500, building new affordable homes and planned investment in maintaining the quality and security of existing homes.

Funding investment in tenant priorities

- 3.48 To implement the strategy outlined above, the HRA would need to invest up to £360 million in capital programmes and service improvements over the next five years. This is a 53% increase on the £235 million five year capital programme agreed by Council in 2015. The increase reflects the enhanced capital investment required to deliver 8,000 new affordable homes over the next 10 years.
- 3.49 Income and expenditure in the HRA business plan will be more closely aligned and operating surpluses will be invested "in year" to reduce borrowing costs. While the HRA does not go into deficit throughout the 30 year business plan, the risk of this happening is much greater over the next 10 years. Operating surpluses drop to their lowest at £0.885 million in 2017/18. This will mean the gap between projected income and expenditure will narrow in the first 10 years of the Business Plan.
- 3.50 Appendix 7 shows two graphs setting out the projected income and expenditure, based on the current investment strategy and the investment strategy proposed in this report.

- 3.51 The business plan also assumes the successful implementation of cost saving measures including a 10% reduction in housing management and a 20% reduction in repairs and ICT costs over the next five years. These savings will be achieved partly through the implementation of the Council's Transformation Programme. Savings through procurement in the capital programme will also see costs reducing, whilst maintaining the same output.
- 3.52 As well as delivering savings, the Business Plan assumes an increase in income through the acceleration of the Council's acquisitions and disposals asset consolidation strategy. This pilot exercise achieved a one for one replacement of social rented homes and a significant net capital receipt of around £40,000 per home. The business plan assumes that this programme is expanded to 50 homes a year for the next 10 years.
- 3.53 The business plan assumes a modest 2% annual increase in rents. This assumption is broadly based on long-term inflation projections and is benchmarked against rent increases by other landlords in the social and private sectors.
- 3.54 The budget proposes a rent increase of 2% in 2016/17. This is nearly half the average rent increase implemented by local authorities over the last few years. There are between 16,000 and 17,000 Council tenants who receive help with their rent through Housing Benefit or Universal Credit. This increase should be met by an equivalent increase in the help they receive with their housing costs.
- 3.55 For those that do not receive help with their housing costs the rent increase would be an average additional cost of £1.85 per week. However, the rent increase should be considered alongside the new investment strategy which sets out to reduce most tenants' cost of living by up to £1,500 a year.
- 3.56 Consultation has confirmed that there is strong support for the new approach of prioritising investment to save money. However, 5% of respondents to the survey felt that rents should not be increased, believing that the best way to save tenants money was to keep rents static, even if that means reducing investment in homes and services.
- 3.57 A working group will be set up to further explore the issues around affordability and value for money, specifically aimed at those tenants who do not get help with their rent.

Delivery of the 2016/17 capital investment programme

- 3.58 The 2016/17 draft capital budget includes a £48.508 million capital investment programme.
- 3.59 It should be noted that the completion of the 2015/16 capital programme will be extended to June 2016. The majority of the improvement programme is being delivered through the new HAM framework. The new framework was introduced part way through the year and as a result the 2015/16 programme will now complete in the first quarter of 2016/17. In addition, savings of around 10% have been made across the programme.

3.60 In 2013/14, the general fund capital programme adopted a new budget setting and monitoring process. The HRA capital programme will adopt the same approach and manage capital investment over a two year rolling programme to enable spend to be accelerated where projects are performing well and realigned where delivery is at risk of slipping.

Measures of success

4.1 The measures of success include:

- Significant reductions in the cost of living for tenants;
- Significant increase in the delivery of affordable homes;
- Maintenance of high levels of tenant satisfaction; and
- Greater visibility of the Housing Service locally for tenants.

Financial impact

5.1 The HRA is self-contained and has no direct impact on the Council's general services budget. The HRA is paid entirely from income from tenants' rents or assets held on the HRA account.

5.2 Projected expenditure on the HRA revenue account for 2016/17 is £107.463 million, including £10 million funding for capital investment funded from revenue. A high level summary of the HRA's one and five year budget and the impact it has on reserves is set out below.

Housing Revenue Account	1 Year (2016/17) £ million	5 Years (2016/17- 2020/21) £ million
Revenue (See Appendix 1)		
Operating Income	£107	£551
Operating Expenditure and Debt Costs	£93	£492
Capital Investment funded from revenue	£10	£38
Addition to investment fund	£4	£21
Capital (See Appendix 6)		
Capital investment programme expenditure	£38	£180
21st Century Homes Expenditure	£10	£181
Prudential borrowing	£23	£218
Other income and Capital Funded from Current Revenue	£25	£143
Investment and contingency position		
Investment and contingency fund	£45	£45
Investment fund additions	£4	£21
Investment fund draw downs	£4	£45

- 5.3 The budget projects a modest increase in outstanding debt from £368 million to £379 million. The budget also assumes an increase in income from temporary accommodation as a result of a revised assessment of the impact of welfare reform measures.
- 5.4 The current business plan assumes the development a contingency fund. This is considered prudent given the expansion of the capital programme and the need to have funds in reserve to deal with unforeseen events. The £45 million currently in the investment fund acts as a contingency, but will be increasingly committed to both current and future phases of the housebuilding programme.
- 5.5 Reductions in HRA operating costs will have an impact on the income for services provided by the general fund. These reductions will be phased in over 5 years to mitigate any impacts and ensure they are managed in a way that does not detriment the Council's general fund budget.

Risk, policy, compliance and governance impact

- 6.1 The Housing Service faces significant risks. These are:
- **Investment in growth and improvement is unsustainable.** The enhanced investment strategy set out in the report is underpinned by the HRA Business Plan. The gap between projected income and expenditure narrows in the first 10 years of the Business Plan, with operating surpluses dropping to £0.885m in year two. Prior to any commitment to new housebuilding, approval is sought through Health Social care and Housing Committee and Finance and Resources Committee backed up by a revised business case and assessment of impact on the HRA Business Plan. Capital programmes are set annually by Council, after scrutiny by the relevant committees. There is positive support from the Scottish Government for the Council's approach to expanding affordable housebuilding evidenced through the expansion of NHT and the approval of grant funding for social rented developments. The HRA Business Plan projects a reasonable operating surplus in future years.
 - **Welfare reform has an adverse impact on rental income.** It is anticipated that devolution proposals will give the Scottish Government powers to continue to pay Housing Benefit directly to social landlords. This would help mitigate a significant risk to income collection. However, a number of measures have been introduced to improve the Council's support to those tenants affected by welfare reform. The Business Plan assumes a significant level of set aside to minimise the financial impact of rent arrears from current tenants and minimise the risk of disruption to the cash flow. New measures are being introduced to support teams prioritise early intervention to manage arrears and prevent tenants getting into debt.
 - **Measures introduced in the UK budget to reduce social rents would adversely affect cash flows.** The Government has required all landlords in England to reduce social rents by 1% for four years. This does not apply in Scotland. Reassurances have been given in writing from Scottish Ministers that the Scottish Government has no intention of adopting a similar policy.

- **Compliance with regulatory standards is not met.** The extent of mixed tenure ownership means that regulatory measures like the Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard for Social Housing (EESH) are difficult to achieve for all tenants if co-owners are unwilling or unable to participate. The Scottish Government and Scottish Housing Regulator recognise this in relation to the SHQS. A review of the Council's approach to mixed tenure management and the assistance that could be provided to owners will be carried out in 2016.
 - **Future financial pressures can only be met through cutting back on service delivery.** Aligning income and expenditure means that there is not as much financial flexibility to meet the unforeseen costs caused by building failure or particularly severe weather. A contingency fund will be developed to mitigate this risk.
- 6.2 All risks are kept under review and significant changes will be highlighted to the Health, Social and Housing Committee, Finance and Resources Committee and Governance, Risk and Best Value Committee.
- 6.3 The Council is required to set Council house rents annually. The Council is required to consult tenants on the rent strategy and inform them in advance of any rent increases prior to their implementation.

Equalities impact

- 7.1 Prioritising investment on services and improvements that reduce the cost of living for tenants will have a significant financial benefit for tenants who are under financial pressure.
- 7.2 Patch based working will mean housing officers will get to know their tenants better. This should improve access to services for vulnerable tenants, as their needs will be more readily identified.
- 7.3 Investment in new homes will help increase the supply of homes built specifically for older people or people who have mobility problems.
- 7.4 The housebuilding programme ensures 10% of all new homes will be built to wheelchair accessible standards.

Sustainability impact

- 8.1 Investing in improvements to Council homes will increase energy efficiency and lead to a reduction in carbon emissions.
- 8.2 The Council's partnership with Our Power will help ensure stable and affordable energy prices for tenants.
- 8.3 Strategic acquisitions of homes in mixed tenure blocks will allow the Council to carry out more improvements as the sole owner of the block, with a focus on investing in making homes more energy efficient.

- 8.4 21st Century Homes will deliver new affordable homes on brownfield sites, reducing pressure on Edinburgh's green belt. New homes are built to high standards in terms of energy efficiency and sustainability.

Consultation and engagement

- 9.1 An extensive Tenant Survey was carried out in 2013. The results of this are helping to inform future investment priorities and the shape of the housing service. Over 1,000 tenants were surveyed, with the results being reported to Health, Social Care and Housing Committee on 18 June 2013.
- 9.2 The 'Your Rent, Your Priorities' consultation for Council tenants ran between October 2013 and March 2014. The purpose of the consultation was to identify tenant priorities for investment and views on affordability post-SHQS. The outcome of the consultation informed the 2015/16 budget and five year investment programme, approved by Council in February 2015.
- 9.3 The Council set up a 'Rent Matters' working group of interested tenants to help plan, develop and deliver the 2016/17 budget including how consultation with tenants was designed. The group met six times during summer 2015 to establish how, where, when, where and what would be consulted on.
- 9.4 The group's views were sought on the investment strategy, including the prioritisation of measures to reduce tenants' cost of living and the Council's new approach to setting and benchmarking rent increases. The group showed strong support for this approach and identified a number of other measures which it believed would help reduce tenants' cost of living. These included:
- a. Providing low or no cost digital access in Council homes.
 - b. Offering tenant discount cards to help reduce the cost of everyday expenditure.
 - c. Expanding the network of community gardens and allotments managed by tenants and supporting the development of home grown food.
 - d. Offering equity loans from the HRA to homeowners in mixed tenure blocks to help pay for major improvements like over-cladding and insulation.
- 9.5 These options formed the core content of the consultation. A meeting was held jointly with Edinburgh Tenants Federation in which around 30 tenants participated. There was strong support for a new approach to prioritising investment to support tenants save money through investment in services and their homes. Feedback from this group helped to distil the consultation into eight core savings options. A detailed breakdown of the final cost saving proposals can be found in Appendix 4. A detailed breakdown of the consultation results can be found in Appendix 5.
- 9.6 The consultation took the form of an online planning tool which enabled tenants to prioritise which initiatives they thought would best contribute to reducing tenants' living costs. It also set out the number of tenants that are likely to be helped and the amount households are expected to save.

- 9.7 The consultation was advertised in local offices and on notice boards in local shops and community centres, on the Council's website, through social media and email footers. For those tenants not online, there was a questionnaire in the Council's newsletter, which went out to every tenant in October 2015. Additionally, interested tenants went out to local offices on rent Mondays to promote the consultation. The consultation also piloted approaches to engage better with hard to reach groups. This includes texting younger tenants links to the online survey, carrying out workshops with sheltered housing tenants and displaying posters in different languages to attract non-English speaking tenants.
- 9.8 A tenants' conference to review the HRA budget strategy was held on 24 October 2015. The conference gave tenants the opportunity to prioritise savings proposals and find out they can get more involved in scrutinising the housing service and ensuring they are getting value for money for their rents. There was broad support for the measures outlined in this report.
- 9.9 This innovative collaborative approach to consultation put tenants at the centre of its design and delivery. It ensured the options put forward through the consultation were relevant and accessible, in order to maximise responses. The consultation ran between 19 October and 30 November 2015. The consultation received 261 responses and around 200 comments on individual measures. This is a significant increase on previous years.
- 9.10 Consultation has confirmed that there is strong support for the new approach of prioritising investment to save money. Comments included:
- "People are choosing food over heating and hot water."*
- "People struggle to afford a living on minimum wage."*
- "Knowing you can help us save money with certain things is a great help"*
- 9.11 Over three quarters of all respondents believed that building new homes, improving the energy efficiency of homes and providing cheaper energy would have a profound impact on their living costs. A summary of tenants investment priorities are set out below.

Rank	Option	Percentage of tenants who support each option
1	More Council Homes	87%
2	Cheaper Energy	80%
3	Energy Efficient Homes	76%
4	Community Gardens	50%
5	Discount Cards	49%
6	Loans for Owners	37%

7	Energy Advice	36%
8	Cheaper Broadband	35%

- 9.12 Tenants strongly support building more Council homes, with over 87% of respondents believing it to be one the Council's core investment priorities. Comments included:

"We desperately need more council houses."

"Building energy efficient council homes should be a priority, but with sensitivity as to their location."

"It will help less affluent families and also drive down rent in the private sector."

- 9.13 Over 80% of respondents felt that reducing the unit cost of energy would have a major impact on tenants' cost of living. Comments included:

"Cheaper energy would insure that people on low budgets could afford to use energy without fear of bills being too high, in particular the elderly and infirm."

"Cost of energy is crippling, anything to reduce fuel poverty has to be good."

- 9.14 There was also strong support (76%) for investment in energy efficiency measures to make homes easier to heat. Comments included:

"As well as making homes more comfortable and cheaper to heat, it has the added benefit of being environmentally sustainable. Win-win."

"Easy investment returns and provides comfort for families and less impact on environment."

"I agree with double glazing draught proofing and new heating systems being a must for all old and new housing."

- 9.15 Half of respondents felt that community gardens, which support tenants to grow fruit and vegetables, could reduce food bills. Tenants also identified the wider social benefits to taking an active role in local community life. Comments included:

"This will do much more than save tenants money"

"Get more people involved in producing their own food and taking care and pride in the place where they live."

"Great for improving physical and mental health, as well as financial savings."

- 9.16 Almost half of respondents (49%) felt discount cards could help reduce costs; however its success would be dependent on the types of goods and services offered. It was also felt that there could be wider community benefits if local shops were involved in the scheme.

- 9.17 There was broad agreement from tenants that mixed tenure management is challenging. Around 37% of respondents felt that the provision of equity loans to support homeowners could be a way of progressing Council led improvement

schemes. However, many respondents felt that loans should only be given to those in most need. Comments included:

“Loans should only be given to owners living in the homes, it should be means tested and not offered to landlords.”

“Loans to owners should be income tested.”

“Loans to owners must be repayable.”

- 9.18 Just over a third of respondents believed that targeted energy advice, when used in conjunction with energy efficiency measures and low cost energy, could help reduce costs. Comments included:

“Cost of energy is crippling, anything to reduce fuel poverty has to be good.”

“One to one advice is always better than a one size fits all approach.”

- 9.19 Around 35% of respondents felt that access to cheaper broadband would help them save money. Comments included:

“Everyone should have access to broadband.”

“It is a part of the life these days and should not be considered as entertainment only, as people use it for job purposes too.”

“Digital services are an essential part of modern life.”

- 9.20 Those tenants who already have access to the internet would not benefit from the additional savings as they already have access to cheaper goods and services; however, they could benefit from significantly reduced service costs when compared to their current provider.

- 9.21 On 10 December 2015, the ETF rents group and the Rent Matters working group met to discuss the outcome of the consultation. The success of this year’s approach will be reviewed with the Rent Matters group in the coming months to better shape future consultations and ensure tenants continue to be actively involved in rent setting and investment planning.

- 9.22 The consultation also asked tenants to identify additional options for investment in homes and services that could reduce tenants living costs. These ideas along with the investment priorities identified through the consultation will be developed through the ongoing work of the Rent Matters group. The outcome of this work will be reported to Health, Social Care and Housing Committee later in 2016.

Background reading/external references

[Edinburgh Tenant’s Survey 2013, Health, wellbeing and Housing Committee, 18 June 2013](#)

[Housing Revenue Account Budget 2015-16, City of Edinburgh Council, 12 February 2015](#)

[Investing in Edinburgh’s Council Homes: Housing Revenue Account Capital Programme for 2015/16, City of Edinburgh Council, 16 June 2015](#)

[City Housing Strategy 2012-17 Annual Review, Health, Social Care and Housing Committee, 16 June 2015](#)

[Invest to Improve, Invest to Grow – Edinburgh Housing Revenue Account Business Plan, Health, Social care and Housing Committee, 16 June 2015](#)

[Housing Service Transformation Plan 2015-17, Health, Social Care and Housing Committee, 8 September 2015](#)

Paul Lawrence

Executive Director of Place

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Links

Coalition pledges	<p>P30. Continue to maintain a sound financial position including long-term financial planning.</p> <p>P8. Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites.</p>
Council outcomes	<p>C10. Improved health and reduced inequalities.</p> <p>C16. Well-housed – people live in a good quality home that is affordable and meets their needs in a well-managed neighbourhood</p> <p>C25. The Council has efficient and effective services that deliver on objectives.</p>
Single Outcome Agreement	<p>SO2. Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.</p> <p>SO4. Edinburgh's communities are safer and have improved physical and social fabric.</p>
Appendices	<p>Appendix 1 – Draft HRA Budget 2016/17(Draft)</p> <p>Appendix 2 – Business Planning – High Level Assumptions</p> <p>Appendix 3 – Citywide Housebuilding Programme</p> <p>Appendix 4 – Analysis of Measures to Reduce Tenant Cost of Living</p> <p>Appendix 5 - 'Invest to Save' Consultation Results</p> <p>Appendix 6 – Draft HRA Capital Investment Programme</p> <p>Appendix 7 – HRA Business Plan – Comparative Analysis</p>

Appendix 1 - Housing Revenue Account Budget 2016/17 (Draft)

Narrative	2015/16 revised budget £m	Change £m	Change %	2016/17 proposed budget £m	Notes
					1
Income					
Net rent income	92.435	1.676	2%	94.111	2
Temporary accommodation	5.092	4.500	88%	9.592	3
Other income	4.082	-0.322	-8%	3.760	4
Total income	101.609	5.854	6%	107.463	
Expenditure					
Housing Management	23.509	-1.253	-5%	22.256	5
Repairs & maintenance	18.418	-0.358	-2%	18.060	6
Debt charges	40.250	-0.871	-2%	39.379	7
Environmental maintenance	2.917	0.058	2%	2.975	8
Temporary accommodation	6.733	2.799	42%	9.532	9
Bad debt provision (set aside)	0.500	0.600	120%	1.100	10
Revenue Investment	9.282	4.879	53%	14.161	11
Total expenditure	101.609	5.854	6%	107.463	
Outturn	0.000	0.000	0%	0.000	

Notes:

- 2016/17 budget figures are based on the 2016/17 HRA Business Plan. The 2015/16 figures are based on the revised HRA budget.
- 'Net rental income' is the total rent that could be collected, minus written off former tenant arrears (0.78%) and rent loss due to empty homes (0.59%). It also takes account of the variation in housing stock numbers and a rent increase of 2.0% for 2016/17.
- This is income from Council homes that are used as managed or dispersed Temporary Accommodation. Due to continued delays in the UK Government's introduction of the Benefit Cap the impact on this income continues to be consistently less than initially anticipated. Current projections suggest there will be a limited impact in 2016/17 and as a result the projected income has been increased to £9.5 million in 2016/17.
- This includes service charges to tenants, non-housing rents and recovered costs from owner occupiers. An inflationary increase of 2.0% has been applied to all 'Other income' for 2016/17, apart from land rent which has not increased. The 8% decrease since 2015/16 is primarily due to the Council no longer receiving hostel deficit grant from Scottish Government.
- 'Housing Management' includes employee costs, central support costs and recharges, premises and other expenditure. The 5% reduction in 2016/17 is due to efficiencies in reduction in housing management costs and the reclassification of temporary accommodation management costs.

6. As a result of investing in improving the quality of homes, the number of repairs required has reduced, therefore the repairs budget has been reduced by 2% in 2016/17. This covers responsive repairs, empty property repairs and sheltered housing repairs. It has also been adjusted to take account of projected stock loss from right to buy sales, additional new homes from the 21st Century Homes programme and an uplift of 2% on costs.

7. 'Debt charges' are capital financing costs (principal repayments, interest & expenses) for HRA debt for existing stock and the planned investment programme. The 2% reduction on 2016/17 debt charges assumes that Capital Funded from Current Revenue (CFCR) will be used to offset the in year borrowing requirement against the capital investment programme.

8. 'Environmental maintenance' comprises grounds maintenance costs, including empty properties, pest control, garden aid and temporary accommodation. These are services that the Housing Service purchases from other parts of the Council. The standard 2% inflationary uplift has been applied.

9. This is the cost of temporary accommodation and core furnished tenancies to the HRA, excluding capital financing and repairs costs, which are included elsewhere in the table. The 42% increase, is presentational only. The managements cost of hostels and dispersed flats have been transferred from the General Fund to match income received into the HRA. Previously the housing management of temporary accommodation was included in overall Housing Management Costs (line 5), this has now been reclassified to match income to expenditure.

10. Rent arrears increased significantly during 2013/14. In 2014/15, additional staff resources and a rent payment advertising campaign were put in place to reduce arrears. The bad debt provision was also reduced to reflect the impact this would have on arrears. The rent arrears position stabilised throughout 2014/15, however not to the same extent as originally projected. Arrears are continuing to grow, to reflect this, the bad debt provision has been increased to £1.1m in 2016/17. This position will be kept under continuous review. Any of the provision which is not required will be used as 'revenue investment'.

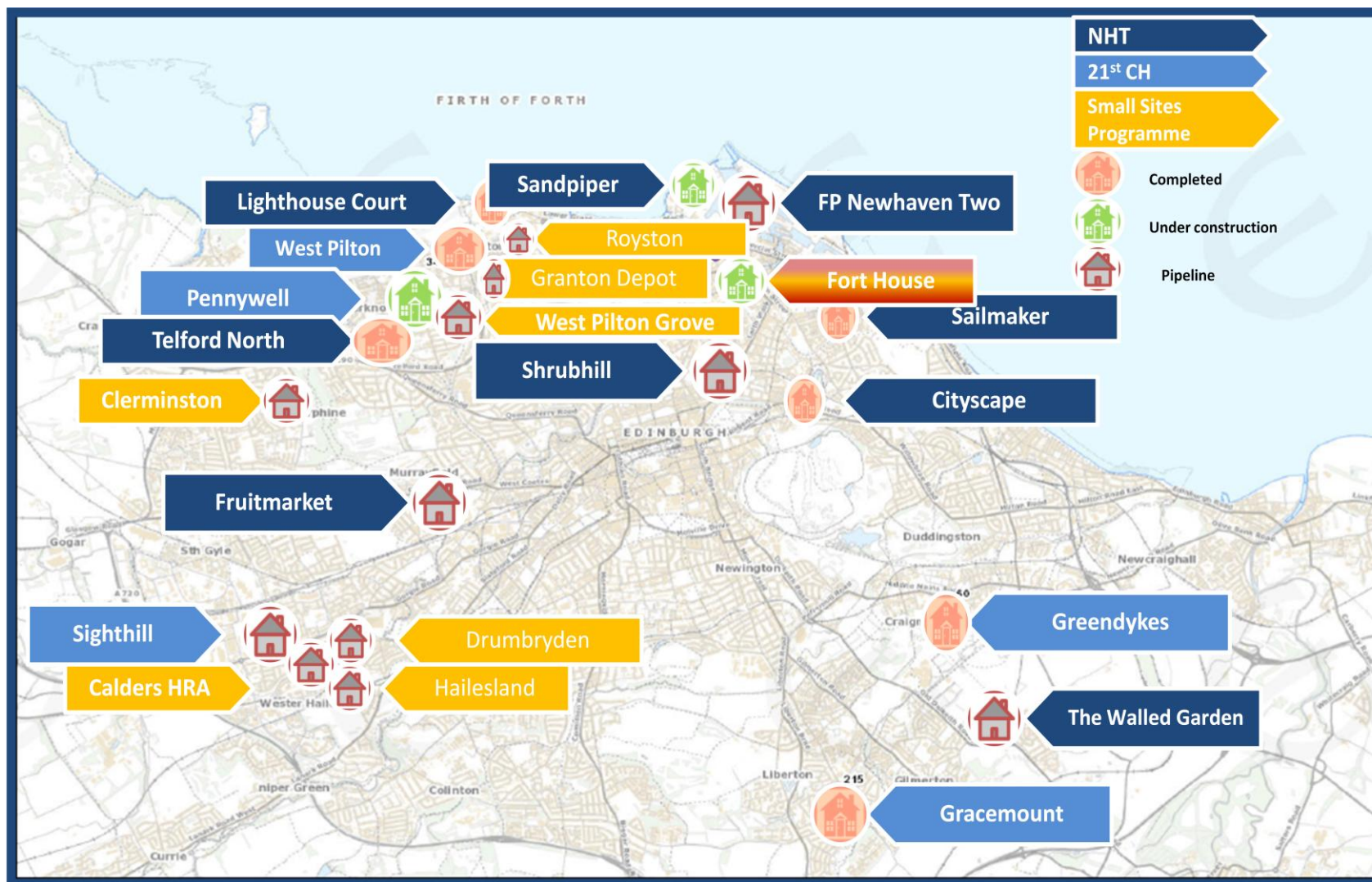
11. 'Revenue Investment' is income in excess of expenditure that is used within the same year to fund new capital investment, repay old HRA debt, maintain a working balance and support 21st Century Homes funding in this or future years.

Appendix 2 – Business Planning - High Level Assumptions

Input	2016/17	Note
Inflationary Increase	2%	Based on Bank of England target inflation rate and Council's long-term financial plan.
Rent Increase	2%	To reflect long-term financial planning and keep rents affordable.
Net Rental income	98.63%	Total projected rental income, minus written off former tenant arrears and rent loss due to empty homes.
Former tenant arrears write off	0.78%	This has been increased to £1.1 million in 2016/17 and 2017/18, based on 2014/15 requirements. From year three onwards it drops by £0.2 million p.a. to £0.5 million by 2020/21.
Rent lost on empty homes	0.59%	This has reduced from 0.75% in 2015/16, based on current performance.
Reduction in Housing Management and Responsive Repairs Costs	£1.120m	20% reduction in repairs costs over 5 years to bring in line with benchmarking. 10% reduction in housing management costs over 5 years.
Reduction in ICT costs	£0.544m	New Council wide ICT contract has been approved and will deliver 20% savings.
Debt level (projected for March 2016)	£379m	£368m at 31 March 2015.
Interest on debt	5.0%	Reduction of 0.1% from 2015/16.

Appendix 3 – Citywide Housebuilding Programme

Largest Council led housebuilding programme in Scotland and one of biggest in UK on 22 brownfield sites.



Appendix 4 – Analysis of Measures to Reduce Tenant Cost of Living

Since May 2015, a group of interested tenants have been working with Council officers, through the Rent Matters working group to help design, develop and deliver a citywide consultation on future investment. The consultation began on 19 October and ran for six weeks. Tenants were asked to prioritise what initiatives they thought would best contribute to reducing tenants' living costs.

The table below sets out the savings options, the estimated savings per household and the number of tenants each saving could to help in one year and over five years.

Measure	Savings per tenant per year up to:	Tenants benefiting per year:	Tenants benefiting over 5 years:
Build more Council homes which are energy efficient and have lower rents than the private sector	£1,500	400	2,000
Invest in energy efficiency measures such as triple glazing, draft proofing and new heating systems to make homes easier to heat	£750	750	3,750
Offer cheaper energy in partnership with a low cost energy supplier	£150	2,100	10,500
Carry out home visits and give one to one advice on how to save energy	£100	1,500	7,500
Offer cheaper broadband and access to digital services	£200	3,500	17,500
Offer tenant discount cards to help reduce the cost of everyday expenditure	£300	5,000	10,000
Use Council land to support tenants to grow fruit and vegetables to reduce food bills	£200	1,200	6,000
Offer loans to owners to help them pay for their share of common works, like insulation, so that tenants in those blocks benefit from improvements	£150	400	2,000

**‘Invest to Save’
Consultation Results
HRA Budget Strategy 2016/17- 2020/21**

December 2015

Tell us how to spend your rent to save you money

It is very important that you are involved in telling us how tenants are finding it tough as the cost of living continues to rise.

Our last Tenants Survey showed that 34% of tenants in council homes. Tenants' incomes have fallen the most over the last year and many are struggling to pay for essentials like food, heating and electricity.

We need your help to identify the best ways we can invest tenants money. In discussions with Tenants Panel we have identified some ways we think that may reduce your bills or increase your savings.

Please tell us how you think we should spend your rent to save you money.

[More info](#)

Start

Invest to Save Consultation 19 October – 30 November 2015

Have your say help us make your rent go further

We know tenants are finding it tough as the cost of living continues to rise. We need your help to tell us the best ways we can invest your money.

2015

Planned by 'Rent Matters' working group – met six times between May and November

✓ You have picked your top 4 options

Household savings each year

£450

More Council Homes

Energy Efficient Homes

Cheaper Energy

Energy Advice

Discount Cards

Cheaper Broadband

Community Gardens

Loans for Owners

Build more Council homes which are energy efficient and have lower rents than the private sector

What do you think about this savings option?

... picking up a FREEPOST card at your local office or library

HAPPY TO TRANSLATE

Developed by the City of Edinburgh Council • Corporate Governance #15/16/17/18/19/20/21/22/23/24/25/26/27/28/29/30/31/32/33/34/35/36/37/38/39/40/41/42/43/44/45/46/47/48/49/50/51/52/53/54/55/56/57/58/59/60/61/62/63/64/65/66/67/68/69/70/71/72/73/74/75/76/77/78/79/80/81/82/83/84/85/86/87/88/89/90/91/92/93/94/95/96/97/98/99/100

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| Waverley Court (1.4) | 4 East Market Street | Edinburgh | EH8 8BG | Tel: 0131 529 6291

How should we spend your rent to save you money?

Council Tenants [have your say](#) by 30 November 2015



Workshops:

- * Tenants Conference
- * Sheltered housing
- * ETF Executive

Texting:

- * Young Tenants

Stalls:

- * North
- * Leith Library
- * South
- * South West
- * ETF parliamentary reception

Social Media:

- * Weekly twitter
- * Weekly facebook
- * Targeted tweets @ community groups



Posters:

- * Neighbourhoods
- * Libraries
- * Concierge offices
- * Community Hubs
- * In Polish
- * Plasma Screens

Emails:

- * Footers – all staff
- * Tenants Panel
- * Community Councils & groups

Articles :

- * Tenants Courier
- * Tenants Voice

Total Responses

262

Total Comments

191

**Treble the responses received through 'Your Rent Your Priorities'*

Consultation by numbers

900

Postcards



62

Responses

19,300

Tenants Couriers



61

Responses

350

Posters

250

Emails



6

Email Responses

160

Text Messages

20

Social media posts

86

Online Responses

6

Stalls

3

ETF meetings

2

Workshops

1

Tenants Conference



47

Responses

56%

Female

39%

Male

5%

Preferred not to say

7%

Under 25

26%

26 - 40

50%

41 - 60

17%

Over 61

91%

English/Welsh/
/Northern Irish
Scottish/British

7%

Other White

2%








African

Tenant Priorities

Rank	Option	Proportion
1	More Council Homes	87%
2	Cheaper Energy	80%
3	Energy Efficient Homes	76%
4	Community Gardens	50%
5	Discount Cards	49%
6	Loans for Owners	37%
7	Energy Advice	36%
8	Cheaper Broadband	35%




87% Build more Council homes which are energy efficient and have lower rents than the private sector



-  ***“This should be the top priority.”***
-  ***“More council homes need to be built. Waiting times are ridiculous.”***
-  ***“Definitely a good idea, but not using the green belt of Edinburgh.”***
-  ***“It is important to build the right size of home.”***
-  ***“Build more homes so people don't have to private rent.”***
-  ***“Building energy efficient council homes should be a priority, but with sensitivity as to their location.”***
-  ***“It will help less affluent families and also drive down rent in the private sector.”***

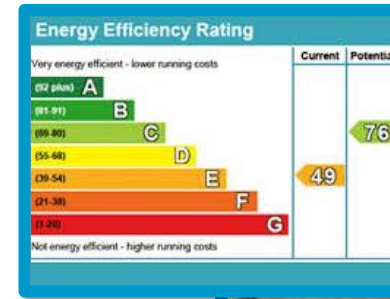
80% Offer cheaper energy in partnership with a low cost energy supplier



-  ***“Cheaper energy would insure that people on low budgets could afford to use energy without fear of bills being too high, in particular the elderly and infirm.”***
-  ***“...this is only really efficient when other savings from better insulation and better knowledge have been accepted and implemented.”***
-  ***“Cost of energy is crippling, anything to reduce fuel poverty has to be good.”***

76%

Invest in energy efficiency measures such as triple glazing, draft proofing & new heating systems to make homes easier to heat



“As well as making homes more comfortable and cheaper to heat, it has the added benefit of being environmentally sustainable. Win-win.”



“Easy investment returns and provides comfort for families and less impact on environment.”



“I agree with double glazing draught proofing and new heating systems being a must for all old and new housing.”




“Only if work is carried out properly without much maintenance required and it will work to save the poorly paid tenants money.”


50% Use Council land to support tenants to grow fruit and vegetables to reduce food bills



 *“For tenants without gardens this would be a good thing!”*

 *“This will do much more than save tenants money.”*

 *“Get more people involved in producing their own food and taking care and pride in the place where they live.”*

 *“Allotments are a good idea but they shouldn’t be too close to houses as it could feel like an invasion of privacy.”*






 *“Have communal meals to break down isolation and foster community.”*

 *“Classes for those who have never grown before.”*

 *“Great for improving physical and mental health as well as financial savings.”*







49% Offer tenant discount cards to help reduce the cost of everyday expenditure



-  *"As long as it was for tenants who were not in [rent] arrears."*
-  *"As long as discounts could be used in affordable shops."*
-  ***"Would help local shops stay open."***
-  ***"This is a good idea if it is for food and toiletries."***
-  *"They would need to be giving at least 10% off to make them worthwhile."*







37% Offer loans to owners to help them pay for their share of common works, like insulation, so that tenants in those blocks benefit from improvements



-  *“Loans should only be given to owners living in the homes, it should be means tested and not offered to landlords.”*
-  *“Loans to owners should be income tested.”*
-  ***“Give home owners incentives and advice on how to repair common stairs.”***
-  *“No. If they own a house the upkeep of it is part and parcel.”*
-  *“The Council saying the upstairs house is privately owned is no excuse for lack of service.”*
-  *“Loans to owners must be repayable.”*

36% Carry out home visits and give one to one advice on how to save energy



-  ***“One to one advice is always better than a one size fits all approach.”***
-  ***“It is a good idea, but it shouldn't be done via door knocking, it should be by referral - maybe through housing officers.”***
-  ***“More labour intensive perhaps but with long-term dividends.”***
-  ***“It isn't guaranteed people will take the advice.”***
-  ***“We had this and at the end of the day still could not afford to be warm.”***
-  ***“Its not about advice, its about the cost of heating.”***

35% Offer cheaper broadband and access to digital services



“Everyone should have access to broadband.”



“It is a part of the life these days and should not be considered as entertainment only, as people use it for job purposes too.”



“Digital services are an essential part of modern life,”



“In 20 years time perhaps.”



“Broadband is good, as you waste so much money on paying for a landline you don't need.”

Less subcontracting

Build more shops

A handyman scheme

Reduce the number of managers

A grass cutting service

Solar panels & wind turbines

Carry out annual inspections

Evening repairs appointments

Make stair cleaning a standard service

Reward tenants who pay their rent

Help to grow vegetables in tenants gardens - growing boxes, soil starter kits & classes

Offer incentives to people who are lowering their carbon footprint

Make rent statements electronic & available online

Help with decoration after improvements

More computers in community buildings where people can get online and get help when needed.

Rent out garages



Other Tenant Proposals







Jobs for tenants

Keeping Rents Affordable

<5%

Respondents in
favour of not
increasing rents

2%
rent increase = £1.85 (a week) or £96.51 (a year)

-  *“The rent should not be increased in the next year as it is getting impossible to pay bills, especially for a single person working full time on a minimum wage.”*
-  *“No extra services, keep the rents down instead.”*
-  *“My rent has risen a lot in recent years. What's the point of triple glazing if I can't afford my rent and end up homeless? Keep rents affordable. If that means no new kitchens then so be it!”*
-  *“Offer no broadband, discount cards, allotments or loans and keep next year's rent rise down to a minimum.”*
-  *“The Council should consider affordability for those who pay full or partial rent.”*
-  *“Keep Council rents low so people can afford them. Then people on low pensions or income will not be able to pay for heating and food.”*

Five year budget strategy

Based on tenant priorities

- £ 80 million Additional investment in building Council homes

- £ 60 million Investment in making homes more energy efficient (*including new heating systems, new windows and door and insulation*).

- Partnership with **Our Power** to deliver low cost energy.

- Work with tenants to develop proposals for:**

 - Expanding the range of partners and suppliers supporting the tenant discount card.*

 - Expanding the network of tenant allotments and community gardens developed on HRA land.*

 - Providing digital services at no or little cost to tenants.*

 - Offering loans to home owners to progress mixed tenure improvements.*

Next Steps

- **14 January 2016** – Finance and Resources Committee scrutinises the financial detail.
- **21 January 2016** - Council agrees budget in light of tenants consultation, what the Committees say and officer advice.
- **February 2016** – Meet to review consultation process and lessons learned.
- **February 2016** – Work with tenants to develop money saving proposals identified through the consultation.
- **May 2016** – Set up affordability workshop with tenants who don't get help to pay their rent.
- **June 2016** – Begin planning 2017/18 rent consultation.

Appendix 6 – Draft HRA Capital Investment Programme

The 2016/17 Draft Budget and Business Plan are based on the assumptions set out in Appendix 2. Below is the outline draft Capital Investment Programme, which is based on tenant priorities, service performance and statutory investment requirements. The funding strategy may be revised through the year as officers seek to make the best use of any existing and new resources and use the most appropriate funding to generate the best return to the HRA.

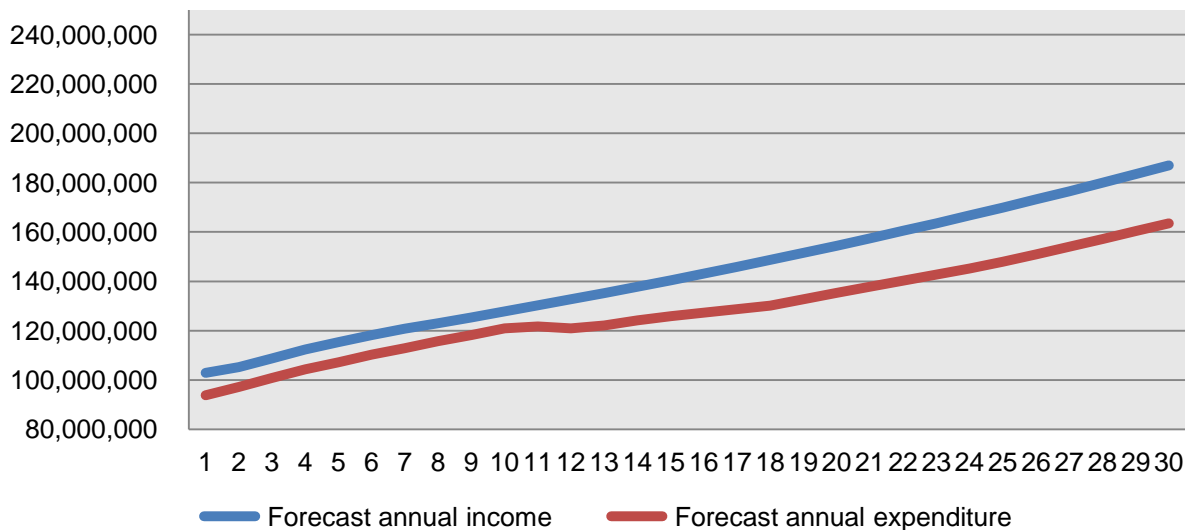
Programme Heading	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£million	£million	£million	£million	£million	
<u>HRA Core programme</u>						
Housing Investment	31.000	31.000	30.000	29.000	26.500	147.500
Neighbourhood Environmental Investment	2.000	2.000	2.000	2.000	2.000	10.000
Community Care	1.550	1.550	1.550	1.550	1.550	7.750
Regeneration	1.000	0.000	0.000	0.000	0.000	1.000
Capital Salaries & CHS	2.700	2.700	2.700	2.700	2.700	13.500
Sub Total	38.250	37.250	36.250	35.250	32.750	179.750
<u>21st Century Homes</u>						
21st Century Homes Investment (current)	10.258	28.128	26.920	23.214	12.942	101.464
21st Century Homes Investment (future)	0.000	0.330	13.330	26.330	39.330	79.320
Total	48.508	65.708	76.500	84.794	85.022	360.534
Funding Source	£ million	£ million	£ million	£ million	£ million	Total
<u>HRA core programme</u>						
Prudential Borrowing	(22.884)	(24.648)	(25.545)	(27.622)	(25.122)	(125.820)
CFCR	(10.256)	(9.231)	(8.205)	(5.128)	(5.128)	(37.949)
Receipts from Council House Sales	(1.739)	(0.000)	(0.000)	(0.000)	(0.000)	(1.739)
Receipts from other HRA assets (Acquisitions, disposals & Land etc.)	(1.750)	(1.750)	(1.750)	(1.750)	(1.750)	(8.750)
Capital Receipts and other income	(1.621)	(1.621)	(0.750)	(0.750)	(0.750)	(5.492)
Sub Total	(38.250)	(37.250)	(36.250)	(35.250)	(32.750)	(179.750)
<u>21st Century Homes</u>						
CFCR and Reserves	(7.193)	(16.160)	(20.018)	(16.625)	(6.325)	(66.320)
Prudential Borrowing	(0.146)	(6.281)	(16.932)	(28.869)	(40.104)	(92.332)
Developers contributions	(2.183)	(1.279)	(0.954)	(0.190)	(0.469)	(5.075)
Scottish Government Subsidy	(0.736)	(4.738)	(2.346)	(3.861)	(5.376)	(17.057)
Sub Total	(10.258)	(28.458)	(40.250)	(49.544)	(52.273)	(180.784)
Total	(48.508)	(65.708)	(76.500)	(84.794)	(85.023)	(360.534)

Appendix 7 – HRA Business Plan – Comparative Analysis

This Appendix sets out the impact of delivering a new, more ambitious, investment strategy over the next 30 years by building on the success of the current HRA investment programme. The strategy seeks to deliver an enhanced investment programme which focuses on building more affordable homes and reducing tenants' cost of living.

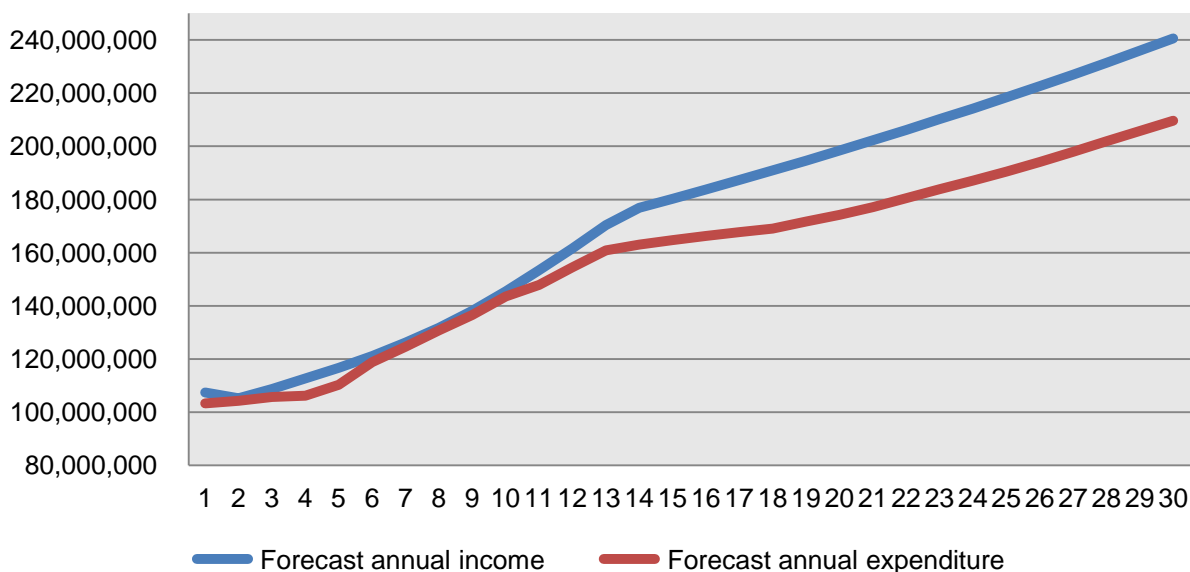
The business plan assumes a 2% annual rent increase in line with inflationary assumptions and below Scottish average local authority increases.

Current Strategy: Income vs Expenditure



The current five year investment programme and 2% annual rent increase is a low risk strategy. There is scope to enhance the investment strategy and deliver an ambitious programme that puts tenants' welfare at the centre of investment and delivery.

Enhanced Strategy: Income vs Expenditure



In order to deliver the enhanced strategy income and expenditure in the HRA business plan will be more closely aligned. This is most visible in the first 10 years due to a significant increase in the Council housebuilding, which aims to deliver an additional 5,000 homes over the next 10 years. Debt repayment is also at its most expensive in the first 10 years.

While the HRA does not go into deficit throughout the 30 year business plan, the risk of this happening is much greater over the next 10 years. Operating surpluses drop to their lowest at £0.885 million in 2017/18. In order to keep the HRA out of deficit operating surpluses will be invested “in year” to reduce borrowing costs. The business plan also assumes the successful implementation of cost saving measures including a 10% reduction in housing management and a 20% reduction in repairs and ICT costs, as well as, an increase in income through the acceleration of the Council’s acquisitions and disposals asset consolidation strategy. Savings through procurement in the core capital investment programme also see costs reducing, whilst output remains high.

Throughout the 30 years the Business Plan maintains a prudent contingency to be able to deal with any significant drop in income or increase in expenditure.

The City of Edinburgh Council

10.00am, Thursday, 21 January 2016

Capital Investment Programme/Plan 2016/17 to 2023/24 - referral report from the Finance and Resources Committee

Item number	4.2
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 14 January 2016 considered a report that provided an update on the roll forward of the capital investment programme to 2020/21 and the capital plan to 2023/24. The report has been referred to the City of Edinburgh Council for decision on 21 January 2016 as part of the budget setting process.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Capital Investment Programme/Plan 2016/17 to 2023/24

Terms of referral

- 1.1 Council approved the five year capital programme for the period 2015-2020 in February 2015. A revised programme, incorporating both net slippage/acceleration from 2014/15 and the outcome of a re-phasing exercise, was reported to the Finance and Resources Committee in August 2015. The capital programme was based on the ten year capital plan originally set out in 2009, which had subsequently been rolled forward on an indicative basis to 2024 on broadly similar terms as before.
- 1.2 Although the level of grant funding in 2016/17, at £38.8 million, was £7.2 million below that assumed in the current Capital Investment Programme, £10.3 million would be reinstated over the following three years. The net additional borrowing that resulted from the timing of the settlement would be managed from within the loans funds provision set out within the budget framework.
- 1.3 The Finance and Resources Committee agreed:
 - 1.3.1 To note the report.
 - 1.3.2 To refer the 2016 – 2021 Capital Investment Programme and updated 2019 – 2024 indicative five year capital plan to Council for decision on 21 January 2016 as part of the budget setting process.
 - 1.3.3 To note that following the announcement of the Finance Settlement, there was no scope to increase the level of capital resources available to support additional capital investment at this time.
 - 1.3.4 To note the up to date analysis of unfunded service priorities and pressures set out within the report.
 - 1.3.5 To note the revised proposed treatment of potential additional capital receipts of £7.9 million that might be realised over the period of 2015/20 Capital Investment Programme to now distribute this equally between (i) supplementing planned repairs and maintenance spend through use of the Capital Fund and (ii) providing funding for future LDP infrastructure requirements (which replaced the previous proposal of providing additional capital investment for priority areas) and refer to Council for decision on 21 January 2016.

- 1.3.6 To note that following the proposed update to the capital plan, £7 million of funding per annum was currently unallocated from 2019/20 onwards and refer to Council for decision on 21 January 2016 how this be allocated in the context of infrastructure needs /priorities and existing Council commitments.
- 1.3.7 To instruct the Council Leadership Team (CLT) to put in place measures to ensure that capital projects consider and undertake an Equality and Rights Impact Assessment (using the Council ERIA template and related guidance) and use the Sustainability, Adaptation, Mitigation tool iteratively in all project initiation, development and management processes.

For Decision/Action

- 2.1 The Finance and Resources Committee has referred to The City of Edinburgh Council the 2016 – 2021 Capital Investment Programme and updated 2019 – 2024 indicative five year capital plan; the revised proposed treatment of potential additional capital receipts of £7.9 million; and the allocation of £7 million of funding per annum from 2019/20 onwards for decision as part of the budget setting process.

Background reading / external references

Minute of the Finance and Resources Committee, 14 January 2016.

Carol Campbell

Head of Legal and Risk

Contact: Veronica MacMillan, Committee Clerk

E-mail: veronica.macmillan@edinburgh.gov.uk | Tel: 0131 529 4283

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00am, Thursday, 14 January 2016

Capital Investment Programme / Plan 2016/17 to 2023/24

Item number 7.10
Report number
Executive/routine
Wards

Executive summary

The roll forward Capital Investment Programme (CIP) sets out planned investment for the period 2016/17 to 2020/21. Projects have been realigned, reflecting slippage and acceleration in the current financial year. Spending in the latter years should be viewed as indicative, as details of the likely level of capital grant can only be estimated at this time.

The Finance Settlement announced in December 2015 confirmed the level of capital funding available in 2016/17. While, due to a £150m Scotland-wide reprofiling of the Scottish Government's capital budget, Edinburgh's level of grant funding in 2016/17 at £38.8m, is £7.2m below that assumed in the current Capital Investment Programme, £10.3m will be reinstated over the following three years as part of the reprofiling exercise. Given that the timing of receipt of this funding cannot be confirmed at this point and there is no indication of what the grant settlement will be over the following three year period relative to the assumptions factored in to the 2016-2021 CIP, there is no scope to increase the level of capital resources available to support additional capital investment at this time, given that the additional borrowing required will lead to further pressure on the revenue budget.

Links

Coalition pledges	P3; P8; P30; P31; P33; P42
Council outcomes	CO1; CO16; CO20; CO23; CO25
Single Outcome Agreement	SO3; SO4

The CIP is based upon the capital plan which has previously been rolled forward to the period 2019/20 to 2023/24. Since rolling forward the capital plan in February 2014, £9m per annum of funding, available from 2019/20, has remained unallocated pending a decision by elected members as to where best to redistribute this. An update to the capital plan is presented in this report which proposes that £2m of this unallocated funding be distributed equally between two emerging priority areas; existing tram network lifecycle replacement costs and a statutory obligation to support home owner adaptations.

Capital Investment Programme / Plan 2016/17 to 2023/24

Recommendations

- 1.1 Members of the Finance and Resources Committee are requested to:
 - 1.1.1 Note the contents of this report and remit to Council's budget meeting the 2016 – 2021 Capital Investment Programme and updated 2019 – 2024 indicative five year capital plan;
 - 1.1.2 Note that following announcement of the Finance Settlement, there is no scope to increase the level of capital resources available to support additional capital investment at this time;
 - 1.1.3 Note the up to date analysis of unfunded service priorities and pressures set out within this report;
 - 1.1.4 Note the revised proposed treatment of potential additional capital receipts of £7.9m that may be realised over the period of 2015/20 Capital Investment Programme to now distribute this equally between (i) supplementing planned repairs and maintenance spend through use of the Capital Fund and (ii) providing funding for future LDP infrastructure requirements (which replaces the previous proposal of providing additional capital investment for priority areas), and remit to Council for decision on 21 January 2016;
 - 1.1.5 Note that following the proposed update to the capital plan, £7m of funding per annum is currently unallocated from 2019/20 onwards and remit to Council for decision on 21 January 2016 how this be allocated in the context of infrastructure needs / priorities and existing Council commitments; and
 - 1.1.6 Instruct Council Leadership Team to put in place measures to ensure that capital projects consider and undertake an Equality and Rights Impact Assessment (using the Council ERIA template and related guidance) and use the Sustainability, Adaptation, Mitigation tool iteratively in all project initiation, development and management processes.

Background

- 2.1 This report provides elected members with an update on the roll forward of the capital investment programme to 2020/21 and the capital plan to 2023/24.
- 2.2 Council approved the five year capital programme for the period 2015-2020 in February 2015. A revised programme, incorporating both net slippage / acceleration from 2014/15 and the outcome of a re-phasing exercise, was reported to the Finance and Resources Committee in August 2015. The capital programme is based on the ten year capital plan originally set out in 2009, which has subsequently been rolled forward on an indicative basis to 2024 on broadly similar terms as before.

Main report

- 3.1 The table below summarises the capital grant allocation the Council has received in 2016/17 from the Scottish Government, as announced in the one year Finance Settlement.

	2016/17	2016/17 allocation reprofiled to be paid over following 3 year period
Edinburgh's Allocation	£m	£m
General Capital Grant	38.795	10.264
Specific Capital Grant	29.788	6.065
<i>Of which:</i>		
<i>Management Development Funding</i>	<i>29.248</i>	<i>5.927</i>
<i>Cycling, Walking and Safer Streets</i>	<i>0.540</i>	<i>0.138</i>

- 3.2 Although the level of grant funding in 2016/17, at £38.8m, is £7.2m below that assumed in the current Capital Investment Programme, £10.3m will be reinstated over the following three years. The net additional borrowing resulting from the timing of the settlement will be managed from within the loans fund provision set out within the budget framework.
- 3.3 As no firm allocations have been advised beyond this, an estimate of each year's General Capital Grant Settlement has been factored in for the period 2017/18 to 2020/21 based on a prudent estimate of the possible Scotland-wide funding and adjusted for the £10.264m allocation for 2016/17 which is to be paid over the three year period 2017/18 to 2019/20 based on an assumption of receiving this in equal annual instalments.

- 3.4 There remains the potential for an additional capital allocation related to the Children and Young People Bill to be received in 2016/17 but formal confirmation of any Council share and amount is pending. An update will be provided as part of future roll forward programmes.
- 3.5 The programme has also been adjusted for current projected capital receipts forecasts and other known sources of income expected from developers and other third party contributions.
- 3.6 Directors working in conjunction with the Capital Monitoring Team have been asked to re-profile the existing capital programme, including slippage and acceleration identified at period eight, based on up-to-date cash flow information. The roll forward capital programme, incorporating this review can be seen at Appendix 1. It should be noted that the CIP has been presented on the basis of the existing Council structure pending finalisation of structures following implementation of the transformation programme.

National Housing Trust (NHT) update

- 3.7 On 3 February 2015, Finance and Resources Committee approved entering into four contracts to deliver up to 413 homes through NHT phase 3. The Council approved borrowing of up to £54.998m for four developments at Fruitmarket Chesser, Shrubhill Leith Walk, The Walled Garden Edmonstone Estate and Western Harbour.
- 3.8 To date, two of the four contracts have been entered into, with a third expected to be entered into in January 2016. The Walled Garden development is now not proceeding through NHT 3 following difficulties between the developer and land owner in reaching terms of agreement. As a result of these contract changes, the overall borrowing requirement for NHT 3 is now reduced from £54.998m to £48.122m.

Current Unfunded Priorities and Pressures

- 3.9 Current unfunded capital priorities over the period 2016-2021, including an element of works across the Council estate collated from each service Director totalling approximately £141.574m are summarised in Appendix 2. This is an up to date list of each Service's top three priorities ranked in order of importance taking cognisance of Council commitments and pledges.

- 3.10 Elected members are also reminded of the likely future infrastructure requirements as a consequence of projected housing growth in the city initiated through the Local Development Plan (LDP) which were described on a high level basis in an update report to Finance and Resources Committee on 29 October 2015. This stated that although alternative supplementary income streams are being investigated to reduce the overall net cost to the Council (currently projected at £152.3m based on gross infrastructure costs of £296.4m against developer contribution income of £144.1m), there will still likely be an overall large funding requirement falling to the Council as a result of infrastructure provision. With the exception of £0.9m provided in 2015/16 for early design works on likely transport and education infrastructure, no allowance has been provided for this likely future pressure in the current capital programme or within the indicative five year capital plan 2019-2024.
- 3.11 In light of this likely future budget pressure, it is proposed that the recent proposal presented to elected members on 24 September 2015 over the treatment of potential additional capital receipts of £7.9m that may be realised over the period of the 2015/20 Capital Investment Programme, be revised to distribute this equally between (i) supplementing planned repairs and maintenance spend through use of the Capital Fund and (ii) providing funding for future LDP infrastructure requirements (which replaces the previous proposal of providing additional capital investment for priority areas).
- 3.12 This means that whilst there remains the potential to generate approximately £3.95m of one-off monies over the next five-year period to be spent on revenue repairs and maintenance / health and safety works across the existing Council property estate, the remaining 50% of any additional receipt income (potentially £3.95m over the next five-year period) could be used to create a minimal pot of one-off funding for investment in immediate infrastructure requirements arising from the LDP.
- 3.13 The roll forward capital programme is for General Fund projects only. The Housing Revenue Account capital budget will be the subject of a separate report.

Updated Indicative Capital Plan 2019 - 2024

- 3.14 The Capital Plan was rolled forward to the period 2019/20 to 2023/24 in February 2014. With the exception of £9m previously provided for Wave 3 schools and flood prevention projects, the five year capital plan was rolled forward on the basis of directing approximately £41m of capital expenditure per annum to the same priority areas as before. To date, the £9m of funding has remained unallocated pending a decision by elected members as to where best to redistribute this.

- 3.15 An update to the capital plan is presented at Appendix 3 which proposes that £2m of this unallocated funding be distributed equally between two emerging priority areas; existing tram network lifecycle replacement costs and a statutory obligation to support home owner adaptations.
- 3.16 The proposed £1m per annum for trams relates to a minimum amount identified as required for cyclical, planned capital investment within the existing tram network which as asset owner, the Council is responsible for maintaining. This is considered as a priority for investment within the capital plan as without cyclical, planned spend it is likely that elements of the tram network will deteriorate at a faster rate than originally envisaged. The absence of this cyclical spending regime would have a detrimental effect on service delivery and could potentially lead to more costly replacement programmes in the future.
- 3.17 The proposed £1m per annum for home owner adaptations relates to a minimum amount identified to fund layout and physical structure improvements of properties in line with an occupant's health and social care requirements. This is a statutory obligation in line with Scottish Government legislation and budgets associated with this will require to be delegated to the Integrated Joint Board.
- 3.18 Should the priority areas for investment outlined above be approved, elected members are asked to identify where the remaining £7m per annum (from 2019/20 onwards) should be redirected within the plan in the context of infrastructure needs / priorities and existing Council commitments.

Measures of success

- 4.1 The City of Edinburgh Council sets a capital budget which adheres to the key objectives of the Prudential Code. These are to ensure, within a clear framework, that the capital plans of the Council are affordable, prudent and sustainable.

Financial impact

- 5.1 The revenue funding required to support the borrowing costs associated with the five-year capital programme (2016-2021) is provided for in the long term financial plan.
- 5.2 Council can only commit to further capital expenditure if revenue expenditure plans are affordable and sustainable. Inclusion of any additional revenue investment within the budget framework is contingent upon the development, and subsequent delivery, of corresponding savings, alongside management of all risks and pressures, particularly those of a demand-led nature.

Risk, policy, compliance and governance impact

- 6.1 Capital monitoring and budget setting processes adopted ensure effective stewardship of resources. The processes applied aim to ensure projects are delivered on time and budget whilst fulfilling the financial criteria of value for money.
- 6.2 Monitoring of major capital projects including risk assessment is carried out by the Council's Corporate Programmes Office (CPO).
- 6.3 The risk of not adequately investing in infrastructure means that it does not meet Council's and stakeholders' needs and does not remain fit for purpose in the future.
- 6.4 Legal and reputational risk from failure in considering and evidencing due regard of the Climate Change (Scotland) Act 2009 Public Bodies Duties and Equality Act 2010 Public Sector Equality Duties in capital projects.

Equalities impact

- 7.1 In Spring 2015, officers carried out assessments using the Council's Equality and Rights Impact Assessments (ERIA) for four of nineteen relevant projects identified in the CIP including one for the Asset Management Programme as a whole.

Sustainability impact

- 8.1 In Spring 2015, officers carried out assessments using the Council's Sustainability, Adaptation, Mitigation (SAM) e-tool for ten of nineteen relevant projects identified in the CIP including one for the Asset Management Programme as a whole.
- 8.2 Three of these ten projects opted not to continue with a full assessment at the proportionality test stage whilst seven projects continued with full assessment.
- 8.3 An overview of the seven completed SAM assessments for individual capital projects is included below.
 - All seven recorded consideration of carbon impacts (mitigation) at predominantly detailed or high level.
 - In general, the completed assessments reflected a low level of consideration for vulnerability and resilience to the impacts of climate change. This is cause for concern given the heightened risks to infrastructure from increasingly frequent extreme weather events.
 - Overall, they recorded detailed consideration of economic, social and environmental sustainability based on the predominantly health, social care and child-orientated services delivered from these building projects.

- During this financial year, no evidence has been supplied to demonstrate that ongoing consideration is being given to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties as these projects progress. This is also the case with regard to relevant sustainable development policies.
- 8.4 Evidence of compliance with the statutory duties is outstanding for the remaining nine of the nineteen main projects identified.
- 8.5 The aspiration is that, in order to meet the statutory duties and to have regard to the Government's statutory guidance on putting the duties into practice, all relevant capital projects use the Council's SAM Public Bodies Duties compliance tool iteratively, as standard, throughout project initiation, development and management processes.

Consultation and engagement

- 9.1 Consultation on the budget will be undertaken as part of the budget process.

Background reading/external references

[Local Development Plan - Action Programme: Financial Assessment and Next Steps](#), Finance and Resources Committee, 29 October 2015

[2016/20 revenue and capital budget framework](#), Finance and Resources Committee, 24 September 2015

[Capital Monitoring 2014/15 – Outturn and Receipts](#), Finance and Resources Committee, 27 August 2015

[Capital Investment Programme 2015/16 to 2019/20 – referral report from the Finance and Resources Committee](#), Finance and Resources Committee, 12 February 2015

Hugh Dunn

Acting Executive Director of Resources

Contact: Sat Patel, Senior Accountant

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Links

Coalition pledges	<p>P3 – Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools</p> <p>P8 – Make sure the city's people are well-housed, including encouraging developers to build residential communities,</p>
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starting with brownfield sites

P30 – Continue to maintain a sound financial position including long-term financial planning

P31 – Maintain our City’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure

P33 – Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used

P42 – Continue to support and invest in our sporting infrastructure

Council outcomes

CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed

CO16 – Edinburgh draws new investment in development and regeneration

CO20 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and future of citizens

CO23 – Well-Engaged and Well-Informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community

CO25 – The Council has efficient and effective services that deliver on objectives

Single Outcome Agreement

SO3 - Edinburgh’s children and young people enjoy their childhood and fulfil their potential

SO4 - Edinburgh’s communities are safer and have improved physical and social fabric

Appendices

1 – Draft Roll Forward Capital Investment Programme 2016-2021

2 – Currently unfunded capital priorities

3 – Updated Indicative Capital Plan 2019-2024

**CAPITAL INVESTMENT
PROGRAMME 2016-2021**
(Incorporating part-year slippage from 2015/16)

CAPITAL INVESTMENT PROGRAMME 2016-2021**SUMMARY OF EXPENDITURE AND RESOURCES - GENERAL SERVICES**

2016-2021	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000
Expenditure	195,404	92,333	49,339	65,140	41,392	443,609
Resources						
Capital receipts						
General asset sales	20,300	11,760	1,260	5,503	3,000	41,823
Less additional receipt income transferred to capital fund	-7,084	-834	0	0	0	-7,918
Asset sales to reduce corporate borrowing	1,380	0	0	0	0	1,380
Ring-fenced asset sales	4,895	0	0	10,000	0	14,895
Developers and other contributions	3,643	209	0	309	0	4,161
Total receipts	23,134	11,135	1,260	15,812	3,000	54,341
Grants						
Specific Capital Grant	29,788	0	0	0	0	29,788
General Capital Grant	38,795	47,921	47,921	41,422	38,000	214,059
Total Grants	68,583	47,921	47,921	41,422	38,000	243,847
Borrowing						
Support brought forward	42,678	0	0	0	0	42,678
Prudential framework						
- Through council tax	120	0	0	0	0	120
- Departmentally supported	44,491	39,125	11,255	4,366	0	99,237
Total borrowing	87,289	39,125	11,255	4,366	0	142,035
Over / (under)-programming	16,398	-5,848	-11,097	3,540	392	3,386
Total Resources	195,404	92,333	49,339	65,140	41,392	443,609

Grant funding from 2017/18 onwards are based on prudent estimates.

CAPITAL INVESTMENT PROGRAMME 2016-2021

<u>SUMMARY OF EXPENDITURE</u>	Revised Budget 2016/17 £000	Indicative Budget 2017/18 £000	Indicative Budget 2018/19 £000	Indicative Budget 2019/20 £000	Indicative Budget 2020/21 £000	Total Budget 2016-2021 £000
General Services						
Children and Families	49,310	6,558	10,019	14,601	393	80,881
Corporate Governance	18,879	1,028	165	165	165	20,402
Health and Social Care	4,229	114	-	-	-	4,343
Services for Communities	98,942	73,598	30,719	24,201	19,834	247,295
Services for Communities - Asset Management Works						
- Children and Families	13,990	7,827	2,925	5,944	-	30,686
- Corporate Property	1,240	-	-	-	-	1,240
- Corporate Governance	2,348	375	-	-	-	2,723
- Health and Social Care	1,078	115	-	25	-	1,218
- Services for Communities	5,388	-	-	-	-	5,388
- Not yet allocated to services	-	2,718	5,511	13,204	14,000	35,433
Unallocated - indicative 5 year plan	-	-	-	7,000	7,000	14,000
Total General Services	195,404	92,333	49,339	65,140	41,392	443,609

CAPITAL INVESTMENT PROGRAMME 2016-2021

<u>CHILDREN AND FAMILIES</u>	Realigned Budget 2016-17	Indicative Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Total Budget 2016-2021
	£000	£000	£000	£000	£000	£000
Early years						
Early learning and childcare	7,181	330	-	-	-	7,511
Fox Covert nursery	303	4	-	-	-	307
Early years total	7,484	334	0	0	0	7,818
Primary schools						
Upgrade kitchens - free school meals initiative	2,465	42	-	-	-	2,507
Waterfront	-	19	-	-	-	19
Primary schools total	2,465	61	0	0	0	2,526
Secondary schools						
Liberton high school replacement gym	1,412	35	-	-	-	1,447
New high school for Craigmillar	-	618	-	-	-	618
Replacement Queensferry high school	350	1,500	3,924	-	-	5,774
Secondary schools total	1,762	2,153	3,924	0	0	7,839
Community centres						
Duncan Place improvement works	1,957	24	-	-	-	1,981
Community centres total	1,957	24	0	0	0	1,981
Children's services						
Accommodation young person centre	-	295	-	-	-	295
Heather Vale young person centre	367	-	-	-	-	367
Children's services total	367	295	0	0	0	662
Other projects						
Buckstone primary school - development works	100	-	-	-	-	100
Cost of sale of assets	(56)	-	-	-	-	(56)
Kirkliston primary school - development works	1,086	25	-	-	-	1,111
Wester Hailes Healthy Living Centre underpass	1	-	-	-	-	1
Other projects total	1,131	25	0	0	0	1,156
Capital investment new nurseries and gym						
Blackhall new gym	30	-	-	-	-	30
Duddingston nursery	14	-	-	-	-	14
Wardie nursery	10	-	-	-	-	10
Capital investment new nurseries and gym total	54	0	0	0	0	54
Rising school rolls						
Rising school rolls extension works	4,483	714	601	695	393	6,886
Rising school rolls total	4,483	714	601	695	393	6,886

CAPITAL INVESTMENT PROGRAMME 2016-2021

<u>CHILDREN AND FAMILIES</u>	Realigned Budget 2016-17	Indicative Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Total Budget 2016-2021
	£000	£000	£000	£000	£000	£000
Wave three school projects						
Boroughmuir high school replacement	17,720	400	-	-	-	18,120
James Gillespie's campus	802	-	-	-	-	802
Portobello high school replacement	10,038	559	-	-	-	10,597
St Crispin's special school replacement	370	738	1,107	5,167	-	7,382
St John's new wave 3 school	677	1,255	1,883	8,739	-	12,554
Wave three inflation contingency	-	-	2,504	-	-	2,504
Wave three school projects total	29,607	2,952	5,494	13,906	0	51,959
Total Children and Families	49,310	6,558	10,019	14,601	393	80,881

CAPITAL INVESTMENT PROGRAMME 2016-2021

<u>CORPORATE GOVERNANCE</u>	Realigned Budget 2016-17	Indicative Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Total Budget 2016-2021
	£000	£000	£000	£000	£000	£000
Museums and arts						
Calton Hill redevelopment	484	-	-	-	-	484
Museums and Arts Total	484	0	0	0	0	484
Edinburgh Leisure						
Edinburgh Leisure	165	165	165	165	165	825
Edinburgh Leisure total	165	165	165	165	165	825
Sport projects						
Hunter Hall cycle hub and pitch	565	500	-	-	-	1,065
Meggetland 3G Pitch	150	-	-	-	-	150
National Performance Centre for Sport additional contribution	200	-	-	-	-	200
Pavilions and pitches total	915	500	0	0	0	1,415
Strategic support						
BOLD channel shift infrastructure	1,741	-	-	-	-	1,741
CATs ICT capital investment	150	-	-	-	-	150
City dressing programme	40	127	-	-	-	167
ICT contract asset purchase	15,000	-	-	-	-	15,000
ICT transformational change investment	400	-	-	-	-	400
Winter festival lighting	22	-	-	-	-	22
Strategic support total	17,353	127	0	0	0	17,480
Miscellaneous projects						
Assembly Rooms - theatre strategy	-	166	-	-	-	166
Contingency	-	70	-	-	-	70
Cost of sale of assets	(38)	-	-	-	-	(38)
Miscellaneous projects total	-38	236	0	0	0	198
Total Corporate Governance	18,879	1,028	165	165	165	20,402

CAPITAL INVESTMENT PROGRAMME 2016-2021

<u>HEALTH AND SOCIAL CARE</u>	Realigned Budget 2016-17	Indicative Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Total Budget 2016-2021
	£000	£000	£000	£000	£000	£000
Care homes						
Royston care Home	3,972	114	-	-	-	4,086
Care homes total	3,972	114	0	0	0	4,086
Other projects						
Autism day and respite centre	70	-	-	-	-	70
Cost of sale of assets	(9)	-	-	-	-	(9)
Oxgangs day centre	8	-	-	-	-	8
Telecare	180	-	-	-	-	180
Wester Hailes Healthy Living Centre Underpass	8	-	-	-	-	8
Other projects total	257	0	0	0	0	257
Total Health and Social Care	4,229	114	0	0	0	4,343

CAPITAL INVESTMENT PROGRAMME 2016-2021

<u>SERVICES FOR COMMUNITIES</u>	Realigned Budget 2016-17	Indicative Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Total Budget 2016-2021
	£000	£000	£000	£000	£000	£000
Environment						
<i><u>Waste services</u></i>						
Containers - household waste	258	-	-	-	-	258
Purchase of litter bins	222	-	-	-	-	222
Waste disposal sites	50	-	-	-	-	50
Zero Waste: Millerhill	48	-	-	-	-	48
<i><u>Parks and green spaces</u></i>						
HAVS replacement equipment	2	-	-	-	-	2
New play areas	16	-	-	-	-	16
Parks and green spaces	159	-	-	-	-	159
Saughton Park	373	826	-	-	-	1,199
<i><u>East Neighbourhood</u></i>						
Neighbourhood environmental partnerships	164	136	136	136	136	708
Roads ward allocation	5	-	-	-	-	5
Environment total	1,297	962	136	136	136	2,667
Community Safety						
<i><u>Community Safety</u></i>						
Closed Circuit Television combine services	-	1,125	-	-	-	1,125
Mortonhall - cremator replacement	364	-	-	-	-	364
Mortonhall memorialisation	69	-	-	-	-	69
Purchase of noise equipment	33	-	-	-	-	33
<i><u>Libraries</u></i>						
George IV Bridge Library-enhancement works	-	372	-	-	-	372
Peoples Network	46	-	-	-	-	46
<i><u>South Neighbourhood - Community Safety</u></i>						
Neighbourhood environmental partnerships	227	136	136	135	135	769
Roads ward allocation	148	-	-	-	-	148
Community Safety and Libraries total	887	1,633	136	135	135	2,926
Housing and Regeneration						
Commuted sums	159	-	-	-	-	159
Home owners' adaptation grants	935	1,000	1,000	1,000	1,000	4,935
Development Funding Grant	29,248	-	-	-	-	29,248
National Housing Trust phase 2	10,383	-	-	-	-	10,383
National Housing Trust phase 3	9,153	30,519	4,084	4,366	-	48,122
Stair lighting LED replacement	460	-	-	-	-	460
<i><u>West Neighbourhood - Housing</u></i>						
Neighbourhood environmental partnerships	292	136	136	136	136	836
Roads ward allocation	24	-	-	-	-	24

CAPITAL INVESTMENT PROGRAMME 2016-2021

SERVICES FOR COMMUNITIES	Realigned Budget 2016-17	Indicative Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Total Budget 2016-2021
	£000	£000	£000	£000	£000	£000
<i>South West Neighbourhood - Housing</i>						
Neighbourhood environmental partnerships	305	136	136	136	135	848
Roads ward allocation	208	-	-	-	-	208
Housing and Regeneration total	51,167	31,791	5,356	5,638	1,271	95,223
Projects controlled by Corporate Property						
Castlebrae business centre	21	-	-	-	-	21
Duncan Place demolition	31	-	-	-	-	31
Free school meals initiative-equipment	80	-	-	-	-	80
Grassmarket Nursery 6VT relocation	3	-	-	-	-	3
Projects controlled by Corporate Property total	135	0	0	0	0	135
Transport and other infrastructure						
<i>Engineering</i>						
Bridge strengthening	551	-	-	-	-	551
Link to Royal Infirmary - Niddrieburn bridge	80	-	-	-	-	80
Lower Granton Road realignment	8	-	-	-	-	8
St Andrew Square public realm	421	-	-	-	-	421
Traffic signals (renewal)	143	-	-	-	-	143
Transport asset management	1,000	1,000	1,000	1,000	1,000	5,000
UTMC and parking guidance	271	-	-	-	-	271
Water of Leith - phase 1	275	-	-	-	-	275
Water of Leith - phase 2	11,637	7,368	3,409	-	-	22,414
<i>Policy & planning</i>						
20mph speed limiting [block]	54	-	-	-	-	54
Bus - priority at signals SVD	171	-	-	-	-	171
Bus lane camera enforcement	1	-	-	-	-	1
Bus priority schemes / bus shelters	137	-	-	-	-	137
Bus tram integration	4	-	-	-	-	4
Bustracker- RTI extension	18	-	-	-	-	18
Cycle projects [block]	597	-	-	-	-	597
Cycling, Walking and Safer Streets	540	-	-	-	-	540
Electric vehicles	20	-	-	-	-	20
Hermiston park and ride - land acquisition	8	-	-	-	-	8
Local bus priority measures [block]	1	-	-	-	-	1
Park and ride development	3	-	-	-	-	3
Road safety	321	-	-	-	-	321
Road safety, cycling and public transport	1,745	1,750	1,750	1,750	1,750	8,745
St Andrew Square bus station	257	-	-	-	-	257
Walking projects [block]	242	-	-	-	-	242

CAPITAL INVESTMENT PROGRAMME 2016-2021

<u>SERVICES FOR COMMUNITIES</u>	Realigned Budget 2016-17	Indicative Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Total Budget 2016-2021
	£000	£000	£000	£000	£000	£000
<i><u>City centre - Transport</u></i>						
City Centre public realm	82	-	-	-	-	82
George Street -festival works	12	-	-	-	-	12
Leith Walk Constitution Street	2,425	-	-	-	-	2,425
Neighbourhood environmental partnerships	201	136	136	136	136	745
Roads ward allocation	231	-	-	-	-	231
Rose Street - public realm	200	-	-	-	-	200
West end public realm	95	-	-	-	-	95
<i><u>North Neighbourhood - Transport</u></i>						
Neighbourhood environmental partnerships	270	136	136	135	135	812
Roads ward allocation	115	-	-	-	-	115
<i><u>Transport Other</u></i>						
Tram lifecycle replacement	-	-	-	1,000	1,000	2,000
<i><u>Roads</u></i>						
Carriageway / footway works [block]	13,500	16,530	9,989	12,771	12,771	65,562
Street lighting	1,079	3,659	1,500	1,500	1,500	9,238
Street lighting - City wide LED replacement programme	8,741	8,606	7,171	-	-	24,518
Transport and other infrastructure total	45,456	39,185	25,091	18,292	18,292	146,317
SFC - contingency	-	27	-	-	-	27
Total Services for Communities	98,942	73,598	30,719	24,201	19,834	247,295

CAPITAL INVESTMENT PROGRAMME 2016-2021

<u>SERVICES FOR COMMUNITIES - ASSET MANAGEMENT WORKS</u>	Realigned Budget 2016-17	Indicative Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Total Budget 2015-2020
	£000	£000	£000	£000	£000	£000
Children and Families						
Boiler upgrade	500	-	-	25	-	525
Early Years property	14	-	-	-	-	14
External fabric	2,278	391	-	-	-	2,669
Fabric enhancement	1,702	18	-	450	-	2,170
Fire safety	1,159	600	600	600	-	2,959
Integration works	19	55	-	-	-	74
Mechanical and engineering upgrade	4,520	5,556	1,916	850	-	12,842
Roof and rainwater	723	256	-	2,540	-	3,519
Stonework/masonry	423	-	-	410	-	833
Water quality upgrading	835	600	400	400	-	2,235
Windows and doors	1,817	351	9	669	-	2,846
Total for Children and Families	13,990	7,827	2,925	5,944	0	30,686
Corporate Governance						
External fabric	100	-	-	-	-	100
Fabric enhancement	913	375	-	-	-	1,288
Fire Safety	53	-	-	-	-	53
Mechanical and engineering upgrade	1,141	-	-	-	-	1,141
Roof and rainwater	97	-	-	-	-	97
Water quality upgrading	44	-	-	-	-	44
Total for Corporate Governance	2,348	375	0	0	0	2,723
Health and Social Care						
Fabric enhancement	486	-	-	-	-	486
Lift upgrade	49	-	-	-	-	49
Mechanical and engineering upgrade	212	115	-	25	-	352
Roof and rainwater	19	-	-	-	-	19
Water quality upgrading	312	-	-	-	-	312
Total for Health and Social Care	1,078	115	0	25	0	1,218
Services for Communities						
Disability Discrimination Act works	83	-	-	-	-	83
External fabric	458	-	-	-	-	458
Fabric enhancement	1,325	-	-	-	-	1,325
Fire safety	74	-	-	-	-	74
Fixtures, fittings and equipment upgrade	85	-	-	-	-	85
Internal fabric enhancement	164	-	-	-	-	164
Mechanical and engineering upgrade	849	-	-	-	-	849
Parks infrastructure	719	-	-	-	-	719
Roof and rainwater	86	-	-	-	-	86
Water quality upgrading	83	-	-	-	-	83
Windows and doors	1,462	-	-	-	-	1,462
Total for Services for Communities	5,388	0	0	0	0	5,388

CAPITAL INVESTMENT PROGRAMME 2016-2021

<u>SERVICES FOR COMMUNITIES - ASSET MANAGEMENT WORKS</u>	Realigned Budget 2016-17	Indicative Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Total Budget 2015-2020
	£000	£000	£000	£000	£000	£000
Services for Communities - Corporate Property						
Disability Discrimination Act works	12	-	-	-	-	12
Fire safety	52	-	-	-	-	52
Internal fabric enhancement	38	-	-	-	-	38
Mechanical and engineering upgrade	956	-	-	-	-	956
Roof and rainwater	9	-	-	-	-	9
Security works	2	-	-	-	-	2
Water quality upgrading	171	-	-	-	-	171
Total for Services for Communities - Corporate Property	1,240	0	0	0	0	1,240
Funding not yet allocated to projects	-	2,718	5,511	13,204	14,000	35,433
Total Asset Management Works	24,044	11,035	8,436	19,173	14,000	76,688

Current unfunded capital priorities

Estimated spend profile over 2016-2021 CIP

Service	Priority	Capital Project	Brief description of project	Prudential framework suitability (Y/N)	Priority Driver (s) - Condition / Suitability / Sufficiency / Affordability	2016/17	2017/18	2018/19	2019/20	2020/21	Total estimated cost	Annual revenue income or savings streams identified if potential to fund through prudential framework	Estimated Annual Loan Charges, (20 year repayment)	Estimated Total Loan Charges
						£000	£000	£000	£000	£000	£000	£000	£000	£000
Children and Families	1.	Rising Primary School Rolls - long term solution for South Edinburgh	On 19 May 2015 the Education, Children and Families Committee approved that a statutory consultation be undertaken regarding options to address the long-term accommodation issues in the south Edinburgh area. This area (defined as encompassing the three primary school catchment areas covered by Bruntsfield, James Gillespie's and South Morningside Primary Schools) has traditionally experienced pressure on primary school places with schools having had high occupancy levels during a period of declining rolls and a necessity for additional accommodation subsequently being required through the provision of temporary units and annexes, some of which still remain. A statutory consultation on five options to address the issues in the area was recently undertaken, the outcomes from which will be reported to Council on 4 February 2016.	N	Sufficiency	530	1,274	8,613	2,320	-	12,737	-	1,042	20,848
Children and Families	2.	Rising School Rolls - Other	The first of two existing unfunded priorities in the Wave 4 school investment programme is the requirement to respond to the challenges of rising school rolls to ensure that the Council's statutory duties are fulfilled. There is currently provision of £19.902m within the Capital Investment Programme to 2019/20 for the capital funding necessary to respond to the challenges arising from rising primary school rolls. Between 2015/16 and 2020/21 primary rolls are expected to further increase by 9.8% with secondary rolls expected to increase by 14.9%. Whilst detailed analysis of the impact of these increases on individual schools has still to be undertaken it is inevitable that further investment will be required in the school estate to create additional capacity to accommodate the increased rolls.	N	Sufficiency	-	-	-	5,000	5,000	10,000	-	818	16,368
Children and Families	3.	A new secondary school in Craigmillar	The second of two existing unfunded priorities in the Wave 4 school investment programme is the commitment made by Council to deliver a new secondary school in Craigmillar (replacing the existing Castlebrae Community High School) as part of the regeneration of Craigmillar. Whilst a site for the proposed new school has been identified in the Craigmillar Town Centre, no statutory consultation has yet been undertaken due to the uncertainty regarding when the new school could be delivered which is entirely dependent on the significant current gap in funding for the project being bridged. This assessment continues to assume that the new school would be opened in August 2020 however to achieve this the project would need to be initiated (with all required funding identified) by early 2017. Any delay would result in a further increase in the estimated costs due to additional construction cost inflation.	N	Suitability	-	598	2,918	19,734	5,316	28,566	-	2,338	46,758

Current unfunded capital priorities

Estimated spend profile over 2016-2021 CIP

Service	Priority	Capital Project	Brief description of project	Prudential framework suitability (Y/N)	Priority Driver (s) - Condition / Suitability / Sufficiency / Affordability	Estimated spend profile over 2016-2021 CIP					Total estimated cost £000	Annual revenue income or savings streams identified if potential to fund through prudential framework £000	Comment	Estimated Annual Loan Charges, (20 year repayment) £000	Estimated Total Loan Charges £000
						2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000					
Corporate Governance	1.	Meadowbank Sports Centre	Rebuild of sports centre	Y	Condition / Suitability	2,392	2,392	1,196	-	-	5,980	Part funding through prudential framework of a total of £5.97m. Annual income/saving stream to support this of £0.497m.	The total estimated cost of the project is £41.1m. The recommended funding package reported to the Finance & Resources on 14 January 2016 includes the best estimate of capital receipts, SportsScotland funding and revenue savings during the closure of the existing facility.	489	9,784
Corporate Governance	2.	Redevelopment of Ross Theatre in Princes Street Gardens	A project to redevelop the Ross Theatre in Princes Street Gardens and support Edinburgh's position as a world class cultural city, supporting existing high profile events such as Festival Fireworks and Hogmanay as well as encouraging more use from new users. It will result in the building of a new theatre building fit for the 21st Century, transform public access and improve the economy of the city centre.	N	Condition	-	-	15,000	-	-	15,000	-		1,228	24,552
Corporate Governance	3.	Redevelopment of Museum of Childhood	The redevelopment is part of the modernisation programme for Museums and Galleries. The redevelopment of the Museum of Childhood will provide a more engaging and interactive experience for children and families; the re-display and re-interpretation of the collection and modernisation of all the facilities for visitors.	N	Condition / Suitability	500	500	-	-	-	1,000	-		82	1,637
Health and Social Care	1.	Capital shortfall for Dumbyrden Care Home	<p>The Council has a Business Case in progress for a 7th new care home at Dumbyrden, which will replace two older care homes. We are considering two options for the care home, based on a 60 and a 90 bed model.</p> <p>The estimated total costs are as follows: 60 beds - £8.497m 90 beds - £11.805m</p> <p>A budget of £7.506m has been identified from capital receipts from older care homes, leaving a shortfall of £991k for the 60 bed model, or £4,299k for the 90 bed model.</p> <p>The cost estimates for both options are based on a smaller, lower spec care home design than Royston, CEC's most recent care home, which is currently under construction. We have requested a quote for a Dumbyrden model (for both 60 and 90 beds) based on the higher spec Royston design.</p> <p>The capital receipts include a significant contribution from Children and Families for the transfer of the Oaklands Care Home site which is intended to be used for the new South Morningside Primary School. This project is dependent on the Oaklands Care Home site being vacated, which will not be possible unless the Dumbyrden project goes ahead.</p>	N	Condition / Suitability	991	-	-	-	-	991	-	The £0.991m is the capital shortfall for the 60 bed model. However, should the option for a 90 bed model be pursued the capital shortfall would be £4.299m	81	1,622

Current unfunded capital priorities

Estimated spend profile over 2016-2021 CIP

Service	Priority	Capital Project	Brief description of project	Prudential framework suitability (Y/N)	Priority Driver (s) - Condition / Suitability / Sufficiency / Affordability	2016/17	2017/18	2018/19	2019/20	2020/21	Total estimated cost £000	Annual revenue income or savings streams identified if potential to fund through prudential framework £000	Comment	Estimated Annual Loan Charges, (20 year repayment) £000	Estimated Total Loan Charges £000
						£000	£000	£000	£000	£000					
Health and Social Care	2.	New care home to replace three remaining older cares	The Council is currently developing a 6th new care home at Royston and has a Business Case in progress for a 7th at Dumbryden. There are currently 8 older care homes which are no longer fit for purpose. The requirement to replace the older remaining care homes was agreed in the Older People's Accommodation Strategy for Older People. There is a high risk of needing to close older care homes if they are not replaced as they do not meet operational requirements or Care Inspectorate standards. The new homes at Royston and Dumbryden will replace four older care homes, leaving three to be replaced. An 8th new purpose built 60 bedded care home will replace the final three remaining older facilities.	N	Condition / Suitability	500	500	500	7,600	-	9,100	-	.	745	14,895
Health and Social Care	3.	Replacement of Portlee Resource Centre for Older People	Portlee Resource Centre is a day centre for older people. A recent building condition report rated certain elements of the building in poor 'C' condition - roofs, windows, heating plant and external areas. It is a 1960s converted social club. In addition to the day service for older people, Portlee Resource Centre is also used by MILAN, a day service for black and minority ethnic (BME) people. It is important these services can continue to operate in the north east of the city.	N	Condition / Suitability	600	600	-	-	-	1,200	-		98	1,964
Services For Communities	1.	North Bridge Refurbishment	Refurbishment of North Bridge to address health and safety matters following identification of significant condition issues.	N	Condition	-	3,000	3,000	-	-	6,000	-	£6m for addressing health and safety matters; a further £3m would be required for total refurbishment.	491	9,821
Services For Communities	2.	Asset Management Works – upgrade building condition	Upgrade works to improve the condition to 'satisfactory' and address health and safety concerns across the entire council estate	N	Condition	10,000	10,000	10,000	10,000	10,000	50,000	-	All Council properties, including schools, included in this item.	4,092	81,842
Services For Communities	3.	Improved recycling provision in tenement areas	Increases recycling capability in line with targets and CEC's statutory obligation under the Waste (Scotland) Regulations 2012.	N	Sufficiency / Suitability	-	1,000	-	-	-	1,000	-		82	1,637
						15,513	19,864	41,227	44,654	20,316	141,574				

Definition of Priority Driver

Condition - driver for investment is to address asset condition / deterioration issues

Suitability - driver for investment is to address fitness for purpose issues / alignment of asset to service delivery

Sufficiency - driver for investment is to address capacity issues

Affordability - driver for investment is to address future revenue and capital funding issues e.g. Through optimisation or enhancement rather than replacement

Updated Indicative five year capital plan 2019-2024

Appendix 3

	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000
Resources					
Unallocated					
Capital Receipts	3,000	3,000	3,000	3,000	3,000
General Capital Grant (based on current forecasts)	38,000	38,000	38,000	38,000	38,000
Total Resources	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>
Expenditure					
Services for Communities					
- Asset Management Works	14,000	14,000	14,000	14,000	14,000
- Other Transport Projects	2,750	2,750	2,750	2,750	2,750
- Carriageways and Footways	13,585	13,585	13,585	13,585	13,585
- Lighting Columns	1,500	1,500	1,500	1,500	1,500
- Tram Lifecycle Replacement	1,000	1,000	1,000	1,000	1,000
- Statutory Home Owner Adaptations	1,000	1,000	1,000	1,000	1,000
Corporate Governance					
- Edinburgh Leisure	165	165	165	165	165
Unallocated funding (pending decision by Members as to where this should be redirected)	7,000	7,000	7,000	7,000	7,000
Total Expenditure	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>
Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The City of Edinburgh Council

10.00am, Thursday 21 January 2016

Common Good Asset Register - referral from the Corporate Policy and Strategy Committee

Item number	4.3
Report number	
Wards	All

Executive summary

The Corporate Policy and Strategy Committee on 1 December 2015 considered a report on the costs and timescales involved in updating the register of Common Good Assets including a definition of Common Good and the Council's responsibilities concerning such assets.

The report has been referred to Council for consideration of the costs involved in updating the Common Good Asset Register.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Common Good Asset Register

Terms of referral

- 1.1 On 1 December 2015, the Corporate Policy and Strategy Committee considered a referral report from the Governance, Risk and Best Value Committee regarding the costs and timescales involved in updating the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets.
- 1.2 The Governance, Risk and Best Value Committee had also considered the resources and skill sets required to carry out a review of the Common good Asset Register including potential community involvement in the registering of Common Good land.
- 1.3 The Corporate Policy and Strategy Committee agreed:
 - 1.3.1 To instruct officers to update the Common Good Asset Register. A strand of this work was to explore innovative ways of involving higher education establishments, historical societies and other community groups.
 - 1.3.2 To agree that the Leader of the Council write to COSLA suggesting that Common Good be put on the agenda for a future meeting, in order that local authorities could establish a uniform position on Common Good.
 - 1.3.3 To refer the costs involved in carrying out such an exercise to the Council budget meeting on 21 January 2016.
 - 1.3.4 To agree that officers be instructed to continue to explore innovative ways of involving higher education establishments, historical societies and other community groups as part of the work.

For Decision/Action

- 2.1 The Council is asked to consider the costs involved in carrying out such an exercise.

Background reading / external references

Corporate Policy and Strategy Committee 24 February 2015

Governance, Risk and Best value Committee 5 March 2015

Corporate Policy and Strategy Committee 4 August 2015

Governance, Risk and Best Value Committee 13 August 2015

Governance, Risk and Best Value Committee 12 November 2015

Corporate Policy and Strategy Committee 1 December 2015

Carol Campbell

Head of Legal and Risk

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Corporate Policy and Strategy Committee

10.00am, Tuesday 1 December 2015

Common Good Asset Register – referral from the Governance Risk and Best Value Committee

Item number	7.8
Report number	
Wards	All

Executive summary

On 12 November 2015, the Governance, Risk and Best Value Committee considered a report detailing the costs and timescales involved in updating the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets.

The Corporate Policy and Strategy Committee is asked to consider the recommendations made by Governance, Risk and Best Value Committee.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Common Good Asset Register

Terms of referral

- 1.1 On 12 November 2015, the Governance, Risk and Best Value Committee considered a referral from the Corporate Policy and Strategy Committee concerning a report detailing the costs and timescales involved in updating the register of Common Good assets. The report, which included a definition of Common Good and the Council's responsibilities concerning such assets, also asked officers to consider the resources and skill sets required to carry out the review. The Governance, Risk and Best Value Committee had asked that the report be submitted in the first instance to the Corporate Policy and Strategy Committee prior to submission for its consideration.
- 2.1 This report had previously been considered by the Committee on 13 August 2015. The Committee had, at that meeting, requested that Andy Wightman be invited to discuss community involvement in the registering of Common Good land and he was duly heard on this issue.
- 2.2 The Governance, Risk and Best Value Committee agreed:
 - 2.2.1 To note the report.
 - 2.2.2 To refer the report to the Corporate Policy and Strategy Committee, recommending that officers be instructed to update the Common Good Asset Register. A strand of this work should be to explore innovative ways of involving higher education establishments, historical societies and other community groups.
 - 2.2.3 The report should also ask the Leader of the Council to write to COSLA suggesting that Common Good is put on the agenda for a future meeting, in order that local authorities can establish a uniform position on Common Good.

For Decision/Action

- 2.1 The Corporate Policy and Strategy Committee is asked to consider the recommendations of the Governance, Risk and Best Value Committee.

Background reading / external references

[Corporate Policy and Strategy Committee 24 February 2015](#)

[Governance, Risk and Best Value Committee 5 March 2015](#)

[Corporate Policy and Strategy Committee 4 August 2015](#)

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Governance, Risk and Best Value Committee

10.00am, Thursday 13 August 2015

Common Good Assets Register - referral from the Corporate Policy and Strategy Committee

Item number	7.2
Report number	
Wards	All

Executive summary

The Corporate Policy and Strategy Committee on 4 August 2015 considered a report detailing costs and timescales involved in fully updating the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets. The Governance, Risk and Best Value Committee had requested that the report be considered in the first instance by the Corporate Policy and Strategy Committee prior to it being submitted for its consideration.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Common Good Assets Register

Terms of referral

- 1.1 The Council has a statutory obligation under the Local Government Etc (Scotland) Act 1994, Section 15(4)(b) in administering property held as part of the common good to administer it having regard to the interests of all of the inhabitants of the City.
- 1.2 The Corporate Policy and Strategy Committee on 4 August 2015 considered a report detailing costs and timescales involved in fully updating the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets.
- 1.3 The Corporate Policy and Strategy Committee agreed:
 - 1) To note the report.
 - 2) To note that further reports would be brought to Committee once Scottish Ministers' guidance on common good registers had been issued and to consider the implications arising from compliance with the Land Registration (Scotland) Act 2012.
 - 3) To note that the common good definition in Section 3 of the report by the Acting Director of Services for Communities was not intended to be exclusive and that there would be clarification of the definition with the next report to Committee.
 - 4) To agree to write to Scottish Ministers on the timescale for the publication of guidance.
 - 5) To refer the report to the Governance, Risk and Best Value Committee.

For Decision/Action

- 2.1 The Corporate Policy and Strategy Committee has submitted the report to the Governance, Risk and Best Value Committee for consideration.

Background reading / external references

[Finance and Resources Committee 29 January 2008](#)

[Finance and Resources Committee 17 June 2008](#)

[Finance and Resources Committee 21 January 2010](#)

[Corporate Policy and Strategy Committee 24 February 2015](#)

[Governance, Risk and Best Value Committee 5 March 2015](#)

Carol Campbell

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Corporate Policy and Strategy Committee

10.00 a.m, Tuesday, 4 August 2015

Common Good Assets Register

Item number	7.6
Report number	
Executive/routine	Routine
Wards	City wide

Executive summary

On 5 March 2015, the Governance, Risk and Best Value Committee requested a report to Corporate Policy and Strategy Committee, prior to coming to Governance, Risk and Best Value Committee, on costs and timescales involved in fully updating the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets. In preparing the report, officers were to consider the resources and skill sets required to carry out the review of the register.

This report responds to that request.

Links

Coalition pledges	P31 , P33
Council outcomes	CO19
Single Outcome Agreement	SO2 , SO4

Common Good Assets Register

Recommendations

It is recommended that Committee:

- 1.1 Notes the contents of this report;
- 1.2 Notes that further reports will be brought to Committee:
 - (a) once Scottish Ministers' guidance about common good registers has been issued; and
 - (b) to consider the implications arising from compliance with the Land Registration (Scotland) Act 2012.

Background

- 2.1 On 24 February 2015, the Corporate Policy and Strategy Committee approved an urgent motion by Councillor Burns in regard to Parliament Hall and Common Good. Consequently, the Governance, Risk and Best Value Committee of 5 March 2015, requested a report to Corporate Policy and Strategy Committee, prior to coming to Governance, Risk and Best Value Committee, on costs and timescales involved in updating fully the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets. In preparing the report, officers were to consider the resources and skill sets required to carry out the review of the register.
- 2.2 The Finance and Resources Committee, on 29 January 2008, made a similar request, i.e., to provide a further report with an indication of the costs of an exercise to research the full extent of the Council's common good holdings.
- 2.3 In response to this, the Finance and Resources Committee on 17 June 2008, were advised that it was anticipated that a team of four staff, comprising a solicitor, archivist, surveyor and a property research officer would be required to complete the exercise over a number of years, and that the annual employee costs of such a team would be in the region of £185,000.
- 2.4 Due to the cost implications of undertaking a comprehensive review of common good assets, the Committee resolved that a review would be undertaken prior to the disposal or change of use of any property, which would enable any common good implications to be considered on an ongoing case by case basis.
- 2.5 At its meeting on 21 January 2010, the Finance and Resource Committee, having considered the 2008/09 Audit Scotland report on the Council's Common

Good account, and recommendations made by the Corporate Asset Management Group, resolved:

- 1) To note the positive report received from Audit Scotland in its 2008/09 review of the City of Edinburgh Council's Common Good Fund.
- 2) That the Council would continue with its rolling programme of reviewing title deeds to identify potential Common Good properties.
- 3) That a review of individual properties would be undertaken when a change of use or a disposal of property was proposed.
- 4) All work related to these reviews would be carried out using existing staff resources.

2.6 The above is the Council's current procedure for reviewing common good property.

Main report

Definition of Common Good

3.1 There is no statutory definition of common good, nor has it been defined through case law. Although the pending Community Empowerment Bill makes provision for how local authorities should deal with common good property, it does not provide a definition.

3.2 The reasoning for not defining common good was set out in the Policy Memorandum to the pending Community Empowerment Bill and is as follows:

"These provisions do not seek to provide a new definition of common good. Inclusion on the register or exclusion from it will not determine whether property is in fact common good. Given the complexity of the subject, there is a high risk that any such approach might not cover all existing assets which are considered to be common good, and might cover things which are currently excluded."

3.3 Although this approach can be considered reasonable, it is recognised that a benchmark is needed against which to test assets to determine whether they should appear on the Common Good Register. Following consultation with the Head of Legal, Risk and Compliance it is proposed that the following test should be used:

Property which belonged to the Council immediately prior to May 1975, that was neither acquired under any statutory power nor held by a separate trust, *and* fulfils one of the necessary criteria:-

1. Custom: used by the general public since time immemorial;
2. Dedication: formally dedicated by the Council's predecessors to a public function; or

3. Grant: held under a title condition ensuring such a public use in perpetuity.

Council's responsibilities

- 3.4 The Council has a statutory obligation under the Local Government etc. (Scotland) Act 1994, Section 15(4)(b) in administering property held as part of the common good, to administer it having regard to the interests of all of the inhabitants of the City.

Community Empowerment Bill

- 3.5 The Community Empowerment (Scotland) Bill was passed by the Scottish Parliament on 19 June 2015, subject to Royal Assent. It proposes to place a statutory duty on local authorities to establish and maintain a register of all property held by them for the common good. It also requires local authorities to publish their proposals and consult community bodies before disposing of or changing the use of common good assets.
- 3.6 Local authorities are required to have regard to any guidance issued by the Scottish Ministers about common good registers. Before issuing any guidance, the Scottish Ministers must consult local authorities, community councils, and appropriate community bodies.
- 3.7 It is not yet known when the provisions of the Bill will come into force, nor when the guidance will be issued but this could be by the end of 2015. There is no timescale for completion of the register, but it has been previously suggested that it should take no more than 3 years for authorities to establish their common good registers, although not all items in the register will have their status confirmed within that time.

Land Registration (Scotland) Act 2012

- 3.8 The law around the registration of land ownership in Scotland has been the subject of recent reform, with the coming into effect, in December 2014, of the Land Registration (Scotland) Act 2012. This, together with the Government's desire that all land owned by public bodies, such as the Council, should be registered on the Land Register by December 2019, means there is also a requirement for the Council to assess the extent to which its land is already on the Land Register, and what actions and resources would be required to complete this process.
- 3.9 Any work carried out in connection with updating the register of common good assets will go some way to assist with the work associated with the completion of the Land Register. However, transferring information on to the plan/description based Land Register will require an additional resource input and it is intended to bring a further report to Committee following guidance about common good assets by Scottish Ministers.

Costs and timescales involved in fully updating the register of Common Good Assets

- 3.10 The contents of the report to the Finance and Resource Committee of June 2008 remain sound, in that, the skill sets required in order to carry out a review of the register comprise a solicitor, archivist/historian, surveyor and a property research officer, with appropriate administration support.
- 3.11 Establishing what property is common good is complex and requires a great deal of research. Since the late 1800's, most property was acquired by the Council's predecessors under statutory powers, however the majority of titles do not refer to the relevant statute.
- 3.12 Whether a property is or is not common good can only be determined by researching the particular fact and circumstances of each and every acquisition and its subsequent use. Reference would have to be made to common good reports, Acts of Parliament, Charters, titles, Improvement Schemes, Council Minutes, files, other historical records and case law.
- 3.13 It should be noted that it is ultimately up to the courts to have the final say as to whether a property is, indeed, part of the common good, as local authorities do not, presently have the ability to declare this absolutely.
- 3.14 The estimated current cost to the Council of carrying out the exercise to update fully the register, by a team of staff as per paragraph 3.5 above would be the region of £250,000pa. Given the scale of the task it is expected to take several years to complete. It has been previously suggested that it should take no more than 3 years for authorities to establish their common good registers, although not all items in the register will have their status confirmed within that time.
- 3.15 At this stage, the costs to the Council associated with updating the common good register would be an unbudgeted pressure.

Measures of success

- 4.1 A fully updated Common Good Register and a review process that will minimise the risk of an inalienable common good property being inadvertently sold.

Financial impact

- 5.1 The estimated costs to the Council of updating fully the Common Good Register, is £250,000 per annum over 3 years. At this stage this would be an unbudgeted pressure.
- 5.2 Meeting the requirements of the Land Registration (Scotland) Act 2012 will incur additional unbudgeted revenue expenditure and this will be the subject of a further report to Committee.

Risk, policy, compliance and governance impact

- 6.1 A review to determine whether a property should be considered common good is undertaken if it is identified for disposal or if a significant change of use is proposed.
- 6.2 This recommended approach was accepted by the Council's Finance and Resources Committee on 17 June 2008.
- 6.3 There is a risk that some properties are not identified as common good and are not included on the Council's asset register. The Common Good Asset Register could therefore be incomplete.
- 6.4 The risk that common good property could be unlawfully disposed of or appropriated is managed within the review processes currently in place.

Equalities impact

- 7.1 Updating fully the register of common good assets would potentially enhance the right to legal security for the citizens of the City of Edinburgh. If the status quo is maintained, whereby a review is undertaken prior to the disposal or change of use of any property, to enable any common good issues to be considered, then existing rights would be maintained.

Sustainability impact

- 8.1 As the report recommends that Committee notes the contents of this and future reports, the proposal does not have an impact in relation to the three elements of the Public Bodies Duties in the Climate Change (Scotland) Act 2009.

Consultation and engagement

- 9.1 None

Background reading/external references

"Update on Common Good" – report to the Finance and Resources Committee 21 January 2010.

"Review of Common Good in Edinburgh" - report to the Finance and Resources Committee 17 June 2008.

"Review of Common Good in Edinburgh" - report to the Finance and Resources Committee 29 January 2008.

John Bury

Acting Director of Services for Communities

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Links

Coalition pledges	<p>P30 – Continue to maintain a sound financial position including long-term financial planning.</p> <p>P31 – Maintain our City’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure.</p>
Council outcomes	<p>CO19 – Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm.</p>
Single Outcome Agreement	<p>SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health.</p> <p>SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.</p>
Appendices	

COMMON GOOD**REGISTER OF ASSETS (for Accounting Purposes)****Asset Name**

Bruntsfield Links
 Calton Hill
 City Chambers Complex
 City Observatory
 East Market St Garage
 Grassmarket - MARTYR'S CROSS MONUMENT
 Inch Park
 Lady Stair's House
 Meadows
 Meadows - NELSON PILLARS
 Meadows - SUNDIAL WEST
 Memorials - High Street
 Peoples Story Museum
 Portobello Park
 Princes St Gardens (East)
 Princes St Gardens (West)
 PSG - WALTER SCOTT MONUMENT -HISTORIC BUILDING
 PSG - ADAM BLACK STATUE
 PSG - ALLAN RAMSAY STATUE
 PSG - BURNS MONUMENT
 PSG - DAVID LIVINGSTON STATUE
 PSG - DEAN RAMSAY MEMORIAL CROSS
 PSG - FLORAL CLOCK
 PSG - GENIUS OF ARCHITECTURE STATUE
 PSG - ROBERT LOUIS STEVENSON MEMORIAL GROVE
 PSG - Ross Bandstand
 PSG - ROSS FOUNTAIN
 PSG - ROYAL SCOTS GREYS MONUMENT
 PSG - ROYAL SCOTS MONUMENT
 PSG - SCOTTISH AMERICAN WAR MEMORIAL
 PSG - SIR JAMES Y SIMPSON STATUE
 PSG (W) - MEMORIAL STONE
 PSG -NORWEGIAN MEMORIAL STONE
 PSG -ST MARGARET'S WELL
 PSG -THOMAS GUTHRIE STATUE
 Roseburn Park
 S Queensferry Harbour
 Scotland Street Lane
 Scott Monument
 Session House, Dalmeny
 Session Lands, Dalmeny
 St James Place

Note - PSG is used as an abbreviation for Princes Street Gardens

10am, Thursday, 21 January 2016

Corporate Governance Payments to Third Parties: Proposals to establish a Strategic Partnership – referral from the Communities and Neighbourhoods Committee

Item number	4.4
Report number	
Executive/routine	
Wards	All

Executive summary

The Communities and Neighbourhoods Committee on 24 November 2015 considered a report on a proposal from the Edinburgh Voluntary Organisations Council (EVOC) and Volunteer Edinburgh (VE) to establish a new Strategic Partnership with the Council. A request for funding from Edinburgh Social Enterprise Network for funding was also detailed.

Council is asked to consider this report as part of the budget setting process.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report

Terms of Referral

Coporate Governance Payments to Third Parties: Proposals to establish a Strategic Partnership

Terms of referral

- 1.1 On 24 November 2015, the Communities and Neighbourhoods Committee considered a report on a proposal from the Edinburgh Voluntary Organisations Council (EVOG) and Volunteer Edinburgh (VE) to establish a new Strategic Partnership with the Council. A request for funding from Edinburgh Social Enterprise Network for funding was also detailed.
- 1.2 The Communities and Neighbourhoods Committee agreed:
 - 1.2.1. 'Strategic partnership' status for both the Edinburgh Voluntary Organisations Council and Volunteer Edinburgh based on the proposals outlined in paragraphs 3.3 to 3.5 and in appendices 1 and 2 of the report by the Deputy Chief Executive.
 - 1.2.2. A five year in-principle revenue grant commitment (with the initial four year phase commensurate with the Council's Budget Framework 2016-20) for the Edinburgh Voluntary Organisations Council and Volunteer Edinburgh as set out in paragraphs 3.7 to 3.10 of the report by the Deputy Chief Executive.
 - 1.2.3. To refer the report by the Deputy Chief Executive to Council to be considered as part of the budget setting process on 21 January 2016.
 - 1.2.4. Not to progress a new grant programme regarding third sector infrastructure support as outlined in paragraphs 3.22 and 3.23 of the report by the Deputy Chief Executive.
 - 1.2.5. To note the request for revenue grant aid from Edinburgh Social Enterprise Network and the proposed action as outlined in the report by the Deputy Chief Executive.
 - 1.2.6. To note the potential impact arising from an upcoming Scottish Government Review of third sector infrastructural organisations and any

required council action as outlined in the report by the Deputy Chief Executive.

- 1.2.7. That a report be submitted to Committee in February 2016 on Edinburgh Social Enterprise Network Funding.

For Decision/Action

- 2.1 Council is asked to consider the attached report as part of the budget setting process.

Background reading / external references

[Minute of the Communities and Neighbourhoods Committee – 24 November 2014.](#)

Carol Campbell

Head of Legal and Risk

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	Corporate Governance Payments to Third Parties: Proposals to Establish a Strategic Partnership – report by the Deputy Chief Executive

Communities and Neighbourhoods Committee

10.00am, Tuesday 24 November 2015

Corporate Governance Payments to Third Parties: Proposals to establish a Strategic Partnership

Item number

Report number

Executive/routine

Wards

Executive summary

This report outlines a coproduced proposal from Edinburgh Voluntary Organisations Council and Volunteer Edinburgh to establish a new Strategic Partnership with the Council. The report also addresses a request from Edinburgh Social Enterprise Network for funding from this committee.

Links

Coalition pledges	P6, P11, P15, P28, P37, P53
Council outcomes	CO7, CO8, CO10, CO14, CO23, CO26
Single Outcome Agreement	SO1, SO2, SO3, SO4

Corporate Governance Payments to Third Parties: Proposals to establish a Strategic Partnership

Recommendations

- 1.1 It is recommended that the Committee agrees:
 - 1.1.1 'strategic partnership' status for both Edinburgh Voluntary Organisations Council (EVOC) and Volunteer Edinburgh (VE) based on the proposals outlined in paragraphs 3.3 to 3.5 and in appendices 1 and 2 of this report;
 - 1.1.2 a five year in-principle revenue grant commitment (with the initial four year phase commensurate with the Council's Budget Framework 2016-20) for Edinburgh Voluntary Organisations Council (EVOC) and Volunteer Edinburgh (VE) as set out in paragraphs 3.7 to 3.10 of this report;
 - 1.1.3 to refer this report to Council to be considered as part of the budget setting process on 21 January 2016; and
 - 1.1.4 not to progress a new grant programme regarding third sector infrastructural support as outlined in paragraphs 3.22 and 3.23 of this report.

- 1.2 It is recommended that the Committee notes:
 - 1.2.1 the request for revenue grant aid from Edinburgh Social Enterprise Network (ESEN) and the proposed action as outlined in the report; and
 - 1.2.2 the potential impact arising from an upcoming Scottish Government Review of third sector infrastructural organisations and any required council action as outlined in the report.

Background

- 2.1 Following the conclusion of the review of council grants to third parties in February 2014, Committee agreed to; (i) transfer responsibility for all council grant programmes to the relevant Executive Committee, and significantly (ii) that proposals for a small number of strategic partners receiving (possibly) five-year funding could be presented for organisations with a sector-wide reach and influence.

- 2.2 Based on the above, in February 2015 committee asked that Edinburgh Voluntary Organisations Council (EVOC) and the Volunteer Edinburgh (VE) coproduce proposals to come forward in November 2015 detailing a new work programme upon which a new package of sustainable grant investment could be built. Committee provided guidance on the content of these proposals.

Edinburgh Third Sector Interface

- 2.3 The Edinburgh Third Sector Interface – ‘TSI’ (not a formal/constituted organisation), was established in 2009 as part of an initiative by the Scottish Government to realign Scotland’s third sector infrastructure organisations. The aim was to ensure a coordinated approach to delivering four core outcomes:
- 2.3.1 more people have increased opportunity and enthusiasm to volunteer and volunteer involving organisations are better able to recruit, manage and retain volunteers;
 - 2.3.2 social enterprise develops and grows
 - 2.3.3 third sector organisations are well governed and managed and delivery quality outcomes; and
 - 2.3.4 third sector organisations feel better connected and are able to influence and contribute to public policy.
- 2.4 In Edinburgh, the TSI outcomes are provided through a partnership agreement between EVOC, VE and Edinburgh Social Enterprise Network (ESEN). This includes joint liability to deliver each of the core objectives outlined in paragraph 2.3 above, albeit that each partner leads work on their specialist business.
- 2.5 The Scottish Government has provided grant aid to the Edinburgh TSI partners on an annual basis since 2010/11.

Main report

New coproduced work package from EVOC and VE

- 3.1 EVOC is the city’s anchor organisation working to enable a strong, resilient, enterprising and sustainable third sector. VE is the city’s anchor organisation for growing volunteering and supporting volunteer-involving organisations. Both work to build inclusive and resilient communities.
- 3.2 EVOC and VE have cooperated to produce a package of proposals against the backdrop of the Council’s budget challenges and in particular the Council Transformation Programme’s (CTP) reductions in payments to third parties 2015-18.

EVOC and VE Proposed Work Programme 2016-21

- 3.3 The draft work programme (to be supplemented by a summary presentation at the committee meeting) as further described in appendix 1 includes the following key features:
- 3.3.1 strong joint delivery based on a matrix of outcomes (SMART outputs/targets to be defined in due course);
 - 3.3.2 a balance of costs and related services that support front-line delivery;
 - 3.3.3 an intention to broaden and increase income from other sources;
 - 3.3.4 complementary services that avoid actual or perceived duplication; and
 - 3.3.5 new services to support alternative service delivery models and to enhance enterprise in localities.

- 3.4 A key aspect of committee's request was for both organisations to provide a strong rationale for becoming 'strategic partners' of the Council. While a strategic partnership between EVOC and VE and the Council will enhance the existing relationship, it is important that the role of each of the partners is clear and takes account of realistic deliverables. A Strategic Partnership Memorandum of Understanding (MoU) is therefore proposed as the basis for the relationship. A draft MoU is set-out in Appendix 2 and forms part of the package of proposals.
- 3.5 EVOC and VE have identified added value through improved employability, volunteering and business support opportunities as part of their proposals.
- 3.6 Both EVOC and VE receive a mixture of investment from other executive committees which is currently subject to the Council Transformation Programme's (CTP) reductions in payments to third parties. This is described in Appendix 3 and shows that CTP reductions to date have totalled around £13,000 with further reductions to apply across the next two years.
- 3.7 Taking into account details in paragraphs 3.3 to 3.5 above, it is proposed that committee (a) approves strategic partnership status for EVOC and VE, (b) agrees a five year in-principle grant commitment with the initial years commensurate with the Council's Budget Framework 2016-20 with the final year to be determined in due course, and (c) that the year one grant sum occur as outlined below, subject to satisfactory annual review and performance to be reported to this committee:

Applicant Organisation	2015/16 Grant (£)		2016/17 Requested Grant (£)	Proposed 2016/17 Award (£)	Proposed Commitment
Edinburgh Voluntary Organisations Council	58,500		58,500	58,500	Year 1 of 5
Volunteer Centre Edinburgh	75,907		75,907	75,907	Year 1 of 5

- 3.8 The funding awards recommended in the report take account of proposals included within the proposed budget framework 2016-20. In line with usual practice, the recommendations remain provisional, pending confirmation of the total expenditure for payments to third parties as part of setting the Council's budget-setting on 21 January 2016. Should any revision be required, any non-controversial adjustments to the allocations would be authorised by the Deputy Chief Executive, in consultation with the Convener. Should more substantive action be required a report will be presented to the next meeting of the Committee.
- 3.9 In considering this proposal, committee is asked to note the benefits of the proposals and continued investment in these organisations, identified below:
- 3.9.1 public and third sector relations in the City would continue to be positively progressed;
 - 3.9.2 third sector strategic input into the Edinburgh Partnership, alongside implementation of the Compact Strategic Framework 2015-20 would continue;

- 3.9.3 the Council's strategic route for third sector matters is enhanced to operate efficiently and effectively;
 - 3.9.4 connections with third sector organisations, representative and neighbourhood forums and networks is continued;
 - 3.9.5 capacity-building, data-collection and dealing with emerging issues within the third sector is advanced; and
 - 3.9.6 support to volunteers and volunteer-involving organisations is continued and improved.
- 3.10 Approval of the proposed partnership and related funding package by this Committee would set Edinburgh ahead of other areas in Scotland and across the UK, and would be reflective of the council's confidence in and the mature strategic partnership working with these two leading third sector infrastructural organisations.

Request from Edinburgh Social Enterprise Network (ESEN)

- 3.11 ESEN is the city's main anchor organisation for advancing social enterprise. The organisation is an interface partner (as described in items 2.3-2.4) and works closely with Edinburgh Business Gateway and other leading enterprise intermediaries both in the City and elsewhere.
- 3.12 The Network currently receives £17,500 project funding from the Economy Committee which contributes to the costs of the ['Buy the Good Stuff'](#) campaign. ESEN currently receives no revenue grant investment from the Council for its core service provision.
- 3.13 The Network's Board is ambitious to grow their service and is therefore pursuing improved; (i) acknowledgement of the organisation's contribution to advancing social enterprise across the city and (ii) equity of financial support across the TSI partners.
- 3.14 Against the backdrop of service and budget challenge and related transformation, the ESEN Board suggest that the innovative approach of social enterprise provides opportunities for the Council to examine alternative ways of designing and delivering services. The Board also suggests that their business has strong connections with the following key strategies and other activity:
- 3.14.1 Edinburgh Community Plan (sustainable economy);
 - 3.14.2 Compact Partnership's Social Enterprise Strategy as endorsed by Council in February 2014;
 - 3.14.3 the Cooperative Capital Framework;
 - 3.14.4 Capital Coalition Pledges 15 and 28;
 - 3.14.5 the Community Empowerment (Scotland) Act 2015;
 - 3.14.6 Council Transformation Programme;
 - 3.14.7 the growth achievements of social enterprises - [biennial survey](#) and [promotional film](#); and
 - 3.14.8 ESEN's contributions within proposals for a City Region Deal.
- 3.15 In May 2015 the Network Board made a request that this committee consider a three/five year revenue grant of £40,000 p.a. in order to employ an additional development officer to progress a range of market development and other opportunities.

- 3.16 In response and in discussion with the Convenor, as a first step the TSI partners were asked to examine any flexibility in their annual joint revenue from the Scottish Government. At the TSI Steering Group (the governance arrangement for the TSI) in September 2015, the partners suggested an additional contribution that would potentially represent an increase of 25% in investment in the year for ESEN. The TSI Steering group and ESEN Board will continue to explore these matters.
- 3.17 ESEN has been asked by interface partners and council officers to provide an evidenced growth/development plan. Discussions with ESEN continue on this matter including funding support to deliver such a plan.

Scottish Government Review

- 3.18 Committee is asked to note that the Scottish Government is intending to commission an independent evaluation of Third Sector Interface arrangements across Scotland.
- 3.19 The Government's review will examine value for money, achievements and delivery of agreed outcomes. While the remit at this time remains to be confirmed, the review may also consider alternative ways of resourcing interface activity, in particular separate arrangements for social enterprise infrastructure and development.
- 3.20 As council revenue grant support complements Scottish Government investment in EVOC and VE, it is possible that there may be implications for the new Strategic Partnership. In light of this, it is proposed that the Strategic Partnership arrangement (and current project investment in ESEN) be reviewed following the publication of the findings and the subsequent financial settlement. It is anticipated that this will occur in year two of the Strategic Partnership arrangement.

Other options

- 3.21 Committee has the option of establishing a new grant programme for third sector infrastructural support. Potential resourcing for such a programme would be £134,407 p.a. (comprised of the annual corporate governance investment in EVOC and VE core services).
- 3.22 In considering a potential new grant programme there are a number of risks and benefits as follows:

Risks	Benefits
<ul style="list-style-type: none"> • threat to the current positive public/third sector relations in the city. • loss of specialist knowledge of third sector structures at city, locality and neighbourhood levels. • possible reductions in other monies levered and related jobs within the organisations. • reductions in complementary services delivered to vulnerable citizens. • reduction in pace of transformation and move to citizen and locality-focused services. • reduced third sector input into the Edinburgh Partnership and Compact Strategic Framework 2015-20. 	<ul style="list-style-type: none"> • open competition between current and new providers. • potential to shape a new relationship between the City's public, business and third sectors. • potential to create new jobs, further active citizenship with stronger added value.

- | | |
|---|--|
| <ul style="list-style-type: none"> • strategic discussions on third sector issues and on representation would be compromised. • reduced capacity and ability to react to emerging issues, support for volunteers and volunteer-involving organisations. | |
|---|--|

3.23 Given the range and scope of risks outlined, it is proposed that the option of establishing a new fund for third sector infrastructural support is not appropriate at this time.

Measures of success

- 4.1 Completion of an annual funding agreement subject to progress monitoring and annual progress evaluation and reporting to this committee.
- 4.2 Delivery of the action as set out in EVOC and VE proposals.
- 4.3 Annual review of the Strategic Partnership to examine performance and other matters in February 2017.
- 4.4 Review of the Strategic Partnership and investment in ESEN following the product of the Scottish Government's Review and subsequent funding settlement, possibly in year two of the Partnership (February 2018).
- 4.5 360 degree review of the Strategic Partnership in February 2019 (end of year 3) with input sought from community planning partners, community networks and other stakeholders across the City to examine the performance, wider and future benefits of the Partnership.
- 4.6 Continued discussions with ESEN to agree a growth/development plan and related funding package.

Financial impact

- 5.1 The (10%) reductions as part of the Council Transformation Programme's Payments to Third Parties Business Case 2015-18 have previously been achieved by the Corporate Policy and Strategy Service as agreed by this committee in February 2015.
- 5.2 Proposed future investment is identified within the report at paragraph 3.8 and is within available budgets, subject to council budget approval on 21 January 2016.

Risk, policy, compliance and governance impact

- 6.1 Any risks associated with the EVOC and VE grant will be mitigated by robust grant monitoring and annual assessment and reporting arrangements – these to be included in the funding agreement.
- 6.2 Should these proposals be agreed, continued grant funding will be dependent upon a number of success factors, including; (i) achievement of agreed outcomes and (annual) targets in line with respective business plans and (ii) evidenced delivery of the related additional community benefits.

Equalities impact

- 7.1 The proposals from EVOC and VE will assist the Council to better deliver key equality and rights outcomes. Proposals will also help deliver Equality Act 2010 public sector equality duties to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations.
- 7.2 The proposals as submitted support and strengthen engagement and capacity building work with equality groups and communities, including groups involved in tackling poverty and inequality and promoting and protecting human rights.

Sustainability impact

- 8.1 Proposals in the report enable the Council contribute to the delivery of Sustainable Edinburgh 2020 objectives, in particular flourishing communities, social and economic wellbeing and an efficient and effectively managed city.

Consultation and engagement

- 9.1 Engagement activity relating to the above has been the subject of a series of development meetings (joint and separate) with EVOC, VE and ESEN between April and October 2015.
- 9.2 A briefing by EVOC and VE to the Council Leader, Deputy Leader and Convenor took place in September 2015.
- 9.3 The proposal to establish the Strategic Partnership was considered at the recent Political Group Leaders meeting.

Background reading / external references

- [Revenue and Capital Budget Framework 2016/20](#) – Finance and resources Committee of 24 September 2015
- Corporate Governance Grant awards – [February](#) and [May](#) 2015 – reports to the Communities and neighbourhoods Committee
- [Review of Council Grants to Third Parties](#) – report to the Communities and Neighbourhoods Committee of 11 February 2014
- [Edinburgh Third Sector Interface](#)

Alastair D Maclean

Deputy Chief Executive

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Links

Coalition pledges	<p>P6 - Establish city-wide co-operatives for affordable childcare for working parents</p> <p>P11 - Encourage the development of co-operative housing arrangements</p> <p>P15 - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors</p> <p>P28 - Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city</p> <p>P37 - Examine ways to bring the Council, care home staff and users together into co-operatives to provide the means to make life better for care home users</p> <p>P53 - Encourage the development of Community Energy Co-operatives</p>
Council outcomes	<p>CO7 - Edinburgh draws new investment in development and regeneration</p> <p>CO8 - Edinburgh's economy creates and sustains job opportunities</p> <p>CO10 - Improved health and reduced inequalities</p> <p>CO14 - Communities have the capacity to help support people</p> <p>CO23 - Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community</p> <p>CO26 – The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.</p>
Single Outcome Agreement	<p>SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all</p> <p>SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p> <p>SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential</p> <p>SO4 - Edinburgh's communities are safer and have improved physical and social fabric</p>
Appendices	<ol style="list-style-type: none">1 - EVOC and VE proposals for service delivery2 – Strategic Partner Memorandum of Understanding (MoU)3 – current council investment in third sector interface partners

Proposal from Volunteer Edinburgh (VE) and Edinburgh Voluntary Organisations' Council (EVOC) to form a Strategic Partnership with the City of Edinburgh Council

1 Core proposition

- 1.1 Edinburgh Voluntary Organisations' Council (EVOC) and Volunteer Edinburgh (VE) together are strategic partners with City of Edinburgh Council to support and maintain a strong third sector, civil society and active citizens. This is needed more than ever in Edinburgh as public services are increasingly stretched with the austerity agenda, changing demographic and significant inequalities. Active citizens and third sector organisations provide a net contribution to the City, reduce demand on public services and help deliver public services more effectively with participation of people and communities.
- 1.2 The Cooperative Capital agenda and Edinburgh Council's Transformation Programme are both dependent on a sea change in how public services are delivered by all partners with much greater expectations of citizens and communities taking a lead in shaping the services. A thriving and enterprising third sector and growth in all forms of volunteering and active citizenship is essential to this.
- 1.3 EVOC and VE are central to the success of the Edinburgh Partnership Board and Compact Partnership's ambition to reduce inequality, nurture active and resilient communities and to support an enabled third sector. The recently agreed [Compact Strategic Framework 2015-20](#) demonstrates clearly the contribution the third sector makes to the health and wellbeing of the City and the fundamental role of both organisations in facilitating, supporting and developing the engagement of the third sector across all the major policy and strategy developments and service delivery within the city.
- 1.4 EVOC and VE are often the first point of contact for the third sector in Edinburgh and for other bodies concerning issues which affect the Sector.

2 About Volunteer Edinburgh (VE) and Edinburgh Voluntary Organisations' Council (EVOC)

- 2.1 Volunteer Edinburgh is the primary public-facing partner in the Edinburgh Third Sector Interface (TSI) promoting and developing volunteering in all its forms.

Volunteer Edinburgh Mission:

To inspire more people to volunteer to enhance their lives, the lives of others and build resilient communities

- 2.1.1 Volunteering is the bedrock of the City's third sector. 91% of third sector organisations are dependent on volunteers in addition to their trustees.
- 2.1.2 VE recruits 1 in 4 of the volunteers needed by 1300 actively volunteer seeking organisations. The organisation reaches c. 60,000 people interested in volunteering per year online and provides one-to-one guidance and advice to c. 4000 prospective volunteers.
- 2.1.3 As a strategic partner Volunteer Edinburgh will commit to:
- continue to be the lead agent in supporting the Compact Volunteering Strategy – working with partners across sectors and neighbourhoods to support and develop volunteering;
 - help the public find the volunteering they want and organisations recruit the volunteers they need;

- offer learning and practice development for organisations engaging volunteers;
- help organisations and projects increase the range and quality of volunteering opportunities across the city;
- gather and disseminate volunteering intelligence/data to help shape public policy;
- advocate volunteering which contributes to preventative approaches and services which contribute to mitigating poverty, inequality and disadvantage; and
- enhance the influence of active citizens within public services and alternative ways to deliver these.

2.2 EVOC works to further an effective, efficient and resilient third sector, providing a broad range of capacity building and strategic representation services.

EVOC Mission:

To support the Third Sector to build and enable resilient, sustainable and inclusive communities

2.2.1 EVOC's outward facing strategic objectives are:

- Consulting, supporting and representing the Sector;
- Building the capacity of and developing the Sector; and
- Developing partnership approaches, principles and practice.

2.2.2 EVOC's reach into the third sector is extensive. In 2014 – 15: 365 people attended 14 Think-Space events, 40 training courses were delivered, 500 organisations/1680 people attended/received papers for our networks and forums, 57,320 unique visits to our website, 3000 people have signed up for our newsletters/e-bulletins. Plus 1400 organisations are registered on EVOC Red-Book (8000 services/activities) and 108 requests for organisational development and support were responded to.

2.2.3 As a strategic partner EVOC will commit to:

- continue to be the lead agency supporting and developing the Compact – ensuring focus on the Strategic Framework agreed actions and engagement with all partners;
- provide the business management for the Compact, including the research, analysis, compilation and publicising of [Compact Voice](#);
- support the third sector to effectively participate in the Community Plan 2015-18 and related developments;
- support the third sector to effectively participate in City of Edinburgh Council policy development and strategy focused on addressing deprivation and poverty and improving social fabric;
- work with third sector and the Council to develop collaborative and cooperative approaches to address inequalities and service delivery issues;
- ensure effective communication with the third sector in relation to national and local community planning issues through newsletters/e-bulletins;
- provide the business management for the City's Third Sector Strategy Group (TSSG) and Voluntary Sector Neighbourhood Forums;
- ensure TSSG and Neighbourhood Forums are connected to Neighbourhood Partnerships, locality based structures as they develop and City wide Community Planning structures;
- generate proposals and models for new forms of community service delivery, i.e.; collaboratives, consortiums, cooperatives, etc. and as part of the Edinburgh Enterprise Hub; and
- respond to emerging local and city-wide initiatives as agreed;
- host regular Think-Space events on issues relevant to the third sector; and
- gather, collate and submit responses to formal consultations.

3 About the Edinburgh Third Sector Interface (TSI)

- 3.1 Edinburgh Third Sector Interface is a partnership between EVOC, Edinburgh Social Enterprise Network and Volunteer Edinburgh. The TSI mission and purpose is “to build and enable resilient, sustainable and inclusive communities in Edinburgh. Working with people, civil society and organisations to build social capital”
- 3.1.1 The Scottish Government tasks the TSI collectively to:
- Outcome 1A: more people have increased opportunity and enthusiasm to volunteer
 - Outcome 1B: volunteer involving organisations are better able to recruit, manage and retain volunteers
 - Outcome 2: social enterprise develops and grows
 - Outcome 3: Third Sector organisations are well governed and managed and delivery quality outcomes
 - Outcome 4: Third Sector organisations feel better connected and are able to influence and contribute to public policy
- 3.1.2 There are clear synergies between the Scottish Government aspirations, City of Edinburgh Council ambitions and EVOC and Volunteer Edinburgh’s mission, purpose and work programme(s).
- 3.2 The “golden thread” is the organisation’s ability to connect policy and strategy with localities with neighbourhoods with third sector organisations and people. This connectivity is vital as joint working works to find solutions to the issues facing both statutory and third sector organisations.

4 Approach

- 4.1 Partnership and locality
- 4.1.1 EVOC and VE have a long track record of building partnerships and reach into local communities. As the City’s aspirations for locality driven approaches develops and matures there is a key role for EVOC and VE to fulfil. It will be increasingly important to have “bridge builders” between and across all sectors in order to build trust and ensure focus is firmly fixed on people’s health and wellbeing. Building on established Neighbourhood Voluntary Sector Forums, connecting to Neighbourhood Partnerships and the new locality structures will ensure people, communities, localities and strategic development understand the role each plays in the health and wellbeing across the City.
- 4.2 Contributions
- 4.2.1 EVOC and VE bring expertise as brokers, facilitators, developers and challengers to the proposed Strategic Partnership. Both organisations contribution to working with people to find solutions is well recorded, with; (i) a strong mind-set of looking beyond individual organisational structures and constraints and (ii) working from an asset-based approach to facilitate challenging discussions has ensured the focus has remained on improving people’s opportunities and outcomes. Both organisations have substantial reach into the third sector and communities providing for strong partnership working.
- 4.3 Agents of Change
- 4.3.1 VE and EVOC and the first point of contact for individuals and communities who want to improve their world. Individual contributions through volunteering, collective contributions through organisations are effectively and efficiently coordinated. This role will become even more important as the public pound continues to reduce and partnership approaches increasingly become “business as usual”.
- 4.4 Shared and Complimentary ambitions

4.4.1 VE and EVOC have a shared vision of addressing inequalities and building resilient communities. VE and EVOC share the vision of the third sector and the ambition of public bodies within Edinburgh to build sustainable services of quality which are person centred and are ideally placed to enable the development and transition to different working relationships. Working with the Edinburgh Partnership, the Compact Partnership and with the City of Edinburgh Council, both organisations are able to advocate innovation, sustainable social change and positive engagement with public policy and services.

5 Added value

5.1 As Strategic Partners with CEC, VE and EVOC intend significant added value to the Corporate Governance investment as follows:

5.1.1 Volunteers: Volunteer Edinburgh core brokerage service is supported by a rolling pool of 10-15 volunteers contributing on average an additional 30 hours per week. Volunteers deliver reception and advice services, social media, talks and marketing, research and development and admin support. Approx. 1 in 3 of our volunteers move onward to paid work each year. Volunteer Edinburgh holds the Investing in Volunteers quality standard.

5.1.2 Workforce development: EVOC and Volunteer Edinburgh both proactively recruit students, paid interns and funded trainees to add value to our services and give learning and development opportunities to young people. We are engaged in structured internship programmes across Europe and other local and national into employment programmes such as Community Jobs Scotland. We are committed to being ethical employers and our conditions of service for paid employees reflect this as do our policies and supports for volunteers.

5.1.3 Compact Strategic Framework: The Framework clearly demonstrates the role and ambition of EVOC and Volunteer Edinburgh to the Community Planning principles, strategies and actions. EVOC and Volunteer Edinburgh are leads in substantial elements of the Framework and this role reflects the commitment to partnership and collaborative approaches and the respect that all stakeholders have for our expertise, knowledge, understanding, strategic analysis and reach into communities. The Framework also clearly demonstrates where and what we will be held accountable for.

5.1.4 In working with communities, both organisations will; (i) be proactive in opportunities to develop/broker cooperative consortiums, collaboratives and partnerships to deliver services; (ii) provide enterprise support to enhance the operational and financial sustainability of organisations across the city, (iii) work with community interests to build capacity to manage and own assets and (iv) EVOC will continue as a partner in the City's Cooperative Enterprise Hub.

6 Proposed Activity

6.1 EVOC and VE propose the following logic model based on the Edinburgh Third Sector Interface common delivery framework, while in draft form is expected to be basis for TSI delivery for Scottish Government. The areas of activity (as highlighted) to be delivered within the City for the Corporate Governance grant will subsequently be underpinned by a more detailed SMART work-plan with outputs forming the basis of the funding agreement for 2016/17 (year 1 of 5).

Vision	Long Term Aims	Medium Term	Short Term (TSI Core Outcomes)	Core Volunteer Edinburgh and EVOC Services	TSI Activities delivered by VE as strategic partner with Edinburgh for corporate governance grant	TSI Activities delivered by EVOC as strategic partner with Edinburgh for corporate governance grant
<p>Edinburgh Community Plan (SOA):</p> <p>Thriving successful capital city in which all forms of deprivation and inequality are reduced</p> <p>Compact:</p> <p>City of Active resilient Communities where a vibrant third sector works in partnership with others to build social capital and reduce inequalities</p> <p>TSIs – Scottish Government</p> <p>A fair and equitable</p>	<p>Strong social connections and networks help people to succeed (Social Capital)</p> <p>Communities are stronger and successful (Resilience)</p> <p>Society is fairer and people have more opportunities (Inequalities)</p> <p>Services better meet the expectations of people and communities (Public Service Reform)</p>	<p>More people volunteer and/or are involved in their community (Active Citizenship)</p> <p>Services are better through the involvement of people and communities (Community Empowerment)</p> <p>Public services are co-produced with third sector organisations, people and communities (Co-production)</p> <p>Third sector organisations deliver great services and activities (Quality)</p> <p>The third sector contributes to</p>	<p>More people volunteer; in particular those from income deprived backgrounds</p> <p>People have a positive volunteering experience</p> <p>Third sector organisations are part of collaborations that provide better outcomes for people and communities</p> <p>Third sector organisations are better connected and informed</p> <p>The Third Sector responds effectively to the priorities of communities</p>	<p>Volunteer Edinburgh</p> <p>Brokerage:</p> <ul style="list-style-type: none"> • Online directory of volunteering opportunities • One-to-one advice and guidance about volunteering • Promotion and marketing of volunteering • Organisational development and capacity building: • Training and peer learning for VIOs • Support to develop volunteering opportunities • Support for Quality Standards in volunteering • Support and develop new models of volunteering and active citizenship • Personal Development: • Volunteering for Employability • Volunteering for Health and Wellbeing • Saltire Awards for Youth Volunteering • Partnership and Policy Development • Engagement with partners about volunteering • Involvement as active partner in local and citywide Community Planning <p>EVOC:</p> <ul style="list-style-type: none"> • Lead and support networks and forums that meet the needs and 	<ul style="list-style-type: none"> • Support and development of Compact Volunteering Strategy • Peer learning networks and continual professional development for volunteer involving organisations • Intelligence gathering and dissemination on volunteering as part of Compact Voice • Work with SMEs and major companies to expand volunteering as part of One City CSR Collaborative • Deliver Lord Provost's Inspiring Volunteering 	<ul style="list-style-type: none"> • Support and develop Third Sector Strategy Group – including • Support and develop Third Sector Neighbourhood Forums • Support and develop Compact – delivering against the Strategic Framework e.g. Compact Voice • Ensure Third Sector engagement with Neighbourhood Partnerships, Locality based structures and City wide structures. • Support and develop community based

Vision	Long Term Aims	Medium Term	Short Term (TSI Core Outcomes)	Core Volunteer Edinburgh and EVOC Services	TSI Activities delivered by VE as strategic partner with Edinburgh for corporate governance grant	TSI Activities delivered by EVOC as strategic partner with Edinburgh for corporate governance grant
Scotland with a thriving third sector at it's heart		economic growth (Social Economy)	<p>Third sector organisations are better run and sustainable</p> <p>Third sector organisations are more enterprising and able to take advantage of opportunities</p>	<p>priorities of the local third sector – thematically, geographically and cross cutting issues are addressed</p> <ul style="list-style-type: none"> • Advice and support to set up appropriate legal structures for third sector organisations and social enterprises • Expert support to organisations through difficult change management processes, business planning, risk management, change of legal structure etc • Promoting procurement, joint commissioning or tendering opportunities • Support third sector organisations and social enterprises to develop their income strategy and diversify their income base • Supporting stronger leadership within third sector organisations and social enterprises; developing governance, capability and practice • Provide support to third sector organisations and social enterprises on meeting their compliance obligations • Advocate the role of the third sector in the design and delivery of public policy and services • Share and communicate via websites and electronic communications 	<p>Awards</p> <ul style="list-style-type: none"> • Promote quality support standards for volunteer-involving organisations. 	<p>approaches i.e. across traditional client based group</p> <ul style="list-style-type: none"> • Work with community and statutory partners to ensure all resources are maximised • Work with Third Sector to develop different solutions to common issues

Vision	Long Term Aims	Medium Term	Short Term (TSI Core Outcomes)	Core Volunteer Edinburgh and EVOC Services	TSI Activities delivered by VE as strategic partner with Edinburgh for corporate governance grant	TSI Activities delivered by EVOC as strategic partner with Edinburgh for corporate governance grant
				<ul style="list-style-type: none"> • Provide change management support and consultation to Third Sector organisations • Maintain and continue the development of EVOC Red Book – a resource for citizens, Third and statutory sector. 		



Strategic Partnership: Partner's Memorandum of Understanding (MoU) 2016-2021



Purpose of the Memorandum of Understanding (MoU)

In order to demonstrate transparency, this MoU, based upon Compact principles and in the spirit of 'Equal Respect and Delivery Partner' sets out;

Service levels - (i) the scope of the strategic partnership, (ii) contributions of the partners.

Expectations - (a) of the strategic partnership, (b) of the partners, (c) with the city's community planning family.

Performance Review – how the partners will assess their impact and related action.

The MoU is proposed to operate in conjunction with EVOC and VE's (respective) proposed programme of services for the period 2016-21 as outlined above.

Strategic Partnership provision

1. The following provides further description about the Strategic Partnership:
 - 1.1 The Partnership will be based upon the twin-principles of 'equal respect' and 'equal delivery partners'.
 - 1.2 The scope of the Strategic Partnership will be as follows:
 - improved engagement and consultation on service and budget pressures across the city's social economy (third sector enterprises and active citizens) and coproduction of policy, strategy and service delivery;
 - consideration of alternative service delivery options, thereby enabling collaborations, cooperative consortia and/or options when opportunities are presented;
 - promotion of a transformation agenda across public and third sector provision, in particular working with public, third and business sector leaders on sustainable organisational growth;

- providing the main interface between council committees and third sector interests and be prepared to undertake challenging discussions with relevant interests when required.

1.3 The following identifies the contributions of the (respective) partners:

VE and EVOC

- as identified in items 2.1.3 and 2.2.3 respectively of the proposals for a Strategic Partnership with the Council (appendix 1).

the Council:

- engagement with service users, community fora/networks/board/service input and volunteer involving organisations in coproduction of policy, strategy and service delivery;
- engagement of active citizens, community interests and stakeholder in developing locality and neighbourhood services;
- consider the specific revenue and operational pressures being faced by the city's third sector, in particular volunteer involving organisations an;
- promotion of an enterprising approach to sustain the operations of key third sector organisations;
- grow the role of active citizens and council staff and related gold standard support across the city's public, third and SME sectors;
- advocacy of community and active citizenship actions which contribute to preventative approaches and for services which contribute to mitigating poverty, inequality and disadvantage; and
- enhance the influence of service users, active citizens and community interests in the delivery of public services and alternative ways to deliver these including; community ownership, consortia, Public-Social partnerships (PSPs) and other delivery options to respond to emerging market opportunities.

1.4 The following activity by the partners is out-with the scope of the Strategic Partnerships activity:

- i. political lobbying of each partner's business interests for policy/resourcing change;
- ii. policy development or proofing which adversely impacts upon partner's interests;
- iii. provision of defamatory remarks or written material;
- iv. data collection which impacts negatively or has the potential for unintended consequences upon partner's business interests; and
- v. activity which is solely concerned with self-interest or organisational growth.

Expectations

2 The following outlines the expectations of the Strategic Partnership and of the partners:

- 2.1 The Strategic Partnership will work within the scope as outlined in item 1.2 above;
- 2.2 Each partner will contribute as set-out in 1.3 above, which are commensurate with their core business objectives and within the resources available;

- 2.3 Partners will not be asked to progress work that falls out-with items 1.2 and 1.3 above.
- 2.4 The Edinburgh Partnership ‘family’ will be informed of; (i) the context of the work of the Strategic Partnership, and (ii) more specifically instances where work may/can be commissioned on behalf of city partners;
- 2.4.1 The city’s social economy leaders, will be made aware of; (1) the context of the work of the Strategic Partnership and (2) more specifically instances where work can be commissioned on behalf of the third sector organisations and active citizens;
- 2.4.2 The Edinburgh Partnership ‘family’ will be made aware of informed of; (1) the context of the work of the Strategic Partnership and (2) where the influence of citizens and communities can contribute to the transformation of services in localities.

Performance Review

4. Assessing impact and operation of the Strategic Partnership
- 4.1 In line with cooperative practice, partners will review commitments and performance on an annual basis as part of a progress report to committee where any impacts and effects, positive benefits, concerns or other issues arising as a result of the partnership can be identified.
- 4.1.2 After three years, the Strategic Partnership will undertake a 360-degree performance review, this is in order to ascertain the impact and views of partners, communities of interest and other stakeholders. Following such engagement, the product will inform service priorities and measures for the latter two years of the arrangement.
- 4.2.1 The partners will review their contributions on a yearly basis and where improvements are required identify mitigating action.

Date of Commencement 1 April 2016

Partner Organisation	Lead Representative	Senior Councillor/Chief Officer
City of Edinburgh Council	Cllr Andrew Burns Council Leader	Cllr Maureen Child Convenor of the Communities and Neighbourhoods Committee
Edinburgh Voluntary Organisations Council	Joan Fraser Convenor	Ella Simpson Director
Volunteer Edinburgh	Dr. Kris Von Wald Convenor	Harriet Eadie Director

City of Edinburgh Council investment in Edinburgh third sector interface partners – EVOC, VE and ESEN

Council investment in Edinburgh Third Sector Interface (TSI) partners						
		2015/16	<i>Reduction (if any)</i>	<i>Comments</i>	<i>Duration</i>	<i>Type</i>
<u>City of Edinburgh Council - Contracts and Revenue/Project Grants</u>		2015/16	<i>CTP (BOLD) reductions</i>			
Edinburgh Voluntary Organisations Council (EVOC)		150,682	<i>Reduction of 2.4% from £154,372</i>	<i>H&SC Contract (Sense of Belonging)</i>	<i>year 1 of 3</i>	<i>Adult wellbeing</i>
		15,502	<i>Reduction of 3.3% from £16,037</i>	<i>3 year H&SC Grant (Social Justice Fund)</i>	<i>year 3 of 3</i>	<i>Project Funding</i>
		14,500	<i>Reduction of 3.3% from £15,000</i>	<i>H&SC Grant (Social Justice Fund) - moved from HISG funding</i>	<i>Annual</i>	<i>Project Funding</i>
		8,896	<i>Reduction of 3.3% from £9,200</i>	<i>C&F grant (C&F Service Plan - GIRFEC)</i>	<i>Annual</i>	<i>Childrens Svs</i>
		7,500	<i>standstill</i>	<i>C&F grant (C&F Service Plan - strategic lead)</i>	<i>Annual</i>	<i>Childrens Svs</i>
		39,359	<i>standstill</i>	<i>C&F grant (C&F Service Plan - FCCSF)</i>	<i>Annual</i>	<i>Childrens Svs</i>
		58,500	<i>standstill</i>	<i>CG grant (community plan/compact)</i>	<i>Year 3 of 3</i>	<i>Core Services</i>
Summary	294,939		<i>Overall reduction 2014-16: £5,029 (-1.7%)</i>			
Volunteer Edinburgh (formerly Volunteer Centre Edinburgh)		75,000	<i>New funding programme (reduction of £4,584)</i>	<i>Econ Dev grant (Economic Dev Plan - new employability challenge fund)</i>	<i>1 of 3</i>	<i>Project Funding</i>
		29,888	<i>Reduction of 1% from £30,129</i>	<i>H&SC grant (Health Inequalities framework)</i>	<i>Annual</i>	<i>Project Funding</i>
		72,920	<i>Reduction of 3.3% from £75,408 (Health & Wellbeing service)</i>	<i>H&SC contract (A Sense of Belonging)</i>	<i>Year 1 of 3</i>	<i>Adult wellbeing</i>
		22,233	<i>Reduction of 3.3% from £23,000</i>	<i>H&SC (Social Justice Fund)</i>	<i>Annual</i>	<i>Project Funding</i>
		75,907	<i>standstill</i>	<i>CG grant (community plan/compact)</i>	<i>Year 3 of 3</i>	<i>Core Services</i>
		45,000	<i>New funding programme</i>	<i>CG Equalities and Rights</i>	<i>Year 1 of 3</i>	<i>Project Funding</i>
Summary	320,948		<i>Overall reduction 2014-16: £8,080 (-2.9%)</i>			
Edinburgh Social Enterprise Network (ESEN)		17,500	<i>standstill</i>	<i>Econ Dev project contract (Economic Dev Plan - social enterprise marketing)</i>	<i>Annual</i>	<i>Project Funding</i>
Summary	17,500					
Total	633,387					

10.00am, Thursday 21 January 2016

Council Business Plan 2016-20

Item number	4.5
Report number	
Executive/routine	
Wards	All

Executive summary

This report provides a new Council Business Plan for the period 2016-20. The plan builds on the new strategic direction for the Council agreed in June 2015, providing a clear vision for the city we want Edinburgh to be, and the type of organisation the Council needs to be in order to help deliver that vision.

The plan forms a central part of the Council's strategic planning and performance framework, providing one plan to ensure that our strategy, transformation plan, budget plans and service plans all combine around one direction of change which reflects the priorities of elected members, the public, partners and staff.

The plan and its appendices describe the financial and service challenges the Council faces over the next four years and sets out the common principles all services will work around in order to meet these challenges. An implementation plan is provided which clearly describes the specific actions and outcomes Council services will deliver over the next four years, as well as the performance measures used to track progress. A financial plan is also provided which, in line with the Council's 2016-20 Revenue and Capital Budget Framework, describes the actions needed to meet the Council's savings challenge over this period.

Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

Council Business Plan 2016-20

Recommendations

- 1.1 It is recommended that the Council:
 - 1.1.1 Agree the Council Business Plan for 2016-20, subject to any amendments required following budget motion decisions.

Background

- 2.1 A new Council strategic planning and performance framework was agreed in June 2015. This framework was developed to provide a simple and clear articulation of the Council's vision and purpose and provide a concise set of shared strategic themes and principles around which all Council services can be built.
- 2.2 Following these principles, the framework adopted a single vision for the city, shared with all Council partners, to ensure that ***Edinburgh is a thriving, sustainable capital city in which all forms of deprivation and inequality are reduced***. To deliver this vision, the plan set out four overlapping strategic themes common to the work of all service areas. These themes set out a commitment for Council services to:
 - 2.2.1 ***Improve quality of life*** for all our citizens
 - 2.2.2 ***Ensure economic vitality*** for Edinburgh, powering sustainable growth and jobs for a wide city region, and
 - 2.2.3 ***Build excellent places***, maintaining Edinburgh as an attractive place to live, work, visit, and invest.
- 2.3 Across all these themes, the plan set out a further common commitment to provide best value and to ***deliver lean and agile Council services***.
- 2.4 Building on this framework, the new Council Business Plan has been developed. The purpose of the business plan is to clearly set out what outcomes the Council needs to deliver over the next four years, and put in place a clear set of actions to show how those will be delivered.
- 2.5 The plan aims to translate a vision for the future of the Council and its role in the city into a specific implementation plan which will deliver positive outcomes for customers and achieve a balanced budget. In doing so, the plan incorporates budget savings plans and actions agreed as part of the budget setting process and the Council's 2016-20 Revenue and Capital Budget Framework, as well as activity undertaken and agreed as a part of the Council Transformation Programme.

Main report

- 3.1 The Council Business Plan provides a clear vision for the city we want Edinburgh to be, and the type of organisation the Council needs to be in order to help deliver that vision. It forms a central part of the Council's strategic planning and performance framework, providing one plan to ensure that our strategy, transformation plan, budget plans and service plans all combine to describe one direction of change and reflect the priorities of elected members, the public, partners and staff.
- 3.2 As described in the 2016-20 Revenue and Capital Budget Framework, the Council faces significant challenges over the next four years, with rising demand for services coming alongside increasing financial pressures. In order to respond to these challenges without compromising the Council vision and purpose, it is important that all services work together around a shared set of guiding principles which describe a common approach to redesigning and refocusing the way the Council will deliver its services in future. This business plan describes six future Council service principles to guide the development of all Council services over the next four years.

Future Council Service Principles

Focused on Customers

We are a Council in which services are designed around the needs of our customers, protecting the needs of our city's most vulnerable citizens

An Integrated Council

We are a Council of joined up services working together effectively with our partners

Empowered Communities

We are a Council which engages with our communities and enables community-led service design and delivery

A Sustainable Capital City

We are a low carbon, resource efficient Council, supporting resilient and sustainable communities in the rich natural setting of our city

Value for Money

We are a Council which makes best use of its resources, assets and facilities

High Performing Workforce

We are a Council where services are delivered by an engaged and empowered, high performing workforce

Implementation Plan

- 3.3 Alongside the strategic vision and direction described above, the Council Business Plan includes an implementation plan setting out the specific set of actions required over the next four years in order to meet the Council's service outcomes.
- 3.4 The implementation plan provides information on

- The key **actions, outcomes and objectives** Council services aim to deliver over the next four years
- The **performance measures** the Council will use to assess success in delivering these programmes
- While delivering these outcomes, the plan also sets out the **budget savings targets** services need to achieve over the next four years, and provides details of
- The **service area** with lead responsibility for each outcome and objective. In line with our future service principles, though, the plan is built around the understanding that the successful delivery of all these outcomes can only be made in close partnership between many Council services and our partners.

Financial Plan

3.5 A core driver behind the Council Business Plan is the recognition that the Council needs to reduce its budget while still meeting the needs of customers. Towards this, the plan is geared towards building a lean and agile organisation, centred on customers, services and communities, and underpinned by significant investment to deliver both service benefits and financial savings. Sound financial management forms a key foundation of the plan. This plan therefore incorporates a financial plan which profiles the actions agreed to address the overall funding gap and provides a framework for tracking subsequent delivery of the related financial savings and other service impacts.

Measures of success

4.1 The Council Business Plan outlines performance measures against delivery of the Council's strategic themes for the period 2016-20.

Financial impact

5.1 The financial impact is set out within the Council Business Plan and associated Financial Plan, in line with actions agreed as part of the 2016-20 Revenue and Capital Budget Framework.

Risk, policy, compliance and governance impact

6.1 Risk, policy, compliance and governance impact is integrated within the Council Business Plan.

Equalities impact

7.1 The Council Business Plan incorporates actions and outcomes related to the Council's commitment to Reducing poverty, inequality and deprivation.

Sustainability impact

8.1 The Council Business Plan incorporates actions and outcomes related to the Council's commitment to develop Edinburgh as a Sustainable Capital City.

Consultation and engagement

9.1 Measures, priorities and outcomes within the Council Business Plan have been developed in consultation with stakeholders and will continue to evolve based on continued engagement.

Background reading / external references

The [Council Strategic Planning and Performance Framework](#) approved by Corporate Policy and Strategy Committee on 10 June 2015.

Andrew Kerr

Chief Executive

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E-mail: kirstylouise.campbell@edinburgh.gov.uk | Tel: 0131 529 3654

Contact: Jo McStay, Business Intelligence Manager

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Links

Coalition pledges	All
Council outcomes	All
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Council Business Plan

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Appendix One: Financial plan

Introduction

The City of Edinburgh Council has responded to many opportunities and challenges in recent years. Like all UK local authorities, the Council expects to face further changes in the next four years with growth in demand for our services continuing alongside increasing pressure on Council budgets and resources.

We know we need to respond to these demands and pressures and change the way our organisation works. This means:

- Reducing our budget while still meeting the needs of our customers
- Re-designing our service structures to make them more efficient while still remaining focused on our vision for our city
- Reducing the size of our workforce, while making sure we have the right skills in place to meet our objectives
- Transforming the way we provide services, improving the effectiveness of our partnerships, looking for alternative modes of delivery and changing the way we plan and commission services, and
- Stopping or reducing the scale of our activity in order to protect our investment in the services our customers need most.

By making these changes we can deliver a sustainable Council, well placed to respond to the challenges ahead.

The Council needs a clear vision for the city we want Edinburgh to be, and the type of organisation we need to be to deliver that vision. Most importantly, we need to make sure that our strategy, business plan, our budget and our service plans all combine to describe one direction of change and reflect the views of elected members, the public, our partners and our staff.

This business plan provides this vision and direction. It sets out our plan for the journey of change for the next four years, describing what we aim to do and how we intend to do it. The plan builds on the vision for our city we share with our partners, describes the values and behaviours we need our staff to demonstrate, as well as the core principles we need all our services to be built around.

This plan will inform our decision making on how we use our scarce resources, including difficult budget choices. The principles and actions set out here will drive the way we reshape and redesign the way we deliver services, the way we work with communities and partners, and will determine the way we design new structures and management arrangements across the Council over the next four years.

Andrew Burns
Council Leader
Scottish Labour Party

Sandy Howat
Depute Council Leader
Scottish National Party

Andrew Kerr
Chief Executive

The purpose of our Business Plan

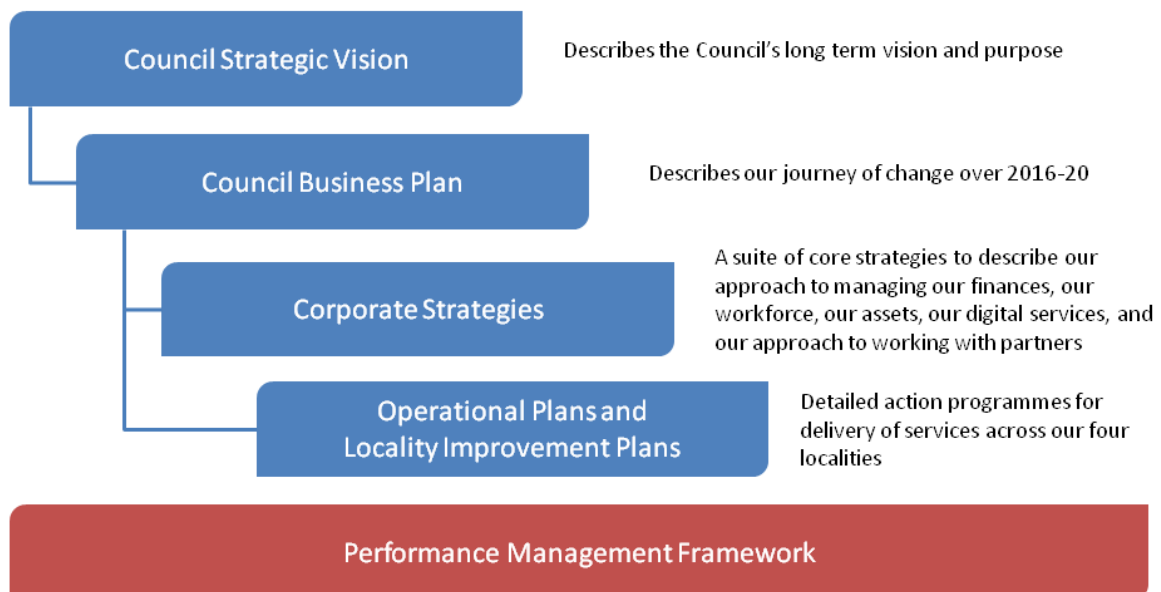
The purpose of the business plan is to:

- Set out what we need to do as a Council over the next four years, and
- Put in place a clear set of actions to show how we are going to do it.

The plan aims to translate our vision for the future Council and our role in the city into a specific implementation plan which will deliver positive outcomes for our customers and achieve a balanced budget.

The plan forms part of a single planning and performance framework that connects the strategic vision of the Council and its partners to the detailed operational plans which guide the delivery of our frontline services, and the local area improvement plans for the delivery of services in our communities. It incorporates commitments and pledges set out by the Council Leader and the Capital Coalition as well as the actions agreed by the Council with its Community Planning partners through the Edinburgh Partnership.

Council Planning and Performance Framework



This framework ensures that all Council plans and strategies are driven by and focused towards the delivery of a single shared vision for the city and our services. The framework comprises the following elements:

- A **Strategic Vision**, describing the Council's long term vision and purpose and sets out the outcomes we want to deliver for our customers.
- This **Council Business plan**, describing the way we will go about delivering those outcomes, and how we need to change over the next four years in order to achieve our commitment to deliver a lean and agile organisation.

- A suite of key **Corporate Strategies**, which build on the business plan describing a detailed corporate approach to drive core activities such as financial management, workforce planning, digital services, asset management, sustainability and prevention, and setting out our approach to working with our partners and communities.
- **Operational and local area plans** describing in detail our approach and action programmes to drive the delivery of frontline services in our communities.

Progress against the delivery of these plans is supported by a Council-wide approach to **performance management**. This approach provides managers with insight into performance against the Council's strategic outcomes and operational objectives, including the Council's financial performance. Reports on Council performance are scrutinised monthly by the Council Leadership Team and Senior Management Teams in each service area and every six months by elected members. These performance reviews provide insight and analysis for exception reporting and support managers to identify actions for improvement for follow up in subsequent reporting periods.

Strategic Vision and Direction

Vision and priorities for our future Council

The Council operates in an ever changing environment and the delivery of our vision requires fundamental changes to the way we provide our services. In response to these changes, the Council's strategic model has evolved in recent years. In June 2015 the Council agreed a new strategic direction for our organisation. This direction is built around a single vision for the city, shared with all our partners, to ensure that ***Edinburgh is a thriving, sustainable capital city in which all forms of deprivation and inequality are reduced.***

To deliver this vision, Council services focus their work around three, overlapping strategic themes. These themes provide a direction for Council services and define the priorities of our future Council over the next four years and beyond:

- **Improve quality of life** – Edinburgh is widely recognised as one of the best cities in the UK in which to live. Our priority is to improve quality of life for all our citizens. This means providing services which ensure that our children and young people can fulfil their potential, providing access to high quality care services, tackling poverty and inequality in our city and building safe, active and empowered communities in which all our citizens can experience improved health and wellbeing.
- **Ensure economic vitality** – Edinburgh is home to the most successful and vibrant economy in Scotland, powering growth and jobs for a wide city region. Our priority is to further strengthen our international competitiveness, supporting business growth and investment. This means continuing to develop our low carbon, cultural and creative sectors, maintaining our position as a pre-eminent festival city, and ensuring everyone has the opportunity to benefit from our economic prosperity.
- **Build excellent places** - Edinburgh is a beautiful city with a rich historic built environment co-existing with first-class modern infrastructure. Our priority is to maintain our city as an attractive place to live, work and visit. This means having a city built around communities able to access housing options that meet their needs, with well connected accessible transport infrastructure, and enhanced business, cultural, sporting and local infrastructure in all areas of the city.

We are also committed to providing value for money for the people of Edinburgh and making sure that our services are delivered in the most efficient and effective way. Towards this, the Council strategic plan sets out a final commitment to:

- **Deliver lean and agile Council services** – To meet the challenges ahead of us we know we need to be a lean and agile Council which puts customer needs at the heart of everything we do. This means transforming the way we do things, with a leaner structure, clearer and simpler processes, supported by a skilled and motivated workforce.

Achieving all these commitments in a period of reducing budgets and increasing demand is a challenge, but one we are determined to meet. The purpose of this Business Plan is to build on the strategic direction set out here and describe the steps we need to take to meet these commitments.

Why we need to change the way we work

This Business Plan is focused on defining the journey of change we need to make as a Council over the next four years. Our business and financial planning framework is built from an understanding and a vision of the pressures the Council is likely to face in the next few years. In order to develop this understanding, we need to examine both the internal and external factors which will drive Council performance.

These include financial pressures, the pressures arising from a growing and changing population and the need to adapt to a sustainable, resource efficient and low carbon future. There is also the pressure of ongoing reform of the public sector in the UK and as well as opportunities arising for Edinburgh from developments such as the City Deal.

These drivers provide compelling evidence for changing the way the Council operates, adapting to financial and service demand pressures and making sure we are well placed to take advantage of opportunities as they arise.

Pressures and opportunities

Financial operating environment

Significant savings have already been made, but at least £148m of additional savings are required by 2019/20.

Service demands and drivers

Our growing population brings growing demand for services, particularly for affordable housing, children's services and services for older people. We continue to face a challenge of persistent poverty and inequality. We also need to drive our transition towards a sustainable and low carbon future.

Public Sector Reforms

Budget reductions come alongside a drive for greater efficiency and effectiveness. Reforms mean increased partnership working and shared services, alongside increased community involvement in service design and delivery.

City Region Opportunities

Our position as a capital city within a diverse region brings significant opportunities for programmes of cross region working to drive growth and prosperity across the region.

Financial operating environment

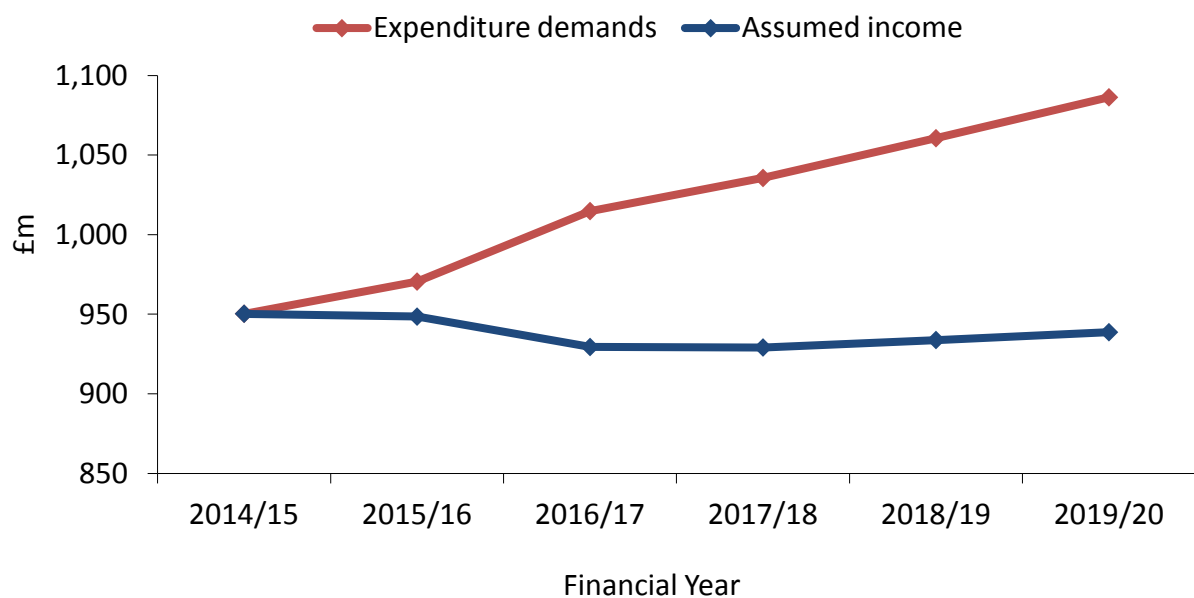
The City of Edinburgh Council, like other councils across the UK, continues to operate in a challenging financial environment. Between 2010/11 and 2015/16 Scottish councils faced a reduction in funding of 14% in real terms, with further reductions anticipated over the next few years.

In Edinburgh, the extent of the financial challenges facing the Council has been substantial and we have already made significant efficiencies in the way we manage our budget. Approval of the three most recent years' revenue budgets has been underpinned by the delivery of almost £80m of recurring annual savings driven by changes in the way we manage our assets and our workforce

alongside increased efficiency in the way we deliver services. These savings have maximised the level of investment available for frontline services and allowed the Council to continue to make additional financial provision for the effects of demographic change upon its services.

In January 2016 the Council's budget framework update reported on a requirement for at least £148 million of recurring annual savings to be achieved by 2019/20. This requirement represents the gap identified between expected Council expenditure demands and assumed income. In order to meet these requirements, the financial plan set out in this document identifies a package of savings to the value of £134m over this period, with further packages yet to be identified in later years to meet the total requirement identified above. Some 65% of all planned savings are planned to be achieved by the end of 2016/17. These savings packages exclude any budget decisions made prior to February 2015 and, as such, are in addition to a number of significant savings packages expected to continue to deliver benefits over the period to 2020 (including, for example, savings delivered through procurement of a new ICT partner).

Estimated expenditure requirement and available funding, 2014/15 to 2019/20



What this means for us:

To make these savings we now need to find different ways to deliver our services efficiently to a growing population. This will mean a reduction in the size of the Council workforce. We will not be able to meet our overall savings requirements unless we reduce the size of the workforce and reduce spend on agency staff fees, overtime and other expenditure. Alongside workforce changes, we also need to develop new approaches to managing our property and assets portfolio, new approaches to procurement and the way we work with partners and third parties, as well as a significant redesign of our approach to service delivery in many areas.

Growing service demand and other drivers of change

Over the past ten years Edinburgh has been one of the fastest growing local authorities in the UK. From 2004 to 2014 the population of the city grew by over 46,000 people. This represents an increase of some 10%, more than double the growth seen across Scotland as a whole and almost double the 5.5% growth recorded in Glasgow.

Over the next ten years, our analysis of population trends and housing development suggests that the city is likely to see further population growth, with the number of residents projected to increase by 34,000 people, or 6.9%, over 2014-24. These projections show strong growth at both ends of the age spectrum. School age population is projected to grow by some 14% in the next ten years. The population aged over 75 is projected to grow by 12%, more than 4,000 people, over the next ten years.

Alongside this growth, evidence suggests that Edinburgh is likely to continue to show relatively high levels of poverty and income inequality among its population. An estimated 18% of people in Scotland were living on incomes below the poverty threshold in 2013/14 and a broad base of evidence shows poverty rates in Edinburgh to be close to this national average. Poverty rates vary considerably between different groups in the population and are particularly high among families with children. In 2013 an estimated 21% of children in Edinburgh were living in families below the income threshold, similar to the Scottish average of 22%. Such levels of poverty and low income have considerable impacts on the demand for Council services.

Estimates made by the Child Poverty Action Group in 2013 suggested that the cost of addressing the effects of child poverty in Edinburgh alone cost the public sector as a whole some £156m per annum (in additional costs for education, support to vulnerable children, criminal justice costs and other impacts). Recent estimates made by the Institute of Fiscal Studies suggest that child poverty rates are expected to grow in the next decade, driven in part by changes to the UK welfare system.

In addition to rising and changing demand from residents, the challenge of embracing a sustainability agenda will also continue to have an impact on both the city and the Council in the areas of energy, carbon, waste and transport. The pressures from increased development can impact on the city's carbon emissions while ever increasing utility costs and carbon taxes will add to budget pressures.

What this means for us:

Such findings have significant implications for the planning of Council services, including housing, services for children and families, and health and social care services.

Specifically, for Children's Services the projections imply increased capacity requirements in early years facilities and rising overall school rolls across the primary and secondary education sector. Projections also suggest steady growth in the number of at-risk children, with additional investment required to support the Council's wider looked-after children transformation plan.

At the same time, for Health and Social Care services the projections imply increased demand for both residential and at-home care services, with growth in the 85+ age group, for which needs increase exponentially, being particularly pronounced.

In addition to changes linked purely to increases in the size of the relevant population, medical advances have seen the survival rate for people born with disabilities (or acquiring them through illness or trauma) increase dramatically, resulting in larger numbers, and more particularly complexity of need, of cases of physical and/or learning disability. While the numbers concerned are considerably smaller, such is the intensive nature of support required, that the associated incremental financial provision requiring to be made is markedly higher than for increases in the number of older people.

Population growth and change also increases the demand for new affordable housing in the city. Recent responses include plans to build 8,000 homes in an attempt to address the shortage of affordable housing and tackle the impact of soaring housing costs in the private sector. The infrastructure requirements of these and other initiatives included in the Local Development Plan (LDP) Action Programme can have significant implications for future capital and revenue budgets.

More broadly, population growth and changes in the needs of our population requires a comprehensive review of Council infrastructure and assets, including school and care facilities, to ensure that we maintain a fit-for-purpose, right-sized and safe estate to deliver our services.

Within this context, in order to adapt to the opportunities offered by a resource efficient, sustainable future, new approaches will be needed that cannot just reduce carbon use or make financial savings but ensure social benefits such as alleviating fuel and food poverty. A new Council wide approach to sustainability offers the opportunity to create a leaner more resourceful Council that can create sustainable communities across the city. Sustainability cuts across much of the context and drivers behind this Business Plan and is a core operating principle for our future Council.

Public Sector Reforms

In the Summer Budget of July 2015 the UK Government announced new measures to change the relationship between citizen and state in the UK, including changes to the way public services are both delivered and held to account. The budget re-stated that the whole of the public sector remains under significant fiscal restraint and that difficult choices are being made to eliminate the UK's budget deficit. Whatever choices are made the next five years will see far-reaching changes to how local people experience local services across the UK.

Alongside continuing budget restraint, measures announced included support to encourage the resurgence of strong metro-wide areas in England through devolution, enabling cities to work together to take responsibility for their own economic success. The Government's Devolution Bill aims to pave the way for cities and counties around the country to gain new wide-ranging powers. Included in the Bill are measures to allow combined authorities to take joint responsibility for transport, housing, strategic planning, health, social care services, as well as skills training to boost growth.

The Scottish Government vision is of a public sector landscape reformed by four pillars of change:

- **Partnership** – We need to improve local partnership and collaboration, bringing public, third and private sector partners together with communities to deliver shared outcomes that really matter to people.

- **Prevention** – We need a commitment to reduce future demand by preventing problems arising or dealing with them early on.
- **Performance** – We need to demonstrate a sharp focus on continuous improvement of our services, applying reliable improvement methods to ensure that services are consistently well designed based on the best evidence and are delivered on a right first time basis.
- **People** - We need to unlock the full creativity and potential of people at all levels of public service, empowering them to work together in innovative ways. We need to help create ways for people and communities to co-produce services around their skills and networks.

Two key programmes of reform underway in Scotland include the measures to increase community involvement in public service delivery outlined in the Community Empowerment Act, and in the movement towards the integration of Health and Social Care services included in the Public Bodies (Joint Working) (Scotland) Act 2014.

- **Community Empowerment:** The Community Empowerment Act, passed in June 2015, reformed a range of policy areas relating to community participation, including community planning, community right to buy land, involvement of communities in public service delivery, communities taking on public assets, allotments and the common public goods. This new legislation, alongside the co-operative approach and budget constraints leading to service re-design has led to a renewed focus on increasing community involvement in the way local authorities deliver services.
- **Health and Social Care Integration:** The statutory driver behind the integration of Health and Social Care is the Public Bodies (Joint Working) (Scotland) Act 2014. This places a requirement on both local authorities and the NHS to delegate functions to an Integrated Authority, to make associated payments to the new body and to respond accordingly to the directions issued by it.

NHS health and Council social care services have often appeared skewed towards reactive, crisis responses rather than preventative, rehabilitative services. This can result in negative outcomes for people and poor financial performance for both organisations. Integration provides an opportunity for a strategic shift of resources, from hospitals towards community based and preventative services. The purpose here is to enable people to remain as independent as possible for as long as possible.

Alongside these two headline programmes, other core themes of the public sector reform agenda are built around collaboration and integration of services at a cross-authority or cross-region level. In particular, the Government expects the public sector in Scotland to seek out opportunities for improved collaborative working and much wider application of Shared Services models to drive out inefficient practice and allow organisations to reinvest in those services that have the greatest impact on citizens.

What this means for us:

The public sector reform agenda in Scotland and across the UK includes drives towards both localism, or community led initiatives, alongside encouragement towards regionalisation and

centralised, cross-authority working. While these may appear conflicting drives, they do form part of a new way of thinking for local government.

To follow this model the Council needs to explore opportunities for shared services and cross-regional working approaches where those offer potential economies of scale and strategic efficiencies. At the same time, we need to implement structures and processes which encourage localised, community led decision making and control where that approach offers an opportunity to best fit services to the needs of customers, to improve outcomes and to reduce duplication.

Health and Social Care Integration provides a good example of all these drivers in action, comprising both cross agency integration alongside a local model of delivery. The City of Edinburgh Council and NHS Lothian established a Joint Board in June 2015 which will take full responsibility for all adult Health and Social Care delegated functions and associated budgets on 1st April 2016.

This transition to integration is taking place during a challenging period where demand for services is growing, Council budgets are under pressure and where other transformation programmes are changing the Council operating model. A report to Committee in October 2015 highlighted demand-led pressures within the 2015/16 Health and Social Care budget of £16.9m. In response to these, the Council's budget framework provides additional investment, funded through the identification of further savings in other services, in this area. This will provide greater stability as these services are integrated with complementary services provided by NHS Lothian in April 2016. At the same time, the proposals within the framework support the move from institutionalised to home-based settings, promoting independence while delivering financial savings to allow reinvestment in the service.

Within this period of change, Health and Social Care services are aiming to gain sustainable financial control to provide a service which functions efficiently and effectively. This means putting together programmes which deliver budget savings, align service functions with the strategic direction, and ensure that governance and reporting processes are robust.

City Region Opportunities

A core part of the UK Government plans for regional development are proposals for city region deals across the north of England. The government is working towards devolution deals with the Manchester City Region, Sheffield City Region, Liverpool City Region, Leeds, West Yorkshire and partner authorities, to be agreed in parallel to the Spending Review. If agreement is reached, including on an elected mayor working with local leaders to oversee new powers devolved from ministers, these city regions will be granted significant additional powers and the opportunity to take control of their own affairs to support economic growth.

These proposals come alongside the Scottish Government's city strategy and the work of the Scottish Cities Alliance which aims to democratise growth in our cities, providing Scottish cities with empowerment and support to ensure they are able to maximise return from their assets, infrastructure, skills and opportunities.

Beyond the city region there are also significant opportunities to learn from innovative 'lighthouse' cities and networks across Europe. Examples include cities such as Copenhagen, Stockholm, Manchester, Glasgow and Munich, all of whom have been successful in taking innovative and citizen-

centric approaches to developing their city, particularly around how smart technologies can support new products and industries, public service delivery and the wider community.

These example cities all exhibit a number of common attributes, including an ability to seek out innovation which can be applied within the city, identify funding opportunities and nurture bid partnerships, an ability to use the city as a test bed for new products and technologies, and a record of active participation in EU networks. Altogether, these attributes help ensure awareness of best practice and the opportunity to discuss their interests with other partners, as well as a pipeline of large-scale projects, ready to be developed when funding becomes available.

What this means for us:

Within the context of these policy agendas, the Council has been working closely with partner authorities across the Edinburgh City region to put together a bid for a City Region Deal.

This City Region Deal is a mechanism for accelerating growth by pulling in significant government investment. By investing this funding in infrastructure, skills and innovation the programme aims to significantly improve our economic performance, which will not only generate funds to pay back this initial investment but also draw in significant additional funding from the private sector. The programme is also about greater autonomy and decision making powers for the region to help us deliver public services more effectively and to tackle inequality and deprivation. The ambition of the partner authorities is to secure £1bn of funding and it is estimated that an additional £3.2bn worth of private sector investment could be leveraged if the bid is successful.

The proposal represents an unprecedented approach to partnership working across the region and sets out an ambitious programme of potential interventions which would deliver a step change in economic performance. The successful delivery of a City Region Deal would see an acceleration of inclusive growth and the emergence of a stronger, fairer regional economy equipped for the future.

To make best use of the City Region Deal, as well as other opportunities, it is important that the Council also learns from the example of other smart and innovative cities across Europe. This means establishing stronger links with partners such as the University of Edinburgh, Heriot Watt University, Edinburgh's business leaders and innovators. Such partnerships are important in order to be continuously aware of the city's research interests, innovative capacity and new companies and products coming to market which may represent opportunities for solutions in terms of service delivery and funding gaps. At the same time, it is important that the Council and the city participate actively in EU networks and develops partnership with other city regions. These networks are vital to develop the partnerships and capacity needed to access large EU funding opportunities.

Our Future Council

Designing our future Council

To meet our challenges and take advantage of our opportunities we are fundamentally changing how we work. We are moving from having many geographic boundaries to four areas in which we will bring together our own and partner services to make it easier to adapt these services to meet local demand.

We will refocus our effort towards achieving our priority outcomes by reducing internal business costs, applying channel shift to reduce the cost of simple transactions and enabling our customers and staff to do more through self service.

The shape of the future Council changes, with fewer management layers, a smaller workforce with more efficient processes. We will have a greater degree of service integration among both Council services but also with our partners, the third sector and commercial suppliers, where appropriate.

We will continue to support the third sector but increasingly ensure our investment and support achieves our priority outcomes.

Finally, we will take a more commercial approach in considering how to best use our assets and generate income in the context of our overall strategic objectives and management of risk.

Over the 4 year period of the business plan we will become:

- An increasingly outcomes-focused Council, making budget, investment and performance decisions based on the contribution of each activity to our priority outcomes.
- A locally focused organisation which delivers services that are integrated, understands the holistic needs of our citizens, and joins up with other public sector partners, such as delivering integrated health and social care provision.
- A Council which embeds prevention and sustainability across everything we do, enabling services to take early action to reduce demand, and improving the energy and resource efficiency of all our buildings and policies.
- A Council which delivers best value through improving the effectiveness of our partnerships.
- A digitally active Council which uses technology to be more pro-active, support customers to self service and reduce avoidable contact while still ensuring accessibility and ensuring more complex contacts can be handled more effectively.
- A lean organisation which consolidates and reduces our business resources, by having corporately managed support services with local and service focus, utilising an effective business partnering model.
- An open and transparent Council with an inclusive, accessible and streamlined approach to decision making
- An ambitious, forward looking Council which works with partners to deliver a step change towards a stronger, fairer city equipped for the future.

Delivering our future Council transformation

Our work to deliver this future Council is underway and a number of significant practical changes are already being implemented through our Council Transformation Programme.

Organisational redesign

The Council's Organisational Review protocols are being used to implement a new operating model and design structures for each service which will deliver required savings targets. Organisational reviews in three services began in the autumn of 2015, with 30 reviews covering a total of 14,173 staff to be completed by May 2016.

Workforce Change

The overall cost of our workforce currently accounts for around 40% of our budget. Given the size of the financial challenge we face, it is inevitable that there will be a reduction in the size of our workforce. In order to achieve this, steps are in place to support our people through the re-organisation of our services, including new targeted arrangements to incentivise voluntary early release, and new career transition services to help staff affected by changes to make informed decisions about their futures.

Business and Support Services

The Council is developing a new model for the way we provide business support to front-line services. The model will provide an integrated, consolidated and smarter approach to these services, driving out duplication and inefficiency and delivering economies of scale. It will have a strong client and customer focus to give essential and 'business critical' support concentrating on the requirements of internal clients and providing the best services possible within a managed level of resource. Introduction of this model will provide annual savings of £19m by April 2017.

Channel Shift

The purpose of the Council's Channel Shift project is to move customers to the most efficient and suitable service delivery channel for their needs. The project aims to provide services designed around customers and their needs, increase the speed and consistency of transactions and provide customers with a better service experience. A city-wide marketing campaign was launched in Autumn 2015 to raise public awareness of existing on line services and to promote a shift towards increased digital access to services (the most cost effective channel). Work is ongoing with our ICT partners to prepare an ambitious roll out of 153 new digital transaction types in 2016/17. This work will include adopting proven best practice process improvements across the relevant services.

Citizens and Locality Services

The Council is changing the way we deliver our frontline services to better integrate local services and improve outcomes for citizens. This includes a common locality model so that we operate across the same geographical areas as our partners (such as police and fire services), so enabling closer working and integration of services around our citizens. Arrangements are underway to establish joint working locality teams to deliver this model.

Health and Social Care Integration

Colleagues in the Council and NHS Lothian are working together to design draft staffing structures and an integrated team for the provision of Health and Social Care services. These include the appointment of the interim heads of service / locality managers for an Integrated Joint Board. This work is aligned to a broader package of joint activities to meet legislative duties, required as a result of the Public Bodies Joint Working (Scotland) Act 2014, to implement an integrated Health and Social Care localities model.

Asset Management

Our Asset Management strategy is driving a new approach to deliver savings and improve service delivery. The strategy will make sure we make the best use of Council-owned land and buildings which bring in an income, make best use of the Council's operational properties (including schools, theatres, museums, care homes, community centres and parks), and improve the way we manage our facilities and our assets. These changes will provide annual savings of £6.2m by 2019/20.

Third Party Payments

The Council is changing the way it works with and commissions services from partners and third party organisations. Savings of £2.2 million have already been delivered in 2015/16 with most of these arising from a combination of ongoing grant programmes and new grant arrangements. In delivering savings targets in 2016/17 and 2017/18, a combination of reductions in grants and contracts is proposed.

ICT Transformation

From April 2016 the Council's new ICT partner will work with us to deliver ICT systems capable of supporting the overall Council-wide transformation programme. Technology underpins almost everything we do across the Council and the city. The planned improvements in ICT will make it easier for our staff to do their job effectively and help us to respond to the needs of the people living in, working in and visiting our city. The programme will deliver integrated systems to support our move to a locality based working model, improved data quality and analytical capacity, improved workforce management processes, rationalised and integrated systems across all Council services, as well as increased network bandwidth and connectivity.

Procurement and Income Maximisation

The Council spends over £650 million externally each year on goods, services and works. This expenditure accounts for over 50% of our operating costs. To improve the way we manage this activity, and the way we raise income, the Council is working to embed a culture of commercial excellence throughout the organisation, ensuring that our services always deliver Best Value. Towards this, our work is focused on transforming our Commercial and Procurement Services into a fit-for-purpose and sustainable in-house commercial unit, raising the standards in buying practices and processes across the Council, and adopting a consistent commercial approach to maximising income from our assets and services.

Health and Safety

In order to deliver our vision for our Council and our city, we need to make sure that our people, our customers and our staff are safe at all times. To achieve this, the Council is committed to a culture of zero harm and improved risk management, where health and safety is everyone's responsibility. Our health and safety strategy outlines our approach to meeting this commitment, including improved risk management, improved mechanisms for reporting health and safety incidents, improved asset management to ensure that our estates remain fit for purpose, improved health and safety training for our staff, and improved accountability on health and safety matters.

Major Infrastructure Projects

Our programme of transformation includes a number of ambitious infrastructure projects to improve our city. Key projects include the Tram extension project and the Edinburgh 12 initiative. This programme brings together the public and private sectors to identify and maximise investment opportunities to help deliver a prosperous future for our City. Projects within the Edinburgh 12 initiative include developments such as St James Quarter which have potential to deliver a real and lasting transformational effect on the city.

City vision

This programme includes an ambitious programme of potential interventions which would deliver a step change in economic performance as part of the City Region Deal. The successful delivery of this programme will see an acceleration of inclusive growth and the emergence of a stronger, fairer regional economy equipped for the future.

Budget framework

Our budget framework for the period 2016-20 contains planned changes which will make significant savings for the Council over the next four years, while protecting our investment in services. Full details on these changes are outlined in the Financial Plan accompanying this document, but these include £23 million of savings agreed for the Council's 2015/16 budget, a further £33 million of targeted savings identified in service prioritisation proposals in October 2015, alongside a £65m package of targeted savings to be met through the Council Transformation Programme. Following the identification of additional savings requirements arising from the 2016/17 Local Government Finance Settlement for the Council, the financial plan also includes a further package of actions to

deliver a targeted £13.9m of savings and adjustments to deliver a balanced Council budget over the next four years.

One Business Plan for our future Council

This Business Plan aims to draw all our plans for the way we are transforming our structures and operating model together with our plans for the outcomes we need to deliver for our customers. In this way, the plan provides a single view on what services and outcomes we will deliver for customers, alongside our plans for changing our operating model and achieving savings.

In order to respond to the challenges described above without compromising our Council vision and purpose, it is important that all services work together around a shared set of guiding principles and values which describe our common approach to redesigning and refocusing the way the Council delivers its services.

Towards this, the next sections of this plan set out:

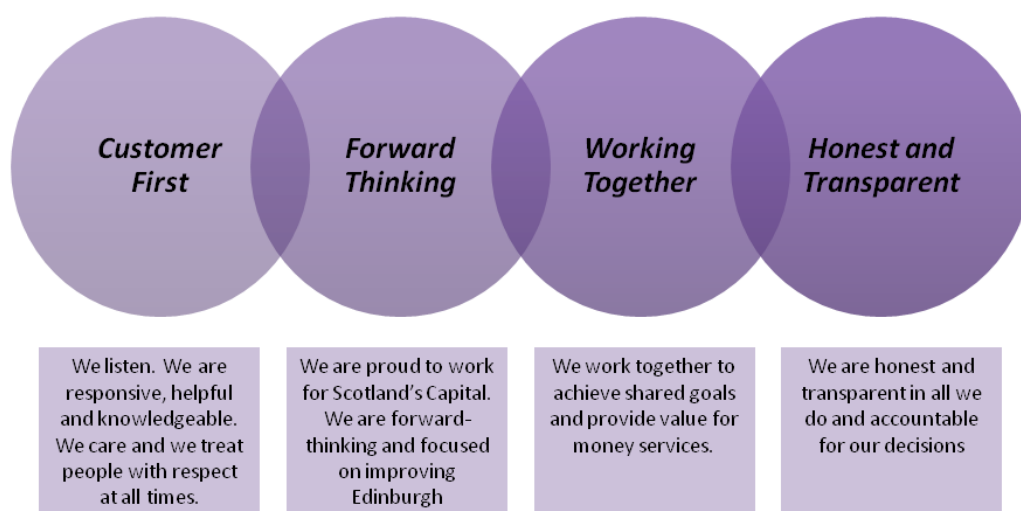
- The values and behaviours we need all Council staff to exhibit,
- A set of core principles and actions we need all services to embed across all of our working and which guide our approach to making savings and finding alternative ways to deliver services, and
- An implementation plan including all the actions we need to take to provide our services, meet our priority outcomes and deliver our savings.

How we will deliver for Edinburgh

Council values and behaviours

Our values and behaviours are at the heart of transformation, driving culture change and ensuring we meet our objectives. The need to review our values to make them fit for purpose and meaningful to staff was highlighted in the Investors in People Audit (December 2011) and the Assurance Improvement Plan (Best Value Audit, November 2012). In 2012 our employee survey revealed a dip in satisfaction and low levels of personal morale, engagement and awareness of the Council's vision. Following these findings, extensive consultation was carried out with our people, customers, partners and elected members asking what will make us a great organisation, what we need to do and how we need to behave to get us there. From this we developed a set of core priorities that are people-led and customer-focused for taking the organisation forward and building our reputation.

These priorities are defined into four values and behaviours we need all staff to live and breathe.



Valuing our customers sits alongside a range of themes including ensuring customers feel safe and cared for, going the extra mile and enhancing satisfaction. It combines a range of customer care elements including care, respect, integrity, courtesy, empathy, fairness, and compassion. This is also about getting things right first time by delivering what customers want and spending money for the greatest long-term benefit, making sure services are easy to access, and that customer queries and complaints are responded to promptly.

The Council is proud of what it does, is forward thinking, and strives to be a top performing Council. Pride is driven by confidence in decisions by senior management, feeling valued by customers and supporting the need for and being inspired by change for a better Edinburgh.

Staff and customers need to be assured that the Council's processes for decision making are open, honest and transparent. A related value here is accountability. This should help to rebuild trust and confidence in decisions made. For local and citywide decisions, there should be genuine

engagement and an inclusive approach as a means of listening to needs and as a mechanism for ensuring involvement in decision making at all key levels.

These values are aligned with the Council’s vision and strategic direction. They cut across all service boundaries and are relevant to every leader and member of staff in the Council. They are intrinsic to everything we do, the way our staff think, work and the way we engage with our customers and colleagues.

In order for these values to make a difference, they have to drive a real change in the way our staff think about their organisation and the services they provide. To support this, our **Pride in Our People** programme works to involve staff in identifying and suggesting changes to the way we work to improve outcomes for the customer and provide more efficient ways of delivering services. The programme includes local events to get staff ideas about what needs to change, a new employee newsletter, an employee online noticeboard and a managers' newsletter to make sure staff have many opportunities to keep informed and help shape the change.

Future service principles

Alongside these values, in order to make sure we can achieve our savings requirements without compromising the Council vision and purpose, it is important that services work together around a shared set of guiding principles which describe a common approach to redesigning and refocus the way the Council delivers its services in future. This business plan describes six principles to guide the development of all Council services over the next four years, including high level shared action programmes for each principle. These principles are:

<p>Focused on Customers We are a Council in which services are designed around the needs of our customers, protecting the needs of our city’s most vulnerable citizens</p>	<p>An Integrated Council We are a Council of joined up services working together effectively with our partners</p>
<p>Empowered Communities We are a Council which engages with our communities and enables community-led service design and delivery</p>	<p>A Sustainable Capital City We are a low carbon, resource efficient Council, supporting resilient and sustainable communities in the rich natural setting of our city</p>
<p>Value for Money We are a Council which makes best use of its resources, assets and facilities</p>	<p>High Performing Workforce We are a Council where services are delivered by an engaged and empowered, high performing workforce</p>

- **Focused on Customers** – We need to be a Council built around the priorities of our customers, and a Council which makes budget decisions focused on protecting the needs of our most vulnerable customers. Towards this our implementation plan includes actions

which achieve savings by recognising areas where demand for a service is changing or where new approaches to delivery can provide improved efficiency alongside positive outcomes for customers. The plan also reflects a commitment to preventative approaches and early intervention services. Examples include activity by our Communities and Families service to redesign public protection services. This redesign will strengthen prevention, early intervention and reduce re-offending, and improve the targeting of family support towards those families most at risk of a child needing to become looked after.

- **An Integrated Council** – We need to be a Council of joined up services which work together effectively with our partners and third party organisations. Towards this, our implementation plan includes actions across all service areas which aim to bring together separate service delivery teams and partners around a common geography or shared objectives. These actions aim to find more efficient ways to manage service delivery while providing a more streamlined, integrated service for customers. Examples include proposals to develop a new structure for the Council's Culture service which aims to ensure that we work better together, get the most from our property and resources and continue to deliver quality services across the city. This structure merges key functions to maximise income generation across the cultural estate. It will also ensure that quality programmes are delivered, both directly and through third party cultural organisations we help to fund.
- **Empowered communities** – We need to be a Council which engages with our communities and enables community led service design and delivery. Our implementation plan includes actions which require an evolution of the Council operating model towards increased use of outreach services, community-based and community-led service provision. These actions aim to achieve savings and improve outcomes by focusing Council resources towards provision of core services and supporting the development of new co-operative or social enterprise models of service provision led by our communities. Examples include actions by our Health and Social Care service to establish a trading company or co-operative for the provision of a range of care services. The proposal has potential to be a catalyst for increased use of community-led service provision, as well as showing ways in which Council service provision can be re-configured for closer partnership working.
- **A Sustainable Capital City** – We need to be a low carbon, resource efficient Council, supporting resilient and sustainable communities in the rich natural setting of our city. Our implementation plan includes actions to deliver this, including a number of innovative approaches to change the way we provide services in a more sustainable manner. Examples include actions to achieve a 20 per cent reduction in the energy we use in our buildings by 2020, our approaches to sustainable procurement, and our wide ranging programmes to support residents to live and work in our local communities.
- **Value for Money** – We need to be a Council that makes best use of its assets, facilities and resources. Our implementation plan includes actions to improve our investment portfolio, get the most from our properties and assets, and rationalise our estates while ensuring that our services are still delivered. Our implementation plan includes actions to support this, including actions which identify assets and facilities which are operating below efficient capacity and aim to reconfigure service provision to improve efficiency while maintaining customer outcomes.

- **High Performing Workforce** – We need to be a Council where services are delivered by an engaged and empowered, high performing workforce. This implementation plan includes actions which aim to facilitate a cost effective reduction of the Council’s workforce in the short term while ensuring that we retain and develop the skills and ways of working on which the Council will depend to deliver its vision in the long term. The plan includes actions to develop a career transition service and internal redeployment scheme to support employees through this period of change, as well as actions to develop a Council-wide approach to attract, select and appoint talented people

The remainder of this plan builds on these principles, setting out a high level programme of actions needed to deliver a lean and agile council, fit for purpose and ready to drive the changes and opportunities ahead. The plan incorporates all our service delivery plans focused on meeting the needs of our customers, as well as actions to re-shape services within the reduced financial resources we have available

Implementation Plan

This implementation plan provides a set of actions we need to take in order to meet our service outcomes over the next four years, while also making fundamental changes to the way we operate as a Council.

The plan and its actions are structured around the strategic themes and principles set out in this document and shows what we will do over the next four years to:

- **Improve Quality of Life** – the plan includes actions structured around four programmes to show how we will
 - Ensure **children and young people achieve their potential**
 - Ensure that all our citizens have **opportunities for participation in sport and lifelong learning**
 - Deliver **safer and stronger communities** across our city, and
 - Deliver **a caring, healthier Edinburgh**
- **Ensure Economic Vitality** – the plan includes actions structured around four programmes to show how we will:
 - Support **business growth and investment**
 - Ensure **access to work and learning opportunities** for all our citizens
 - Maintain **Edinburgh as a creative, cultural capital**, and
 - Deliver **a vibrant, sustainable local economy**.
- **Build Excellent Places** – the plan includes actions structured around four programmes to show how we will:
 - Maintain Edinburgh as **an attractive city**
 - Deliver **a connected, accessible city**
 - Ensure our citizens have access to **a range of quality housing options**, and
 - Maintain **a built and natural environment to match our ambition**.

Across all these themes, the plan also includes actions to ensure that we **Deliver a lean and agile Council**. This incorporates programmes of actions driven by our six future service principles to ensure that all Council services are supported to provide best value for our customers. These programmes aim to ensure that our services are:

- **Focused on Customers:** We are a Council in which services are designed around the needs of our customers, protecting the needs of our city's most vulnerable citizens
- **An Integrated Council:** We are a Council of joined up services working together effectively with our partners
- **Empowered Communities:** We are a Council which engages with our communities and enables community-led service design and delivery
- **A Sustainable Capital City:** We are a low carbon, resource efficient Council, supporting resilient and sustainable communities in the rich natural setting of our city
- **Value for Money:** We are a Council which makes best use of its resources, assets and facilities
- **High Performing Workforce:** We are a Council where services are delivered by an engaged and empowered, high performing workforce.

For each of these themes and programmes, the implementation plan provides detail on:

- The key **outcomes and objectives** our services aim to deliver over the next four years
- The **performance measures** we will use to assess our success in delivering these programmes
- While delivering these outcomes, the plan also sets out the **budget savings targets** we need our services to achieve over the next four years, and
- The **service area** with lead responsibility for each outcome and objective. In line with our future service principles, though, the plan is built around the understanding that the successful delivery of all these outcomes will be made in close partnership between many Council services and our partners.

Our priorities

Improve quality of life

Children and young people achieve their potential

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Focused on Customers	Schools and Lifelong Learning: Early Years	<p>Children have the best start in life, are able to make and sustain relationships and are ready to succeed</p> <ul style="list-style-type: none"> Improve support in early years so that all children reach appropriate developmental and social milestones 	<ul style="list-style-type: none"> Literacy and numeracy at P1 	<ul style="list-style-type: none"> Achieve target budget savings for Early years services of £2.7 million by 2019/20
	Schools and Lifelong Learning: Primary and Secondary Schools	<p>Children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities</p> <ul style="list-style-type: none"> Reduce the gap in achievement experienced by vulnerable children and young people, particularly those living in deprived areas Increase the number of young people who enter and sustain positive destinations, particularly from disadvantaged or marginalised groups Deliver high performing networks in schools, enabling digital learning 	<ul style="list-style-type: none"> Pupils' attendance Attainment Attainment of pupils in deprived areas School leaver destinations 	<ul style="list-style-type: none"> Achieve target budget savings for Schools services of £6.0 million by 2019/20
	Schools and Lifelong Learning: Sports and lifelong learning	<p>Children and young people are physically and emotionally healthy</p> <ul style="list-style-type: none"> Improve mental health and wellbeing outcomes for children and young people 	<ul style="list-style-type: none"> % of P1 pupils who are at risk of obesity Teenage pregnancy rate 	<ul style="list-style-type: none"> Achieve target budget savings for youth work services of £0.3 million by 2019/20
	Children's Services	<p>Children and young people in need, or with a disability, have improved life chances; are safe from harm or fear of harm, and do not harm others; and outcomes are not undermined by poverty and inequality</p> <ul style="list-style-type: none"> Improve and extend help and support for children and families at an early stage so that fewer children need to be looked after Improve outcomes for children in need, particularly those who need to be looked after and those with a disability Strengthen our approach to tackling child sexual exploitation 	<ul style="list-style-type: none"> Number of looked after children Number of children in secure provision Educational outcomes of Looked After Children 	<ul style="list-style-type: none"> Achieve target budget savings for Children's Services of £7.9 million by 2019/20

Our priorities

Improve quality of life

Opportunities for participation in sport and lifelong learning

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Focused on Customers	Schools and Lifelong Learning: Sports and lifelong learning	<p>People of all ages have the opportunity to improve life chances and fulfil their potential</p> <ul style="list-style-type: none"> • Deliver access to learning, personal development and active citizenship opportunities; • Encourage stronger, more resilient, supportive, influential and inclusive communities 	<ul style="list-style-type: none"> • Participation in adult learning • Proportion of adults achieving learning goals 	<ul style="list-style-type: none"> • Achieve target budget savings for Communities and Lifelong Learning of £1.7 million by 2019/20
		<p>People of all ages have the opportunity to improve quality of life through participation in physical activity and sport</p> <ul style="list-style-type: none"> • Deliver opportunities for increased participation in physical activity and sport each year, including sports events • Continue to improve community access to school sports facilities • To work in partnership with Edinburgh Leisure on the in-principle decision to transfer the management of school sports facilities to Edinburgh Leisure • Develop a new Meadowbank Sports Centre to promote physical activity for all, provide sporting opportunities and enhance quality of life for people of all ages 	<ul style="list-style-type: none"> • Physical activity rates • Attendance rates at sporting facilities • Customer interaction with Library Services • Customer satisfaction with library services 	<ul style="list-style-type: none"> • Achieve target budget savings for sports and library services of £4.9 million by 2019/20

Our priorities

Improve quality of life

Safer and Stronger Communities

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Focused on Customers	Public Protection	<p>Homelessness is prevented, fewer people go into temporary accommodation and the amount of time people spend in temporary accommodation is reduced.</p> <ul style="list-style-type: none"> • Deliver the homelessness prevention programme • Deliver the accommodation strategy for older people 	<ul style="list-style-type: none"> • Homelessness prevention: % of housing advice cases who do not go on to present as homeless • % of homeless cases going into temporary accommodation • Length of stay in temporary accommodation 	<ul style="list-style-type: none"> • Achieve target budget savings for Public Protection Services of £3.9 million by 2019/20
		<p>Residents, visitors and businesses feel that Edinburgh is a safe city</p> <ul style="list-style-type: none"> • Preventing re-offending • Public protection and management of anti-social behaviour 	<ul style="list-style-type: none"> • Reduce re-offending • Criminal Justice Orders completion rate • Residents' satisfaction with management of anti-social behaviour 	
	Customer Services	<p>Council services manage the roll out of welfare reforms. Services act to mitigate negative impacts of welfare reform on vulnerable customers, including actions to:</p> <ul style="list-style-type: none"> • Prevent hardship and worsening inequality • Respond to crisis needs for housing, heat and food • Provide effective support for vulnerable individuals and families 	<ul style="list-style-type: none"> • No. days to process benefits claims/change in circumstances • Scottish Welfare Fund expenditure • Discretionary Housing Payments expenditure • Council Tax Reduction Scheme expenditure 	<ul style="list-style-type: none"> • Achieve target budget savings for Customer Services of £0.8 million by 2019/20

Our priorities

Improve quality of life

A caring, healthier Edinburgh

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Focused on Customers	Health inequalities and prevention	<ul style="list-style-type: none"> • Deliver the priorities of the Health Inequalities Framework and Action Plan • Deliver the priorities of the Poverty and Inequality Framework • Promoting recovery and self-management approaches 	<ul style="list-style-type: none"> • Reduced gap in life expectancy 	<ul style="list-style-type: none"> • Achieve target budget savings for Health and Social services of £32.2 million by 2019/20
	Transforming services	<ul style="list-style-type: none"> • Provide person centred care • Improve preventative and reablement services • Ensure timely access to and discharge from specialist and hospital services is available for those who need these. • Balance capacity with need for care at home and in homely settings • Develop innovative technologies to support independent living – allowing staff to share information securely and enable partners to purchase shared ICT • Deliver a pilot computer club for the over 70s in care homes 	<ul style="list-style-type: none"> • Delayed discharge levels • Reablement uptake • Customer satisfaction • Prevention of hospital admission • Number of people on domiciliary care waiting lists 	
	Establish locality working	<p>Delivering the right care in the right place at the right time, so that:</p> <ul style="list-style-type: none"> • People are assessed, treated and supported at home and within the community wherever possible and are admitted to hospital only when clinically necessary • People are discharged from hospital as soon as possible with support to recover & regain independence at home and in community • People experience a smooth transition between services • People have their care and support reviewed regularly to ensure these remain appropriate, and are safe and protected 	<ul style="list-style-type: none"> • Number of people on assessment waiting lists • % services blocked • % of people living in community settings • Delayed discharge • Customer satisfaction • Critical incident reports 	
	Inclusive Edinburgh	<ul style="list-style-type: none"> • We involve citizens in decisions about how their health and social care needs should be addressed 	<ul style="list-style-type: none"> • % of people living in community settings • Customer satisfaction • Customer and partner engagement levels 	

Our priorities

Ensure economic vitality

Business Growth and investment

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Integrated Council	City Leverage	<ul style="list-style-type: none"> • Agree the City-Region Deal with Scottish and UK Governments. • Develop city-region implementation plan, funding model and governance arrangements. • Leverage resources from external funding to generate additional revenue. 	<ul style="list-style-type: none"> • City region deal success measures aligned with relevant assurance frameworks • Value of leveraged funding 	<ul style="list-style-type: none"> • Achieve total target budget savings for City Strategy and Economy of £2.1 million by 2019/20 • Achieve target value of leveraged funding and investment received
	Investment	<p>Deliver physical development into Edinburgh and maximise job creation.</p> <p>Work with partners to deliver the priority investment zone plans for Edinburgh.</p> <p>Enhance Edinburgh's retail, hotel, leisure and office infrastructure:</p> <ul style="list-style-type: none"> • Complete the redevelopment of the St James Quarter and the other Edinburgh 12 projects. • Deliver a more pedestrian friendly environment within the city centre. • Enhance regeneration of Edinburgh's eight town centres 	<ul style="list-style-type: none"> • Investment value of supported developments • No. of jobs created or safeguarded. • Delivery to Edinburgh 12 milestones • Pedestrian traffic flows • Number of BID in the city 	

Ensure economic vitality

Business Growth and investment

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Focused on Customers	Enterprise and Innovation	<ul style="list-style-type: none"> • Deliver intensive support to help businesses achieve their growth potential • Increase businesses' capacity to internationalise • Enhance the local supply chain for Edinburgh based firms. • Encourage innovation and support key sectors to improve the city's competitiveness 	<ul style="list-style-type: none"> • No. of high value start ups supported • % of Edinburgh businesses trading overseas • No. of jobs created and safeguarded • Number of businesses accessing procurement support 	<ul style="list-style-type: none"> • Achieve total target budget savings for City Strategy and Economy of £2.1 million by 2019/20
Integrated Council	Investment	<ul style="list-style-type: none"> • Improve the city's competitiveness by attracting new inward investment and supporting investors • Work with partners to promote Edinburgh as a high quality investment location • Deliver new investment into Edinburgh and maximise job creation • Increase Edinburgh's international competitiveness through the European and International Strategy • Provide 25% of the spend on ICT to SMEs through the ICT partner's global supply chain, including quarterly SME events • Work with ICT to provide start up funding to 16 Social Enterprises • Encourage businesses to use Council data to provide customer apps through the open data strategy 	<ul style="list-style-type: none"> • Number of jobs created and safeguarded • Edinburgh representation at international and investment events • Number of inward investments from targeted regions 	<ul style="list-style-type: none"> • Achieve total target budget savings for City Strategy and Economy of £2.1 million by 2019/20

Our priorities

Ensure economic vitality

Access to work and learning

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets		
Focused on customers	Employability and Talent	<ul style="list-style-type: none"> • Improve positive outcomes and participation rates for school leavers and young people • Secure employment or progression opportunities for unemployed and low waged people • Secure employment or progression opportunities for those with disadvantages to accessing, sustaining or progressing in work • Deliver an integrated and tailored employability and skills development service for job seekers and the low waged • Deliver targeted employability support for regeneration areas • Improve opportunities for vulnerable individuals in Edinburgh to overcome barriers to work, learning and future career prospects 	<ul style="list-style-type: none"> • % of positive School leavers who enter positive destinations • Number of unemployed people assisted into work or learning • Number of unemployed or low waged clients who enter employment at or above the Living Wage level 	<ul style="list-style-type: none"> • Achieve total target budget savings for City Strategy and Economy of £2.1 million by 2019/20 		
		Integrated Council	ICT and Digital		<ul style="list-style-type: none"> • Provide 60 ICT apprenticeships and 200 new jobs through the new ICT contract • Provide ICT training for the unemployed 	<ul style="list-style-type: none"> • Number of apprenticeships and training places provided
			Employability and Talent		<ul style="list-style-type: none"> • Collaborate with businesses to share knowledge to develop a strong and inclusive labour market • Improve the impact and value for money of our programmes by using our partnerships and co-production approaches 	<ul style="list-style-type: none"> • Number of businesses engaged with employability programmes

Our priorities

Ensure economic vitality

A creative cultural capital

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Integrated Council	Culture	<p>Edinburgh continues to be a leading cultural city whose thriving festivals and cultural, sporting and celebratory events help to make it a great place to live and visit</p> <ul style="list-style-type: none"> • Increase awareness of and access to the city's cultural assets • Enhance Edinburgh's international recognition from working world-leading cultural cities • Maximise income from culture programmes (including revenue, sponsorship, donations, and partner funding) • Create a city-wide Culture Task Group • Continue to support Edinburgh's 12 major Festivals • Complete Castle Mill Works redevelopment in Fountainbridge by 2018 • Complete the Old City Observatory partnership project on Calton Hill by 2017 • Work with partners to deliver proposals for the cultural and events contribution scheme 	<ul style="list-style-type: none"> • Attendance figures for festivals • Visits to museums and galleries • Participation in cultural activity • Visitor figures for Castle Mill Works and Old City Observatory • Cultural, social and economic impact of Festivals • Level of income collected 	<ul style="list-style-type: none"> • Achieve target budget savings for Culture services of £1.9 million by 2019/20

Our priorities

Ensure economic vitality

A vibrant and sustainable local economy

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Sustainable Capital City	City Leverage	<p>Realise the benefits of Edinburgh’s Sustainable Energy Action Plan (SEAP):</p> <ul style="list-style-type: none"> Edinburgh’s first district heating schemes are online by 2018 Bio-quarter district heating scheme is operational by 2020 Replacement of all street lights with energy efficient lighting by 2019 Increase engagement between city businesses and communities 	<ul style="list-style-type: none"> % of street lighting replaced with energy efficient lights Number of companies engaged with “onecity business responsible” events or business networks. 	<ul style="list-style-type: none"> Achieve total target budget savings for City Strategy and Economy of £2.1 million by 2019/20
	Enterprise and Innovation	<ul style="list-style-type: none"> Create a digitally literate and connected Smart city that encourages better use of digital technology and broadband to support innovation. Support companies to produce IT strategies and deliver the connected capital broadband voucher scheme. 	<ul style="list-style-type: none"> Number of companies supported to produce IT strategies Number of connected Capital broadband scheme vouchers issued 	
	Investment	<ul style="list-style-type: none"> Deliver a more pedestrian friendly environment within the city centre Enhance regeneration of Edinburgh’s eight town centres 	<ul style="list-style-type: none"> Pedestrian traffic flows Number of BID in the city 	

Our priorities

Build excellent places

An attractive city

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Focused on Customers	Environment	<p>Edinburgh's streets and open spaces are clean and free of litter and graffiti.</p> <p>We reduce the local environmental impact of our consumption and production:</p> <ul style="list-style-type: none"> • Maintain high quality green spaces and ensure streets are clean • Maximise recycling • Reduce waste to landfill 	<ul style="list-style-type: none"> • Street cleanliness index • Parks quality assessment • Recycling rate • Waste to landfill volume • Satisfaction with recycling, street cleaning, parks & greenspaces and waste collection services (EPS) 	<ul style="list-style-type: none"> • Achieve target budget savings for Environment services of £4.4 million by 2019/20
		<p>Edinburgh is a safe and protected city for residents, visitors, and businesses. Environmental health and scientific services work to:</p> <ul style="list-style-type: none"> • Provide appropriate regulation • Conduct a programme of risk-based Hygiene inspections 	<ul style="list-style-type: none"> • % of high risk food and health & safety inspections completed within target 	<ul style="list-style-type: none"> • Achieve target budget savings for Environment services of £0.6 million by 2019/20
Focused on Customers	Housing and regulatory services	<p>Edinburgh is a safe and protected city for residents, visitors, and businesses. Trading standards and licensing services work to:</p> <ul style="list-style-type: none"> • Provide appropriate regulation • Promote and encourage safe practices 	<ul style="list-style-type: none"> • % of licence applications progressed to timescale • % of trading standards consumer complaints / business advice requests completed on time 	<ul style="list-style-type: none"> • Achieve target budget savings for licensing services of £0.3 million by 2019/20
Sustainable Capital City	Planning and Transport	<p>Edinburgh's infrastructure and public realm is well maintained:</p> <ul style="list-style-type: none"> • Deliver flood risk management plan • Deliver local transport policies through a system of prioritisation 	<ul style="list-style-type: none"> • Flood prevention budget • No. gully inspections • Road condition index • Road defects repair rate • Capital receipts generated 	<ul style="list-style-type: none"> • Achieve target budget savings for Planning and Transport services of £0.5 million by 2019/20

Our priorities

Build excellent places

An accessible, connected city

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Sustainable Capital City	Planning and Transport	<p>Edinburgh has a transport system that improves connectivity and is green, healthy, accessible and safe to use:</p> <ul style="list-style-type: none"> • Permanent change to George Street traffic arrangements • Roll-out of 20mph zones across Edinburgh • Complete the Roseburn to Leith Walk cycle link • Merging of tram team into Travel & Transport Team • Complete review of Transport Service 	<ul style="list-style-type: none"> • No. road accidents • Customer satisfaction with public transport • % of cyclists who feel safe using roads 	<ul style="list-style-type: none"> • Achieve target budget savings for Planning and Transport services of £10.2 million by 2019/20
	ICT and Digital	<ul style="list-style-type: none"> • Roll out the dark fibre network across the city • Provide city centre wifi • Deliver an enhanced people network of library computers and wifi • Provide 17,000 recycled devices into the community 	<ul style="list-style-type: none"> • % of library computers enhanced • Coverage of city with access to free public wifi • Access to networks and services • Number of recycled devices provided 	<ul style="list-style-type: none"> • Achieve target budget savings for ICT and Digital services of £0.8 million by 2019/20

Our priorities

Build excellent places

A range of quality housing options

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Empowered communities	Housing and Regulatory Services	<p>People live in a good quality home that is affordable and meets their needs in a well-managed Neighbourhood:</p> <ul style="list-style-type: none"> • Increase the Council's house building programme from 3,000 to 8,000 new homes over 10 years • Work with government, RSLs and developers to deliver more affordable homes citywide • Invest in regenerating communities across the city through housing led regeneration programmes • Support community benefits/creation of employment opportunities through regeneration programmes 	<ul style="list-style-type: none"> • Affordable homes approved • Affordable homes completed • Community benefit opportunities delivered 	<ul style="list-style-type: none"> • Achieve target budget savings for Housing and Regulatory services of £1.4 million by 2019/20
	Housing and Regulatory Services	<p>Council homes are high quality and there are high levels of satisfaction with services, homes and neighbourhoods:</p> <ul style="list-style-type: none"> • Focus Housing Revenue Account investment on reducing the cost of living for Council tenants • Deliver tenant investment priorities • Ensure value for money for Council tenants • Ensure all Council homes meet the Energy Efficiency Standard for Social Housing by 2020 	<ul style="list-style-type: none"> • Satisfaction with service • Satisfaction with repairs • Satisfaction with home • Satisfaction with neighbourhood • % of repairs completed on time • % of Council homes which meet quality standards • % Council homes which meet Energy Efficiency Standard 	

Our priorities

Build excellent places

A built and natural environment to match our ambition

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Sustainable Capital City	Environment	<p>Reduce the local environmental impact of our consumption and production:</p> <ul style="list-style-type: none"> • Deliver a new high capacity anaerobic digestion facility at Zero Waste Parc by 2017 • Deliver the Millerhill Residual Waste Processing Facility by 2019 	<ul style="list-style-type: none"> • Volume of Waste recycled • Volume of Food waste recycled • Volume of Waste sent to landfill 	<ul style="list-style-type: none"> • Support the delivery of Environment service savings targets
	Planning and Transport	<p>Planning and transport services deliver:</p> <ul style="list-style-type: none"> • A proactive planning and place making service • Enhance the built environment • Fit for the future transport and traffic infrastructure • Replacement of all street lights with energy efficient lighting complete by 2019 	<ul style="list-style-type: none"> • Major, householder and non-householder planning applications completed within target timescale • Resident satisfaction with the quality of new buildings • Green flag parks • Coverage of energy efficient street lights 	<ul style="list-style-type: none"> • Achieve target budget savings for Planning and Transport of £1.1 million by 2019/20

The City of Edinburgh Council

Council Business Plan 2016-20 – Implementation Plan

Our priorities

Deliver lean and agile Council services

Focused on customers

We are a Council in which services built around the priorities of our customers, protecting the needs of our most vulnerable customers

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Focused on Customers	Citizens and Locality Services	<ul style="list-style-type: none"> Deliver a new Council operating model delivers better customer outcomes and an improved citizen experience 	<ul style="list-style-type: none"> Customer satisfaction rate Community engagement rate 	<ul style="list-style-type: none"> Deliver citizens and locality services budget targets
	Strategy and Insight	<ul style="list-style-type: none"> Deliver a customer insight programme which drives enhanced customer experience and satisfaction Deliver customer consultation and engagement programmes to inform service design and budget decisions 	<ul style="list-style-type: none"> Customer complaints Customer satisfaction and engagement rates Participation in consultation and engagement activities 	<ul style="list-style-type: none"> Achieve target budget savings for Strategy and Insight services of £2.5 million by 2019/20
	Customer Services	<ul style="list-style-type: none"> Deliver a consolidated approach to customer services which improves service quality and responsiveness Provide effective alternate service delivery channels and encourage customers to move to the most suitable and sustainable channel for their needs 	<ul style="list-style-type: none"> Customer satisfaction rate Customer complaints Volume of active citizen accounts Volume of online transactions 	<ul style="list-style-type: none"> Achieve target budget savings for Customer services of £14.0 million by 2019/20
	Communications	<ul style="list-style-type: none"> Improve the consistency, quality and tone of our customer communications Deliver a communications service working in collaboration with partners and resources realigned around new channels 	<ul style="list-style-type: none"> Customer satisfaction rate Community engagement rate 	<ul style="list-style-type: none"> Achieve target budget savings for Communications services of £0.4 million by 2019/20

Focused on customers

We are a Council in which services built around the priorities of our customers, protecting the needs of our most vulnerable customers

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Focused on Customers	ICT and Digital	<ul style="list-style-type: none"> • Drive a digitally literate and connected city • Improve the people's network of computers and wifi • Deliver ICT systems which support improved customer satisfaction and provide reliable insight and analysis of our customers' experience • Automatically advise customer on progress of requests • Proactively alert customers to other services • Connect to other government services for improved customer experience • Deliver a new Council website, improving experience and analysis tools 	<ul style="list-style-type: none"> • Volume of active citizen accounts • Customer satisfaction with ease of access to information 	<ul style="list-style-type: none"> • Achieve target budget savings for ICT and Digital services of £0.8 million by 2019/20

Our priorities

Deliver lean and agile Council services

Integrated Council

We are a Council of joined up services working together effectively with our partners

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Integrated Council	Health and Social Care Integrated Joint Board	<ul style="list-style-type: none"> Deliver an Integrated Joint board which takes full responsibility for all health and social care delegated functions and associated budgets Ensure our integrated health and social care model improves the experience and quality of services for people using those services, carers and their families 	<ul style="list-style-type: none"> IJB board established Deliver improved Quality of Life outcome measures 	<ul style="list-style-type: none"> Achieve target budget savings for Health and Social Care services of £32.2 million by 2019/20
	Transformation programme: Citizens and Locality Services	<ul style="list-style-type: none"> Deliver a new Council operating model which improves partnership working, including integrated HSC and Children's Services Deliver a new Council operating model which includes locally integrated and co-located service teams Deliver organisational structures which support lean service delivery and high performance working 	<ul style="list-style-type: none"> New operating model delivered Customer satisfaction Community engagement Employee engagement 	<ul style="list-style-type: none"> Achieve target budget savings for Citizens and Locality services of £46.1 million by 2018/19
	Transformation programme: Business and Support Services	<ul style="list-style-type: none"> Deliver a new model for business support services to provide an integrated, consolidated and smarter approach, driving out duplication and delivering a strong client and customer focus. 	<ul style="list-style-type: none"> New operating model delivered Employee Satisfaction Budget savings realised 	<ul style="list-style-type: none"> Achieve target budget savings for Business Support services of £21.3 million by 2018/19
	Transformation programme: Third Party Payments	<ul style="list-style-type: none"> Deliver a new grants and contracts programme provides a route towards co-production of service outputs, outcomes and investment Deliver Targeted third party payments budget savings to timescale 	<ul style="list-style-type: none"> New programme delivered Budget savings realised 	<ul style="list-style-type: none"> Achieve target budget savings for Third Party Payments of at least £4.4 million by 2019/20
	ICT and Digital	<ul style="list-style-type: none"> Champion the delivery of new ICT partnership and new systems to improve quality of information and efficiency across all Council services. Reducing complexity, provision of integrated information, making it easier for staff to collaborate and interact with communications and staff briefings. 	<ul style="list-style-type: none"> Customer and employee satisfaction with ICT Improved data quality 	<ul style="list-style-type: none"> Achieve target budget savings for ICT and Digital services of £0.8 million by 2019/20

Our priorities

Deliver lean and agile Council services

Empowered Communities

We are a Council which engages and enables community led service delivery and design

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Empowered Communities	Transformation programme: Citizens and Locality Services	<ul style="list-style-type: none"> • Deliver a new locality based operating model which empowers our citizens and improves partnership working • Deliver partnership locality leadership teams and an enhanced role for neighbourhood partnerships • Deliver improved approaches to co-production and to community asset transfer • Deliver improved engagement with community participation requests and improved approaches to participatory budgeting • Develop Locality Improvement Plans linked to Local Community Plans • Enable flexible, empowered and devolved decision making 	<ul style="list-style-type: none"> • Customer satisfaction rate • Community engagement rate • Participation in consultation and engagement activities 	<ul style="list-style-type: none"> • Achieve target budget savings for Citizens and Locality services of £46.1 million by 2018/19
	Strategy and Insight	<ul style="list-style-type: none"> • Deliver customer consultation and engagement programmes to drive increased local participation in service design, budget decisions and local democracy • Deliver further open data datasets and hackathons to ensure customers have access to the information they want, in a format they require 	<ul style="list-style-type: none"> • Customer satisfaction rate • Community engagement rate • Participation in consultation and engagement activities 	<ul style="list-style-type: none"> • Achieve target budget savings for Strategy and insight services of £2.5 million by 2019/20

Our priorities

Deliver lean and agile Council services

Sustainable Capital City

We are a low carbon, resource efficient Council, supporting resilient and sustainable communities in the rich natural setting of our city

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Sustainable Capital City	Strategy and Insight	<ul style="list-style-type: none"> Deliver sustainability and governance framework for the city Ensure that compliance with Public Bodies Duties is embedded across all Council services Ensure the Council participates effectively in the Edinburgh Sustainable Development Partnership (ESDP) 	<ul style="list-style-type: none"> No. of Sustainability, Adaptation, and Mitigation (SAM) tool records completed Council contribution to ESDP annual work programme delivered to timescales 	<ul style="list-style-type: none"> Support delivery of Strategy and Insight savings targets
	City Leverage	<ul style="list-style-type: none"> Implement Edinburgh's sustainable Energy Action Plan (SEAP) 	<ul style="list-style-type: none"> SEAP Programme and outcomes delivered to timescales 	<ul style="list-style-type: none"> Support delivery of City Leverage savings targets
	Finance	<p>Our approach to sustainable procurement ensures that:</p> <ul style="list-style-type: none"> Sustainable procurement policies are embedded across the Council. The social, economic and environmental benefits from our procurement are maximised and environmental impacts minimised Edinburgh has a more sustainable supply chain 	<ul style="list-style-type: none"> Community and Commercial benefits of procurement No. of businesses supported / engaged PCIP assessment undertaken % spend with contracted suppliers / no. of active suppliers 	<ul style="list-style-type: none"> Support delivery of Finance savings targets
	ICT and Digital	<ul style="list-style-type: none"> Drive a digitally literate and connected city Deliver people's network of computers and wifi and 17,000 recycled devices communities 	<ul style="list-style-type: none"> Network accessibility No. Devices provided 	<ul style="list-style-type: none"> Support delivery of ICT and Digital savings targets

Sustainable Capital City

We are a low carbon, resource efficient Council, supporting resilient and sustainable communities in the rich natural setting of our city

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Sustainable Capital City	Housing and regulatory services	<ul style="list-style-type: none"> Ensure all Council homes meet the Energy Efficiency Standard for Social Housing by 2020 	<ul style="list-style-type: none"> % homes which meet standard 	<ul style="list-style-type: none"> Support delivery of Housing and Regulatory services savings targets
	Environment Services	<p>We reduce the local environmental impact of our consumption and production</p> <ul style="list-style-type: none"> Development of a new high capacity anaerobic digestion facility at Zero Waste Parc by 2017 Development of the Millerhill Residual Waste Processing Facility by 2019 	<ul style="list-style-type: none"> Waste recycled Food waste recycled Waste sent to landfill 	<ul style="list-style-type: none"> Support delivery of Environment services savings targets
	Planning and Transport	<ul style="list-style-type: none"> Edinburgh has a transport system that is green, healthy, accessible and safe to use Replacement of all street lights with energy efficient lighting complete by 2019 	<ul style="list-style-type: none"> Traffic delays Reduced road accidents Completion of tram route Customer Satisfaction Coverage of street lights that are energy efficient 	<ul style="list-style-type: none"> Support delivery of Planning and Transport savings targets

Our priorities

Deliver lean and agile Council services

Value for Money

We are a Council which makes best use of its assets, resources and facilities

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Value for Money	Finance	<ul style="list-style-type: none"> • Embed commercial excellence throughout the organisation, ensuring that our services always deliver Best Value • Deliver leading commercial, procurement & commissioning practices • Strengthen and improve the Council's governance and processes for procurement and end-to-end contract management • Delivering ICT systems which provide a marketplace for buyers to purchase best price solutions • Deliver a balanced Council budget and achieve savings • Maximise investment return and reduce cost of borrowing • Improve management of financial risks and controls • Deliver new ICT systems which consolidate financial information into a single view, including further controls 	<ul style="list-style-type: none"> • % of residents who feel the Council provides value for money • Projected procurement revenue savings • PCIP assessment • % spend with contracted suppliers • % spend with corresponding PO • Projected budget outturn • % return of cash deposits • % reduction in borrowing costs • % Rate of return on surplus funds • Total revenue income • Financial Risk register 	<ul style="list-style-type: none"> • Achieve target budget savings for Finance of £15.8 million by 2019/20
	Customer	<ul style="list-style-type: none"> • Increase Council tax collection rates • Improve management of Council tax fraud • Improve business rates collection rates 	<ul style="list-style-type: none"> • Proportion of Council Tax Collected • Business Rates Collected 	<ul style="list-style-type: none"> • Achieve target budget savings for Customer services of £0.7 million by 2019/20

Value for Money

We are a Council which makes best use of its assets, resources and facilities

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Value for Money	Property	<ul style="list-style-type: none"> Rationalise our estate to deliver a low cost, fit for purpose and safe property portfolio Improve our investment portfolio to deliver more financial benefits for the Council Improve facilities management functions Improve asset condition management to address health and safety risks associated with the Council's operational estate 	<ul style="list-style-type: none"> % buildings meeting req. standards % of assets obtaining market rent % buildings meeting req. standards 	<ul style="list-style-type: none"> Achieve target budget savings for Property services of £6.6 million by 2019/20
	Legal and Risk	<ul style="list-style-type: none"> Deliver an effective internal controls framework, embedding strengthened risk management and high quality audit services Embed strengthened risk management enterprise wide and in localities 	<ul style="list-style-type: none"> No. recommended audit actions for critical and high risk issues overdue % of identified risks within acceptable tolerance Mandatory training for staff completed 	<ul style="list-style-type: none"> Achieve target budget savings for Legal and Risk of £1.0 million by 2019/20
	Communities and Families – All services	Deliver target budget savings for Communities and Families directorate, including: <ul style="list-style-type: none"> Transformation programme savings Management and workforce savings targets across all divisions, Third party payments savings across all divisions 	<ul style="list-style-type: none"> Delivery of target budget savings 	<ul style="list-style-type: none"> Achieve target all division savings for Communities and Families of £27.2 million by 2019/20
	Place – All services	Deliver target budget savings for Place directorate, including: <ul style="list-style-type: none"> Transformation programme savings Management and workforce savings targets across all divisions, Third party payments savings across all divisions 	<ul style="list-style-type: none"> Delivery of target budget savings 	<ul style="list-style-type: none"> Achieve target all division savings for Place of £23.1 million by 2019/20
	City Strategy and Economy – All services	Deliver target budget savings for City Strategy and Economy directorate, including: <ul style="list-style-type: none"> Transformation programme savings Management and workforce savings targets across all divisions, Third party payments savings across all divisions 	<ul style="list-style-type: none"> Delivery of target budget savings 	<ul style="list-style-type: none"> Achieve target all division savings for City Strategy and Economy of £4.0 million by 2019/20

Value for Money

We are a Council which makes best use of its assets, resources and facilities

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
Value for Money	Health and Social Care – All services	Deliver target budget savings for Health and Social Care services, including: <ul style="list-style-type: none"> • Transformation programme savings • Management and workforce savings targets across all divisions, • Third party payments savings across all divisions 	<ul style="list-style-type: none"> • Delivery of target budget savings 	<ul style="list-style-type: none"> • Achieve target all division savings for Health and Social Care of £32.2 million by 2019/20
	Resources – All services	Deliver target budget savings for Resources directorate, including: <ul style="list-style-type: none"> • Transformation programme savings • Management and workforce savings targets across all divisions, • Third party payments savings across all divisions 	<ul style="list-style-type: none"> • Delivery of target budget savings 	<ul style="list-style-type: none"> • Achieve target all division savings for Resources of £44.4 million by 2019/20
	Chief Executive – All services	Deliver target budget savings for Chief Executive directorate, including: <ul style="list-style-type: none"> • Strategy and Insight savings • Communications savings, and • ICT and digital services savings 	<ul style="list-style-type: none"> • Delivery of target budget savings 	<ul style="list-style-type: none"> • Achieve target all division savings for Chief Executive directorate of £3.7 million by 2019/20

Our priorities

Deliver lean and agile Council services

High Performing Workforce

We are a Council where services are delivered by a high performing, engaged and empowered workforce

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
High Performing Workforce	Human Resources	<p>Building a lean and agile workforce</p> <ul style="list-style-type: none"> Ensure that the Council has the workforce required to deliver its business strategy and vision Facilitate a cost effective and timely reduction of the Council's workforce Develop a career transition service and internal redeployment scheme to support employees Embed key workforce controls in the business in order to drive efficiencies Develop a Council-wide strategy to attract, select and appoint talented people 	<ul style="list-style-type: none"> FTE Count / Salary bill Overtime / Agency expenditure Sickness absence rate Voluntary Early Release/ Voluntary Redundancy number & cost % of key roles vacant for 3+ months 	<ul style="list-style-type: none"> Achieve target budget savings from Human Resources of £0.5million by 2019/20 Support the delivery of agency and overtime expenditure savings across all Council services of £5.8m by 2019/20
		<p>Develop a skilled and talented workforce</p> <ul style="list-style-type: none"> Identify and develop the skills and ways of working on which the Council transformation's success will depend Develop an improved induction and mandatory training framework for new staff Provide a coherent, cost-effective Learning and Development offer for staff Manage and develop talent and succession plans across all services Support the focused management of staff performance Create a framework for leadership that gives clarity to the responsibilities and focus required from all levels of leaders in driving performance Develop a strategy for reward and recognition that motivates, recognises high performance Support transformation goals by providing data and insight in support of change 	<ul style="list-style-type: none"> PRD Completion rates Staff with objectives and development priorities in place Mandatory training completion Staff having below standard performance managed Grievances & disciplinary actions % staff who feel involved in changes % staff who are confident council can deliver change 	

High Performing Workforce

We are a Council where services are delivered by a high performing, engaged and empowered workforce

Principle	Service lead	Outcome / Objective	Measure of Outcome	Value for Money Budget savings targets
High Performing Workforce	Human Resources	<p>Delivering a joined up and simple HR service</p> <ul style="list-style-type: none">• Ensure our contractual arrangements support the creation of a lean and agile Council,• Ensure our HR process help support our culture and values, and act as an effective enabler for new Council operating models• Ensure our key HR processes are simple and easy to engage with	<ul style="list-style-type: none">• Time to recruit• Satisfaction with recruitment• % on-time contract issue• On-time / accurate pay	<ul style="list-style-type: none">• Achieve target budget savings from Human Resources of £0.5 million by 2019/20

Appendix 1 – Financial Plan

Introduction

The purpose of this financial plan is to set out the Council’s approach to meeting its savings requirements over the period to 2019/20. The plan provides a detailed overview of financial savings plans to be delivered by Council services and describes the changes we need to make in order to deliver a balanced budget.

These savings and changes are made within the strategic context set out in the Council Business Plan and are underpinned by the six future service principles described in that plan.

Strategic context and budget challenge

The Council Business Plan sets out the strategic direction for the Council over the next four years and a series of actions we need to take in order to meet our objectives. The plan describes a vision for the city and identifies four strategic themes to guide the work of all Council services.

A core driver behind the plan is the recognition that the Council needs to reduce its budget while still meeting the needs of customers. Towards this, the plan is geared towards building a lean and agile organisation, centred on customers, services and communities, and underpinned by significant investment to deliver both service benefits and financial savings. Sound financial management forms a key foundation of the plan. This financial plan therefore focuses not only on the development of options to address the overall funding gap but also on tracking subsequent delivery of the related financial savings and other service impacts.

Council Strategic vision and purpose

Vision for our city

Edinburgh is a thriving, sustainable capital city in which all forms of deprivation and inequality are reduced

To deliver this vision, Council services focus their work around the following strategic themes

Improve quality of life

Ensure economic vitality

Build excellent places

Deliver lean and agile Council services

Budget challenge

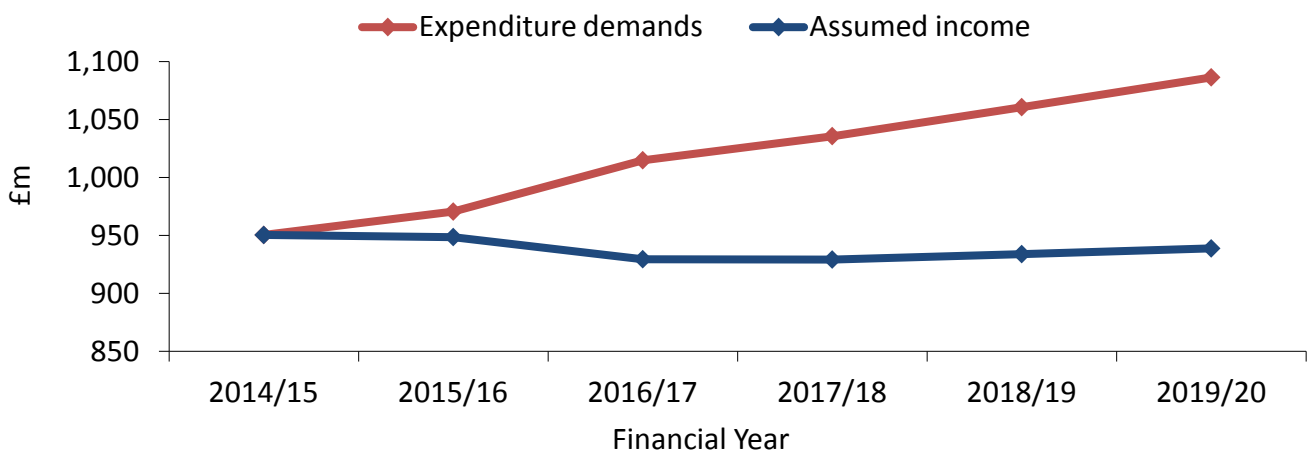
While delivering the Council's vision, the Business Plan recognises that the Council continues to operate in a challenging environment, with increasing demand for services at a time of on-going financial constraint. In January 2016, a budget framework update to the Finance and Resources Committee reported an overall requirement to identify and deliver at least £148 million of recurring annual savings by 2019/20. This savings requirement reflects increased expenditure pressures resulting from three main factors:

- **Demographic and wider societal changes**, in particular growing numbers of school pupils, at-risk children, older people and those with physical and/or learning disabilities. Over the period from 2015/16 to 2019/20, these factors are anticipated to increase the Council's annual expenditure requirement by almost £50m
- **The effects of inflation** on the Council's direct and indirect expenditure, amounting to over £12m in 2016/17 alone, and
- **Additional direct or indirect costs arising from legislative change**, particularly as a result of welfare and pensions reform. Changes in National Insurance rates from April 2016 will add almost £10m to the Council's employee costs in 2016/17.

Underlying demand-led pressures are also apparent, in particular, within Health and Social Care. The budget framework therefore provides additional investment, funded through the identification of further savings in other services, in this area. This will provide greater stability as these services are integrated with complementary services provided by NHS Lothian in April 2016. At the same time, the proposals within the framework support the move from institutionalised to home-based settings, promoting independence whilst delivering financial saving enabling reinvestment within the service.

In contrast to steady increases in demand, levels of grant funding are anticipated to stay more or less unchanged over the next four years, with Council Tax levels currently also frozen under an agreement with the Scottish Government. This has resulted in an increasing gap between anticipated expenditure and income as summarised below:

Estimated expenditure requirement and available funding, 2014/15 to 2019/20



Given this backdrop, the Council’s approach to managing its finances has the following elements at its core:

- Maximising investment in those frontline services reflecting the priorities of the citizens of Edinburgh;
- Investing, wherever practicable, in preventative activity and “right first time” principles;
- Maximising income, whilst keeping charges affordable through taking appropriate account of service users’ ability to pay;
- Maintaining earmarked and unallocated reserves at a level consistent with the risks and liabilities to which the Council is exposed whilst providing for investment in technology and/or service transformation to release staffing efficiencies; and
- Undertaking additional borrowing only insofar as this is prudent, affordable and sustainable.

Future Service Principles

Building on this approach, in order to make sure these proposed savings can be achieved without compromising the Council vision and purpose described above it is important that services work together around a shared set of guiding principles which describe a common approach to redesigning and refocusing the way the Council delivers its services.

The budget savings plans set out in this framework are built around the following six future service principles:



- **Focused on Customers** – The savings plans set out here describe a redesign of Council services built around the priorities of our customers with budget decisions made to protecting the needs of our most vulnerable customers. These plans achieve savings by recognising areas where demand for a service is changing or where new approaches to delivery can provide

improved efficiency alongside positive outcomes for customers. These plans also reflect a commitment to preventative approaches and early intervention services.

- **An Integrated Council** – A common theme across all service areas are plans which achieve savings by bringing together separate service delivery teams and partners around a common geography or shared objectives. These plans achieve savings by finding more efficient ways to manage service delivery while providing a more streamlined, integrated service for customers.
- **Empowering communities** - All service areas put forward plans which involve an evolution of the Council operating model towards increased use of outreach services, community-based and community-led service provision. These plans aim to achieve savings by focusing Council resources towards provision of core services and supporting the development of new co-operative or social enterprise models of service provision led by our communities.
- **A Sustainable Capital City** – We need to be a lean and resourceful council that creates and supports sustainable communities across our City. This plan includes actions to delivery this, including a number of innovative approaches to change the way we provide services in a more sustainable manner. Examples include plans to achieve a 20 per cent reduction in the energy we use in our buildings by 2020.
- **Value for Money** – This package contains a number of plans which achieve savings by making better use of Council assets and facilities. These include actions to identify assets and facilities which are operating below efficient capacity and which will reconfigure service provision to improve efficiency while maintaining customer outcomes.
- **High Performing Workforce** – This plan contains actions to help us deliver a Council where services are delivered by an engaged and empowered, high performing workforce. These actions aim to deliver a cost effective and timely reduction of the Council’s workforce while ensuring that the Council retains and develops the skills and talent required to deliver its vision.

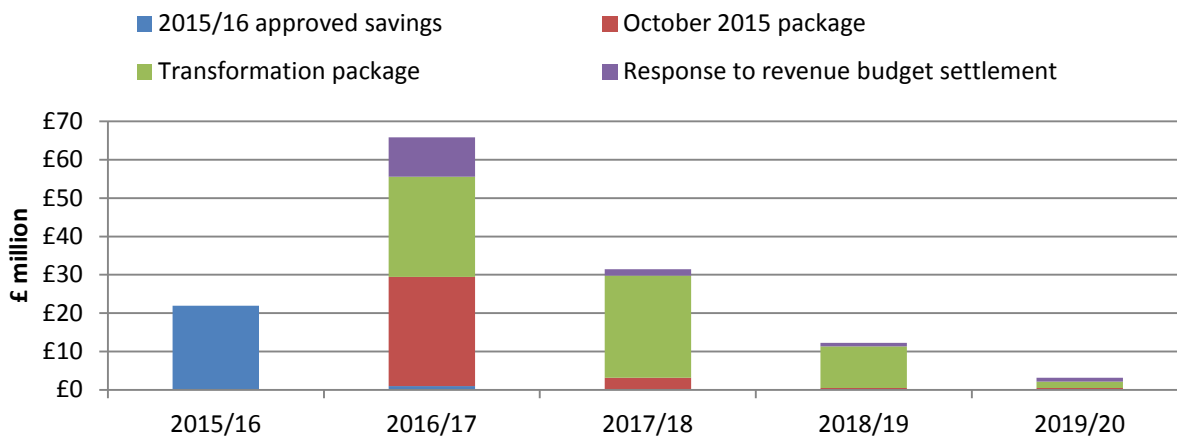
Meeting our savings requirements

In order to meet our overall savings requirement, this financial plan includes:

- **£22.9 million** of savings delivered as a result of packages included in the Council’s 2015/16 budget
- **£32.5 million** of targeted savings identified in service prioritisation actions identified in October 2015,
- **£65.3 million package** of targeted savings to be met through the Council Transformation Programme, and
- An additional, **£13.9 million** of targeted savings and budget adjustments developed in **response to the 2016/17 Local Government Finance Settlement** for the Council.

This paper provides details of specific budget savings plans from each Council service area to meet the targets above. Overall, the plans set out within this document have the potential to provide total net cumulative savings of up to £134 million over the period as set out below, with further packages yet to be identified in later years to meet the total requirement identified above. Some 65% of all planned savings are planned to be achieved by the end of 2016/17.

Total planned savings per annum (incremental) 2015/16-2019/20

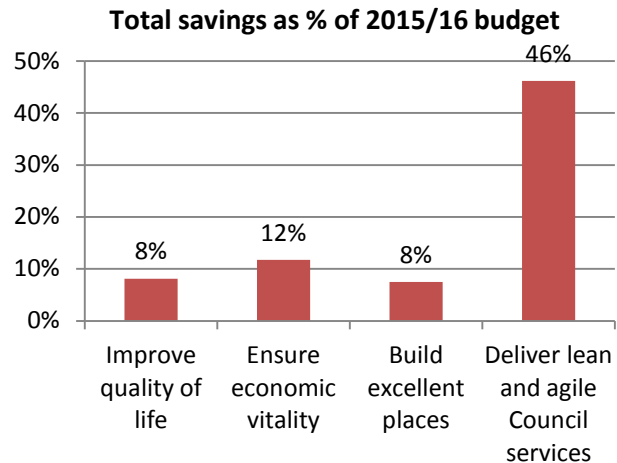
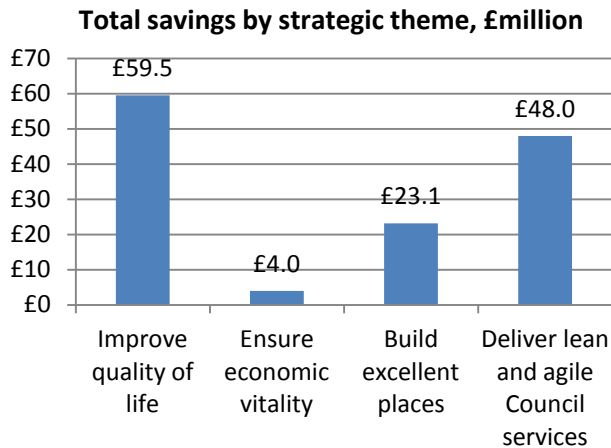


Savings plans cover all areas of the Council and all service types. Overall, of the savings plans included here:

- £59.5m relate to budget savings made in service focused towards the strategic theme **Improve Quality of Life**. These savings include budget changes for children’s services, schools and lifelong learning, health and social care and public protection services and account for **8%** of total 2015/16 spending in these areas.
- £4.0m relate to budget savings made in services focused towards the strategic theme **Ensure Economic Vitality**. These savings include budget changes for culture, economic development and city strategy services and account for **12%** of total 2015/16 spending in these areas.
- £23.1m relate to budget savings made in services focused towards the strategic theme **Build Excellent Places**. These savings include budget changes for transport, housing and environmental services and account for **8%** of total 2015/16 spending in these areas
- £48.0m relate to budget savings made in services focused to **Delivering a lean and agile Council**. These savings include budget changes for business support services including finance, strategy, HR, customer services, committee and member services, and account for **46%** of total 2015/16 spending on these functions.¹

¹ These data also include some additional income and savings around overtime, agency and consultant expenditure which cut across all strategic themes and service areas

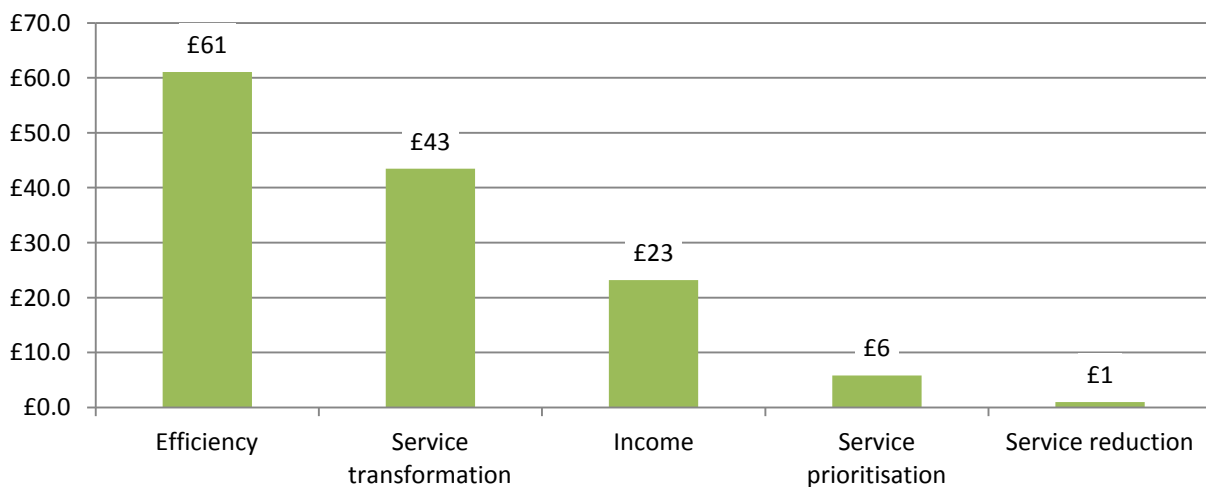
Total savings from budget plans, by strategic theme



These savings are achieved by a combination of five approaches:

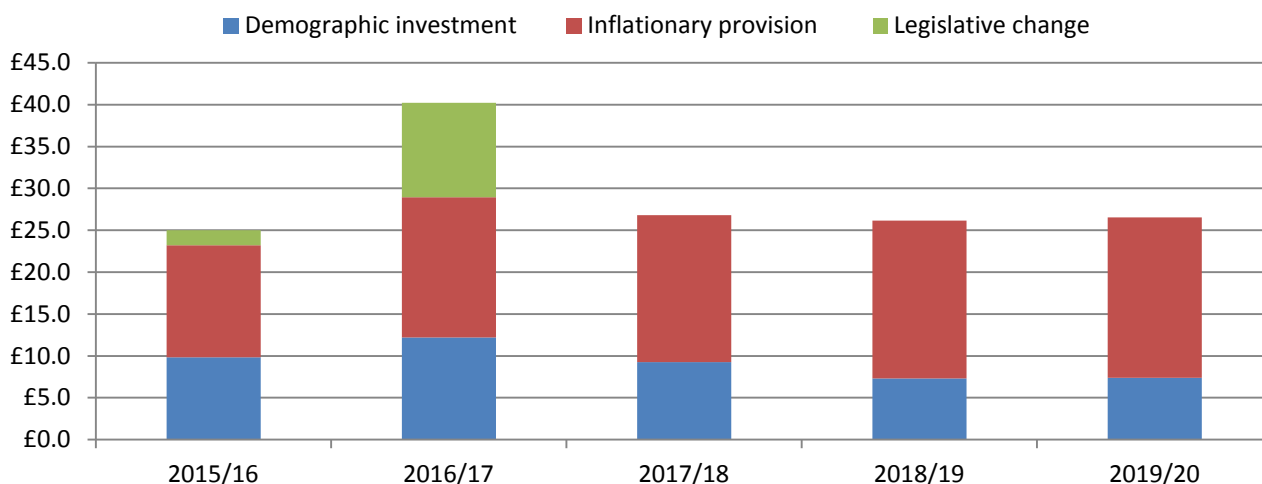
- **Efficiency** – savings made by making better use of resources within an existing service model. efficiency savings account for £61m of the savings included in this plan.
- **Transformation** – savings made by redesigning or refocusing a service delivery model. Transformational savings account for £43m of the savings included in this plan.
- **Service Prioritisation** – savings made by reducing some activities in order to protect investment in priority areas. Service prioritisation savings account for £6m of the savings included in this plan
- **Service Reduction** – savings made by stopping some activities in order to protect investment in priority areas. Service Reduction savings account for £1m of the savings included in this plan
- **Income** – net savings made by maximising income received from service customers. Income raising proposals account for £23m of the savings included in this plan

Total savings from budget plans, by savings type, 2016/17 – 2019/20



These savings are critical to allow the Council to meet its savings gap and continue to invest in services. Over the period to 2019/20 the pressures described above, from demographic changes, inflation and legislative changes, require an additional investment of £144m. The savings packages described in this plan are essential to allowing the Council to make this investment.

Investment requirements, 2015/16-2019/20



In spite of these required savings, coming on top of more than £250m delivered since 2006/07, the Council’s revenue budget remains substantial. Within the total approved budget of £975m in 2015/16, £811m is spent on a diverse range of services for our citizens and customers, with the balance used to meet borrowing costs associated with the Council’s vital capital investment programme, payments due under the Council Tax Reduction Scheme (formerly Council Tax Benefit) and other necessary corporate expenditure.

Over the next few years, the levels of income expected to be received by the Council from all sources therefore continue to represent an opportunity to invest in the priorities of our citizens and meet the vision for our city set out in the Council Business Plan. There remains, nonetheless, a need to identify corresponding savings through service transformation, prioritisation and more focused investment in preventative activity to maximise the level of resources available for these priorities.

The following pages provide an overview of the actions developed by service areas to address this challenge. A full list of all savings plans and packages is provided at the end of this document.

Communities and Families

Budget savings plans

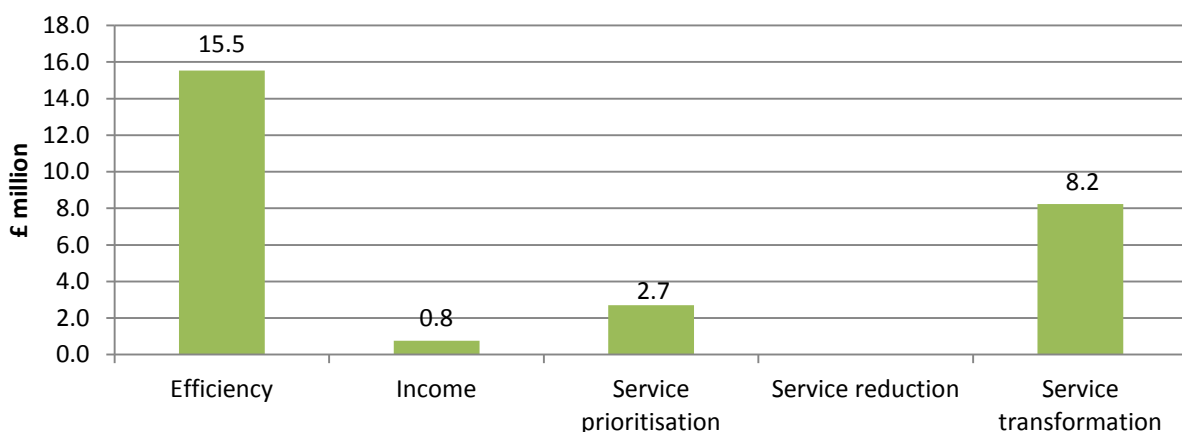
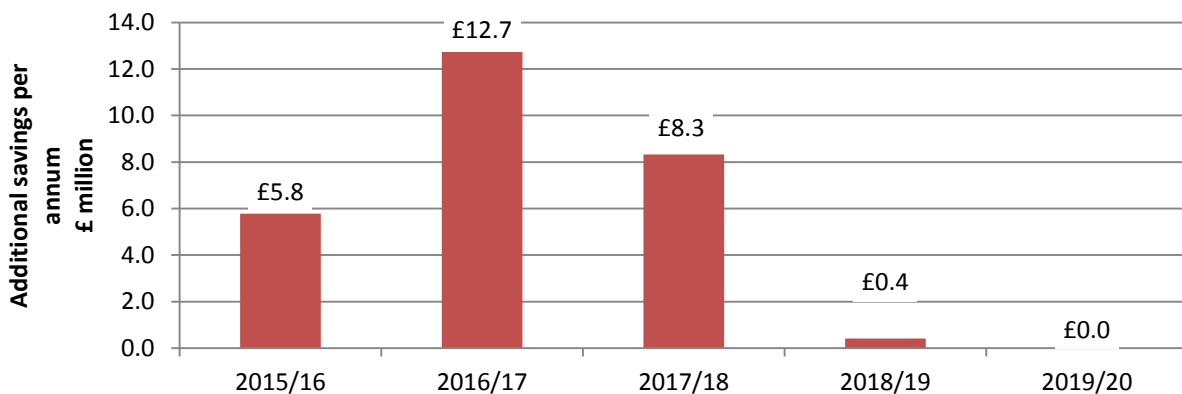
Strategic context and overview

Budget savings plans put forward from Communities and Families (which for the purposes of this analysis includes Public Protection services) mainly relate to services focused towards delivering two of the strategic themes outlined in the Council Business Plan:

- **Improve quality of life** – in particular, Council priorities to:
 - Ensure children and young people achieve their potential
 - Ensure that all our citizens have opportunities for participation in sport and lifelong learning
 - Deliver safer and stronger communities across our city, and
- **Deliver lean and agile council services** – in particular, the Council priority to deliver transformational change, focus on our customers' needs and deliver the outcomes that matter most.

The proposals outlined here provide savings of £27.2m. These include £12.7m of savings planned for 2016/17, and an additional £8.7m of savings planned for the remaining period to 2019/20.

Communities and Families planned savings, £m



Health and Social Care

Budget savings plans

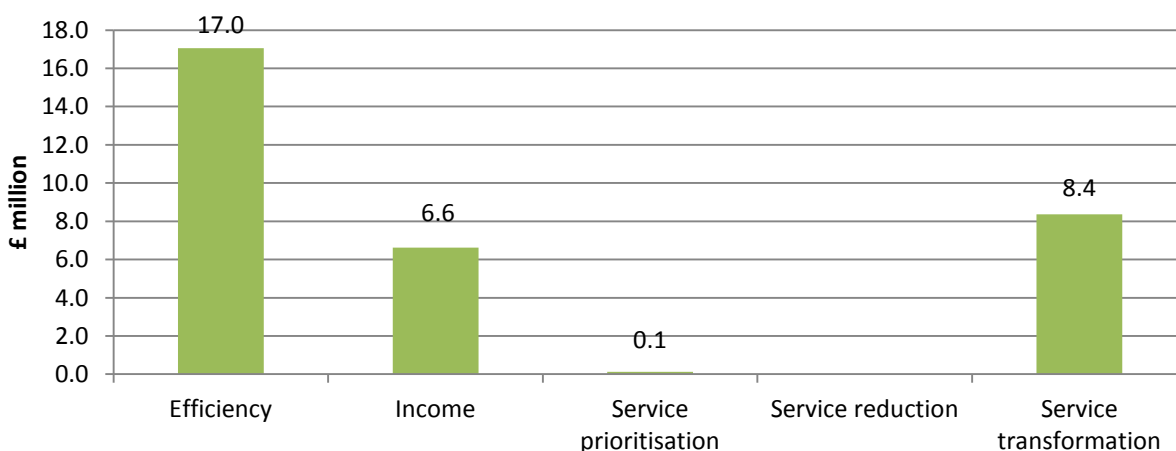
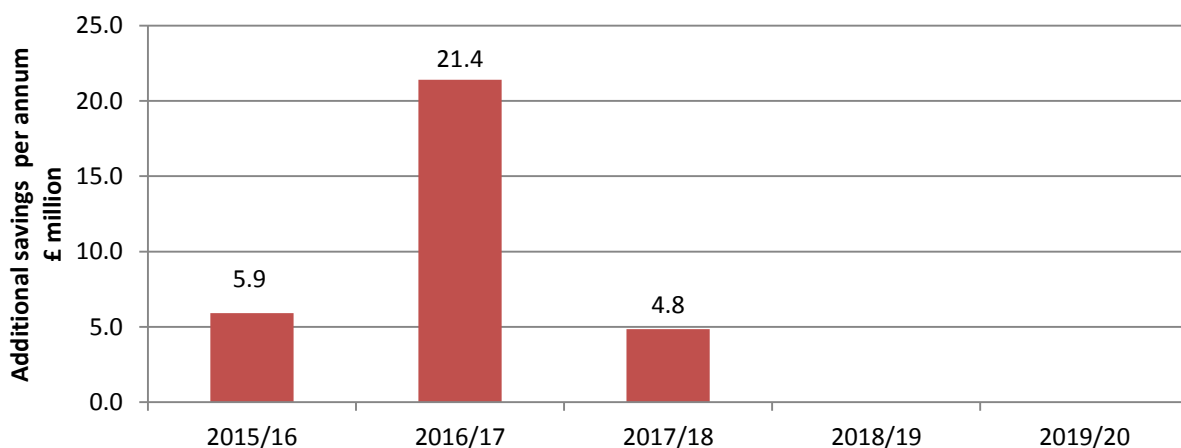
Strategic context and overview

Budget savings plans put forward for Health and Social Care mainly relate to services focused towards delivering two of the strategic themes outlined in the Council Business Plan:

- **Improve quality of life** – in particular, Council priorities to:
 - Deliver a caring, healthier Edinburgh
- **Deliver lean and agile council services** – in particular, the Council priority to deliver transformational change, focus on our customers' needs and deliver the outcomes that matter most.

The proposals outlined here provide savings of £32.2m. These include £21.4m of savings planned for 2016/17, and a further £4.8m of savings planned for the remainder of the period to 2019/20.

Health and Social Care planned savings, £m



Place

Budget savings plans

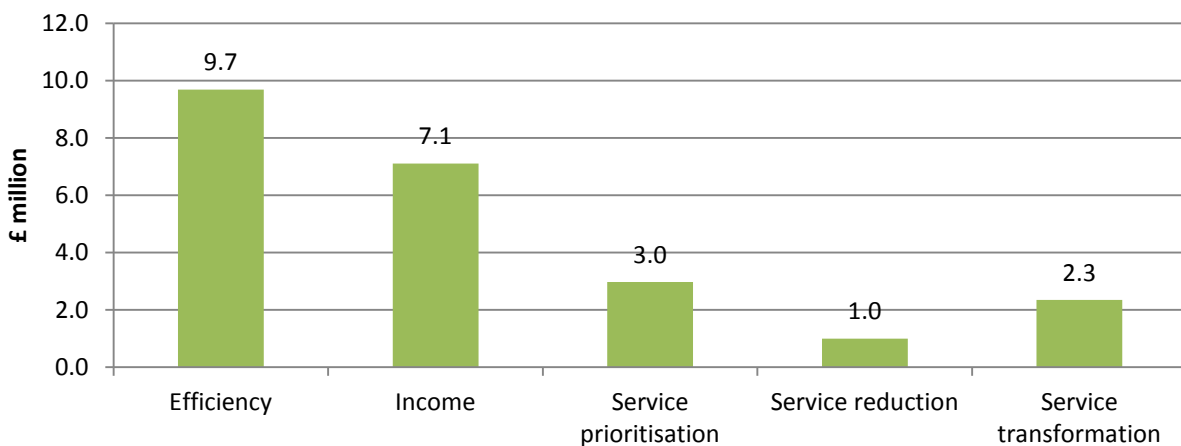
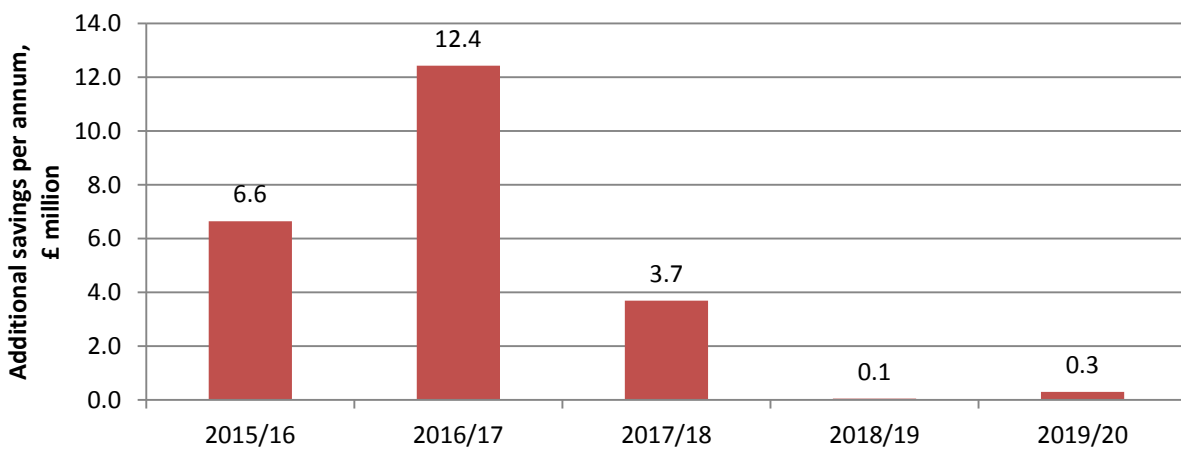
Strategic context and overview

Budget savings plans put forward for Place relate to services mainly focused towards delivering two of the strategic themes outlined in the Council Business Plan:

- **Build excellent places** – in particular, Council priorities to
 - Maintain Edinburgh as an attractive city
 - Deliver a connected, accessible city
 - Ensure our citizens have access to a range of quality housing options, and
 - Maintain a built environment to match our ambition
- **Deliver lean and agile council services** – in particular, the Council priority to deliver transformational change, focus on our customers' needs and deliver the outcomes that matter most.

The proposals outlined here provide savings of £23.1m. These include £12.4m of savings planned for 2016/17, and a further £4.1m of savings planned for the remainder of the period to 2019/20.

Place planned budget savings, £m



City Strategy and Economy

Budget savings plans

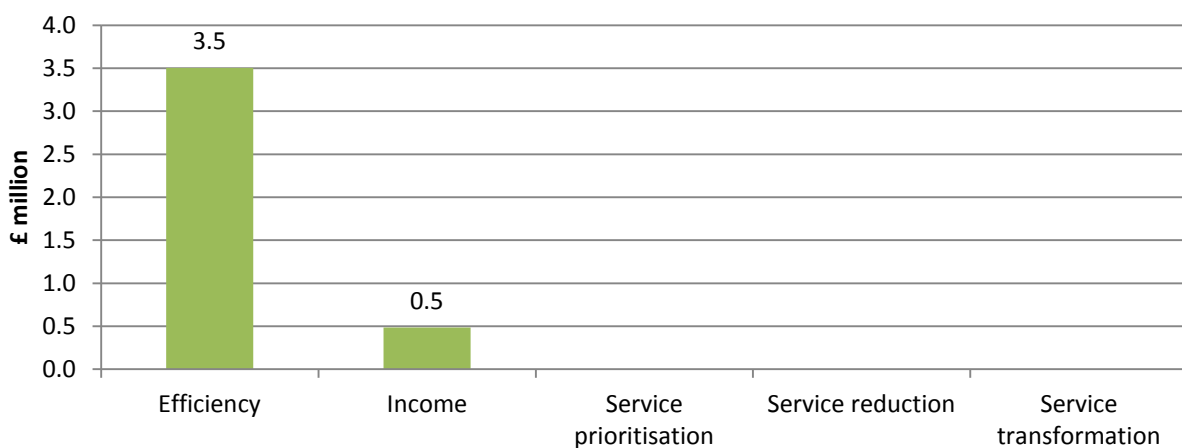
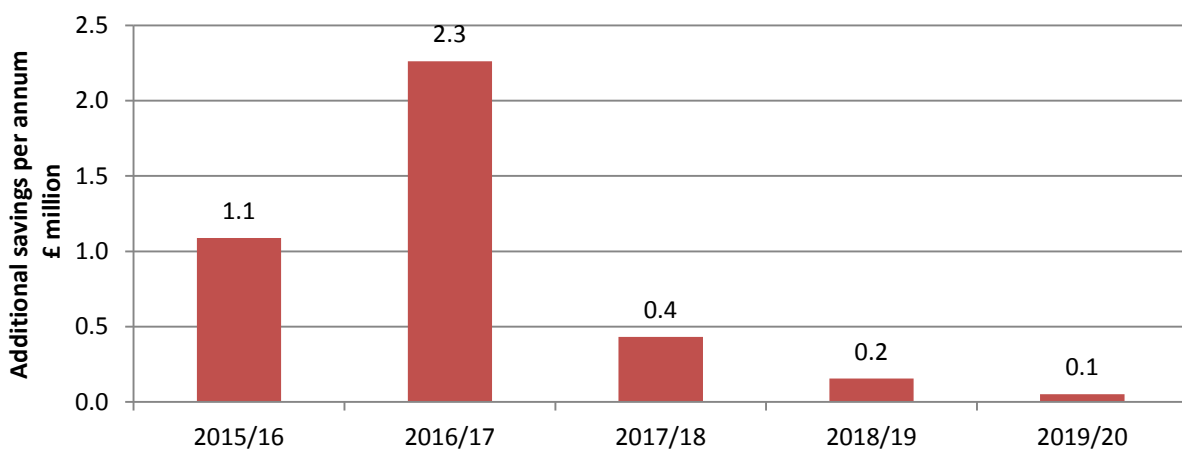
Strategic context and overview

Budget savings plans put forward for City Strategy and Economy relate to services focused towards delivering two of the strategic themes outlined in the Council Business Plan

- **Ensure Economic Vitality** – in particular, council priorities to:
 - Support business growth and investment
 - Ensure access to work and learning opportunities for all our citizens
 - Maintain Edinburgh as a creative, cultural capital, and
 - Deliver a vibrant, sustainable local economy
- **Deliver lean and agile council services** – in particular, the Council priority to deliver transformational change, focus on our customers' needs and deliver the outcomes that matter most.

The proposals outlined here provide savings of £4.0m. These include £2.3m of savings planned for 2016/17 and a further £0.7m of savings planned for the remainder of the period to 2019/20.

City Strategy and Economy planned budget savings, £m



Resources

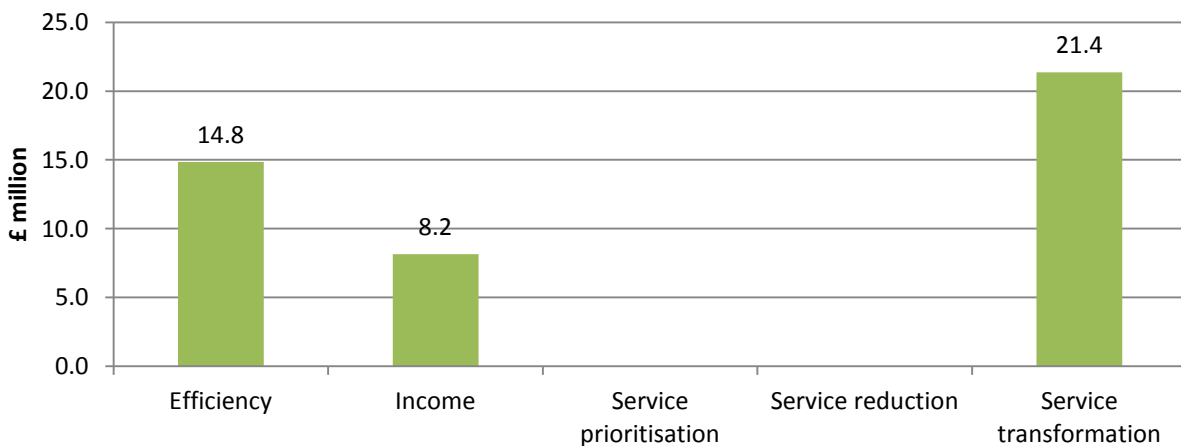
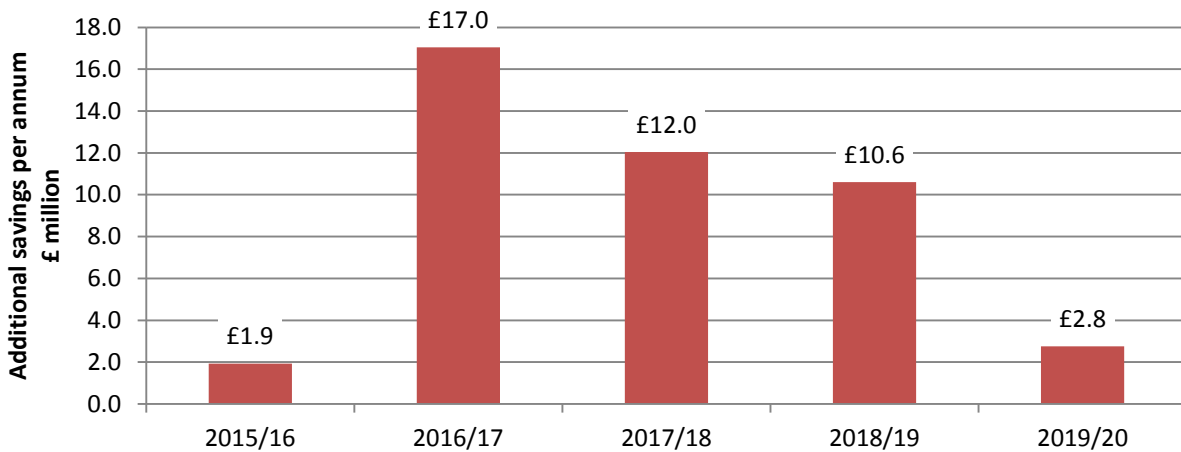
Budget savings plans

Strategic context and overview

Budget savings plans put forward for Resources relate to services focused towards the Deliver lean and agile Council services strategic theme outlined in the Council Business Plan, including Finance, Human Resources, Property and Customer Services. In particular, the proposals relate to Council priorities to deliver value for money, a high performing workforce, focus on our customers' needs and deliver the outcomes that matter most.

The proposals outlined here provide savings of £44.4m. These include £17m of savings planned for 2016/17, and an additional £25.4m of savings planned for the remainder of the period to 2019/20.

Resources budget savings, £m



Chief Executive

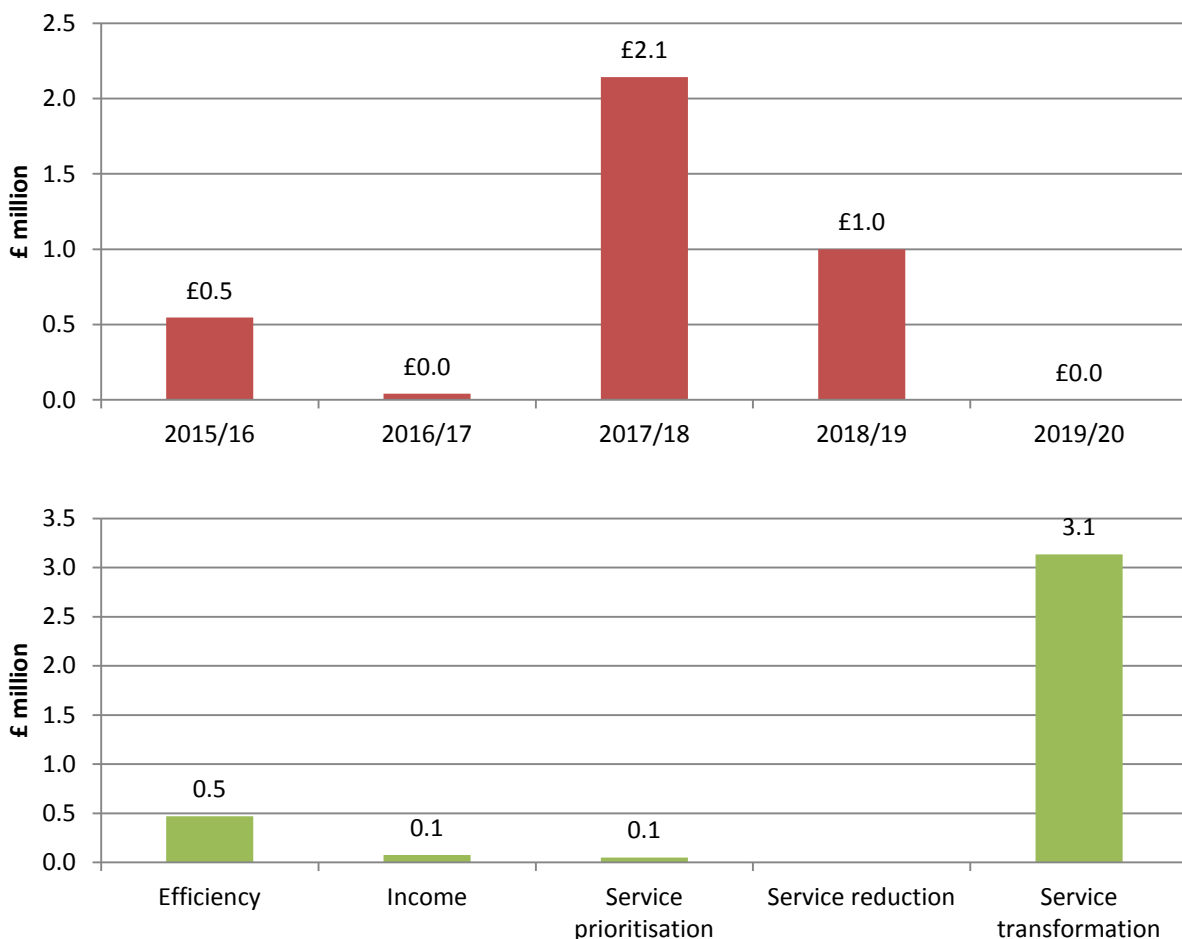
Budget savings plans

Strategic context and overview

Budget savings plans put forward for the Chief Executive's office relate to services focused towards the Deliver lean and agile Council services strategic theme outlined in the Council Business Plan, including Strategy and Insight, Communications, and ICT and Digital services. In particular, the proposals relate to Council priorities to deliver value for money, an integrated Council, empowered communities and Customer focused Council services.

The actions outlined here provide savings of £3.7m. These include £2.1m of savings planned for 2017/18, and an additional £1.0m of savings planned for the remainder of the period to 2019/20.

Chief Executive budget savings, £m



Savings plans summary

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Improve quality of life	Communities and Families	Service-wide reductions to grant and contract funding for third parties	£1.064
Improve quality of life	Communities and Families	Staffing reductions across a range of Planning & Performance services	£0.390
Improve quality of life	Communities and Families	Net savings expected in contract charges when compared with available budget	£0.029
Improve quality of life	Communities and Families	Saving expected in the ongoing security costs for surplus sites	£0.017
Improve quality of life	Communities and Families	Workforce savings general	£0.345
Improve quality of life	Communities and Families	Reductions in Workforce Learning & Development budgets	£0.100
Improve quality of life	Communities and Families	Reduce Centrally-Held Cover Budgets	£0.060
Improve quality of life	Communities and Families	Savings in Early Retirement Pension and Strain costs	£0.051
Improve quality of life	Communities and Families	Efficiency savings - surplus budget	£0.087
Improve quality of life	Communities and Families	Savings in Resources budgets	£0.047
Improve quality of life	Communities and Families	Young People's Services - youth offending services	£0.100
Improve quality of life	Communities and Families	Review Weekend Services	£0.050
Improve quality of life	Communities and Families	Efficiencies in financial assistance payments	£0.075
Improve quality of life	Communities and Families	SCYP - wide management reductions	£0.200
Improve quality of life	Communities and Families	Safer Families Edinburgh - management savings	£0.050
Improve quality of life	Communities and Families	Efficiencies in playscheme service	£0.030
Improve quality of life	Communities and Families	Savings anticipated from implementation of Self-Directed Support	£0.061
Improve quality of life	Communities and Families	Efficiencies in independent residential schools costs	£0.071
Improve quality of life	Communities and Families	Uncommitted funding for kinship assessments	£0.020
Improve quality of life	Communities and Families	Efficiencies in early learning and childcare	£0.926
Improve quality of life	Communities and Families	Postpone partner provider rate increase	£0.300
Improve quality of life	Communities and Families	Reduction to Early Years central Team	£0.025
Improve quality of life	Communities and Families	Remove uncommitted Early Years Change Fund budget	£0.125
Improve quality of life	Communities and Families	Change in the way fresh fruit is provided in primary schools	£0.192

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Improve quality of life	Communities and Families	Grant Awards and Placement Team staffing	£0.011
Improve quality of life	Communities and Families	Efficiencies in the School Meals service	£0.300
Improve quality of life	Communities and Families	Quality and Curriculum total budget saving	£0.250
Improve quality of life	Communities and Families	Budget review within Schools Management and Support	£0.180
Improve quality of life	Communities and Families	Removal of ad-hoc overtime budget for primary school staff excluding teachers	£0.030
Improve quality of life	Communities and Families	Removal of ad-hoc overtime budgets for Admin Support assistants, librarians and technicians	£0.045
Improve quality of life	Communities and Families	Reduce Peripatetic Teachers provision	£0.045
Improve quality of life	Communities and Families	Efficiency savings in Teachers' Induction Scheme	£0.074
Improve quality of life	Communities and Families	Reduce Education Welfare Officer Posts	£0.069
Improve quality of life	Communities and Families	Reduce the long term absence budget for secondary schools	£0.318
Improve quality of life	Communities and Families	Reduction in operational services for Community Services	£0.219
Improve quality of life	Communities and Families	Efficiencies within Community Services	£0.049
Improve quality of life	Communities and Families	Reduction in Service Payment - Edinburgh Leisure	£0.500
Improve quality of life	Communities and Families	Reduction in Activity budget	£0.025
Improve quality of life	Communities and Families	Review of Libraries opening hours	£0.250
Improve quality of life	Communities and Families	Alternative methods of delivery of the 'Edinburgh Reads' programme	£0.030
Improve quality of life	Communities and Families	Improve efficiency of library reminders and notifications	£0.020
Improve quality of life	Communities and Families	Increase Fees – Cowgate Under 5's Centre	£0.040
Improve quality of life	Communities and Families	Charge for use of Peripatetic Teachers	£0.025
Improve quality of life	Communities and Families	Maximise the use of schools generating more income and operating efficiencies	£0.700
Improve quality of life	Communities and Families	Review Group Worker posts	£0.235
Improve quality of life	Communities and Families	Review Throughcare Service	£0.042
Improve quality of life	Communities and Families	Review the Family Solutions service	£0.200
Improve quality of life	Communities and Families	Review day care services	£0.050
Improve quality of life	Communities and Families	Full service review of CLD	£0.559
Improve quality of life	Communities and Families	Efficiencies in the revenue implications of infrastructure development	£0.171

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Improve quality of life	Communities and Families	Balance of care residual funding	£0.160
Improve quality of life	Communities and Families	Savings due to reduced level of adoption allowances required	£0.100
Improve quality of life	Communities and Families	Uncommitted funding for family based respite care	£0.085
Improve quality of life	Communities and Families	Savings from reducing the number of purchased adoptions	£0.150
Improve quality of life	Communities and Families	Renegotiate fees for foster placements for young people aged 18+	£0.380
Improve quality of life	Communities and Families	Adoption allowances for young people aged 18+	£0.077
Improve quality of life	Communities and Families	Review of family and pupil support services	£0.500
Improve quality of life	Communities and Families	Reduce commissioned services - Housing Support (sheltered housing/temporary accommodation)	£0.500
Improve quality of life	Communities and Families	Early Years	£0.250
Improve quality of life	Communities and Families	Change Early Years services	£0.297
Improve quality of life	Communities and Families	Edinburgh Guarantee	£0.060
Improve quality of life	Communities and Families	Conservation costs	£0.250
Improve quality of life	Communities and Families	Reduce third party payments for Community Learning and Development services	£0.250
Improve quality of life	Communities and Families	Prioritise the funding which supports schools in areas of deprivation	£0.188
Improve quality of life	Communities and Families	Integrate sports services currently based in Children and Families and Corporate Governance	£0.500
Improve quality of life	Communities and Families	Reductions to Family Based Care and Throughcare	£0.188
Improve quality of life	Communities and Families	Early Years	£0.717
Improve quality of life	Communities and Families	Management	£3.461
Improve quality of life	Communities and Families	Advocacy services review	£0.047
Improve quality of life	Communities and Families	Merge Gorgie Mills and Panmure schools	£0.900
Improve quality of life	Communities and Families	Reduce 1 class at Rowanfield School	£0.080
Improve quality of life	Communities and Families	Review of support staff within all Special Schools	£0.440
Improve quality of life	Communities and Families	Savings from funding available for prudential borrowing commitments	£0.087
Improve quality of life	Communities and Families	Communities and Families (Children and Families)	£0.328
Improve quality of life	Communities and Families	Management	£1.020
Improve quality of life	Communities and Families	Young People's Service review	£0.230

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Improve quality of life	Communities and Families	Total Craigroyston	£0.132
Improve quality of life	Communities and Families	Communities and Families (Sport)	£0.741
Improve quality of life	Communities and Families	Redesign of Music Instructor Service	£1.668
Improve quality of life	Communities and Families	Re-configuration of the Children and Young People's Review Team	£0.100
Improve quality of life	Communities and Families	Reshape and reduce in-house housing support service	£0.500
Improve quality of life	Communities and Families	Youth work delivery	£0.250
Improve quality of life	Communities and Families	Redesign of Libraries Service	£2.800
Improve quality of life	Communities and Families	Re-design of Homelessness Services (General Fund share)	£0.327
Improve quality of life	Communities and Families	Re-design of Public Protection Services	£1.242
Improve quality of life	Communities and Families	Community Services	£0.480
Improve quality of life	Communities and Families	Reduce residential provision by 4 beds	£0.517
Improve quality of life	Communities and Families	Reconfiguration of residential provision	£0.300
Improve quality of life	Communities and Families	Reconfigure primary and secondary SEDB support	£0.223
Improve quality of life	Communities and Families	Family Focus/Weekend Services	£0.100
Improve quality of life	Communities and Families	Parenting support review	£0.217
Improve quality of life	Communities and Families	Family Solutions review	£0.330
Improve quality of life	Communities and Families	Re-design of Advice Services	£0.120
Improve quality of life	Health and Social Care	Workforce savings general	£0.350
Improve quality of life	Health and Social Care	Business services staffing reduction	£0.200
Improve quality of life	Health and Social Care	Addictions and blood-borne virus services review	£0.346
Improve quality of life	Health and Social Care	Supporting supported accommodation providers to claim Intensive Housing Benefits	£1.000
Improve quality of life	Health and Social Care	Night-time staffing element in care contracts	£0.235
Improve quality of life	Health and Social Care	Further enhancement of Social Care Direct	£0.300
Improve quality of life	Health and Social Care	Strategic Planning and Performance savings	£0.274
Improve quality of life	Health and Social Care	Grants reduction (10% over three years)	£0.033
Improve quality of life	Health and Social Care	Social Strategy - Grants	£0.058
Improve quality of life	Health and Social Care	Procurement savings on independent contracts	£0.060
Improve quality of life	Health and Social Care	Savings from innovation and meeting needs more flexibly through new assessment process	£0.200

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Improve quality of life	Health and Social Care	Reduction in Older People's Resource and Development Team	£0.064
Improve quality of life	Health and Social Care	Learning Disability Accommodation services - Cost reductions	£0.400
Improve quality of life	Health and Social Care	Reduced staffing ratios in day services for people with disabilities	£0.200
Improve quality of life	Health and Social Care	Re-prioritisation of staff training budget	£0.195
Improve quality of life	Health and Social Care	Reduce the Volunteer Support Team	£0.010
Improve quality of life	Health and Social Care	Shared Lives - Reduce staffing through non-filling of post	£0.015
Improve quality of life	Health and Social Care	Workforce - Reduce Overtime Spend	£0.080
Improve quality of life	Health and Social Care	CEC care homes for older people. Reduce use of agency staff by using Home Care scheduling gaps to provide cover	£0.100
Improve quality of life	Health and Social Care	CEC care homes: supplies - streamline purchasing across all care homes (economies of scale)	£0.050
Improve quality of life	Health and Social Care	Negotiated contract savings on purchased care services - Negotiated contract savings (£83k) plus anticipated further contract savings and recoveries (£82k)	£0.165
Improve quality of life	Health and Social Care	Business services supplies and services spend : opportunities to use electronic methods of transferring information	£0.018
Improve quality of life	Health and Social Care	Training venue cost reduction; increased e-learning - utilise lower/ no- cost training venues, investing in e-learning and more joint training/efficiencies with key partners in the city	£0.068
Improve quality of life	Health and Social Care	Internal Supported Accommodation (ECCL) - review of staff rotas and sleepover arrangements	£0.100
Improve quality of life	Health and Social Care	Health and Social Care Integration - Management and administrative staffing savings	£0.200
Improve quality of life	Health and Social Care	Increase in charges for Council care homes for older people	£0.147
Improve quality of life	Health and Social Care	Increase charges for home care	£0.080
Improve quality of life	Health and Social Care	Reconfiguration of the in-house mental health accommodation service to promote recovery and reablement, prevent hospital admission and facilitate timely discharge	£0.029
Improve quality of life	Health and Social Care	Reconfiguration of the Mental Health Community Rehabilitation Team to promote recovery and reablement, prevent hospital admission and facilitate timely discharge.	£0.029

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Improve quality of life	Health and Social Care	Expand home care reablement	£0.345
Improve quality of life	Health and Social Care	Redesign care pathways for Mental Health and Addiction Services	£0.090
Improve quality of life	Health and Social Care	Expand Care at Home to reduce new care home placements for older people (changing balance of care)	£0.475
Improve quality of life	Health and Social Care	Health and Social Care- improve management of service user demand	£1.300
Improve quality of life	Health and Social Care	Consolidate care and support/care at home pricing levels	£0.900
Improve quality of life	Health and Social Care	Reduce spending on block-contracted services by 10%	£0.720
Improve quality of life	Health and Social Care	Begin contribution-based charging for Self-Directed Support and care and support services	£0.230
Improve quality of life	Health and Social Care	Increased charges for residential accommodation, telecare and other local authority charges	£0.250
Improve quality of life	Health and Social Care	Greater use of telecare and remodelling Social Care Direct	£2.000
Improve quality of life	Health and Social Care	Unblock reablement, allowing more people to benefit from improved self-care at lower cost	£2.000
Improve quality of life	Health and Social Care	Revision to additional Health and Social Care framework investment	£3.000
Improve quality of life	Health and Social Care	H&SC demographic provision	£5.916
Improve quality of life	Health and Social Care	Redesign staffing skills mix in in-house services	£1.000
Improve quality of life	Health and Social Care	Review of in-house older people's day services	£0.275
Improve quality of life	Health and Social Care	Realign internal provision with Direct Payment growth	£1.400
Improve quality of life	Health and Social Care	Management	£3.148
Improve quality of life	Health and Social Care	Health and Social Care	£0.582
Improve quality of life	Health and Social Care	Community Equipment Service to cease providing equipment available from retailers for people with low or moderate level needs	£0.125
Improve quality of life	Health and Social Care	Integrated Strategic Review of Continuing Care, Residential & Nursing Care for Older People	£1.890
Improve quality of life	Health and Social Care	Establish Local Authority Trading Company or Co-operative	£1.500
Improve quality of life	Resources	Rates - vacant property costs absorbed in 2013/14 and property transfer due to be concluded during 2014/15	£0.100
Improve quality of life	Communities and Families	Service pressure offsetting element	-£2.900
Improve quality of life - Total Savings			£59.496

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Ensure economic vitality	City Strategy and Economy	Policy and Planning - vacancy management	£0.045
Ensure economic vitality	City Strategy and Economy	Public Safety - vacancy management	£0.015
Ensure economic vitality	City Strategy and Economy	Reduction in Events Partnership funding	£0.190
Ensure economic vitality	City Strategy and Economy	Staff savings	£0.120
Ensure economic vitality	City Strategy and Economy	Further efficiencies across service/Enterprise and Innovation service reduction	£0.154
Ensure economic vitality	City Strategy and Economy	Reduction in Third Party Payments	£0.167
Ensure economic vitality	City Strategy and Economy	Business Partnerships	£0.025
Ensure economic vitality	City Strategy and Economy	Enterprise and Innovation (further reduction)	£0.095
Ensure economic vitality	City Strategy and Economy	Investor Support	£0.025
Ensure economic vitality	City Strategy and Economy	Marketing Edinburgh	£0.050
Ensure economic vitality	City Strategy and Economy	Service integration	£0.047
Ensure economic vitality	City Strategy and Economy	Implement recharges for Licensing for non HMO's	£0.056
Ensure economic vitality	City Strategy and Economy	Increase external funding	£0.100
Ensure economic vitality	City Strategy and Economy	Reduce grant payment to Festival City Theatre Trust	£0.100
Ensure economic vitality	City Strategy and Economy	Review funding arrangements for Winter Festivals	£0.500
Ensure economic vitality	City Strategy and Economy	Increase funding from external sources	£0.328
Ensure economic vitality	City Strategy and Economy	Culture	£0.447
Ensure economic vitality	City Strategy and Economy	Economy	£0.700
Ensure economic vitality	City Strategy and Economy	City Strategy and Economy (Culture)	£0.517
Ensure economic vitality	City Strategy and Economy	City Strategy and Economy (Economic Development)	£0.308
Ensure economic vitality - Total Savings			£3.989
Build excellent places	Place	Efficiencies in sports pitch maintenance	£0.100
Build excellent places	Place	Change grass-cutting maintenance practices Council-wide	£0.200
Build excellent places	Place	In-source Water Quality Management Delivery	£0.095
Build excellent places	Place	New approach to delivery of mediation service	£0.113
Build excellent places	Place	Hostel provision service redesign	£0.175
Build excellent places	Place	Reduce B and B/temporary accommodation budget	£0.130
Build excellent places	Place	Develop in-house service for Licensing training	£0.075

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Build excellent places	Place	Reduction in sickness absence costs, overtime costs and agency staffing	£3.282
Build excellent places	Place	Reduce expenditure on agency staff	£0.477
Build excellent places	Place	Budget management, reduction and controls	£0.314
Build excellent places	Place	Reduce headcount/employee cost reduction	£0.382
Build excellent places	Place	Reduce use of City Car Club	£0.160
Build excellent places	Place	Transport Review	£0.350
Build excellent places	Place	Savings from the parking contract	£0.150
Build excellent places	Place	Review Taxi Card provision	£0.500
Build excellent places	Place	Review value for money in supported bus services	£0.200
Build excellent places	Place	Charge for Special Events enforcement	£0.095
Build excellent places	Place	Expand trade waste business to increase income	£0.030
Build excellent places	Place	Efficiencies and cost recovery – Licensing Review	£0.125
Build excellent places	Place	Further income from charging (Planning and Building Standards)	£0.075
Build excellent places	Place	Reform parking charge structure	£0.750
Build excellent places	Place	City Centre Car Parking	£0.065
Build excellent places	Place	Develop a neighbourhood model of cross-service delivery	£0.300
Build excellent places	Place	Reduce internal transport	£0.250
Build excellent places	Place	Improve the internal waste haulage service	£0.030
Build excellent places	Place	Efficiencies from merger of design teams	£0.143
Build excellent places	Place	New approach to managing Clarence response service - defect repairs	£0.185
Build excellent places	Place	New approach to street lighting repairs	£0.134
Build excellent places	Place	Review allotment services and increase rents	£0.021
Build excellent places	Place	Increase trade permit income	£0.100
Build excellent places	Place	Increase Planning and Building Standards application income	£0.200
Build excellent places	Place	Tram advertising income	£0.500
Build excellent places	Place	Retain parking income	£0.300
Build excellent places	Place	Increase fee charges for section 109 permits to install pipes and cables in roads and pavements	£0.016

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Build excellent places	Place	Increase fee for Temporary Traffic Regulation Orders	£0.054
Build excellent places	Place	Increase bus station income	£0.030
Build excellent places	Place	Increase parking permit charges by 5%	£0.145
Build excellent places	Place	Increase pay and display charges	£1.000
Build excellent places	Place	Reduce bus stops and shelters maintenance	£0.025
Build excellent places	Place	Reduce gully cleaning service	£0.110
Build excellent places	Place	Transport	£1.100
Build excellent places	Place	Public Health	£0.462
Build excellent places	Place	Licensing and Trading Standards	£0.081
Build excellent places	Place	Reduction in staff and agency costs	£0.100
Build excellent places	Place	Planning & Building Standards	£0.696
Build excellent places	Place	Parking Income	£2.900
Build excellent places	Place	Parks and Greenspace	£0.443
Build excellent places	Place	Waste Services	£1.150
Build excellent places	Place	Task Force	£1.250
Build excellent places	Place	Stop Repairs and Maintenance of Stair Lighting Service in Tenements	£1.000
Build excellent places	Place	Management	£1.031
Build excellent places	Place	Management	£1.511
Build excellent places	Place	Create a Housing Development Service	£0.040
Build excellent places	Place	Management	£0.967
Build excellent places	Place	Investment - Review Edinburgh Shared Repairs Service & Development of new service	-£1.000
Build excellent places - Total Savings			£23.117
Deliver lean and agile Council services	Chief Executive	Staff savings/vacancy management	£0.016
Deliver lean and agile Council services	Chief Executive	ICT Transformation - Core ICT team workforce management	£0.075
Deliver lean and agile Council services	Chief Executive	Governance Service staff saving	£0.050
Deliver lean and agile Council services	Chief Executive	Sharing of support staff	£0.100
Deliver lean and agile Council services	Chief Executive	Members' Services - staff saving	£0.100

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Deliver lean and agile Council services	Chief Executive	Lord Provost's Office - staff saving and re-profiling of other budgets	£0.030
Deliver lean and agile Council services	Chief Executive	Staffing reductions in Business Intelligence	£0.100
Deliver lean and agile Council services	Chief Executive	Merchandising - revised proposal	£0.025
Deliver lean and agile Council services	Chief Executive	Governance Service : Records Centre - recharges to other local authorities	£0.050
Deliver lean and agile Council services	Chief Executive	Prioritise accreditation and memberships	£0.050
Deliver lean and agile Council services	Chief Executive	Communications	£0.432
Deliver lean and agile Council services	Chief Executive	Digital & IT	£0.696
Deliver lean and agile Council services	Chief Executive	Committee & Election Services	£0.061
Deliver lean and agile Council services	Chief Executive	Members' Services	£0.335
Deliver lean and agile Council services	Chief Executive	Strategy & Insight	£1.652
Deliver lean and agile Council services	Chief Executive	Transformation and Business Change	£0.317
Deliver lean and agile Council services	Chief Executive	Information Management	£0.140
Deliver lean and agile Council services	Resources	Customer Services - channel shift	£0.050
Deliver lean and agile Council services	Resources	Council Tax Reduction Scheme - re-alignment of expenditure to reflect current demand	£0.486
Deliver lean and agile Council services	Resources	Increase savings from the Customer Services Improvement Plan through staffing savings	£0.250
Deliver lean and agile Council services	Resources	Housing Benefits - re-alignment of expenditure to reflect current demand	£0.350
Deliver lean and agile Council services	Resources	Staffing reductions NDR, Council Tax debt recovery and Banking	£0.200
Deliver lean and agile Council services	Resources	Sheriff Officer contract - new contract negotiated with reduced commission rates	£0.100
Deliver lean and agile Council services	Resources	Financial Services staff saving	£0.200
Deliver lean and agile Council services	Resources	Procurement Service staff saving	£0.050
Deliver lean and agile Council services	Resources	Reduction in discretionary spend	£0.045
Deliver lean and agile Council services	Resources	Procurement efficiency tariff	£0.058
Deliver lean and agile Council services	Resources	Additional workforce savings proposed	£0.100
Deliver lean and agile Council services	Resources	Agency staff contract - negotiate supplier rebate	£0.090
Deliver lean and agile Council services	Resources	Re-align Risk Management service	£0.025
Deliver lean and agile Council services	Resources	Legal Services staff saving and efficiencies	£0.350

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Deliver lean and agile Council services	Resources	Reduce legacy budgets within Facilities Management	£0.025
Deliver lean and agile Council services	Resources	Transfer former District Court to Corporate Property resource	£0.460
Deliver lean and agile Council services	Resources	Cleaning service redesign	£0.450
Deliver lean and agile Council services	Resources	Catering service delivery	£0.192
Deliver lean and agile Council services	Resources	Additional income - Council Tax Fraud Team	£0.050
Deliver lean and agile Council services	Resources	Lease part of Waverley Court for private business or partner organisation occupation	£0.150
Deliver lean and agile Council services	Resources	Income from implementation of concessionary lets policy	£0.150
Deliver lean and agile Council services	Resources	Reduce use of employee overtime by 25%	£1.667
Deliver lean and agile Council services	Resources	Reduce use of agency staffing by 20%	£3.999
Deliver lean and agile Council services	Resources	Reduction in consultant expenditure	£2.000
Deliver lean and agile Council services	Resources	Additional savings through procurement, including improved contract management	£1.000
Deliver lean and agile Council services	Resources	Increase Council Tax collection	£0.311
Deliver lean and agile Council services	Resources	Increase in Lothian Buses dividend to £6m (£5m now anticipated in 2015/16)	£3.000
Deliver lean and agile Council services	Resources	Increase in EDI Group dividend	£0.500
Deliver lean and agile Council services	Resources	Increase in discretionary income - Retail Price Index (RPI) plus 2%	£4.000
Deliver lean and agile Council services	Resources	Amendment to required provision for pay awards given revised staffing levels	£4.500
Deliver lean and agile Council services	Resources	Revision to provision for energy tariff increases	£0.500
Deliver lean and agile Council services	Resources	Common Good	£0.000
Deliver lean and agile Council services	Resources	Resources - Business Support	£8.309
Deliver lean and agile Council services	Resources	Resources - Customer Services	£4.578
Deliver lean and agile Council services	Resources	Resources - Finance	£0.350
Deliver lean and agile Council services	Resources	Resources - Commercial & Procurement	£0.571
Deliver lean and agile Council services	Resources	Other minor changes	£0.302
Deliver lean and agile Council services	Resources	Resources - Human Resources	£0.402
Deliver lean and agile Council services	Resources	Resources - Internal Audit & Risk	£0.240
Deliver lean and agile Council services	Resources	Resources - Legal Services	£0.420

Theme	Directorate	Savings package	Total savings to 2019/20, £m
Deliver lean and agile Council services	Resources	Asset Management Strategy	£6.200
Deliver lean and agile Council services	Resources	Assumed reduction in Non-General Fund central support income	-£1.400
Deliver lean and agile Council services	Chief Executive	Programme costs	-£0.500
Deliver lean and agile Council services	Resources	Investment - Additional funding for property repairs across Council estate	-£1.000
Deliver lean and agile Council services - Total Savings			£48.009

The City of Edinburgh Council

Our Council Business Plan 2016-20

Our vision is to ensure that **Edinburgh is a thriving, sustainable capital city** in which all forms of deprivation and inequality are reduced

Our Vision

Message from our Council Leadership Team

This plan sets out the journey of change our Council will make over the next four years. It describes our vision for our city and our Council, setting out what we will do and how we will do it. In common with local authorities, we expect to see growing demand for services during this period alongside increasing pressure on Council budgets. This plan describes how we will meet these challenges, while continuing to deliver all the services our customers rely on.

Andrew Burns
Council Leader

Sandy Howat
Deputy Council Leader

Andrew Kerr
Chief Executive

Our priorities

The plan sets out the four strategic priorities which guide all our work

Improve Quality of Life

We will ensure children and young people fulfil their potential, ensure access to high quality care services and build safe and empowered communities for all our citizens

Ensure Economic Vitality

We will support sustainable business growth and investment, and ensure everyone is able to benefit from economic prosperity.

Build Excellent Places

We will maintain our city as an attractive place to live, work and visit. This means delivering a city with affordable housing option in a high quality built and natural environment.

Deliver a lean and agile Council

Across all our work, we are committed to providing best value for the people of Edinburgh. This means making sure all our services are focused on our customers' needs and priorities, delivering a council of joined up services working together with partners, making sure we make best use of our assets and resources and delivering a Council driven by an engaged and high performing workforce.

Our Values

These values drive our culture change and ensure we meet our objectives.

Customer First

Forward thinking

Working together

Honest and Transparent

The City of Edinburgh Council

Our Council Business Plan 2016-20

Our priorities

Improve Quality of Life

Ensure Economic Vitality

Build Excellent Places

To deliver these priorities our work is planned around these programmes

Children and young people achieve their potential	Business growth and investment	An attractive city
Opportunities for participation in sport and lifelong learning	Access to work and learning	An accessible, connected city
Safer and stronger communities	A creative, cultural capital	A range of quality housing options
A caring, healthier Edinburgh	A vibrant and sustainable local economy	A built and natural environment to match our ambition

Deliver a lean and agile Council

Across all our programmes, we deliver services which are driven by six future service principles to ensure we provide best value for our customers

Focused on customers	Integrated Council	Empowered Communities
We are a Council in which services are designed around the needs of our people, protecting the needs of our most vulnerable customers	We are a Council of joined up services working together effectively with our partners	We are a Council which engages and enables community led service delivery and design
Value for Money	A Sustainable Capital City	High Performing Workforce
We are a Council which makes best use of its resources, assets and facilities	We are a low carbon, resource efficient Council, supporting resilient and sustainable communities in the rich natural setting of our city	We are a Council where services are delivered by an engaged and empowered, high performing workforce