

# Finance and Resources Committee

10.00am, Thursday, 27 August 2015

## Budget and Transformation 2016-2019: Approach to engagement

Item number	7.9
Report number	
Executive/routine	
Wards	All

### Executive summary

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This report provides details of engagement with people and other stakeholders on the budget proposals 2016 to 2019. It is based on a three year continuous engagement programme, building on the success of the 2014 budget engagement which generated a record level of interest and feedback (3525 responses), and supporting the Council's transformation programme. The purpose of the engagement is to involve as many stakeholders as possible in the way we deliver services and reduce costs. The key objectives are:

- to increase awareness of the Council's budget position, range and cost of services, and likely impact of budget decisions;
- to encourage and enable all sections of the population and the Council's partners to participate and have their say, retaining the same response as 2014; and
- to promote a positive and collaborative approach to obtaining feedback on all issues relevant to the budget framework and transformation of services, including the integration of Health and Social Care.

### Links

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Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

## Budget and Transformation 2016-2019: Approach to engagement

### Recommendations

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- 1.1 To approve the objectives and planned engagement tools outlined in paragraphs 3.8 and 3.9 of this report.

### Background

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#### Financial position

- 2.1 Over the next 20 years, Edinburgh is projected to be home to the fastest-growing population of any local authority in Scotland. By 2027 the city's population is forecast to rise to almost 566,000 people, an increase of 83,000 (17%) over the level estimated in 2012. Most of this increase will be amongst the youngest and oldest age groups – those who receive the greatest proportion of local authority services. By way of illustration, the number of primary school pupils is forecast to increase by a quarter between 2010 and 2020 and those aged 65 and above to grow by almost 65% from current levels by 2035.
- 2.2 The Council's budget also continues to be subject to a range of cost pressures arising from inflation and the effects of legislative change. Taken together with the additional costs arising from changes in the size and profile of the city's population, these factors contribute to an estimated increased need to spend of £35m in 2016/17 alone.
- 2.3 Approval of the three most recent years' revenue budgets has been underpinned by the delivery of almost £80m of recurring annual savings. Demand for services continues to outstrip changes in funding, however, and the Council therefore still needs to find at least £107m of savings by 2019/20.
- 2.4 The Council has refreshed its financial strategy to address these challenges. The four elements of this strategy are:
  1. controlling overspends within the Health and Social Care and Corporate Property areas and returning them, in due course, to a sustainable financial footing;

2. implementing and delivering in full the savings approved as part of previous years' budget motions;
3. implementing, and delivering the savings associated with, the Council's transformation programme; and
4. delivering the remaining savings requirement through use of service prioritisation, focusing resources on the areas that make the biggest contribution to priority outcomes for people.

## Main report

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### Purpose of engagement

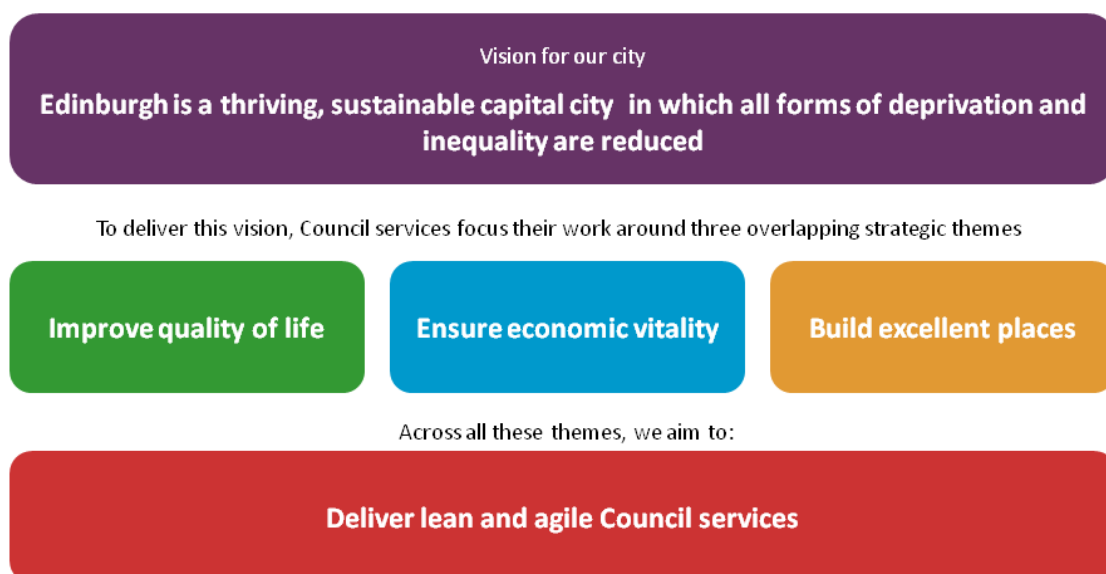
- 3.1 This report outlines methods for enabling a meaningful dialogue open to all Edinburgh people and stakeholders on all issues relating to the Council's budget and the transformation of services. It is based on the strengths of previous budget engagement exercises and responds to feedback from the participants of the 2014 budget engagement, including Edinburgh residents, Council employees and partner organisations.
- 3.2 The approach is designed to encourage as many people as possible, including partners and equalities groups to participate, building on the success of last year's exercise which reached over 600,000 individuals and organisations, and generated responses from 3,525 people.
- 3.3 The use of dynamic engagement tools are proposed to retain strong digital and social channels. These will be supported by traditional channels to ensure all sections of the population have an opportunity to participate.
- 3.4 The principles of the approach are to:
  - support creative problem solving, rather than just accepting or opposing a position that is put forward;
  - ensure meaningful engagement for all amounts of time invested – it should be possible to influence the budget and submit/or submit ideas for service development in one minute on your phone as well as two hours in a workshop;
  - offer an open dialogue involving discussion groups, online forums or message boards that preserve debates and work on problems;
  - connect genuinely interested, engaged and informed groups with service managers and other experts to deal with specific issues;
  - demonstrate how positive action by people can reduce budget pressures without negative impact on service delivery;
  - work with partner organisations to achieve a more collaborative approach to budgeting and service development;
  - build on the participatory budgeting approach for local communities to have a greater say in how the budget is spent in their neighbourhood and how their neighbourhood can be improved, and to;

- be up-front about what we can't change and why.

3.5 The approach for engagement builds on good practice from recent budget engagement ([Budget Proposals: Overview of Feedback and Engagement](#)) and support existing local activities, including participatory budgeting ([Participatory Budgeting Update](#)).

3.6 The Council aims to engage key groups with the relevant issues and to provide their views across the Council's three strategic themes and our aim to deliver lean and agile services, as included in the [Council Business Plan](#) for 2015-18, and summarised below.

### **Council's strategic vision and purpose**

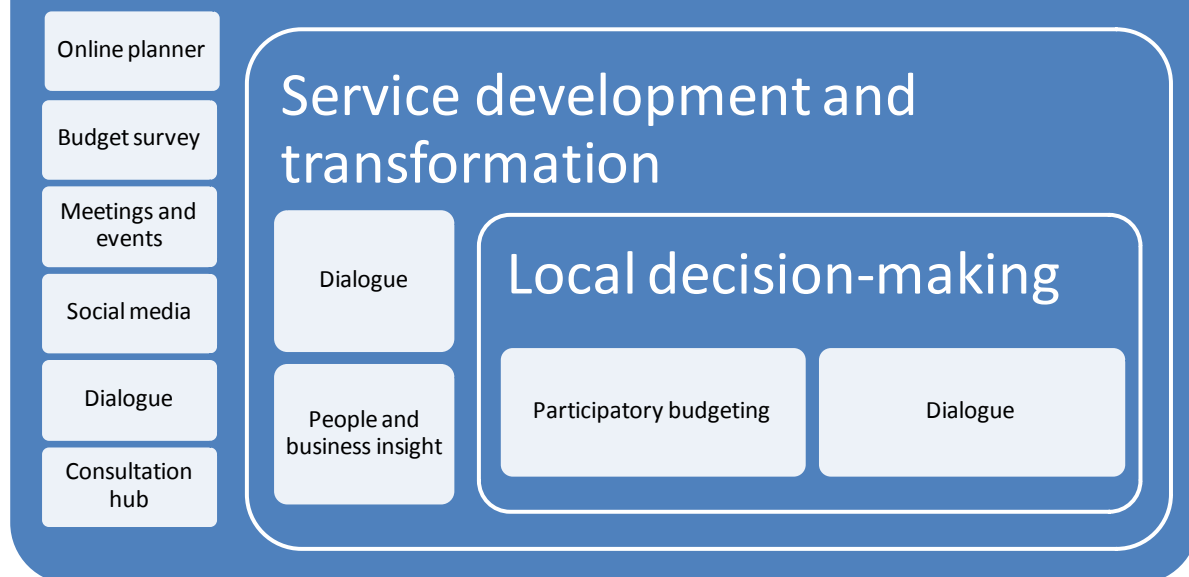


### **Engagement framework**

3.7 The proposed framework is designed to meet the needs of budget planning and the Council's transformation programme for services in both local and corporate contexts. It promotes a continuous engagement programme over a three year period, utilising a variety of tools to ensure wide accessibility and high participation rates. The framework is summarised in the diagram below.

## Budget and Transformation 2016/17 – 2019/20

### Budget options – prioritise, save, reduce



3.8 These tools are described below.

- 3.8.1 **People and business insight** - this combined data will be used to build people insight in terms of the city's population, needs and aspirations – to better support service development and decision-making.
- 3.8.2 **Budget planner** - this online interactive tool presents aspects of the budget that have been identified as a stop or reduce measure, providing people and other stakeholders the opportunity to prioritise certain areas of the reduced service - gaining insight into what aspects of the service people really need. This channel will only be used if the participants' views are able to influence the final budget decisions around the stop and reduce measures.
- 3.8.3 **Dialogue app** – online forum for groups and individuals to submit ideas for saving money, generating income and transforming services. This tool has been used successfully by other local authorities notably Bristol City Council for [the Bristol Future Libraries project](#). The dialogue app can be used in conjunction with social media.
- 3.8.4 **Budget survey** – a survey will run in parallel to the other engagement tools and will be available online and in paper copy. The survey will focus on the proposed budget options for 2016/17.
- 3.8.5 **Meetings and events** - themed sessions relevant to groups with a specialist interest (business, transport, schools, care homes, voluntary sector etc).

Public open days providing drop in sessions will also take place to reach the wider community and different geographic locations. This will include 'live' Question Time events with webcasting.

3.8.6 **Consultation hub** – the budget engagement channels, meetings, events and the outputs of engagement will be publically available on the Council's [consultation hub](#).

3.8.7 **Participatory budgeting** – where communities are invited to make decisions on priorities, services and budgets in their local area. This has been implemented at a neighbourhood level since 2010 and is being developed through the Participatory Budgeting Development Plan, involving the Council (Services for Communities, Children and Families, Health and Social Care and Economic Development), the Edinburgh Voluntary Organisations' Council, NHS Lothian and the Scottish Government.

### **Communications strategy**

3.9 The communications strategy will build upon the success of the 2014 'budget challenge' campaign which adopted a cost effective approach to reaching a wide audience, using a range of channels and themes. The campaign will include focused short-term plans to support the budget process leading up to the Council meeting in February in addition to long term plans to support the ongoing, three year engagement.

3.10 Digital tools will be used including an infographic presentation and dedicated web pages which will be updated through the engagement. Particularly during the short term phase, extensive social media, including twitter Q&A sessions, will again be delivered to raise awareness as well as provide an opportunity for public discussion and capture comments.

3.11 Traditional communications such as media coverage, leaflets and street boards will also be used. New tools used last year such as the webcast Question Time session will be developed in addition to exploring new ideas such as broadcasting sessions with STV Edinburgh and working with other local media. We will also plan increased communications with partner and equalities organisations to make the engagement as inclusive as possible.

3.12 A range of communications channels, including face to face events, will also be used to engage with employees who contributed 25% of the comments in 2014. These communications will align with other transformation programme communications activity to ensure a consistent and joined up approach.

### **Project governance**

3.13 To support a successful budget engagement process for the 2015/16 budget governance arrangements were put in place. An officers group was established in June 2014 to ensure that public and stakeholder engagement was prioritised. The group includes representatives from each service area as well as representatives from Strategy and Governance, Communications,

Finance and Business Intelligence. The service area leads have a key role in ensuring that budget engagement is undertaken with staff and stakeholders. The work of the group is sponsored by the Convener and Vice-Convener of the Finance and Resources Committee who are regularly updated on progress. A representative from Corporate Policy and Strategy will join the group to provide advice on equalities and lead engagement with equalities groups and partners across the city.

## Measures of success

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- 4.1 The key measures of success for the continuous budget engagement process are:
- whether the budget changes as a result of feedback received;
  - the number of individuals reached by budget messages;
  - the number of respondents to the budget process; and
  - feedback on the engagement process itself.
- 4.2 Feedback on the approach will be recorded in a lessons learned log to refine the approach and inform future consultation exercises.

## Financial impact

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- 5.1 The budget engagement process will again seek to achieve a cost effective approach as last year's budget engagement exercise, to reach as wide an audience as possible, using digital formats where appropriate. Approximately £25,000 from existing budgets was spent on promotion, communications and the online planner for last year's budget engagement exercise. Approximately 2,000 hours of staff time were spent on the process from staff, in all departments. No new staff were recruited. The budget planner and dialogue app each cost £5,000 per year.

## Risk, policy, compliance and governance impact

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- 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

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- 7.1 The Council will take all reasonable steps to ensure wide awareness and access to the engagement process by people of all ages, abilities and backgrounds. Services and partner organisations will be consulted on the

overall approach to engagement and appropriate methods for making consultation accessible to all equalities groups.

## Sustainability impact

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- 8.1 The approach to the budget engagement will aim to provide evidence on people and stakeholder perceptions and priorities which will enable services to adapt, to be delivered more efficiently and to understand customer and community needs. Through this improved understanding, it is expected that the budget engagement process will have a positive impact on social justice and economic wellbeing.
- 8.2 The Council will undertake carbon impact assessments to feed into the wider budget planning process. The approach to budget engagement will provide stakeholders with the opportunity to submit ideas for carbon emission reduction.

## Consultation and engagement

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- 9.1 To develop the approach for continuous budget consultation, elected members, services and partner organisations will be consulted on the overall approach and appropriate methods for engaging people and stakeholders, and to ensure that every effort is made within services to maximise reach. The approach will also be informed by lessons learned and good practice from previous budget engagement exercises.

## Background reading / external references

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[Budget Proposals: Overview of Feedback and Engagement](#)

[Council Transformation Programme – Status update, June 2015](#)

[Participatory Budgeting Update](#)

[Council Business Plan](#)

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## Links

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<b>Coalition pledges</b>	All
<b>Council outcomes</b>	All
<b>Single Outcome Agreement</b>	All
<b>Appendices</b>	