Finance and Resources Committee

10am, Friday, 6 December 2019

Change and Budget Conversations Report

Executive/routine
Wards
Council Commitments

1. Recommendations

1.1 Notes the summary of workshops undertaken.

1.2 Notes the report will be included as part of the budget papers for Council in February.

1.3 Notes that further detail will be provided as to how this detail is reflected within budget proposals as part of the Budget and Change Strategy Report to Finance and Resources.

Andrew Kerr

Chief Executive

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Report

Change and Budget Conversations Report

2. Executive Summary

2.1 This report summarises the conversations on service change and budget prioritisation conducted with Council colleagues and citizens from July to October 2019. The full report on the findings is included as an appendix.

3. Background

3.1 Local authorities face increasingly difficult decisions about which services to provide and how to provide them, driven by national budget decisions, demographic change, and responding to the challenges of climate change. Edinburgh is a leading local authority on engaging on budget decisions and the Council's 2019 Change and Budget Conversation represents a further innovation in our approach for both colleagues and citizens. In the absence of clear, easy choices, the Council has made additional efforts in recent years to ensure that engagement is positive, educational, guided by the things participants want to say about the Council's budget. The Council has also made efforts to design and conduct consultation and engagement events in ways that are a constructive and enjoyable processes.

4. Main report

4.1 Strategy and Communications conducted 50 workshop groups with Council colleagues and Edinburgh citizens between July and October 2019. All used the Council's group engagement tool for budget discussion, developed in 2018 and updated in 2019.

4.2 93% of workshop participants agreed the group engagement tool was a good way of involving them, 2% disagreed; and 46% felt their views changed as a result of participating. Participants especially valued the opportunity to meet new people and learn more about different perspectives on Council spending.

4.3 Both colleagues and citizens felt the Council should spend more on mental health and homelessness, with a general belief that homelessness was a bigger problem in Edinburgh than previously.

4.4 Though citizen and colleague budget allocations made using the group engagement tool were similar, colleagues tended to put less money into libraries and community learning and development, and more money into schools, compared to citizens.

4.5 Colleagues made extensive suggestions for revenue generation, cost cutting and efficiencies which included: far more charges for use of public realm; more commercial approaches to business; radical transformation of working practices; default digital billing; and an end to no compulsory redundancies. This feedback was shared with Heads of Service to assist with budget options development.

4.6 Further detailed findings are included in the appendix.

5. Next Steps

5.1 As set out in the October Finance and Resources Committee paper There are no plans for a further formal consultation on the budget. Budget proposals which have substantive impact on citizens and have not been previously subject to discussion will require consultation prior to implementation. This is likely to take place following the budget decision to provide sufficient time for informed consideration.

6. Financial impact

6.1 All costs were met from within existing budgets. The total cost of communications and focus groups was £12,639 (including citizen focus groups reported elsewhere).

7. Appendices

Change and Budget Conversations Report

Change and Budget Conversations

A SUMMARY OF GROUP DISCUSSIONS WITH CITIZENS AND COLLEAGUES FROM JULY TO OCTOBER 2019

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Executive Summary

Strategy and Communications conducted 50 workshop groups with Council colleagues and Edinburgh citizens between July and October 2019. All used the Council's group engagement tool for budget discussion, developed in 2018 and updated in 2019.

In summary, these groups said:

- 93% agreed the group engagement tool was a good way of involving them, 2% disagreed; 46% felt their views changed as a result of participating
- Participants especially valued the opportunity to meet new people and learn more about different perspectives on Council spending
- Both colleagues and citizens felt the Council should spend more on mental health and homelessness, with a general belief that homelessness was a bigger problem in Edinburgh than previously
- Though citizen and colleague budgets were similar, colleagues tended to put less money into libraries and community learning and development, and more money into schools, compared to citizens.
- Colleagues made extensive suggestions for revenue generation, cost cutting and efficiencies which included: far more charges for use of public realm; more commercial approaches to business; radical transformation of working practices; default digital billing; and an end to no compulsory redundancies. This feedback was shared with Heads of Service to assist with budget options development

Introduction

Local authorities face increasingly difficult decisions about which services to provide and how to provide them, driven by national spending choices, demographic change, and climate change. Current approaches to work, travel, care, and education are unlikely to survive the next decade and local government cannot afford to lag behind.

But as decisions become more difficult, meaningful engagement with citizens and Council colleagues becomes more important and harder to achieve.

In the absence of clear, easy choices, the Council has made additional efforts in recent years to ensure that engagement is positive, educational, guided by the things participants want to say about Council spending and priorities rather than driven by specific Council led questions.

The Council's 2019 Change and Budget Conversation represents a further innovation in our approach for both colleagues and citizens. The group-based exercise more closely resembles the conversations that people would naturally have about local government services, and provides an opportunity for a stimulating exchange of views between community members which many participants found valuable and enjoyable.

In 2018, the Council's employee survey identified that while many colleagues supported change, they felt removed from decision-making; change was done to them, rather than something in which they were informed, active participants.

In 2019, Council Heads of Service were made the focal point of colleague engagement. They led discussions, they participated, and they listened to their team discuss local and Council-wide issues facilitated by the Council's group discussion tool, created for the 2018 public engagement on the Change Strategy and updated for 2019.

A small number of public engagement sessions were held which were aimed at older citizens (specifically sheltered housing residents) and secondary school-age children. Both of these groups have participated less in previous years engagements.

But the Council also conducted a series of ten focus groups with a diverse and representative selection of citizens to understand in detail what Edinburgh thinks about key services and how the city would react to policy issues.

This report summarises the learning from all these activities.

Colleague and Open Public Workshops

Strategy and Communications conducted 50 workshop groups with Council colleagues and Edinburgh citizens between July and October 2019. Key facts about these workshops include:

- 40 workshop groups were held with Council colleagues. These were led by Head of Service level colleagues in general, though some were led by Executive Directors
- A key principle of these sessions was to involve colleagues, especially frontline, in discussions with their own senior managers about change and the future of the organisation and colleague sessions included time to discuss ideas and priorities for service development
- 7 workshop groups were held with the public which were located in sheltered housing complexes and deprived areas as these residents have participated less in previous budget engagement activities
- 3 workshop groups were held with secondary school pupils, in schools, as these residents have also participated less in previous budget activities
- An estimated 450 Council colleagues took part, along with 40 pupils, and 80 other citizens.

During both public and colleague workshops, participants were give information about the current financial challenge faced by the Council and took part in the budget group activity which Strategy and Communications developed in 2018 and updated to reflect changes since then.

This section of the report summarises the budget allocations made by participants, as well as colleague ideas for reducing costs, increasing income, and improving efficiency made by as part of the workshop groups.

Individual summaries of workshop feedback have already been provided to Heads of Service (as appropriate) for them to take forward and communicate back to their staff as needed.

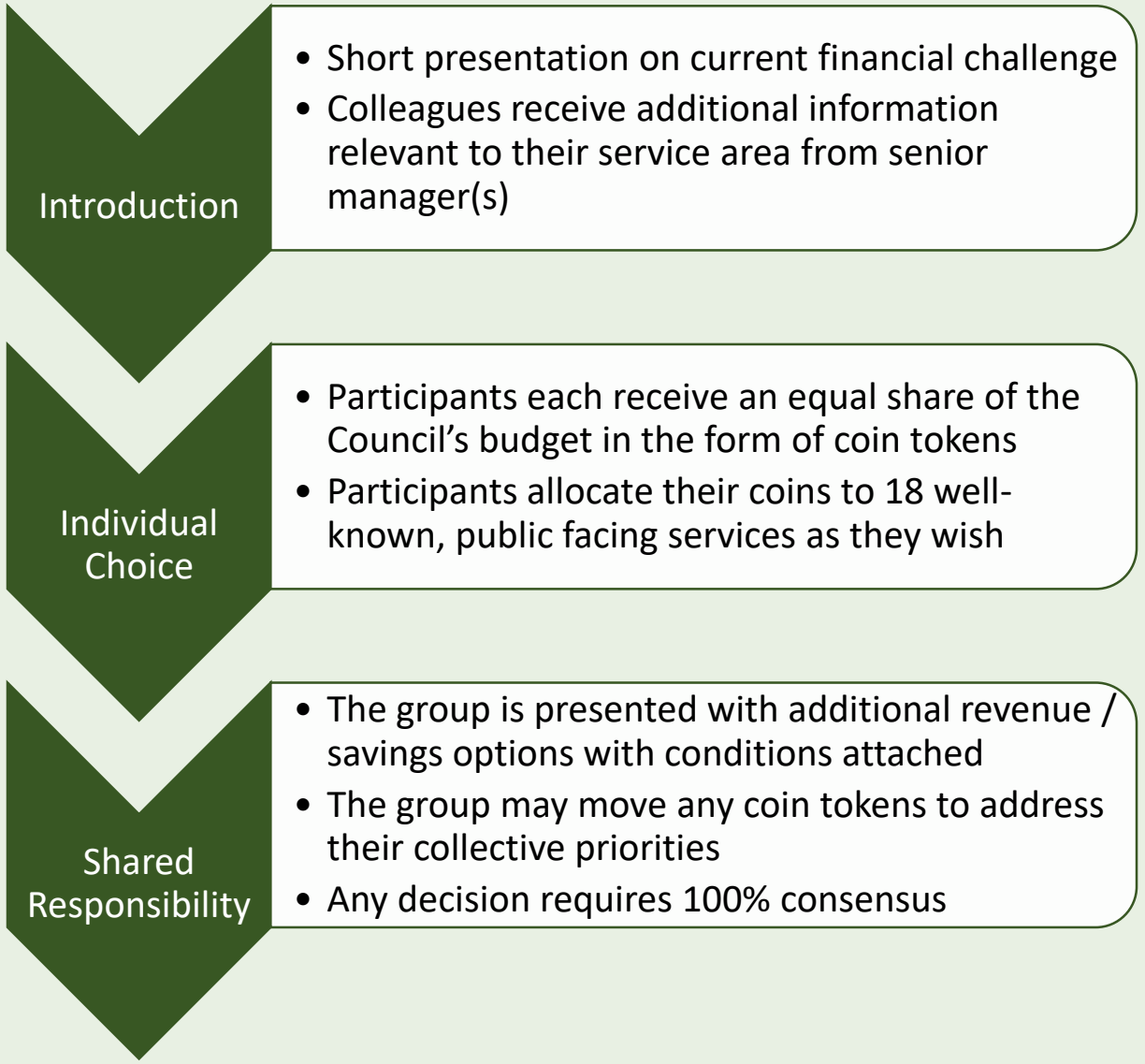
Discussions Facilitated by Group Activity

The City of Edinburgh Council has been a leading UK authority for several years on engaging with residents about how it makes its strategic budget decisions, employing a range of electronic and in-person approaches to give citizens and other stakeholders a say in decisions that will affect them, their families and their community.

In 2018, Strategy and Communications developed a group-based discussion tool with the objective of:

- **Raising awareness** of the Council's overall financial position
- **Informing** citizens and Council colleagues about the relative levels of spending in services and the choices the Council faces in terms of continuing to deliver services that Edinburgh needs
- Enabling citizens and colleagues the opportunity to **provide useful, structured input** into the decision-making of the Council
- **Encouraging participation** in budget and change engagement activity, and in future Council engagement activities, by ensuring the experience of engagement itself was positive

Strategy and Communications employed a game-based approach to this, which balanced giving individual participants agency and a voice in decision-making alongside the need for a group to make a collective decision.



Experience of Colleague and Public Workshops

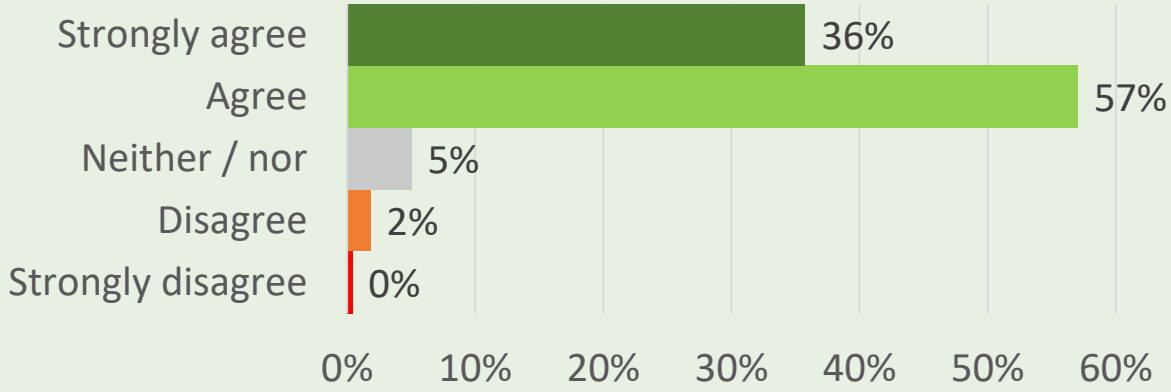
Participants in the group activity were very positive about its design and function. Based on 498 feedback forms completed at the end of workshops, the results were:

- 93% agreed that the activity was a **good way of engaging with citizens / colleagues** – 91% of public participants agreed, while 93% of Council colleagues agreed
- 72% agreed that they **knew more about the budget process** as a result of participating, 7% disagreed
- 46% of participants felt their **views had changed** as a result of participation

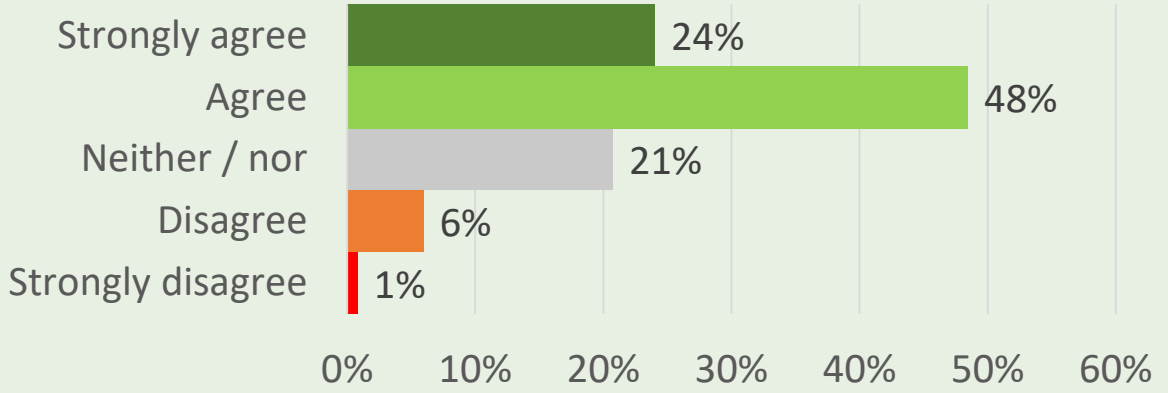
Participants were positive about the opportunities the group activity provided for meeting new people and learning about their views. They enjoyed both the individual placement of coins and the discussions with others.

Some operational issues occurred with delivery of the groups. One workshop of older residents in sheltered housing was misinformed that they were being invited to discuss waste collection and garden maintenance. School groups felt they would have been more productive if allowed to discuss the budget within their year groups, rather than with pupils of different ages.

How much do you agree or disagree that this is a good way of engaging citizens / colleagues?



Agree / disagree: "I feel as though I know more about the budget process" (base 483)



Budget Allocation Using Group Activity

The figure on the following page illustrates the average level of budget allocation to each of the 18 services, for all 50 workshop groups, relative to maximum allowed level of spending. Maximum allowed levels were all set slightly above current budgets to allow participants the opportunity to say they wanted to see an increase in spending.

shows the average budgets from all workshop groups

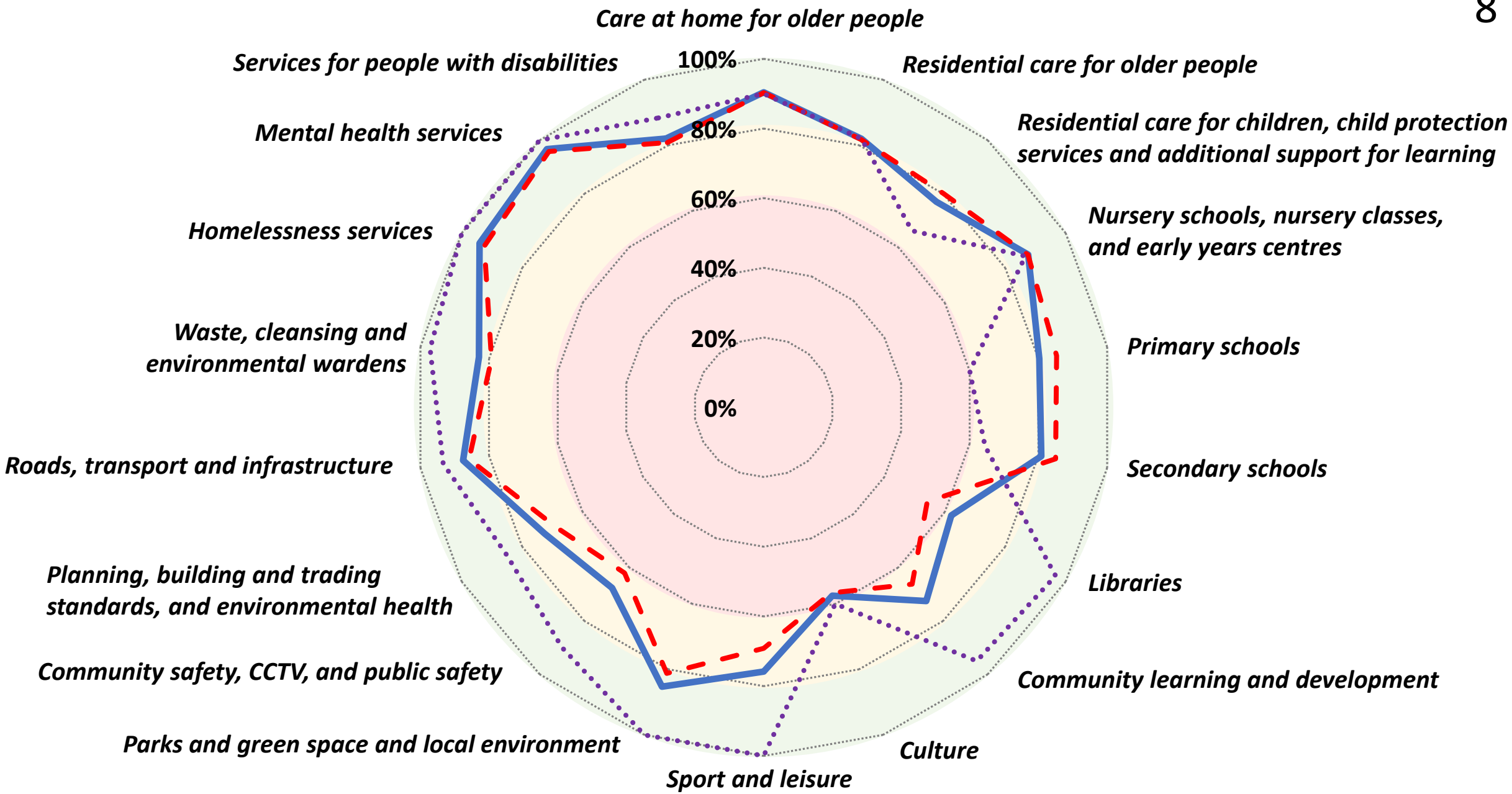
shows budgets of only Council colleague groups

shows budgets of public (generally residents of sheltered housing) and schools groups

The table opposite shows average final budget allocations by all workshop groups as a percentage of the maximum allowed by the group activity.

Most groups felt that mental health services and homelessness required additional funding. By contrast, most groups made significant budget reductions for community safety, libraries and culture.

Service Area / Service Grouping Budget Allocation	%
Mental health services	97%
Homelessness Services	94%
Care at home for older people	90%
Nursery Schools, nursery classes and early years centres	88%
Roads, transport and infrastructure	88%
Parks and green space and local environment	85%
Waste, cleansing and environmental wardens	83%
Services for people with disabilities	82%
Residential care for older people	82%
Secondary Schools	81%
Primary Schools	80%
Residential care for children, child protection, ASL, etc.	77%
Sport and leisure	76%
Community learning and development	73%
Planning, building and trading standards, etc.	73%
Community safety, CCTV and public safety	68%
Libraries	62%
Culture	58%


Care at home for older people
Residential care for older people
Residential care for children, child protection services and additional support for learning
Nursery schools, nursery classes, and early years centres
Primary schools
Secondary schools
Libraries
Community learning and development
Culture
Sport and leisure
Parks and green space and local environment
Community safety, CCTV, and public safety
Planning, building and trading standards, and environmental health
Roads, transport and infrastructure
Waste, cleansing and environmental wardens
Homelessness services
Mental health services
Services for people with disabilities
100%
80%
60%
40%
20%
0%

Colleague Ideas from Workshop Groups – 1

As part of the group activity, Council colleagues were encouraged to suggest ideas which would meet one of three criteria and could be applied either to their own service, or to the Council as a whole. Those criteria were:

- Ideas that would generate new sources of revenue or increase existing sources of revenue
- Ideas that would make the Council more efficient
- Ideas that would reduce costs

Those ideas were noted and summaries of suggestions from colleagues were sent to their Head of Service for consideration when developing budget and change proposals.

This section of the report groups all colleague suggestions by theme, rather than by which service area suggested them.

Raising Revenue – Environmental Services

- **Introduce parking charges on Sundays**
- **Increase fines** relating to waste and cleansing
- **Charge for pick-up of abandoned vehicles** – as happens in other local authorities
- **Review skip permits** – current charges for skip permits are reported as not covering the Council's costs
- **Increased diligence in table and chair permit renewal** – some colleagues believe these permits are not always recharged at the end of a licence period resulting in lost revenue
- **Charge utilities / builders for occupying roads** and apply stricter regulation and enforcement if roads are not repaired properly. This was also suggested in citizen focus groups who wanted to see long occupation result in punitive charges
- **Implement a workplace parking levy**
- **Charge more for commercial filming** – the disruption caused by a recent film franchise was also mentioned by citizens, who felt the Council should have charged more given the expected profits of the film

Colleague Ideas from Workshop Groups – 2

Raising Revenue – Corporate and Estate

- **Automatically move to paperless billing** and require opt-out
- **Awareness of external funding opportunities** and how to access them is low; Edinburgh misses out as a result
- **Increase rental costs on leased properties** with tougher terms for charities than currently used
- **Charge transaction fees** for all non-Direct Debit payments
- **Rent outdoor spaces for public events** similar to the Royal Parks in London
- **More enforcement of charges for businesses using parks for commercial purposes** such as gym classes
- **Set schools, libraries, etc. budgets based on income assumptions from rental of facilities, community rooms**
- **Corporate sponsorship or philanthropic naming** of Council buildings or services
- **Provide consultancy services** to other local authorities and arms-length organisations
- **Private advertising on the Council website**
- **Introduce a premium-rate number for the Contact Centre**
- **Open coffee shops in libraries** for example, by leasing space to a coffee shop chain

Raising Revenue – Culture and Tourism

- **Introduce a Transient Visitor Levy** – this option was widely supported by both colleagues and citizens
- **Introduce whole-property charges** for any home used for short-term lettings
- **One online Council shop** for Edinburgh material, gifts, archive services, museums and galleries shops
- **Lease Council-owned art work** that is not on display
- **Charge non-UK residents for access to museums and galleries**
- **Provide resident discounts for festivals** to encourage attendance

Colleague Ideas from Workshop Groups – 3

Being Efficient

- **Co-locate with partners**, share operational and building costs
- **Share services with other local authorities**, e.g. forestry, building standards, finance, contact centre
- **Co-locate libraries** with community centres, schools, cafes, internet hubs, community cinemas, etc.
- **Decentralise from offices** and allow home or alternative working locations
- **Allow colleagues to buy additional annual leave days** within business needs
- **Introduce a four day week** to improve productivity, wellbeing and morale, and reduce sickness absence and travel
- **More flexible working hours**
- **Incentivise active travel during work** by cutting vehicle mileage payments
- **End policy of no compulsory redundancies**
- **Simplify procurement procedures** – current practice was felt to be burdensome
- **Internal recharging often does not work** as there are no dedicated staff to do this; this system needs to be reviewed

Cutting Costs

- **Explore alternatives to supply teachers** for the cover of short term illness, consider how one teacher could cover several classrooms using IT
- **Use remote-control drones for building inspections** instead of scaffolding
- **Introduce a pet fostering scheme** to avoid kennelling costs when owners need to go into hospital
- **End use of B&Bs and other short-lets for temporary accommodation**
- **Reduce / remove Neighbourhood Environment Programme** which was felt by colleagues to have delivered little benefit
- **Change attitudes to wastefulness** – e.g. use of second-hand goods
- **Reduce travel costs in education** – children should use active travel options
- **Invest in renewables** to reduce costs and provide long-term revenue streams
- **Stop accepting cash and cheque payments**
- **Reduce / stop grass cutting**

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