

# Finance and Resources Committee

10.00am, Thursday, 20 May 2021

## Revenue Budget Framework 2021/26 Update

Executive/routine Wards Council Commitments	Executive All
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### 1. Recommendations

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- 1.1 Members of the Finance and Resources Committee are recommended:
  - 1.1.1 to note that a balanced revenue outturn for 2020/21 continues to be forecast;
  - 1.1.2 to note that, following the receipt of significant additional COVID-related funding late in 2020/21, up to £20.150m is available to address budget pressures, anticipated savings delivery shortfalls and member priorities in 2021/22 and 2022/23;
  - 1.1.3 to refer, on this basis, the report to Council on 27 May 2021 for decision on funding available;
  - 1.1.4 to note, nonetheless, that the medium- to longer-term impacts of the pandemic and other key risk factors will continue to be kept under active review; and,
  - 1.1.5 to note additionally the more fundamental need to initiate by Autumn 2021 a comprehensive savings programme, rooted in the priorities set out within the Council's Business Plan, to address the estimated revenue funding gap.

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## Revenue Budget Framework 2021/26 Update

### 2. Executive Summary

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- 2.1 This report updates members on the projected revenue outturn position for 2020/21, as well as a number of proposed changes to financial planning assumptions affecting future years of the budget framework.
- 2.2 Following the receipt of significant additional revenue funding late in 2020/21 and after taking account of estimated COVID-related financial impacts over the next two financial years, the report intimates the availability of one-off resources of up to £20.150m to address budget pressures, anticipated shortfalls in savings delivery and other member priorities in 2021/22 and 2022/23. In so doing, however, members are reminded of the pressing need for a sustainable savings plan, rooted in the priorities set out within the Council's Business Plan, to be developed later in the year to address significant future years' projected funding gaps.

### 3. Background

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#### **2020/21 revenue budget**

- 3.1 Given the unprecedented nature and scale of disruption to the Council's activity during 2020/21, members have considered a succession of detailed in-year revenue monitoring reports, the most recent of which was presented to the Committee's last meeting on 4 March 2021. Despite cumulative pandemic-related expenditure and income impacts of some £85m, following the confirmation of additional in-year funding for local authorities, a balanced overall position was forecast as of that time. The potential to receive further significant in-year funding was also noted but with the Council's precise allocation remaining to be confirmed.

#### **2021/22 revenue budget**

- 3.2 Members of Council also approved a balanced one-year revenue budget for 2021/22 on 18 February 2021. In so doing, however, it was noted that there remained the potential for change based on the outcome of both the UK Budget and subsequent stages of the Draft Scottish Budget's Parliamentary consideration. A corresponding members' briefing summarising the main elements of these

announcements and their implications for the revenue budget framework was then issued on 11 March.

- 3.3 The members' briefing outlined the provision of additional ring-fenced funding within the 2021/22 Local Government Finance Settlement for concessionary travel, free school meals, pandemic support payments and, subject to confirmation of the accompanying details, various capital schemes. Despite provision of these additional sums, the increase in Local Government's core revenue settlement for 2021/22 remained unchanged from the 0.9% Scotland-wide uplift announced by the Cabinet Secretary for Finance on 28 January.

## 4. Main report

### Projected position for 2020/21

- 4.1 Members will be aware from previous briefings of the provision of significant additional unhypothecated revenue resources comparatively late in the 2020/21 financial year. Relative to the position reported to the Committee's January meeting, these sums primarily comprise:
- (i) £210m of additional funding distributed with reference to income losses suffered by councils, of which Edinburgh's share was £41.8m; and
  - (ii) £175m of additional funding allocated in accordance with more generic expenditure-based needs assessments, with Edinburgh's share being £13.7m.
- 4.2 Taken together and on the assumption that actual COVID-related expenditure and income losses have been contained within the overall level assumed in the January report, this results in an anticipated in-year funding surplus of £15.7m, as follows:

	COVID costs	Scottish Government additional funding	Unallocated funding	Reserves	Corporate budgets	Balance
	£m	£m	£m	£m	£m	£m
Forecast position as of January	84.5	(44.5)	<b>(4.8)</b>	<b>(12.1)</b>	<b>(23.1)</b>	0.0
Forecast position as of end March	84.5	(100.2)	0.0	0.0	0.0	(15.7)

- 4.3 Receipt of this additional funding furthermore "frees up" the sums highlighted in bold that would otherwise have been required to achieve financial balance in 2020/21.
- 4.4 As of the time of writing, closure of the Council's accounts for 2020/21 is continuing and a verbal update will be provided at the meeting by the Head of Finance. At this stage, however, additional savings across service and corporate budgets of some £7m relative to the position shown above are anticipated.

## Availability of COVID and other pressures-related funding in 2021/22

- 4.5 As part of the approved 2021/22 revenue budget, members also agreed to the realignment of the Council's reserves to create a dedicated COVID contingency reserve of £16m. When added to the confirmed allocation of COVID-related funding in 2021/22 of £20.5m and the Council's share of £40m of additional pressures-related funding introduced as part of approval of the 2021/22 Local Government Finance Order, this results in total unallocated COVID- and pressures-related funding of £102.4m as shown in the table below:

	<b>£m</b>
Balance on 2020/21 COVID outturn per Paragraph 4.2	15.7
<b>Sums freed up by receipt of additional funding:</b>	
Unallocated funding from 2020/21 budget	4.8
Earmarked reserves not now required for COVID mitigation	12.1
Corporate budget savings in 2020/21	23.1
<b>Other anticipated funding sources:</b>	
Service monitoring and corporate budgets - anticipated favourable movements by year-end (subject to 2020/21 outturn)	7.0
COVID contingency reserve per Risks and Reserves report, 2 February	16.0
COVID-related grant funding, 2021/22	20.5
One-off "pressures" funding, 2021/22	3.2
<b>Total available COVID and pressures-related funding</b>	<b>102.4</b>

## Proposed revised budget framework provision for COVID-related impacts

- 4.6 Given the receipt of this significant additional cash resource and the continuing impacts of COVID, it is proposed to increase significantly the level of provision contained within the budget framework for COVID-related factors in 2021/22 and 2022/23 as shown in the table below, whilst not now utilising the loans fund financial flexibility in those years. As has been emphasised at previous meetings of the Committee, such financial flexibilities, while providing welcome breathing space to councils in managing the substantial in-year and likely continuing pressures resulting from the pandemic, merely defer and spread these costs over a longer period and, in that sense, are less conducive to the sustainability of the budget framework than the provision of additional resource.

	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
	<b>Total provision (increased relative to approved budget)</b>		<b>Unchanged relative to approved budget</b>	
Lothian Buses - loss of dividend	6.0	6.0	6.0	TBC
Reductions in parking income	8.0	6.0	0.5	TBC
Reductions in commercial rental income	5.0	3.0	0.5	TBC
PPE	1.0	1.0	1.0	TBC
ALEOs - support for Edinburgh Leisure	6.0	3.0	3.0	TBC
ALEOs - other	1.0	1.0		TBC
Homelessness*	5.0	3.0	0.0	TBC
Other income/expenditure**	7.0	2.3	0.0	TBC
<b>Total funding for COVID impacts</b>	<b>39.0</b>	<b>25.3</b>	<b>11.0</b>	<b>3.0</b>

\* Taking into account other core provision, total additional investment in homelessness services across the four-year period of the budget framework is £10m/£8m/£5m/£5m.

\*\* Other income/expenditure reflects assumed continuation of expenditure pressures and, in particular, income losses across a number of other areas based on the 2020/21 monitoring position.

- 4.7 In view of the size of the subsequent gaps in 2023/24 and 2024/25, however, a decision on using available financial flexibilities will be deferred until the autumn to allow for both further work to be undertaken with the Scottish Government on the PPP concession flexibility and clarity to be obtained on the availability of any further grant funding, particularly distribution of Barnett Consequentials linked to the operation of the income compensation scheme in England. Members should note that, at least at this stage, these flexibilities are only available for application in 2020/21 and 2021/22 and, on that basis, a final decision on their use (or otherwise) requires to be made by March 2022.
- 4.8 Application of the available funds in this way increases the budget framework provision for the on-going impacts of the pandemic by £21m (i.e. from £18m to £39m) and £14.3m (from £11m to £25.3m) respectively in 2021/22 and 2022/23. While, taking account of actual 2020/21 impacts, available new-year projections and more promising general signs on the emergence from restrictions, these sums are considered prudent, as in 2020/21, their adequacy will be kept under regular review. Members should note, however, that this level of provision decreases substantially beyond 2022/23 and there is a risk that these impacts are longer-lasting, or more severe, than is currently being assumed.
- 4.9 Taking account of the decision not to utilise the loans fund financial flexibility at this time, £64.3m of the £102.4m of available funding shown in the table at Paragraph 4.5 is now being applied to bolster the level of provision for pandemic-related impacts within the budget framework. This provides an opportunity to spend up to

£21m to mitigate existing budget pressures, anticipated savings delivery shortfalls and/or facilitate investment in member priorities. Members may, however, also wish to consider applying these sums to reduce the significant projected funding gaps apparent from 2023/24.

	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
Gap per report to Finance and Resources Committee, 4 March 2021	0.0	15.3	39.7	67.7
Impact of not using financial flexibility	18.0	8.0	8.0	0.0
Loans charge saving as a result of not using loans fund financial flexibility	0.0	(2.5)	(2.5)	(2.5)
Increased provision for COVID impacts relative to position assumed in 4 March report	21.0	14.3	0.0	0.0
Other changes to framework assumptions for 2022/23 re. EIJB saving and Council Tax increase	0.0	10.0	10.1	10.2
Revised "flat cash" grant funding assumption in 2023/24 and 2024/25	0.0	0.0	(5.1)	(10.2)
Additional member-led spend, including consideration of service pressures and potential savings shortfalls	12.0	9.0	0.0	0.0
<b>Funding</b>				
Application of available funding to offset COVID pressures	(39.0)	(25.3)	0.0	0.0
Contribution from reserves (being sum set aside in 2021/22)	0.0	(2.7)	0.0	0.0
Application of available additional funding to offset residual gap	(12.0)	(26.1)	0.0	0.0
<b>Cumulative funding gap</b>	<b>0.0</b>	<b>0.0</b>	<b>50.2</b>	<b>65.2</b>

### Review of savings assumed to be delivered in 2022/23

- 4.10 Members will recall the inclusion within the 2021/22 Local Government Finance Settlement (LGFS) of additional monies provided to local authorities on the assumption that Council Tax rates were maintained at 2020/21 levels. All thirty-two councils in Scotland chose to freeze levels in this way and, on that basis, access their share of the £90m made available for this purpose. In the Council's case, however, the level of income compensation of £9.6m was some £5.2m less than what would have been raised by the planned 4.79% increase.
- 4.11 Given both this precedent and the likely on-going nature of the economic recovery from the pandemic, it is considered prudent, for planning purposes, also to revise the in-principle assumed increase of 4.79% in 2022/23 to 3%, with a resulting loss of income of £5.4m, with this reduction in income having a compounding effect in subsequent years of the framework.
- 4.12 In contrast to recent years, the 2021/22 LGFS did not contain any unhypothecated additional funding for demand-led pressures facing Integration Joint Boards. In considering the level of funding to be made available to the Edinburgh Integration Joint Board (EIJB) in 2021/22, members therefore chose not to apply the planned 2% savings target. Given this decision and the remaining projected in-year

shortfall for 2021/22 (and significant funding gaps for future years), it is considered prudent not to assume application of the budget framework's planned 2% increase in 2022/23, thereby adding £4.6m to the savings requirement in that year.

### **Grant funding assumptions**

- 4.13 The budget framework's baseline assumption in recent years has been a 0.7% annual decrease in like-for-like core grant funding, based on the actual level of settlement received in 2019/20. The actual level of settlement received in 2020/21 and 2021/22 (at +1% and +1.6% respectively) has, however, exceeded this level and on that basis, while acknowledging the potential for some tightening of future public expenditure to address the exceptional support provided in response to the pandemic, the baseline assumption in 2023/24 and 2024/25 has been revised to one of "flat cash" i.e. an unchanged overall level of resource.
- 4.14 While negotiations are continuing, the current employer's pay offer for 2021/22, even without further movement, exceeds the 2% level of provision included within the budget framework. Subject to the final level of settlement reached, given the anticipated first-year implementation costs of the Scottish Local Government Living Wage, it may be possible to contain this pressure in 2021/22. The level of pay award for 2021/22 is, however, likely to give rise to an overall pressure in 2022/23 and, coupled with the existing 2% provision in that year, it is not proposed to revise the grant funding assumption in 2022/23 at this time.

### **Opportunities for additional member investment to recognise budget pressures, savings delivery shortfalls and/or Council priorities**

- 4.15 Given continuing uncertainty and the need to re-establish the sustainability of the budget framework, it is proposed to apply available funding such that a balanced position can be achieved in both 2021/22 and 2022/23. Applying the remaining element of available funding, after increasing the budget framework's provision for COVID-related impacts and other net changes, results in the availability of up to £20.150m across 2021/22 and 2022/23 for additional member-led spend, including consideration of appropriate provision for remaining service pressures and potential savings shortfalls.
- 4.16 Appendix 1 details a number of options members may wish to consider in their deliberations. It is important to emphasise, however, that the list of options significantly exceeds the level of funding available and includes £14.2m of budget pressures over 2021/22 and 2022/23, as well as £2.2m of anticipated savings shortfalls, an element of which may be recurring and thus add to the significant estimated savings gaps in future years.
- 4.17 Given the significance of these future-year gaps, no borrowing for additional capital expenditure can be supported at this time. Proposals brought forward by members should therefore seek to strike an appropriate balance across recognition of underlying service pressures, support for delivery of future savings and alignment to the Council's key priorities.

- 4.18 In addition to the specific templates included within the appendix, members may also wish to have regard to recent consideration of reports on such areas as [communal bin provision](#) and a number of priorities set out within the Council's [Business Plan](#). Members may also wish to note that the Council has secured funding from NatureScot's Green Recovery Fund to employ four additional temporary Pentland Hills rangers in 2021/22.
- 4.19 Two specific pre-existing commitments have been offset in determining the availability of £20.150m of additional funding. On 29 April 2021, Council approved the use of £0.450m from available COVID-related funds to support the provision of additional temporary public toilets, thereby meeting accessibility needs in premier parks that require additional facilities. This funding will also be used to extend existing facility opening hours in peak footfall locations and further improve signage at locations where these facilities are available.
- 4.20 Group Leaders and members of the Committee have also received regular updates on the progress, and associated costs, of an independent inquiry into matters connected to the death of a Council employee and the Council's whistleblowing arrangements and organisational culture. Members have previously approved the use of up to £0.6m from the Council's earmarked reserves in 2020/21 to offset relevant costs incurred during the year. Actual expenditure of £0.565m in 2020/21 was therefore maintained within this level.
- 4.21 The respective Investigation Teams continue to make good progress, with final reports in each case expected to be available by late summer. Responsible senior officers have sought to keep the Finance and Resources Convener and Vice-Convener, as well as Group Leaders, apprised of the associated costs with a view to striking an appropriate balance between the reviews' scope and delivering best value to the Council. On this basis and acknowledging the need for the inquiries to be concluded and report back on their associated findings and recommendations, an in-year 2021/22 provision of £0.400m has been assumed. When added to the level of approval for public conveniences noted above, this reduces the level of resource available for allocation by members from £21m to £20.150m.

#### **Other budget framework risks**

- 4.22 While the availability of additional funding is to be welcomed, members should not lose sight of a number of risks affecting the revenue budget framework. Besides those outlined in previous sections, these include:
- (i) the speed and extent of recovery, in particular, for commercial rental and parking income streams where COVID provision reduces from £9m in 2022/23 to only £1m in 2023/24;
  - (ii) additional required support for the Council's ALEOs should the impacts of social distancing and behavioural change be longer-lasting than currently incorporated within the framework, particularly for Edinburgh Trams;



- (iii) potential on-going reductions in Council Tax collection levels and increased required level of Council Tax Reduction Scheme support;
- (iv) the significant remaining funding shortfall of £172m within Capital Investment Programme over period to 2031/32;
- (v) upward pressure on loans charge expenditure due to adoption of the Equal Instalment of Principal (EIP) basis of calculation with effect from April 2021; and
- (vi) an inability to identify further savings as part of the budget framework, given that only £0.310m of new proposals brought forward as part of 2021/22 budget discussions.

4.23 These risks emphasise the need for early consideration and a corresponding comprehensive and sustainable savings plan, rooted in the Council's priorities as set out in the Business Plan, to be initiated by the autumn to address significant projected funding gaps from 2023/24 onwards.

#### **Edinburgh Integration Joint Board (EIJB)**

4.24 On 27 April 2021, members of the EIJB considered an update on progress with the Board's 2021/22 financial plan. At this stage, an in-year deficit of £9.3m continues to be forecast, with constructive tripartite discussions involving the Council, NHS Lothian and the EIJB continuing. A corresponding funding proposal, the level of which is broadly aligned to the Council's proportionate funding contribution, is included in Appendix 1.

4.25 The Chief Officer and Chief Finance Officer of the EIJB have also opened a dialogue with the Scottish Government to explore an in-year resolution to the element of the overall financial gap attributable to the 2020/21 Living Wage contract uplift.

## **5. Next Steps**

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5.1 Following initial consideration by the Finance and Resources Committee, this report will be referred to Council on 27 May 2021 for decision on the allocation of the additional available resources set out in Paragraph 4.15.

## **6. Financial impact**

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6.1 Previous revenue monitoring reports considered by the Committee in 2020/21 have set out a gradually-improving picture, with more recent reports setting out the basis of a balanced in-year position, taking account of additional grant funding, use of reserves and savings across a number of corporate budgets.

- 6.2 Following the receipt of significant additional funding late in the 2020/21 financial year, however, there is now an opportunity to build on earlier steps to enhance the robustness and sustainability of the budget framework by increasing the level of mitigation against 2021/22 and future years' COVID-related impacts whilst also allowing a degree of additional member-led spend in 2021/22 and 2022/23.
- 6.3 While this additional funding is to be welcomed, it is important not to lose sight of the more fundamental need to bring forward a comprehensive and sustainable savings plan, rooted in the Council's priorities, to address significant projected funding gaps from 2023/24 onwards.

## **7. Stakeholder/Community Impact**

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- 7.1 A detailed report summarising the response to the Council's recent engagement on budget priorities for 2021/22 and beyond, including relevant supporting material from other engagement activity on priorities and life experiences during the COVID-19 pandemic, was considered by the Finance and Resources Committee on 2 February and referred on to Council as part of the 2021/22 budget-setting meeting.

## **8. Background reading/external references**

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- 8.1 [2021/22 Financial Plan Update](#), Edinburgh Integration Joint Board, 27 April 2021
- 8.2 [Communal Bin Review Update](#), Transport and Environment Committee, 22 April 2021
- 8.3 [Revenue Budget 2020/21 and 2021/26 Budget Framework Update](#), Finance and Resources Committee, 4 March 2021
- 8.4 [Coalition Budget Motion](#), The City of Edinburgh Council, 18 February 2021
- 8.5 [Local Government Finance Settlement 2021/22](#), The City of Edinburgh Council, 18 February 2021
- 8.6 [Council Business Plan and Budget 2021/26](#), Finance and Resources Committee, 2 February 2021
- 8.7 [Council Business Plan and Budget 2021/26 – Risks and Reserves](#), Finance and Resources Committee, 2 February 2021

## **9. Appendices**

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- 9.1 Appendix 1 – Budget pressures, approved savings anticipated delivery shortfalls and potential service investments

**Budget pressures, approved savings anticipated delivery shortfalls and potential service investments**

	2021/22	2022/23	Recurring from 2023/24 £000
	£000	£000	
<b>Budget pressures</b>			
Homelessness	3,000	3,000	
Looked-After Children - Residential and Secure	2,200	1,000	
Edinburgh Integration Joint Board	2,500	2,500	
	<b>7,700</b>	<b>6,500</b>	<b>0</b>
<b>Approved savings - anticipated delivery shortfalls</b>			
Development and Business Services Operating Model	187	0	
Fees and Charges (Place)	563	563	563
Transport Review - Travel Demand	900	0	
	<b>1,650</b>	<b>563</b>	<b>563</b>
<b>Potential investments</b>			
Roads and pavements infrastructure	6,000	0	
Energy and Waste actions	850	200	200
Net Zero Strategy	645	0	
Underwriting Sustainability Team	200	180	
EV charging infrastructure	250	0	
Increased footway and cycleway gritting and street cleansing	500	500	500
Prevention and Community Engagement	600	600	
Human Resources (Diversity)	180	0	
Affordable and accessible transport	500	500	500
Carers' Recovery Fund	250	0	
Edinburgh Bike Hire Scheme	800	500	500
Tram Travel	500	500	
Edinburgh's Summer Festivals	500	0	
Future Libraries - Software Investment	350	350	
	<b>12,125</b>	<b>3,330</b>	<b>1,700</b>
<b>Total</b>	<b>21,475</b>	<b>10,393</b>	<b>2,263</b>
<b>Available funding (maximum)</b>	<b>(20,150)</b>		
<b>Shortfall in available funding (minimum)</b>	<b>11,718</b>		

# *Budget Pressures*

# Communities and Families - Homelessness – management of recurring COVID pressures

## Proposal Summary: (Scope)

The homelessness service has seen a significant increase in the requirement for temporary accommodation due to the COVID-19 pandemic. This has resulted in additional costs of £9m in 2020/21 rising to £14m in 2021/22. Whilst the increase has levelled off in recent months there is, as yet, little change in the underlying factors that would enable the numbers supported to reduce.

## Impact:

As restrictions are eased this will give opportunities for the overall numbers requiring temporary accommodation to be reduced. However, this is largely dependent on the housing market returning to normal and the availability of settled housing increasing. In addition, during 2021/22 the change in legislation relating to ‘local connection’ is expected to have a negative impact on Edinburgh and lead to an increase in the numbers that would have been expected to present as homeless in the city. An additional expected impact is the ending of the Coronavirus Job Retention Scheme which may increase demand in the short-term.

In the 2021/22 budget process additional funding of £10m was approved for 2021/22 and £5m for 2022/23. Further COVID-related funding of £3m has since been made available for 2022/23, increasing additional funding to £8m in total.

Due to the factors mentioned above it is felt that reducing costs from the current additional £14m a year to an additional £10m and £8m respectively in 2021/22 and 2022/23 is very challenging and the Council should plan accordingly. Therefore, further investment of £3m a year for both years would allow the service to stabilise the position during 2021/22 and implement the preventative services recently agreed through the budget process. In the meantime, the Council will continue discussions with the Scottish Government with a view to ensuring that a consistent Scotland-wide approach is adopted in funding for homelessness services.

The number of households in temporary accommodation at December 2020 was 4,350. The additional funding would enable this number to be supported throughout 2021/22 with reductions of approximately 770 taking place across the following two years as the housing market returns to normal and the benefits of the new preventative services are delivered.

Investment 21/22	Investment 22/23
£3.000m	£3.000m

Total Investment
£6.000m

Non-Financial Benefits
People are supported to have their income maximised.
Increase in the number of people whose homelessness is prevented.
People are supported to move out of temporary accommodation and into permanent homes.
Supports the Council to meet obligations under the Unsuitable Accommodation Order and prepare for likely Prevention Duty.

# Communities and Families - Looked-After Children – Residential and Secure

**Proposal Summary:  
(Scope)**

Funding to alleviate pressures in Residential and Secure budgets within Looked After Children (LAC) area pending review and development of mitigating action to manage numbers of internal and external placements within available budget resources

**Impact:**

An initial analysis indicates estimated recurring pressures within Residential and Secure Service areas totalling £2.5m as follows :

- Out Of Council Residential school placements £1.5m
- Out of Council Secure placements £1.0m
- Staff costs pressures – Young People Centres £0.3m and Secure unit £0.3m
- Unaccompanied Asylum-Seeking Children (UASC) income – balance net of costs (£0.6m)

The budget framework already includes one-off COVID-related provision of £0.3m in this area in 2021/22, **reducing the net pressure to £2.2m.**

These pressures have been partially offset in 2020/21 by one-off savings in other areas of the LAC budget, including Special Schools and Additional Support for Learning (ASL) but it is anticipated that there will be recurring pressures from the use of external placements to manage demand and issues relating to capacity/throughput of young people within CEC residential provision.

A working group has been set up to review the pressures within this area, including the impact of continuing care legislation and increases in the numbers of UASC being accommodated in recent years, and to develop options to prevent escalation of needs and reduce the demand for higher-cost, external placements in future and manage overall demand within available resources. This will also include scope for enhancement of early intervention and preventative support measures which could be developed in order to minimise the numbers of young people requiring to be accommodated in higher-cost provision in future.

Further work is required to review potential preventative measures which could be delivered within the additional £2.2m investment in 2021/22 to manage the forecast pressure down to £1m in 2022/23, with the aim of fully balancing the pressures within available resources by 2023/24.

Investment 21/22	Investment 22/23
£2.200m	£1.000m

Total Investment
£3.200m

Non-Financial Benefits

## Proposal Summary: (Scope)

Address the structural shortfall in base budget for social care by increasing the funding for EIJB

## Impact:

EIJB faces stark choices given its structural financial deficit. Efforts to address this without impacting performance, quality and outcomes are nearing exhaustion.

Since its inception, Edinburgh Integration Joint Board (EIJB) has faced challenges in setting a balanced budget. For the first time in 2019/20, EIJB delivered a break-even position without year-end contributions from its partners and a similar position is projected for 2020/21. However in both instances this has been achieved by relying on non-recurring monies and the structural deficit remains.

On 24th March 2021 the EIJB agreed its financial plan, associated savings and recovery programme and some further mitigating actions. Despite agreeing a challenging programme of efficiencies, the plan agreed by the Board was unbalanced. The gap currently stands at £9.3m and all three partners agree that the opportunities to deliver further efficiencies at the same time as maintaining performance and improving outcomes for people have now largely been exhausted. Savings beyond the level currently built into the plan will have a significant negative impact on performance gains and ultimately on outcomes for people.

This position has been the subject of urgent tripartite talks led by the Chief Officer with officers from NHS Lothian and The City of Edinburgh Council. All involved in these discussions recognise and accept a number of complex inter-related factors, namely: the ongoing improvements in performance; the likely negative impact on outcomes for people and performance more generally of any further savings initiatives; the ongoing uncertainty as we emerge from the Covid pandemic; and the EIJB's structural deficit. In this context, partners are supportive of the approach and committed to working with EIJB officers to identify options to bridge the financial gap as the year progresses.

Investment  
21/22

Investment  
22/23

£2.500m

£2.500m

Total Investment

£5.000m

Non-Financial Benefits

- Limits the extent of the consequential cuts to social care services
- Reduced level of complaints and concerns from the public re quality, timeliness and accessibility of services
- Shows evidence of commitment from partners

*Approved Savings, part or full delivery of which is currently in doubt*



# Approved savings (Place): Development and Business Services Operating Model

Brief summary of original proposal, including associated approved saving over 2021/22 and 2022/23 and current BRAG status for 2021/22.

This approved saving was to develop and deliver a new operating model within Planning, Building Standards and Regulatory Services to reduce the reliance on the Council's revenue budget by improving efficiency, reducing costs and increasing income. The approved saving in 2021/22 is £0.950m and in 2022/23 £0.3m. The current assessment shows £0.143m of the 2021/22 saving as green (this has been achieved), with £0.620m assessed as amber and £0.187m as red.

2021/22 status	
£m	
	<b>0.143</b>
	<b>0.620</b>
	<b>0.187</b>

What has changed since the time of budget approval to mean part or full delivery is now at risk?

This saving was approved in 2020/21. Since approval, the outbreak of COVID-19 has meant that service delivery arrangements have changed and implementation of new ways of working/service efficiencies has been delayed. Service demands, particularly in Regulatory Services, have increased significantly to adapt to the regulatory requirements associated with COVID-19 and the Council's ability to generate income has been reduced.

What could still, or alternatively, be done to deliver some or all of the saving, including any opportunities to accelerate other proposals? Please indicate amounts and identify key assumptions, dependencies and risks.

Taking account of the impact of COVID-19 on these service areas, it is proposed to reprofile the approach to delivering this saving, with a number of one-off measures in 2021/22 being proposed to make a significant contribution towards the saving required, and with plans in place to ensure that the full saving can be achieved in 2022/23. These measures are:

- As set out above, £0.143m of the saving has already been achieved through VERA (for GR9);
- Income of £0.320m can be allocated on a one-off basis;
- A staffing saving of £0.1m to be achieved through organisational review; and
- £0.2m from reserves to be paid back in future years.

**This would mean that there is approximately £0.187m which is currently assessed as red in 2021/22.**

It is intended to begin engagement with the Planning and Building Standards service in May 2021 and Regulatory Services in September 2021, on the potential for service and organisational efficiency; and then to commence organisational reviews later in this calendar year. **This will ensure a contribution to the saving required this financial year and delivery of the full saving required from 01/04/2022.**

# Approved savings (Place): Fees and Charges 5% uplift

Brief summary of original proposal, including associated approved saving over 2021/22 and 2022/23 and current BRAG status for 2021/22.

This proposal was to increase most discretionary fees and charges across the Council by 5%. For Place, this equates to an increase in income of £0.938m in 2021/22. This is in addition to approved savings from increased charges for Garden Waste (£0.160m) and implementation of the Parking Action Plan Phase 2 (£0.520m).

	2021/22 status
	£m
	0.375
	0.563

What has changed since the time of budget approval to mean part or full delivery is now at risk?

Since the budget was approved, the fees and charges uplifts have been modelled using financial assumptions. The modelling shows that they would not yield sufficient additional income to meet this saving.

What could still, or alternatively, be done to deliver some or all of the saving, including any opportunities to accelerate other proposals? Please indicate amounts and identify key assumptions, dependencies and risks.

The uplift in respect of the suite of parking charges has never been within the scope of this calculation. This income uplift (assuming parking income recovers as public health restrictions ease) cannot be used as a substitution as this has already been pointed towards the Parking Action Plan Phase 2 saving on a one-off basis to reflect the timing of new controlled parking zones (CPZ) coming online. Additional CPZ income is not projected until Q4 of 2021/22.

**Modelling of likely additional income suggests that circa £0.375m can be realised in 2021/22.** Finance and service colleagues will continue to work on options to increase this amount however it is unlikely this work will achieve the full £0.938m required.

# Approved savings (Communities and Families): Transport Review – Travel Demand

Brief summary of original proposal, including associated approved saving over 2021/22 and 2022/23 and current BRAG status for 2021/22.

For Communities and Families expenditure on Home to School Transport, there is an existing budget pressure of £0.400m identified for 2020/21 which needs to be addressed and a further £1m of investment payback to be made over 2021/22 and 2022/23. The overall saving required in 2021/22 is therefore £0.900m, with a further £0.500m of savings required in 2022/23.

Due to the ongoing pandemic it is difficult to demonstrate whether these savings are being made as additional COVID-related travel requirements have been required throughout 2020/21 and will continue into 2021/22. The Passenger Operations team are working closely with colleagues in Finance to identify the costs specifically attributable to COVID and once this information is available, it will be easier to estimate the actual level of savings that might be achievable in 2021/22 compared to the level of expenditure before the pandemic.

	2021/22 status
	£m
	0.900

What has changed since the time of budget approval to mean part or full delivery is now at risk?

The ongoing pandemic and increased travel demand due to social distancing requirements on vehicles, when combined with the part-time return to school for some pupils, has made it impossible to continue the reductions in travel demand which were successfully being achieved pre-COVID. In order to achieve the required savings the Travel Demand project, previously focusing on Communities and Families Home to School Transport, has been expanded to include all travel and logistics activity in the Council and will be directly linked to transformational change in all of the services involved.

What could still, or alternatively, be done to deliver some or all of the saving, including any opportunities to accelerate other proposals? Please indicate amounts and identify key assumptions, dependencies and risks.

The expanded Travel Demand and Logistics project presented an outline of future steps to CLT on 27 January 2021. The phased approach to long term transformation was as follows:

- Step 1 – Technology and Automation
- Step 2 – Depot Strategy
- Step 3 – Service Integration Opportunities
- Step 4 – Supporting the Business Plan

Throughout February and March the project team worked with ICT colleagues to identify appropriate software and device solutions for step 1. A workshop with key stakeholders to identify the best solution is to be progressed soon. The intention is for the new software and technology to be implemented during 2021/22. The exact details and costs and programme will emerge following the workshop. This investment is a crucial dependency in order to realise the required savings.

# *Investment Options*

*Key:*

*Sustainability*

*Poverty and Prevention*

*Technology*

*Core Service Delivery and City Recovery*

# Investment in Roads and Pavements Infrastructure

**Proposal Summary: (Scope)**

The Council’s Transport Asset Management Plan sets out the Council’s plan to invest continually in its roads and pavements infrastructure. This plan has been developed following a review of the economic and useful life of all Council assets. To maintain roads and pavements assets to the required standard involves reactionary repairs, regular maintenance (to extend the life of the asset) and investment to improve their condition.

**Impact:**

This proposal seeks the investment of £6m of one-off funding to allow for intensive repair and resurfacing work on our road and pavements network in order to reverse some of the substantial damage that has been caused by the recent winter weather.

It is anticipated that £2m of the funding would be allocated to the procurement of packages of work to undertake patching and permanent repair work as a follow-up in those streets where there have been temporary make-safe repairs over the winter.

In addition, £4m would be allocated to resurfacing and surface treatment works where there is the highest requirement for these types of intervention.

It is expected that this investment would be very well received by the public, and there is clearly a strong alignment with outcome 14 of the Business Plan, in maintaining or improving the quality of our roads and pavements.

Investment 21/22	Investment 22/23
£6.000m	£0.000m
Total Investment	
£6.000m	
Non-Financial Benefits	
<ul style="list-style-type: none"> <li>• This additional funding will support the achievement of Council commitment 16.</li> <li>• This will also support the achievement of Business Plan outcome 14 – to maintain focus on the city’s roads and pavements.</li> <li>• This will lead to improved resident satisfaction, reduced complaints and fewer insurance claims.</li> <li>• This will also contribute to an expected improved Road Condition Index assessment in 2021/22.</li> </ul>	

# Taking immediate action on Council organisational emissions – energy and waste

**Proposal Summary: (Scope)**

Accelerated action on Council emissions from energy and waste

**(Impact)**

Demonstration of Council leadership and commitment to achieving net zero

**1. Detailed design for operational estate retro-fit (£0.500m)**  
 This additional £0.500m would build on feasibility studies planned for 10-12 buildings and already resourced within the budget and commission the full design of the pilot buildings for selected demand reduction measures (insulation, glazing, air tightness, etc.).

Additional funding made available would offset against the capital requirement and give certainty on the opportunity for these design works to progress. Enabling the preparation of detailed designs would mean that if a decision was made to progress, works could be brought forward to start in 2022/23.

This would in effect create a series of shovel-ready projects.

**2. Rolling out recycling in schools (£0.090m - £0.150m)**  
 As a result of COVID-19, schools and kitchens are generating more waste. Schools are also trying to recycle more in line with the Council’s 2030 sustainability pledges. Through 2021 and 2022, all primary schools will be launching free meals for every pupil, with around a 15% increase in waste anticipated as a result. £0.090m would support the purchase of 150 additional recycling bins to help mitigate the impact of increased waste on the Council’s carbon footprint, and to support awareness raising on sustainability and recycling among pupils. £0.150m would support acceleration beyond primary schools.

**3. Recycling improvements (£0.100m - £0.200m)**  
 Bringing forward a contract variation with our dry mixed recycling contractor to incentivise the recovery of increased streams of material. There is potential to extract greater value from the materials both the Council and citizens put into the city’s waste recycling system, particularly in relation to dry mixed recycling. This would both deliver efficiency improvements and support the Council’s circular economy approach.

Investment 21/22	Investment 22/23
£0.690m to £0.850m	£0.100m - £0.200m (recurring)
Total Investment	
£0.790m - £1.050m	
Non-Financial Benefits	
<ul style="list-style-type: none"> <li>• Reductions in Council emissions from energy</li> <li>• Enhanced and upgraded operational estate</li> <li>• Reductions in Council emissions from waste</li> <li>• Awareness raising and engagement of young people in the sustainability agenda</li> </ul>	

# Early commitments to support a city-wide 2030 Net Zero Strategy

**Proposal Summary: (Scope)**  
Strategic development and co-ordination capacity

**(Impact)**  
Orchestration of Council and city partner action to support delivery of 2030 net zero target

Capacity to secure additional external funding to support investment in new net zero projects

- 1. Citizen communication and engagement budget - £0.310m**
  - £0.200m – city-wide behaviour change campaigns (online and face-to-face when permitted) utilising targeted mixed marketing
  - £0.060m – Carbon footprinting app
  - £0.040m – Schools engagement, including events e.g. youth / primary school summits, etc. (option to time to coincide with COP26 if going ahead)
  - £0.010m – Running costs to support community climate action groups’ access to under-utilised Council buildings as ‘pop-up’ space for collaboration
- 2. City-wide heat and energy strategy and partnership - £0.335m**
  - £0.200m – Commissioning of strategy and development of major heat network proposal for the city
  - £0.075m – 1 year FTC G10 Heat and Energy Strategy Manager to establish and support a city-wide heat and energy partnership; work with the ESCO to agree its future role; identify opportunities to align capital works programmes and target external funding streams
  - £0.060m – 1 year FTC G8 City Partnership Officer to establish and support governance structures for implementing the city 2030 Net Zero Strategy, and orchestrate partner buy-in and collaborative action to achieve the strategy’s aims.
- 3. Underwriting the Corporate Sustainability Team Capacity (£0.380m underwritten over two financial years)**
  - Manage the risk of losing the Corporate Sustainability Team capacity as a result of financial uncertainty of European funding by extending the current one-year fixed term contracts to two years. The team would, during that time, continue to seek additional and external funding but the Council would carry the £0.380m risk of unmet funding as a pressure. Several funding bids are in train, totalling in excess of £0.800m. Key programmes including the Carbon Scenario Tool, Council Emissions Reduction Plan, 2030 Strategy Implementation Plan, innovation programmes and funding change, citizen engagement on sustainability and co-sponsorship of Edinburgh Climate Commission are dependent on this capacity.

Investment 21/22	Investment 22/23
£0.645m (£0.200m)	(£0.180m)
Total Investment	
£0.645m+£0.380m u/w	
Non-Financial Benefits	
<ul style="list-style-type: none"> <li>• Delivery of political commitments on sustainability</li> <li>• Council leadership of net-zero 2030 agenda across the city</li> <li>• High-quality data on the emissions impact of major Council programmes - to support political decision-making and track progress to net-zero</li> <li>• Leverage of additional expertise, capacity and shared learning through participation in joint programmes with European partners</li> </ul>	



# Taking immediate action on Council organisational emissions – EV charging infrastructure

## Proposal Summary: (Scope)

Accelerated action on Council emissions from transport

## (Impact)

Demonstration of Council leadership and commitment to achieving net zero

**EV charging infrastructure to support further electrification of Council fleet and citizen needs (£0.250m capital)**  
 The Council has made good progress in transitioning its car fleet to electric. Around 75% of the remaining fleet consists of medium-sized diesel vans, with the Council’s Emissions Reduction Plan proposing a commitment to replacing these with electric. The Council will work with Transport Scotland to seek funding to enable the purchase of electric vans. Further costs relate to the EV charging infrastructure required to support new electric vans. Just under half of the medium van fleet (c.150) support mobile workers and would require the installation of home chargers at a cost of c.£2,000 per unit. Vans for non-mobile workers require hub/depot charger capacity at c.£7,000 per van. Negotiation with trades unions is required to be able to secure the installation of home chargers and this, coupled with lead-in times, points to a target of infrastructure to support 50 additional vans in 2021/22 (20 mobile workers, 30 standard fleet) at a total cost of £0.250m, assuming 20% of chargers have fast charge capability. Those chargers installed in publicly-accessible locations would be made available on Chargeplace Scotland for citizens to use outside of core working hours, delivering increased EV charging infrastructure for citizens and businesses.

Investment 21/22	Investment 22/23
£0.250m	n/a

Total Investment
£0.250m

- ### Non-Financial Benefits
- Reductions in Council emissions from transport
  - Improved efficiency
  - Improved ‘hub’ EV charging infrastructure for citizens
  - Reduction in demand for on-street EV charging
  - Reductions in city emissions from transport



# Increased footway and cycleway gritting and street cleansing

**Proposal Summary: (Scope)**

**Impact:**

This proposal seeks to expand our footway and cycleway gritting operations through the re-design of our operation. This will be recommended to Transport and Environment Committee as an option in June, but has been brought forward now due to the limited length of time to consider investment options.

The investment would allow the leasing of additional compact street sweepers, with associated equipment to allow the sweepers to operate as mini-gritters through the winter. The £0.500m investment would lease the equipment but would also recruit additional street cleansing staff to operate them throughout the year.

There would be multiple benefits to this investment:

1. Increased coverage of our footway and cycleway network that is treated;
2. A more efficient and effective operation (the compact sweepers have a payload that is nearly three times greater than an existing mini-tractor); and
3. Improved street cleanliness – throughout the spring and summer, the sweepers would be fully engaged on street cleansing operations. Furthermore, when the sweepers are not needed for gritting, they can also continue to clean streets and assist with seasonal demands such as leaf clearance.

This investment would be firmly aligned outcome 14 of the Business Plan (core services are maintained or improved) and would be a strong response to Elected Member and citizen feedback over the recent winter period.

Investment 21/22	Investment 22/23
£0.500m	£0.500m

Total Investment
£1.000m (plus £0.500m recurring)

Non-Financial Benefits
<ul style="list-style-type: none"> <li>• Improved public safety</li> <li>• Improved reputation for the Council</li> <li>• Decreased 'slips and trips' resulting in fewer hospital admissions</li> </ul>

# Prevention and Community Engagement: Reforming the way we work

## Proposal Summary:

For increased capacity and expert advice to support the development of a programme to deliver a new council approach to prevention

## Impact:

The first year programme of work to deliver change, including innovation projects will progress

Council Business Plan Outcome 2 commits to reforming the way the Council works to better deliver prevention services with **engaged and empowered communities**. This commitment is in response to the Edinburgh Poverty Commission call to action for prevention based services to operate as small local teams, working across service boundaries in all parts of the city to help people access support in a way that works for them and **prevents poverty and an escalation of need**.

Evidence and research tells us that reform of this kind and scale must be designed from the bottom up through supporting community and citizen engagement and building community and citizen capacity.

This proposal is to create capacity with a dedicated core team of 3 staff members who **would work alongside and create capacity in existing teams** and resources across the Council to

- Lead the implementation of immediate reforms to current practice
- Develop a new preventative service model targeting **those services most likely to be accessed by residents at risk of poverty**
- Develop the plan for wider roll out across the work of the Council
- Work with the community and voluntary sector to review our commissioning and contractual arrangements

The team would need to align and engage with key workstreams including the development of the Edinburgh Pact and community engagement team **in building strong, collaborative and empowering relationships with citizens** and colleagues across sectors.

Delivering this change successfully means bringing existing staff in community lifelong learning, **employability, advice and benefits, housing and homelessness** to work together in new and improved ways **targeting citizens most at risk of poverty**. As such this proposal budgets for additional training to support staff to these changes.

Overall, the package of work outlined here is for an investment of £600,000 per annum over two years, with a review at the end of year 1 – with clear baselines for evaluating success. This investment will align with and build on similar work underway in IJB which has been supported by a budget of £2m.

While improvements are possible without a budget, **reform and a new way of working is unlikely to be delivered without dedicated capacity to support change**. In addition, the risk of not investing now is that the Council will lose an opportunity to harness the desire for and the potential offered by post covid service redesign currently going on cross council and among third and statutory city partners.

Investment 21/22	Investment 22/23
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£0.600m	£0.600m
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Total Investment
------------------

£1.200m
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Non-Financial Benefits
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- Prevent poverty and homelessness
- Make the experience of seeking help more compassionate and more dignified
- Improve income or reduce living costs for poorest citizens
- Improve opportunities to access or progress in fair employment, learning or training
- Improve physical and mental health and reduce health inequalities
- Make sure people can access the services they need in the places they live and work
- Engage and empower people to make the changes they want to see in their communities

# Resources – Human Resources (Diversity)

**Proposal Summary:  
(Scope)**

**Impact:**

The investment proposed is to provide one-off support to accelerate activities in respect of the Council’s Diversity and Inclusion Strategy and the Equalities and Human Rights Framework.

At the Policy and Sustainability Committee meeting on 20th April 2021, the Committee approved the Council’s updated Equality and Rights statutory framework. Recognising the opportunity to accelerate activity to deliver against this framework and more specifically improve our support to create a more diverse and inclusive workforce, this proposal proposes one-off investment of £0.180m for one year to develop and commence the roll-out of modern and progressive diversity and inclusion training within the Council, both for elected members and officers. In addition, to provide capacity to support this work, a fixed-term post at Grade 8 for 12 months is proposed to enable the sourcing of a diversity and inclusion specialist to support greater focus on policy, guidance, project management and engagement in this area.

Investment 21/22	Investment 22/23
£0.180m	n/a

Total Investment
£0.180m

- Non-Financial Benefits**
- Acceleration of progress with implementation of the Council’s updated Equality and Rights Framework
  - Demonstrable commitment to improving diversity and inclusion capacity and capability within the organisation, specifically focussing upon issues of unconscious bias.

**Proposal Summary:**  
For increased capacity and resource to reduce travel cost barriers for people seeking employment, education and key services

**Impact:**  
Improved ease of access to employment, training and key services for people in or at risk of poverty

The Council Business Plan (Outcome 11), the City Mobility Plan and End Poverty Edinburgh Delivery Plan make a commitment on action to ensure that transport options in the city are inclusive and affordable. Such actions reflect a core call to action from the Edinburgh Poverty Commission which noted that “the cost and ease of transport across the city is a major barrier to people’s ability to hold down jobs, access educational opportunities and support, participate in activities and maintain family and social connections.”

Such pressures are expected to grow in importance as the city begins its recovery from pandemic and recession, as large numbers of unemployed workers seek support in returning to jobs, training and education. Investment is required to ensure that transport access and cost is not a barrier to recovery and renewal for people in or at risk of poverty across Edinburgh.

- **£500,000 additional investment to significantly expand capacity for community transport providers,** ensuring low or no cost transport options are available in every community, expanding the provision of mobility as a service option, and making sure that access to transport is not a barrier to the take-up of employment, learning or other opportunities.

In making this investment, the programme aims to build on and maximise the impact of existing programmes, and Scottish Government programmes – including the planned expansion of free bus travel for under-22 year olds expected for implementation later this year.

Investment 21/22	Investment 22/23
£0.500m	£0.500m
Total Investment	
£1.000m (plus £0.500m recurring cost)	
Non-Financial Benefits	
<ul style="list-style-type: none"> <li>• Improve income or reduce living costs for poorest citizens</li> <li>• Improve opportunities to access or progress in fair employment, learning or training</li> <li>• Make the experience of seeking help more compassionate and more dignified</li> <li>• Improve physical and mental health and reduce health inequalities</li> <li>• Create safe, inclusive communities that promote equality and diversity</li> <li>• Make sure people can access the services they need in the places they live and work</li> </ul>	

## Proposal Summary: (Scope)

## Impact:

Prior to the pandemic, almost 14% of Edinburgh's population had caring responsibilities. For many, these have increased massively since late March 2020, with other citizens also taking on new responsibilities. At the same time, the pandemic brought out the best in communities, with the voluntary and third sectors also able to respond flexibly and creatively to the challenges.

Working with an experienced delivery partner, a one-off investment in a Carers' Recovery Fund would be an important recognition of carers' contribution and a signal of the Council's commitment to invest further in carers' rights to short respite breaks as set out by the Independent Review of Adult Social Care in Scotland (IRASC) and the Scottish Government's Readiness Toolkit for Integration Joint Boards Health and Social Care Partnerships.

The Carers' Recovery Fund should align to agreed health and social care outcomes, focus on carers in greatest need with limited means (and facing multiple barriers) and address poverty risks which are higher among carers than other groups. Clear and transparent criteria will be developed, comparable to established criteria for short respite breaks grants. One or more of three outcomes which form a core part of the Carers (Scotland) Act 2016 and Edinburgh's Joint Carers Strategy 2019-22 should be met, namely improved opportunities for breaks from caring, Improved personal health and wellbeing and improved economic (financial) well-being.

To reach the maximum number of carers in Edinburgh's communities, it is proposed to spread promotion and distribution of the payment over a period of six months, with a launch during National Carers' Week (7-13 June 2021) which this year has the theme Make Caring Visible and Valued. It is proposed to allocate some funds specifically to young carers and young adult carers, and to parent carers and carers of minority communities.

Investment 21/22	Investment 22/23
£0.250m	n/a
Total Investment	
£0.250m	
Non-Financial Benefits	
<ul style="list-style-type: none"> <li>• Recognition of the vital role of unpaid carers, particularly those in greatest need, during the pandemic and subsequent recovery, thereby addressing poverty risks</li> <li>• Signalling the Council's commitment to invest further in carers' rights</li> </ul>	

# Edinburgh Bike Hire Scheme

## Proposal Summary: (Scope)

## Impact:

The Edinburgh Cycle Hire Scheme (ECHS) was established three years ago by Transport for Edinburgh to provide bicycles for hire across the city, enabling residents and visitors to travel efficiently around the city. The current scheme is delivered under contract by Serco, with sponsorship from *JustEat*.

The contract for the existing scheme is due to end in September 2021 and it is proposed to exercise the four-year extension option (permitted under the existing concession contract). Members will be asked to approve this extension, subject to sufficient funding being secured from a combination of grant funding bids (UK and Scottish Government), sponsorship revenue and ridership revenue. A fixed annual fee has been requested, with further refinements of the service provision to improve the service for the customer, reduce the environmental impact of supporting the scheme and to reduce costs. Serco have indicated that they are not prepared to extend the existing contractual arrangements as they currently carry all of the financial risk. They would be prepared to extend the current contract but with a Managed Service Model.

Financial support has been requested from City of Edinburgh Council as a contribution towards the continuation of ECHS.

The maximum total cost of the contract in year 1 would be £2.329m and £1.157m in years 2 – 4. This assumes that only ride income of £0.4m is received, with no sponsorship or external grant funding.

- The cost of security upgrades will be £1.172m and TfE are in discussions to secure grant funding for this. This would be capital funding.
- The cost of purchasing the fleet which is not already owned is £0.097m per annum for each of the four years of the contract. Again, grant funding is being sought for this. This will be capital funding.
- The management fee averages £1.460m per annum in each of the four years. A reduction of £0.100m is possible but not guaranteed.

The income expected for the scheme is expected to be:

- £0.5m income from ridership; and
- TfE believe that they will achieve Sponsorship income of £0.5m.

This would mean that the maximum funding required would be £0.460m. TfE intend to seek funding to deliver the security upgrade, grant funding and additional sponsorship but these are subject to further negotiation. TfE expect to secure the capital funding required but note potential risks on both ridership and sponsorship of approximately £0.250m. On this basis, the funding gap could increase from the £0.460m noted above to £0.710m.

Investment  
21/22

Investment  
22/23

£0.800m

£0.500m

Total Investment

£1.300m (with estimated  
recurring cost of £0.500m)

Non-Financial Benefits

- ECHS will contribute to Council Business Plan objective for the city becoming sustainable and net zero carbon, particularly outcome 12.
- ECHS will support the delivery of the City Mobility Plan.

# Concessionary Public Transport (Tram Travel) for Under 19s

## Proposal Summary: (Scope)

## Impact:

The Scottish Government has recently announced an extension to concessionary travel arrangements which means that people under the age of 22 will be able to travel on public transport for free. It is expected that the funding for this will be provided by the Scottish Government, based on bus patronage. However, in Edinburgh, the public transport service also includes tram travel and the existing arrangements for concessionary travel do not provide sufficient funding for tram passengers.

Therefore, the Council currently reimburses Edinburgh Trams to enable them also to deliver the concessionary travel arrangements which apply for bus passengers.

A calculation has been made on the potential impact should Edinburgh decide to offer free travel by tram to those aged under 19, with the estimated cost being circa £0.5m. An exercise is now underway to establish the estimated cost for providing free travel for people aged under 22.

Should the Council be required to reimburse Edinburgh Trams for this concessionary travel, these costs cannot be met from the Place budget. It is therefore requested that funding be set aside to meet these costs, if required, in 2021/22 and 2022/23 and that arrangements are put in place to meet these costs on an on-going basis from 2023/24.

\* Note – these costs are based on the assessment of free travel for those under 19. This cost will increase if the cost applies to those under 22.

Investment  
21/22

£0.500m\*

Investment  
22/23

£0.500m\*

Total Investment

£1.000m\*

Non-Financial Benefits

- The tram forms an integral part of the Council's sustainable transport network and contributes to business plan objectives 11 and 12 and would help to support the effort to end poverty by 2030.



# Edinburgh's Summer Festivals 2021

## Proposal Summary: (Scope)

## Impact:

Edinburgh's August Festivals and Fringe have been significantly impacted by the outbreak of COVID-19 and, while recognising that it would be impossible to stage these Summer Festivals on the scale and impact of previous years, the current Scottish Government guidance provides an opportunity to support the city's economic recovery and the wellbeing of residents by their staging a hybrid model which combines live and digital events to:

- support audience wellbeing and the leisure and tourism economy in a way digital alone does not;
- help local creatives to deliver live work as wider market demand restarts; and
- position Scotland for recovery by creating marketing assets which showcase the city's unique experiences and places across the world.

Current restrictions and public health requirements mean that the festivals are unable to rely on their normal funding streams. Additional support is required so that as full a programme as possible of COVID-secure events can be delivered. The Scottish Government has earmarked one-off funding of £1m for Edinburgh's August Festival activity in 2021 and has requested that the Council provide some match funding to enable live events to take place.

A package of up to £1.5m would be created and a joint plan is being developed which would see support for a range of small, medium and larger scale events. The governance and delivery mechanisms, including criteria, for the proposed fund are under development. The intended focus for the Council resource is more specifically for Edinburgh-based Fringe producers and venues and their participation and recovery given their importance as the foundations of the city's core cultural jobs, talent retention and creative infrastructure. It is not intended for the main festivals or the Fringe Society itself.

This funding, in partnership with the Scottish Government financial support, is vital to supporting the recovery of the city's creative economy for performers, production support and the wider sector supply chain. COVID-19 has had a significant detrimental impact on this sector, with many people unable to work for the past 12 months, so bringing forward plans for Summer Festivals 2021 not only supports individuals and small businesses but also the wider local and city economy. Alongside their digital programming and promotion, by having events on the ground, this will also support the wider city economy, especially the hospitality and retail sectors.

In addition, the Summer Festivals will be targeting local and regional audiences, prioritising accessibility and engaging with local residents and communities. The Culture Service will continue its support role with other festivals and events throughout the year.

Investment  
21/22

Investment  
22/23

£0.500m

n/a

Total Investment

£0.500m

Non-Financial Benefits

- In support of the Council business plan, this additional support will also support the recovery of the city centre and businesses (objective 10)
- Support for the city's creative and hospitality sectors which have been significantly impacted by COVID-19
- Improve wellbeing for local people, offering the opportunity for enjoying creative and social experiences.



## Proposal Summary: (Scope)

There has been a recurring savings target of £1.9m in the budget across the library service which we are looking to achieve over the next three years. The project will look at various options to achieve this saving including: reducing our staff numbers whilst protecting our frontline staff; looking to implement a more joined-up approach across our school and community libraries; and looking to provide a more focused core offering which aligns with the strategic objectives of the organisation by linking library services into the wider wellbeing objectives e.g. to support digital inclusion; reduce poverty, inequality and employability; reduce social isolation; provide equal access to information and deliver healthy, vibrant and engaged communities.

## Impact:

As part of the longer-term vision for libraries, we are looking to move away from the traditional standalone buildings towards multipurpose hubs as part of the 20-minute neighbourhood strategy where Council services can be co-located. As part of this we will be investigating the option of using Open+ technology which enables our libraries to be open with or without staff being present, increasing community access but at a lower cost.

There is an opportunity to transform how the library service is delivered and the services / events which could be held within our libraries, however this would require a significant investment to improve existing buildings, existing library systems and as part of the longer term ambition to create multi-purpose hubs where council services can be co-located.

This request is for one-off payments for a replacement Library Management System which is not fit for purpose, to replace People's Network which is coming to end of life at the end of December 2021 and to replace self-service kiosks which were switched off due to potential security risks in January 2020 as they had come to end of life and were no longer supported. It is also to support the CCTV and Open+ technology which would allow libraries to be open longer with or without staff.

Investment 21/22	Investment 22/23
£0.350m	£0.350m

Total Investment
£0.700m

Non-Financial Benefits
<ul style="list-style-type: none"> <li>Increasing efficiencies and delivering a saving whilst protecting frontline staff's jobs</li> <li>Staff gain a more rounded level of knowledge and experience through combining the community and school librarian roles</li> <li>Looking to form new partnerships and build on existing partnerships</li> <li>Looking to future-proof the library service</li> </ul>