

Finance and Resources Committee

10.00am, Tuesday, 7 February 2023

Revenue Budget Framework 2023/27 – progress update

Executive/routine Wards Council Commitments	Executive All
---	------------------

1. Recommendations

- 1.1 Members of the Finance and Resources Committee are recommended to:
 - 1.1.1 note the updates to financial planning assumptions set out within the report, including the provisional outcome of the Local Government Finance Settlement in 2023/24;
 - 1.1.2 note, nonetheless, that even if all officer recommendations are approved, a gap of £3.7m remains in 2023/24, in addition to significant incremental gaps in subsequent years of the framework;
 - 1.1.3 note, in this context, the creation of a formal programme to oversee implementation of change and prioritisation on the scale required and agree, subject to ratification by Council, to provide up to £2m from the Council's Spend to Save Fund, with a further report on the programme's scope, content and governance to be brought to members in April 2023;
 - 1.1.4 note that further updates, including any changes resulting from the Scottish Budget's Parliamentary consideration, will be reported to members as appropriate;
 - 1.1.5 refer the report to Council as part of setting the revenue and capital budgets on 23 February 2023.

Richard Carr

Interim Executive Director of Corporate Services

Contact: Hugh Dunn, Service Director: Finance and Procurement,
Finance and Procurement Division, Corporate Services Directorate

E-mail: hugh.dunn@edinburgh.gov.uk | Tel: 0131 469 3150



Revenue Budget Framework 2023/27 – progress update

2. Executive Summary

- 2.1 The report advises members of the provisional outcome of the 2023/24 Local Government Finance Settlement and the impact of this announcement and other changes in planning assumptions on the Council's incremental savings gaps for 2023/24 and subsequent years. A number of further recommended savings are presented for consideration, albeit leaving a residual gap of £3.7m in 2023/24.

3. Background

- 3.1 Members of the Committee have previously considered a number of update reports on development of the Council's revenue budget for 2023/24 and subsequent years. The most recent of these reports was presented on 10 November 2022 and set out a remaining funding gap, assuming approval of all officer recommendations, of £21.2m in 2023/24 and increasing to £110.1m by 2026/27.

4. Main report

Local Government Finance Settlement, 2023/24

- 4.1 On 15 December 2022, the Deputy First Minister presented a draft one-year Scottish Budget and Local Government Finance Settlement (LGFS) to the Scottish Parliament. Following this announcement, the accompanying Finance Circular, providing details of revenue and capital grant funding allocations at local authority level, was then issued on 20 December.
- 4.2 At this stage and consistent with previous years, the figures contained within the Settlement remain provisional, pending the Draft Budget's Parliamentary passage during January and February. As of the time of writing, the Stage One debate, the point at which additional monies have been introduced in some previous years, is scheduled for 2 February, and a verbal update will be provided as appropriate at the Committee's meeting.
- 4.3 The contents of the Finance Circular are also the subject of a consultation process. Any resulting amendments to individual allocations will be contained within the overall quantum of funding within the LGFS and not addressed by the provision of additional funding and, as of the time of writing, a number of changes have already

been advised. Should this process result in any further material change in funding allocation for the Council, an update will be reported to the budget-setting meeting on 23 February.

Impact of the provisional LGFS on the budget framework

- 4.4 Analysis of the Settlement is on-going as additional details are received, with a number of queries raised by the Council and other local authorities thus far. Based on work undertaken to date, however, the provisional level of core revenue funding is slightly more favourable than the “flat cash” position assumed in the report presented to the Finance and Resources Committee on 10 November 2022 as outlined in the following sections.
- 4.5 This comparison takes into account both the headline year-on-year increase in grant funding and a number of new or recurring commitments within this sum, most materially £140m towards the costs of the 2022/23 employee pay award, £100m for uprating hourly pay in commissioned adult social care services to the Living Wage Foundation-recommended rate of £10.90 and £105m for devolution of Non-Domestic Rates Empty Property Relief to councils with effect from April 2023.

Revenue grant funding

- 4.6 Expressed on a like-for-like cash basis, the overall Scotland-wide core revenue budget settlement has increased by some £71m (0.7%) relative to 2022/23. This assessment was revised in late January following confirmation of the reinstatement within the Settlement of funding to support the recurring impact of the 2021/22 teachers’ pay award. The position for Edinburgh is slightly below this average¹, with a like-for-like level of core funding that has increased by £2.4m (0.3%).
- 4.7 This overall position is, in turn, due primarily to the distributional impacts of a decline in the city’s population, as captured by the 2021 mid-year estimate, in both absolute and relative terms. This reduction in population, a position that was mirrored across all four city authorities, was almost entirely within the 16-24 age group and may be attributable to remote teaching within the city’s higher and further education institutions. At this stage, it is not yet clear whether this will be a permanent phenomenon.
- 4.8 As a result both of these population changes and the introduction of a number of new funding streams (with associated funding commitments) where Edinburgh’s share is higher than that for the Settlement as a whole, the Council will not receive any additional support in 2023/24 through the Scottish Government policy whereby each authority is guaranteed at least 85% of the Scotland-wide per capita average. The loss of funding through this mechanism was partly, but not fully, offset by an increased contribution from the first stability floor.

¹ While protected by the operation of the stability floor, internal analysis undertaken suggests that Edinburgh’s provisional year-on-year change in core settlement, expressed in percentage terms, is amongst the least favourable in Scotland.

- 4.9 Assuming approval of all the officer recommendations set out within the report to the meeting of the Finance and Resources Committee on 10 November 2022, the provisional level of Settlement would reduce the incremental savings requirement in 2023/24 from £21.2m to £18.8m. In addition, based on the estimated cost of implementation of relevant commitments, the Council has benefited from some distributional funding gains in these areas, reducing the remaining gap by £2.2m to £16.6m.

Integration Joint Boards

- 4.10 As in recent years, the overall Settlement includes funding to be passed through to Integration Joint Boards (IJBs). The level of this additional funding is, however, much lower than in 2022/23, with no unhypothecated (i.e. general purpose) funding to address demand-led pressures. In total, an additional £95m of Scotland-wide funding is included, comprising £100m for an increase in the adult social care living wage in commissioned services as noted in Paragraph 4.5 and £15m for an inflation-related uplift for free personal and nursing care, offset by the removal of £20m of one-off funding for interim care provided as part of last year's Settlement.
- 4.11 Edinburgh's estimated share of these net sums is £8.9m² and, as in previous years, this funding will be passed on in full to the Edinburgh Integration Joint Board (EIJB). The implications of the proposed offers from the funding partners will be considered by the EIJB Chief Finance Officer and a further update provided to members in February.

Non-Domestic Rates

- 4.12 The Deputy First Minister has confirmed that the Non-Domestic Rate poundage for 2023/24 will be unchanged from that in 2022/23, resulting in a slight saving relative to current planning assumptions. This saving will, however, largely be offset by the bringing into scope of some local authority-owned playing fields and parks with effect from April 2023.
- 4.13 The Settlement also confirmed the full devolution of Empty Property Relief (EPR) to local authorities with effect from April 2023. Edinburgh will therefore receive some £16.0m of Scotland-wide funding of £105m, based on current categories and volumes of relief.
- 4.14 As has been noted in previous reports to the Committee, all non-domestic properties have been subject to a revaluation, effective from April 2023. Draft revaluations have now been published and detailed analysis is on-going to assess how these changes compare to the additional level of provision included within the revenue budget framework. At this stage, however, provision has been retained for an additional recurring liability of £4m based on estimates of the overall impact of the revaluation on the Council's property estate.

² This total includes a small element for commissioned homelessness services.

- 4.15 Consistent with the scaling down of COVID-related support in 2022/23, no specific relief will be provided to hospitality and leisure-related premises in 2023/24.

Council Tax

- 4.16 The Deputy First Minister's announcement confirmed that councils will have full flexibility in setting Council Tax rates appropriate to their local area.
- 4.17 The budget framework currently assumes an increase of 3% across all bands in 2023/24, with each additional 1% generating a further £3.3m.

Funding flexibilities

- 4.18 The Deputy First Minister's budget statement noted the availability of the previously confirmed service concession financial flexibility. The budget framework assumes application of the retrospective benefit of adopting this flexibility over a period of five years from 2023/24, with a detailed report included elsewhere on today's agenda.
- 4.19 In recognition of the unfunded element of employee pay awards and wider financial pressures, the Deputy First Minister reiterated a commitment to examine ringfenced and other directed funding as part of a wider partnership agreement between Local and Scottish Government. Local authorities will therefore be invited, through COSLA, to examine potential means of aligning spending more closely to jointly agreed outcomes and removing barriers which hinder flexibility in funding.

Public Sector Pay Policy (PSP)

- 4.20 While not directly applicable to local government, recent years' PSPs have served as an initial yardstick in pay negotiations. The Scottish Government has, however, chosen not to announce pay uplifts, or publish a pay policy, for 2023/24. Further guidance on 2023/24 pay will be shared in the new year.
- 4.21 Members are reminded that the budget framework currently includes pay award provision equal to an average of 3% across the teaching and non-teaching workforces, with each additional 1% equating to expenditure of £6.7m³ in 2023/24.

Other changes to budget framework assumptions

- 4.22 The report to the Committee's meeting on 10 November 2022 apprised members of a number of changes to financial planning assumptions, with the resulting current assumptions summarised in Appendix 1. In addition to incorporating the provisional outcome of the LGFS, a number of further adjustments to the budget framework, summarised in Appendix 2, are proposed at this time as outlined in the following sections.

Under 22s tram concession – unutilised funding, 2022/23

- 4.23 As noted in the current-year revenue monitoring report considered at the Committee's previous meeting on 26 January, it is anticipated that the remaining

³ This sum reflects the compounding impact of the agreement (for non-teaching staff) and latest pay offer (for teachers) in 2022/23.

element of the £0.500m of investment to support the expansion of younger persons' free travel included in the 2021/22 budget motion will be sufficient to address, in full, the resulting loss of income in 2022/23. On this basis, the £2m contribution approved to support the policy as part of the agreed 2022/23 budget motion is available to contribute, on a one-off basis, towards addressing the 2023/24 budget gap.

Non-Domestic Rates revaluation – estimated transitional relief

- 4.24 As noted in Paragraph 4.14, it is anticipated that the revaluation of non-domestic properties with effect from April 2023 will result in an overall recurring annual increase in liability of around £4m, with this sum already assumed within the overall savings requirement. The Deputy First Minister's announcement also confirmed that Revaluation Transitional Relief would be available on a tiered basis to protect those, including public sector bodies, most affected by the revaluation, the effect of which is to phase in significant increases in liability over up to a four-year period. On this basis, while analysis of likely entitlement is continuing as relevant details are received, £1.0m of transitional relief is assumed in 2023/24, with the level of this relief reducing in accordance with the tapered nature of the scheme in subsequent years.

Devolution of Empty Property Relief (EPR)

- 4.25 The Council's provisional settlement for 2023/24 includes £16.0m of funding to reflect the full devolving of Non-Domestic Rates EPR to local authority control with effect from 1 April 2023 but with the current value of reliefs granted being around £15m. Given the freezing of the NDR poundage in 2023/24 and the officer recommendation not to make any changes to existing reliefs pending further work and consultation to review the position for 2024/25, a saving of £1.0m, reducing in future years in line with the increase in the NDR poundage, is being assumed.
- 4.26 It is important to emphasise that delivery of this saving is dependent upon the impact of the wider revaluation as it affects empty properties and updates will be provided to members as clarification is received in this area.

Millerhill Recycling and Energy Recovery Centre

- 4.27 The Council is entitled to a share of the net income generated by the facility under a heat off-take agreement. Following a reassessment of the likely level of this income in light of wider trends in energy prices, it is proposed to increase the assumption of the receipt of £2.0m of income to £2.5m over each of the four years of the framework.

Additional savings proposals

- 4.28 Even if the additional grant funding income relative to previous assumptions and all of the planning changes outlined in the preceding sections⁴ are added to those

⁴ The residual funding gap also reflects the rephrasing of some of the savings included in the report to the Committee on 10 November 2022.

measures included in the report to the Committee's previous meeting on 10 November 2022, a gap of £12.6m remains in 2023/24. Given this position, officers have continued to consider opportunities to deliver further savings, such that a balanced position can be achieved as is required by statute. These savings proposals and measures from officers are summarised in Appendix 3. The appendix provides further details of a number of savings initially included in the previous 10 November 2022 report, as well as those newly included in this report, along with details on supporting Integrated Impact Assessments undertaken or proposed.

- 4.29 While the focus in the first instance needs to be on balancing the position for 2023/24, members have, in Executive Committee discussions, also previously requested consideration of a community bus-related investment proposal as part of the budget process. Relevant details of this investment are included in Appendix 4.
- 4.30 Following a motion proposed by Cllr Staniforth, members of Council also agreed on 22 September 2022 to consider roll-out of the provision of sanitary bins to all toilet cubicles across the Council estate. The estimated annual cost of this provision is around £30,000. Provision for these costs is not currently included in the budget framework.
- 4.31 Following a motion proposed by Cllr Parker, members of the Policy and Sustainability Committee also requested a briefing note on staffing capacity within the Council's Climate and Sustainability team. Additional time-limited funding was provided to supplement this team in the 2021/22 and 2022/23 revenue budget framework but is not included going forward. The associated cost of the additional capacity in 2023/24 set out in the briefing note is £0.279m.

HR and Payroll system

- 4.32 On 10 November 2022, members of the Committee noted the outcome of the Request for Proposal (RFP) for replacement of the Council's HR and Payroll system and approved mobilising the prerequisite work, insofar as is possible, prior to awarding the contract to the recommended vendor. Given both the level of investment required and the increasing budget gap in 2023/24 and subsequent years, a decision on this latter approval was deferred for consideration as part of the overall budget-setting process.
- 4.33 An update to be reported separately to members will provide further details of the related financial requirements of the preferred bid. While approval of this proposal would not result in any additional funding requirement in 2023/24, it would give rise to liabilities beyond those assumed in the budget framework in 2024/25 and subsequent years.

Overall position

- 4.34 Approval and full delivery of all of the proposed savings in this report and those outlined in the previous report to the Committee's meeting on 10 November 2022

would result in a residual funding gap of £3.7m in 2023/24, increasing to £39.5m in 2024/25 and £91.8m by 2026/27.

- 4.35 These sums do not include any additional financial liabilities resulting from the HR and Payroll system implementation with effect from 2024/25 pending approval by Council. In addition, no account is being taken of any additional costs arising from the granting of a one-off public holiday in May 2023 to mark the Coronation of King Charles III pending Council's decision on this matter on 9 February.
- 4.36 The Council has a statutory duty to set a balanced budget for the coming financial year by 11 March. Further proposals to increase income or reduce expenditure (or a combination of both) therefore require to be identified as a matter of urgency.
- 4.37 Given the removal of restrictions on the level of Council Tax increase that may be applied, one option would be to increase Council Tax by an additional 1.2% over the 3% baseline assumption which, assuming no impact on collection rates, would generate an additional £4.0m of income.

Medium-Term Financial Plan Change Programme

- 4.38 While the savings measures identified for 2023/24 would address most of the overall financial gap, it is acknowledged that the majority of these proposals are operational and tactical in nature. Given the extent of future years' savings requirements and wider environmental factors, it is imperative that planning of a longer period of strategic change be initiated immediately given the required lead-in times for detailed programme development and implementation.
- 4.39 Development of the Council's Medium-Term Financial Plan (MTFP) will place a greater emphasis on strategic and cross-cutting proposals, informed by the priorities included within the Business Plan, as a means of improving outcomes and ensuring continuing financial sustainability. The plan also highlights the importance of the Council's services becoming more technologically enabled and digitally delivered, with a reorientation of work to focus, where appropriate, on more preventative practices.
- 4.40 To support this process, the establishment of a formal change programme is underway, using existing staff wherever practicable. The precise content of this prioritised programme will be subject to annual review but with an indicative Year 1 focus on the Social Care Operating Model, Inclusion Services and HR/Pay Core System and other efficiency initiatives. Some of these will be jointly delivered with the EIJB.
- 4.41 Any additional costs incurred in 2022/23 will be contained within the forecast balanced position for the Council as a whole. It is proposed that relevant costs of up to £2m in 2023/24 be met in full, subject to ratification by Council, from the Spend to Save Fund, with subsequent repayment of these sums through savings generated. An update will be brought to members in April setting out further information about the scope, content and governance of the programme.

4.42 As part of the prioritised work programme, scoping work is underway to refresh fully the business case for replacement of the SWIFT social work case management system used by both Education and Children’s Services and Health and Social Care. It is anticipated that this work will take several months, with a report to the Finance and Resources Committee on costs and associated savings then presented in the autumn. The Council will also need to consider the provision of adequate resources to ensure the necessary investment in technology takes place in core systems to allow these to remain up to date and reflect changing requirements.

Edinburgh Integration Joint Board (EIJB)

4.43 Parallel work on development of the EIJB’s budget for 2023/24 is also underway, with one workshop held thus far with Board members. This meeting provided an update on the impact of the Scottish Budget on the Board’s financial planning assumptions, as well as considering emerging savings opportunities. While the previous receipt of significant additional COVID-related funding has allowed the Chief Finance Officer to provide moderate assurance that a balanced position will be achieved in 2022/23, due to a combination of unfunded demographic growth, unfunded Living Wage contract uplifts and previous one-off funding from NHS Lothian, a significant structural deficit is being carried into 2023/24.

4.44 The Council will pass through Edinburgh’s share of all of the funding streams highlighted in Paragraph 4.5. In contrast to 2022/23, the grant settlement for Council-delegated services in 2023/24 provides no uncommitted funding, exacerbating existing challenges and meaning that a structured and prioritised savings programme will be required to achieve financial balance on a sustainable basis going forward.

Risks

4.45 There remain a number of risks to the assumptions set out within this report, including, but not limited to, the following:

- (i) further pressures may emerge in demand-led services, particularly homelessness services⁵, with additional certainty also required concerning the on-going adequacy of funding available to support the Council’s Ukraine response;
- (ii) the allocations contained within the Scottish Budget and Finance Circular remain provisional, pending Parliamentary approval expected towards the end of February and thus may change;

⁵ The Council’s specific funding allocation for homelessness services fell by £1.6m due to changes in the distribution methodology for the Homelessness Prevention Fund in 2023/24.

- (iii) provision for employee pay awards⁶ and contract uplifts (where 3% is assumed for each across period of budget framework), as well as wider inflationary pressures⁷, may be insufficient;
- (iv) the impact of construction inflation and increasing interest rates may affect the affordability of the revised capital programme, with a consequent need to reassess and reprioritise its composition;
- (v) the EIJB may not be able to set and deliver a balanced budget; and
- (vi) further savings options necessary to address remaining funding gaps in 2023/24 and subsequent years may not be identified and/or delivered within required timescales.

4.46 Further commentary on these and other risks is included in the Risks and Reserves report elsewhere on today's agenda.

5. Next Steps

5.1 Following consideration by the Committee, the report will be referred to Council for decision as part of the budget-setting process. Given that the Council's grant funding allocation for 2023/24 remains provisional until approval of the Local Government Finance Order in late February, members will be kept apprised of changes to this or any of the other key assumptions underpinning the analysis presented, as well as any further savings options identified to address the remaining funding gap.

6. Financial impact

- 6.1 The Council continues to face significant financial pressures resulting from increased demand for services, inflation and legislative reform, as well as the continuing financial impacts of the pandemic. These factors are set against a backdrop of core grant funding (accounting for around three quarters of the Council's overall income) that is not increasing.
- 6.2 While the report sets out a number of further potential measures towards achieving a balanced budget in 2023/24, significant funding gaps remain in future years, emphasising the need for the urgent initiation of a programme of change, aligned to the priorities set out within the Council's business plan.
- 6.3 The position set out in the report also assumes robust management of all service pressures and full delivery of approved savings. Given the increased emphasis on service-specific savings relative to previous years, this process will require to be closely monitored, with a focus on taking swift remedial action where required. Relevant Directors have also been asked to develop detailed plans for full mitigation

⁶ The SJC (non-teaching) claim for 2023/24 has recently been submitted by the representative trade unions and is for an increase of 12% or £4,000, whichever is greater

⁷ A general additional inflationary provision of £5m has also been incorporated within the budget framework, with an indicative allocation of this sum provided to relevant services.

of pressures for consideration by the Council Leadership Team before the beginning of the financial year.

7. Stakeholder/Community Impact

- 7.1 Given the extent of activity undertaken in recent years to inform the Council's priorities, no direct additional consultation or engagement has been undertaken as part of the 2023/24 budget development process. The Council will, however, set out – based on integrated impact assessments – what consultation will be necessary and when this will take place following the financial decisions taken by Council on 23 February 2023.
- 7.2 In addition to the publication of all relevant Integrated Impact Assessments (IIAs), a cumulative assessment will be presented to the budget-setting meeting of Council on 23 February 2023 to ensure members pay due regard to their duties in this area.

8. Background reading/external references

- 8.1 [Finance Update](#), Edinburgh Integration Joint Board, 13 December 2022
- 8.2 [Revenue Budget Update 2023/27: Progress Update](#), Finance and Resources Committee, 10 November 2022
- 8.3 [Revenue Budget Update 2023/27: Progress Update](#), Finance and Resources Committee, 8 September 2022
- 8.4 [Revenue Budget Framework 2022/27: progress update](#), Finance and Resources Committee, 16 June 2022
- 8.5 [Revenue Budget Update 2022/23 – Update](#), Finance and Resources Committee, 3 March 2022
- 8.6 [Coalition Budget Motion 2022/23](#), The City of Edinburgh Council, 24 February 2022

9. Appendices

- 9.1 Appendix 1 - Key assumptions within the budget framework, 2023/24 to 2026/27
- 9.1 Appendix 2 - Changes to Revenue Budget Framework, 2023/24 to 2026/27
- 9.2 Appendix 3 - Templates for 2023/24 officer savings proposals assumed in budget framework
- 9.3 Appendix 4 - Template for 2023/24 investment proposal requested by elected members

Key assumptions within the budget framework, 2023/24 to 2026/27

	Note	2023/24	2024/25	2025/26	2026/27
Staff pay award (all staff; average provision)		3%	3%	3%	3%
Contract inflation (general)	1	3%	3%	3%	3%
Contract inflation (PPP contracts)	2	5-8%	3%	3%	3%
Electricity (tariff increase)	3	53%	17%	3%	3%
Gas (tariff increase)	3	8%	7%	3%	3%
Non-Domestic Rates poundage	4	0%	2.5%	2.5%	2.5%
COVID-related service impacts - total provision	5	£11m	£9m	£9m	£9m
Demographic provision	6	£3.9m	£3.9m	£3.9m	£3.9m
Additional gross homelessness provision relative to approved 2020/21 budget before mitigations		£33.7m	£33.7m	£33.7m	£33.7m
Council Tax (rate)		3%	3%	3%	3%
Council Tax (buoyancy)		0.75%	0.75%	0.75%	0.75%
Government grant core funding year-on-year change	7	0.30%	0%	0%	0%
Discretionary fees and charges (average)		5%	5%	5%	5%

Note 1 - in recognition of the exceptional impact of successive years' inflation on the Council's revenue budget, the framework includes an additional £5m provision, baselined from 2023/24. This sum is notionally allocated to (i) anticipated pressures in costs of fuel, (ii) additional sums payable in respect of the Millerhill gate fee and the Council's NSL parking enforcement contract and (iii) a range of uplifts due on Education and Children's Services fees and contracts.

Note 2 - the level of uplift applicable to the Council's PPP contracts is the Retail Price Index (RPI) rate in February of the preceding financial year. The actual level of uplift applied, however, is tempered by application of the relevant "constraining factor".

Note 3 - level of provision is based on Scottish Procurement Utilities Guidance, taking into account wholesale prices and pre-purchased volumes. While there is a risk, in particular, around the level of uplift applicable to the gas contract in 2023/24, this is anticipated to be offset by continuation of savings relative to previous estimates in the current year.

Note 4 - the provisional poundage for 2023/24 has been frozen at 2022/23 levels.

Note 5 - the sum for 2023/24 comprises £6m for loss of the Lothian Buses dividend, up to £3m for loss of parking income and up to £2m for additional support for Edinburgh Leisure. These sums are £6m, £2m and £1m respectively in subsequent years of the framework.

Note 6 - the sum shown comprises £3.6m for Education and Children's Services, of which some £2.3m is assumed to be directed to schools to reflect changes in pupil numbers, and £0.3m to Place to reflect the impact of increasing household numbers on waste collection and recycling costs.

Note 7 - the level of change shown for 2023/24 is based on Edinburgh's allocation as part of the provisional Local Government Finance Settlement. Subsequent years' allocations are based on Local Government-wide planning allocations included within the Scottish Government's Resource Spending Review published in May 2022.

Changes to Revenue Budget Framework, 2023/24 to 2026/27	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
Updated gap as reported to Finance and Resources Committee on 10 November, 2022 assuming approval of all officer proposals	21.2	56.9	86.1	110.1
Changes in profiling/quantity of savings assumed in above report:				
Learning Support/ASL and Special Schools	0.5	0.5	0.5	0.5
Education Welfare Officers	0.0	(0.2)	(0.2)	(0.2)
Review of contracted spend to ensure efficiency with partners to remove areas of duplication	0.0	(0.2)	(0.2)	(0.2)
Provisional additional core grant funding per Local Government Finance Settlement, 2023/24	(2.4)	(2.4)	(2.4)	(2.4)
Other Settlement distributional gains	(2.2)	(2.2)	(2.2)	(2.2)
Changes to budget framework assumptions:				
Under 22s tram concessions - application of unused 2022/23 funding	(2.0)	0.0	0.0	0.0
NDR revaluation - estimated transitional relief	(1.0)	(0.7)	(0.3)	0.0
Devolution of Empty Property Relief - initial excess of funding over liabilities	(1.0)	(0.5)	0.0	0.0
Millerhill - additional income	(0.5)	(0.5)	(0.5)	(0.5)
Updated position, including updates to framework assumptions	12.6	50.8	80.8	105.1
Additional savings proposals recommended by officers:				
Reduction in requirement for temporary accommodation	(2.3)	(3.5)	(3.5)	(3.5)
Review of Devolved School Management (DSM) allocations	(5.6)	(5.3)	(5.3)	(5.3)
Review of Alignment of Inclusion and Support	0.0	(1.5)	(2.5)	(3.5)
Income Recovery in Regulatory Services and Planning and Building Standards	(0.5)	(0.5)	(0.5)	(0.5)
Organisational Reviews - Place	(0.5)	(0.5)	(0.5)	(0.5)
Updated gap if all officer recommendations accepted, 7 February 2023	3.7	39.5	68.5	91.8

Appendix 3 - Templates for 2023/24 savings proposals assumed in budget framework

	2023/24	2024/25	2025/26	2026/27	Template reference	Interim IIA or statement
	£000	£000	£000	£000		
Updated gap prior to application of mitigations reported to Finance and Resources Committee, 10 November 2022	76,500	105,200	131,600	158,600		
Corporate mitigations	(34,400)	(27,400)	(25,400)	(25,400)	n/a	n/a
Revised gap after corporate mitigations	42,100	77,800	106,200	133,200		
Factors reflecting decisions previously approved by members:						
Roads Construction Consent Inspections (approved at Transport and Environment Committee, 18 August 2022)	(400)	(400)	(400)	(400)	n/a; decision previously taken	n/a
Strategic Review of Parking (approved at Transport and Environment Committee, 18 August 2022)	(2,000)	(3,000)	(3,000)	(3,000)	n/a; decision previously taken	n/a
Homelessness - No Recourse to Public Funds (approved at Housing, Homelessness and Fair Work Committee, 29 September 2022)	(3,000)	(3,000)	(3,000)	(3,000)	n/a; decision previously taken	n/a
Factors reflecting officer recommendations to members:						
Tram Concessionary Travel	(3,000)	(3,500)	(3,500)	(3,500)	PL1	Interim IIA
Edinburgh Cycle Hire Scheme	(500)	(500)	(210)	0	PL2	Statement
Education Recovery funding - application of one-off residual balance	(2,500)	0	0	0	n/a	n/a
Instrumental Music Service - unallocated Scottish Government funding	(200)	(200)	(200)	(200)	n/a	n/a
Education additional funding	(1,600)	(1,600)	(1,600)	(1,600)	Part of ECS6	IIA (as part of wider review)
Schools Digital Learning - anticipated Scottish Government funding	0	0	0	(2,000)	n/a	n/a
Property rationalisation and income	(500)	(1,000)	(1,000)	(1,000)	PL3	Statement
Garden waste income - consolidation	(400)	(400)	(400)	(400)	n/a	Statement
Bus lane camera income - consolidation	(600)	(600)	(600)	(600)	n/a	Statement
Other adjustments	(500)	(800)	(350)	(1,550)	n/a	n/a
Revised gap after factors reflecting decisions previously approved by, or recommended to, members:	26,900	62,800	91,940	115,950		

Savings included in report to Finance and Resources Committee, 10 November 2022						
Corporate Services Directorate						
Customer - Promotion of Online Services and Automation	(165)	(165)	(165)	(165)	CS1	Statement
Corporate Services - Vacancy and Turnover Management	(1,173)	(1,173)	(1,173)	(1,173)	CS2	Statement
Corporate Services - Senior Manager Savings	(223)	(223)	(223)	(223)	CS3	Statement
Salary Sacrifice Income	(225)	(225)	(225)	(225)	CS4	Statement
Education and Children's Services Directorate						
Learning Support/ASL and Special Schools:	(500)	(500)	(500)	(500)	n/a (see note below)	n/a
- Education Welfare Officers	(400)	(600)	(600)	(600)	ECS1; full-year effect included in 2024/25	IIA to be prepared
Speech and Language Therapy	(850)	(850)	(850)	(850)	ECS2	IIA to be prepared
Multi Systemic Therapy Service	(500)	(500)	(500)	(500)	ECS3	Statement
Wellington Monies	(340)	(500)	(500)	(500)	ECS4	Wider Inclusion IIA to be prepared
Review of contracted spend to ensure efficiency with partners and to remove areas of duplication	(904)	(1,110)	(1,110)	(1,110)	ECS5	Overarching Interim IIA prepared, with IIA to be considered for each proposal
Place Directorate						
Taxicard	(120)	(150)	(150)	(150)	PL4	Interim IIA
One-off increase in income and reduction in funding for events and cultural grants	(250)	(250)	(250)	(250)	PL5	Interim IIA
Total savings considered by Committee on 10 November, including any revised profiling	(5,650)	(6,246)	(6,246)	(6,246)		
Reversal of Learning Support/ASL and Special Schools	500	500	500	500	Learning Support/ASL and Special Schools element reprofiled	n/a
Remaining gap assuming approval of all officer recommendations, 10 November 2022	21,750	57,054	86,194	110,204		
Provisional impact of Local Government Finance Settlement and other distributional gains	(4,600)	(4,600)	(4,600)	(4,600)		
Changes to other framework assumptions (see Appendix 2)	(4,500)	(1,700)	(800)	(500)		

Additional savings proposals per report to Finance and Resources Committee, 7 February 2023:						
Homelessness - Reduction in demand for temporary accommodation	(2,325)	(3,450)	(3,450)	(3,450)	PL6	Interim IIA
Review of Devolved School Management (DSM) allocations	(5,550)	(5,300)	(5,300)	(5,300)	ECS6	IIA to be prepared
Review and Alignment of Inclusion and Support	0	(1,500)	(2,500)	(3,500)	ECS7	Statement pending IIA for proposal development
Income Recovery in Regulatory Services and Planning and Building Standards	(500)	(500)	(500)	(500)	PL7	Statement
Organisational Reviews - Place	(530)	(530)	(530)	(530)	PL8	Statement (IIAs for each review)
Remaining gap assuming approval of all officer recommendations	3,745	39,474	68,514	91,824		

NB Yellow-highlighted cells indicate full-year effect of, or other change from, November savings.

Revenue Savings Proposals 2023/24

Proposal reference number	PL1
Proposal description	Tram Concessionary Travel
Service Director	Paul Lawrence
Service Manager with responsibility for proposal development and delivery	Hannah Ross
Division	n/a

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	3.000	0.500	0.000	0.000	0.000
Cumulative Savings	3.000	3.500	3.500	3.500	3.500

<p>Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)</p> <p>On 6 October 2022, Transport and Environment Committee considered a report on the Scottish Government's scheme for free bus travel for older people and young people (under 22) and noted that this scheme does not include concessionary travel on trams. At present the Council is supporting free travel for older people on Edinburgh Trams and has agreed to meet the cost of concessionary travel for young people (under 22) on Edinburgh Trams until 31 March 2023.</p> <p>Transport and Environment Committee did not approve the proposal to cease the scheme of free travel for young people on Edinburgh Trams after 31 March 2023 but to consider this as part of the budget-setting process.</p>

<p>Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.</p> <p>The Scottish Government is currently preparing a Fair Fares Review, which will look at concessionary travel on public transport across Scotland. The current concessionary schemes for older people and young people only apply to bus travel, with the City of Edinburgh Council meeting the cost of a similar scheme on Edinburgh Trams. The cost of a similar scheme for young people up to 31 March 2023 (subject to approval of the use of Council reserves) is expected to cost £0.3m. Council officers will work closely with the Scottish Government on the Fair Fares Review. Officers will also work closely with Edinburgh Trams to develop a communications plan to begin immediately after the budget decision to ensure that residents are aware of any approved changes to the scheme.</p>

<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.</p> <p>The proposed Revenue Budget Framework for 2022/23 which was considered by the Finance and Resources Committee on 3 February 2022 and the Council on 24 February 2022 noted that an increase of £1.0m in 2023/24 and thereafter £1.5m was expected to be required for concessionary fares for young people on the opening of the tram line to Newhaven.</p>

<p>Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)</p> <p>An Integrated Impact Assessment has been completed for this proposal.</p>
--

Current Budget (£m)	0.500	Proposed Budget Saving (£m)	0.500
Current FTE	0.0	Proposed FTE Reduction	N/A

Revenue Savings Proposals 2023/24

Proposal reference number	PL2
Proposal description	Edinburgh Cycle Hire Scheme
Service Director	Peter Watton
Service Manager with responsibility for proposal development and delivery	Daisy Narayanan
Division	Sustainable Development

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.500	0.000	-0.290	-0.210	0.000
Cumulative Savings	0.500	0.500	0.210	0.000	0.000

<p>Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)</p> <p>On 27 May 2021, the Council approved investment of £2.3m over the course of four years from 2021/22 to meet the cost of an Edinburgh Bike Hire Scheme. However, in September 2021, the previous scheme ended and therefore Transport and Environment Committee agreed to investigate options for future delivery and to support local community initiatives in the short term (a report on the options is due to be considered by Transport and Environment Committee on 2 February 2023).</p> <p>However, recognising the current financial challenges facing the Council, it is proposed not to proceed with implementing any future options for a cycle hire scheme for the city and to release the funding set aside for this purpose.</p>

<p>Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.</p>
--

<p>There are no confirmed plans for implementing a cycle hire scheme in the future and there are no agreements in place for future funding of community schemes.</p>
--

<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.</p>

<p>Transport and Environment Committee agreed objectives for a future cycle hire scheme which supported the delivery of the Council's City Mobility Plan, particularly in integrating active travel plans with wider public transport provision and seeking to increase cycling participation amongst low participation groups.</p>

<p>Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)</p>

<p>At this stage, there are considered to be no detrimental impacts arising from this proposal as there is no currently a scheme in place.</p>
--

Current Budget (£m)	0.500	Proposed Budget Saving (£m)	0.500
Current FTE	0.0	Proposed FTE Reduction	N/A

Revenue Savings Proposals 2023/24

Proposal reference number	PL3
Proposal description	Property rationalisation and income
Service Director	Peter Watton
Service Manager with responsibility for proposal development and delivery	Crawford McGhie, Graeme McGartland
Division	Sustainable Development

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.500	0.500	0.000	0.000	0.000
Cumulative Savings	0.500	1.000	1.000	1.000	1.000

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)

The proposal seeks to release property costs from a number of surplus properties through either their disposal, community asset transfer and/or entering into leasing arrangements whereby additional income will be created. For example, Westfield House and Portlee Resource Centre are already vacated and Portobello Town Hall transferred to the local community. Lease proposals at the former Drumbrae Care Home and the future lease of parts of Waverley Court are expected to generate additional income and cut costs.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.

All proposals will be delivered through Business as Usual activity via Strategic Asset Management and Estates Services.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.

None

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)

Any reduction in the size of the estates will contribute to the Council's carbon reduction targets for 2030.

Current Budget (£m)	107.308	Proposed Budget Saving (£m)	0.500
Current FTE	N/A	Proposed FTE Reduction	N/A

Revenue Savings Proposals 2023/24

Proposal reference number	CS1
Proposal description	Customer - Promotion of Online Services and Automation
Service Director	Nicola Harvey
Service Manager with responsibility for proposal development and delivery	Neil Jamieson
Division	Customer

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.165	0.000	0.000	0.000	0.000
Cumulative Savings	0.165	0.165	0.165	0.165	0.165

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)

Customer activities continue to be influenced by ongoing channel shift, self-service and automation. Saving initiatives include:

- Promoting Council Tax and Benefit online services and e-billing to reduce print and processing costs;
- Channel shift agenda and self-service e.g. online-only payment channels;
- Organisational review in support function to streamline service function - headcount reduction;
- Progressing webchat and chatbot capability and rationalising contact numbers, underpinned by knowledge base, better to flex resource capacity;
- Progressing online form capacity (driving benefit in service budgets);
- Reducing cost of translation services; and
- Utilising two-tier Sheriff Officer contract to drive Council Tax collection.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.

Recognition that some service changes may reduce customer choice. Initiatives will be designed/promoted to provide an accessible service model and align with service transformation plans (e.g. Smart City and 20-minute Neighbourhood) and wider strategic goals (e.g. ending poverty, addressing digital exclusion and promoting service inclusion).

Potential equalities and human rights and carbon, climate change adaptation and sustainable development

Council Tax online accounts/automation/online forms - to deliver significant savings may have to consider online by default/service accessibility considerations.

Minor organisation changes and team alignment - consideration of existing spans of control and welfare of team.

Current Budget (£m)	20.065	Proposed Budget Saving (£m)	0.165
Current FTE	541.5	Proposed FTE Reduction	6.0

Initial focus will be on maximisation of online services to reduce postage and printing costs. It is envisaged that any FTE savings will be delivered through vacancy management and reduction in agency expenditure.

Revenue Savings Proposals 2023/24

Proposal reference number	CS2
Proposal description	Corporate Services - Vacancy and Turnover Management
Service Director	Richard Carr
Service Manager with responsibility for proposal development and delivery	Hugh Dunn, Nicola Harvey, Nick Smith, Gillie Severin, Mike Pinkerton
Division	All Divisions within Corporate Services

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	1.173	0.000	0.000	0.000	0.000
Cumulative Savings	1.173	1.173	1.173	1.173	1.173

<p>Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)</p> <p>Corporate Services' employee budget is £51.9m, after taking account of employee budgets which are fully recovered from non-General Fund and other external income sources. A 3% employee turnover target is £1.557m. Taking account of existing employee budget turnover targets of £0.386m, the Directorate will increase the turnover factor in its staffing budget to 3% to deliver an additional annual saving of £1.173m from employee turnover. As vacancies occur, managers will need to review whether posts need to be filled and if so, whether this needs to happen immediately, or if the functions can be discharged in another more cost-effective way, if indeed they are still required. If the conclusion is that a vacancy does need to be filled, then the full range of options for doing this will need to be considered, including converting full-time roles to part-time, the recruitment of apprentices and any other options. Where a role is likely to be impacted by the planned implementation of technology, it may be appropriate to recruit on a temporary or fixed-term basis.</p>
--

<p>Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.</p> <p>There are two main implementation requirements. The first is the delivery of a programme to explain to managers what is required and why. This will be delivered during the current year given the approach is being rolled out across the Directorate during 2022/23. The second is a system of budget monitoring which enables spend against the Directorate's staffing budget to be reviewed by CSMT each month. In parallel it will be important to monitor spend on agency and overtime to ensure the delivery of the vacancy factor does not impact adversely on these two areas of expenditure. The savings target will be tracked against implementation plans, with monthly updates to Service Management Teams and with exceptions being reported to CSMT.</p>
--

<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.</p> <p>Failing to appoint into vacant posts may adversely impact various projects across the Council, which service staff currently support.</p>
--

<p>Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)</p> <p>The proposals are not envisaged to lead to any negative impacts.</p>

Current Budget (£m) (net of recoveries)	51.889	Proposed Budget Saving (£m)	1.173
Current FTE	1,410.5	Proposed FTE Reduction	40.0
<p>This proposal will increase the vacancy factor to 3% across the Directorate. This proposal has been initiated in the current financial year and broadly reflects the current level of vacancy performance.</p>			

Revenue Savings Proposals 2023/24

Proposal reference number	CS3
Proposal description	Corporate Services - Senior Manager savings
Service Director	Richard Carr
Service Manager with responsibility for proposal development and delivery	Richard Carr and Nicola Harvey
Division	Customer/Strategy and Communications

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.223	0.000	0.000	0.000	0.000
Cumulative Savings	0.223	0.223	0.223	0.223	0.223

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)
Customer - a review of the Business Support model has taken place annually since 2016, with £11.5m of savings realised. A revised structure has allowed a senior management post to be deleted and a voluntary redundancy application accepted by the Council. Strategy and Communications - a senior manager has left the Council and the post will not be recruited to.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.
Both senior managers left the Council during 2022/23 and neither post will be recruited to. The savings proposal has been fully implemented and the savings achieved.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.
The loss of skills and experience has been managed by transfer of knowledge within each service.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)
Non-filling of these two posts has not led to any negative outcomes for equalities, human rights, carbon, climate change adaptation and sustainable development impacts.

Current Budget (£m)	0.223	Proposed Budget Saving (£m)	0.223
Current FTE	2.0	Proposed FTE Reduction	2.0
These roles are already vacated.			

Revenue Savings Proposals 2023/24

Proposal reference number	CS4
Proposal description	Salary Sacrifice income
Service Director	TBC
Service Manager with responsibility for proposal development and delivery	Steven Wright
Division	Human Resources

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.225	0.000	0.000	0.000	0.000
Cumulative Savings	0.225	0.225	0.225	0.225	0.225

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)

To reflect income levels achieved from Salary Sacrifice schemes introduced in 2020/21 for employees for Backshore Electronics, gym membership and the new car leasing scheme. The Council generates a saving, depending on the terms of the scheme - generally on reduced employer's National Insurance and Superannuation costs.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.

Finance and Resources Committee approved award of contract for Salary Sacrifice schemes on 3rd December 2020 Award of Contract for an Employee Benefits Platform report refers. This proposal reflects the current forecast of income recovery.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.

Service outcomes were assessed as part of the award of contract for the Employee Benefit Platform on 3 December 2020.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts were assessed as part of the award of contract for the Employee Benefit Platform on 3 December 2020.

Current Budget (£m)	2.337	Proposed Budget Saving (£m)	0.225
Current FTE	156.0	Proposed FTE Reduction	0.0

Revenue Savings Proposals 2023/24

Proposal reference number	ECS1
Proposal description	Education Welfare Officers (EWOs)
Service Director	Amanda Hatton
Service Manager with responsibility for proposal development and delivery	Lorna French/Sharon Mcghee
Division	Learning and Teaching

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.400	0.200	0.000	0.000	0.000
Cumulative Savings	0.400	0.600	0.600	0.600	0.600

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)

Following a Thematic Review of Attendance it is proposed to rationalise the various posts that are in place across the system to align with national and local policy (Included, Engaged and Involved) and to provide a consistent, targeted and/or intensive support model which also makes better use of Finance for Equity (PEF and SEF). Currently schools use a variety of methods to improve attendance. These range from clearer policies, improved management systems, improved curricula and effective inclusion. Many schools often use Pupil Equity Fund to employ a Pupil Support Officer to build relationships and support families to improve attendance. Some schools also make use of an Education Welfare Officer whose remit is to enforce the policy and refer to the Children's Reporter where no improvement has been made. This methodology is intrinsically punitive and does not support the child-centred vision for improving attendance or inclusion.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.

This will be subject to an integrated impact assessment and Organisational Review. It will be aligned to the review of Inclusion as it will rely on schools working more closely within their learning communities to improve service, as well as pooling PEF to employ Pupil Support Officers to work directly with families. Consultation will be required at all stages, including with parent groups.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.

Improving attendance is a priority so the review of the services currently contributing to this need is being carefully considered. A full Integrated Impact Assessment will be prepared. Reviews of work taken place in other local authorities suggests that this type of service was largely remodelled in almost all cases. Research confirms that building relationships and improving the school offer are more likely to improve attendance than using an 'Attendance Officer' type of approach.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)

We cannot reduce support for our most vulnerable families so this project would need to be seen as part of an overall improvement in service delivery. An Organisational Review as part of the wider improvements for inclusion would include IIA to ensure all Equalities duties were met. There would be no net zero impacts.

Current Budget (£m)	0.650	Proposed Budget Saving (£m)	0.600
Current FTE	12.0	Proposed FTE Reduction	TBC

An organisational review will be implemented in accordance with the Council's Managing Change procedure. It is anticipated that opportunities will be available to redeploy relevant staff into similar roles.

Revenue Savings Proposals 2023/24

Proposal reference number	ECS2
Proposal description	Speech and Language Therapy
Service Director	Amanda Hatton
Service Manager with responsibility for proposal development and delivery	Lorna French/Sharon McGhee
Division	Learning and Teaching

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.850	0.000	0.000	0.000	0.000
Cumulative Savings	0.850	0.850	0.850	0.850	0.850

<p>Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)</p> <p>There is currently a significant overlap between services purchased through the Speech and Language Therapy Service Level Agreement and core services provided by the NHS. It is therefore proposed that a review of delivery of SLA is progressed and alternative options are identified to ensure that required level of service delivery can continue to be provided from within existing resource in the most efficient way. We propose a shift towards more focus on complex needs in the provision of the Speech and Language Therapy additionally funded by the City of Edinburgh Council through a service level agreement with the NHS. The aim of the suggested change to the service delivery is to target the most vulnerable children in our society and ensure that they have every opportunity to improve their communication skills and continue to reduce any inequalities in line with the Local Authority's Education statutory requirement.</p>
--

<p>Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.</p>
--

<p>The following steps are planned for implementation of this saving:</p> <p>A) Review of the current referral system / scope of practice and criteria, including eating, drinking and swallowing (EDS) for children and young people to ensure clinical and educational needs are not overlapped and ensure the correct statutory boundaries / duties are being met.</p> <p>B) Review potential for crossover into PEF funding duplication leading to: double accounting and, potentially, double invoicing for same work.</p> <p>C) Increase the number of training hours to educational staff to then deliver internally with all direct Speech and Language Therapy work referred to NHS pathways.</p> <p>D) Work with the NHS to ensure a smooth transition</p> <p>E) Explore chargeback for clinical assessments / support being undertaken in educational establishments.</p>
--

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.

There is a need to be more effective and targeted in the referral process and the data reporting and monitoring needs to be interrogated more to identify actual / potential efficiency savings. This targets our limited budget to where the need is greatest.

Children, young people and their families will continue to access support provided universally through the NHS clinics. Individual schools in areas of material deprivation, or upon evidence of a specific need, may continue to purchase Speech and Language therapy in addition to the support provided in NHS clinics. This aligns with the Learning communities approach, allows robust monitoring of outcomes, purposeful identification of measures of success and more effective quality assurance processes.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)

Families most in need will be prioritised for targeted support, shifting the balance of resources to benefit the most vulnerable.

Current NHS allocation of 15 Speech and Language Therapists in post would reduce which may create waiting list for SLT support - however service delivery will be reviewed on an ongoing basis and there would be potential to increase internal provision to address this issue if required, although this would reduce the level of the saving delivered.

Current Budget (£m)	0.850	Proposed Budget Saving (£m)	0.850
Current FTE	0.0	Proposed FTE Reduction	0.0

Revenue Savings Proposals 2023/24

Proposal reference number	ECS3
Proposal description	Multi Systemic Therapy Service
Service Director	Amanda Hatton
Service Manager with responsibility for proposal development and delivery	Steve Harte
Division	Children's Services

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.500	0.000	0.000	0.000	0.000
Cumulative Savings	0.500	0.500	0.500	0.500	0.500

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)
Removal of the Multi Systemic Therapy Team with service to be delivered through other existing teams.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.
This service has already ceased and while some staff are in the process of being redeployed, this process will be completed by March 2023.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.
None - due to the changing nature of the service and how the needs of service users are addressed the requirement for this team had come to a natural end with the activities being picked up by other existing teams.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)
None

Current Budget (£m)	0.500	Proposed Budget Saving (£m)	0.500
Current FTE	12.0	Proposed FTE Reduction	12.0
An organisational review has been implemented.			

Revenue Savings Proposals 2023/24

Proposal reference number	ECS4
Proposal description	Wellington Monies
Service Director	Amanda Hatton
Service Manager with responsibility for proposal development and delivery	Lorna French/Sharon McGhee
Division	Children's Services

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.340	0.160	0.000	0.000	0.000
Cumulative Savings	0.340	0.500	0.500	0.500	0.500

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)
This funding stream was designed to ensure support at school level for those young people who would previously have accessed Wellington School. All schools now have a Wellbeing Hub, following a Council investment in excess of £2.5 million per annum, so this money can be removed over time. The money is currently used for staffing so redeployments may be required.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.
Timeline would require sufficient communication to Headteachers, alternative planning and redeployment. An organisational review will not be required as each school may have used the money differently and post holders should not be permanent.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.
Although schools have Wellbeing Hubs the ASN rates have increased since that proposal was initiated. Successful implementation of this project will require schools to be working effectively across their Learning Communities and pooling resources to ensure best value. It will also require improvements to the curriculum offer in some schools to ensure learners are motivated to attend and have their needs met.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)
The proposal will be assessed within the IIA undertaken as part of the wider review of Inclusion.

Current Budget (£m)	0.500	Proposed Budget Saving (£m)	0.500
Current FTE	0.0	Proposed FTE Reduction	0.0

Revenue Savings Proposals 2023/24

Proposal reference number	ECS5
Proposal description	Review of Contracted Spend to Ensure Efficiency with Partners and to Remove Areas of Duplication
Service Director	Amanda Hatton
Service Manager with responsibility for proposal development and delivery	Lorna French Laura Zanotti
Division	Education and Children's Services

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.904	0.206	0.000	0.000	0.000
Cumulative Savings	0.904	1.110	1.110	1.110	1.110

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)
<p>This proposal will examine services purchased from partners along with grants paid to third sector organisations to ensure that Best Value is achieved and that areas of duplication are minimised.</p> <p>Review of delivery of contracts and SLAs to identify alternative options and ensure that required level of service can continue to be provided from within existing resources.</p>

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.

<p>The following steps will be undertaken in implementation of the saving:</p> <p>A) Undertake all IIAs and work across the Directorate to better understand where any overlaps, synergies and efficiencies can be made.</p> <p>B) Review of the current referral system / scope of practice and criteria to ensure clinical and educational needs are not overlapped and ensure the correct statutory duties are being met.</p> <p>C) Review potential for crossover into PEF funding duplication leading to fragmentation and possible double accounting.</p> <p>D) Communicate the change to organisations, staff and service users as required.</p> <p>E) Explore chargeback for clinical assessments / support being undertaken in educational establishments.</p> <p>There may be an initial requirement in both the third sector and within schools and practice teams to ensure children, young people and families have a safety net and are appropriately signposted to relevant organisations.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.
<p>There is a need to be more effective and targeted in the referral process and the data reporting and monitoring needs to be interrogated more to identify actual / potential efficiency savings.</p> <p>Statutory Partner Agencies and Third Sector organisations and their staff; children, young people and families living in communities across Edinburgh who benefit from accessing these services;</p>

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)
Details will be considered for each proposal.

Current Budget (£m)	22.100	Proposed Budget Saving (£m)	1.110
Current FTE	0.0	Proposed FTE Reduction	0.0

Revenue Savings Proposals 2023/24

Proposal reference number	PL4
Proposal description	Taxicard
Service Director	Place
Service Manager with responsibility for proposal development and delivery	Gareth Barwell
Division	Operational Services

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.120	0.030	0.000	0.000	0.000
Cumulative Savings	0.120	0.150	0.150	0.150	0.150

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)

Beginning in 2023/24, there is a proposal to cease funding the Taxicard service on a phased basis to 2024/25. Taxicard enables people with a disability which makes it difficult to use ordinary buses to get around the city by taxi. The journey is charged at a nominal cost. Cards are issued for a three-year period. The Council currently contracts with a single taxi operator in the city for this service. Demand for the service has reduced in recent years. Benchmarking suggests that there are few local authorities providing this service and that taxi companies are providing this service without subsidy from the Council (e.g. City Cabs operate a scheme called Cab Assist).

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.

The contract for Taxicard is currently awarded via waiver to the Council's contract standing orders. It is proposed to phase out the scheme in order to maintain provision for current recipients in the short term. If approved, officers will write to all scheme recipients to let them know that their card will not be renewed when it expires. The Council will also engage with the taxi provider commissioned for this service to advise that the scheme will be phased out.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.

There are no anticipated service impacts arising from this proposal as the service is provided by a third party directly to customers. As noted above, benchmarking suggests that few local authorities continue to provide a Taxi Card service and, in Edinburgh, there is at least one example of a similar scheme operated privately by a taxi company.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)

An Integrated Impact Assessment has been completed for this proposal.

Current Budget (£m)	0.150	Proposed Budget Saving (£m)	0.150
Current FTE	n/a	Proposed FTE Reduction	n/a

Revenue Savings Proposals 2023/24

Proposal reference number	PL5
Proposal description	One-off Increase in Income and Reduction in Funding for Events and Cultural Grants
Service Director	Joan Parr
Service Manager with responsibility for proposal development and delivery	Joan Parr
Division	Culture and Wellbeing

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.250	0.000	0.000	0.000	0.000
Cumulative Savings	0.250	0.250	0.250	0.250	0.250

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)
This is a one-off proposal in 2023/24 to increase income from recovery of costs for events and filming in the city together with a one-off reduction in funding for the city's Events programme 2023/24 and Third Party Cultural Grants programme 2023/24. A sustainable approach to achieving this saving on an on-going basis will be developed during financial year 2023/24. In 2023/24, it is anticipated that the proposal will be delivered as follows: Cost recovery: £0.025m; Events programme: £0.140m; and Cultural Grants: £0.085m.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.
Officers will continue to implement full cost recovery for events and filming in the city and will implement a reduction in the funding available for the city's Events programme and the Third Party Cultural Grants programme 2023/24. These awards are made on an annual basis, with recommendations approved by the Culture and Communities Committee.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.
While this reduction is proposed on a one-off basis, there will be a reduction in the number of events supported by the Council in 2023/24. The reduction in funding for cultural grants may also result in a reduced programme of activities in 2023/24 but officers will work closely with affected funded organisations to minimise the impact (including supporting applications for alternative or match funding for activities if necessary).

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)
An integrated impact assessment has been carried out as part of the development of this proposal.

Current Budget (£m)	5.956	Proposed Budget Saving (£m)	0.250
Current FTE	n/a	Proposed FTE Reduction	n/a

Revenue Savings Proposals 2023/24

Proposal reference number	PL6
Proposal description	Homelessness - Reduction in demand for temporary accommodation
Service Director	Nicky Brown
Service Manager with responsibility for proposal development and delivery	Jill Thomson / Sarah Burns / Elaine Scott
Division	Housing and Homelessness

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	2.325	1.125	0.000	0.000	0.000
Cumulative Savings	2.325	3.450	3.450	3.450	3.450

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)
This proposal has two core elements: a) to increase the number of Council properties available to people in temporary accommodation (by making approximately 600 properties which are currently empty available for use. Circa 70% of these properties will be made available for homeless households); and b) to increase prevention activities to support people at risk of homelessness to access support and advice.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.
The empty properties will begin to become available from May 2023 and resources to support prevention activities will be maintained and enhanced, leading to further reductions in the number of households requiring temporary accommodation.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.
This would have a positive impact on outcomes, as the Council would be able reduce the number of households in temporary accommodation, the Council will have fewer empty properties and the cost of temporary accommodation will be further reduced as more households will be supported in order to prevent them becoming homeless.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)
An integrated impact assessment has been completed for this proposal.

Current Budget (£m)	62.000	Proposed Budget Saving (£m)	3.450
Current FTE	182.0	Proposed FTE Increase	45.0

Revenue Savings Proposals 2023/24

Proposal reference number	ECS6
Proposal description	Review of Devolved School Management Allocations
Service Director	Amanda Hatton / Lorna French
Service Manager with responsibility for proposal development and delivery	Lorna French
Division	Education and Children's Services

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	7.150	-0.250	0.000	0.000	0.000
Cumulative Savings	7.150	6.900	6.900	6.900	6.900

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)

Review allocations made under Scheme of Devolved School Management along with centrally managed resources including consideration of

- recurring unallocated funding of £1.6m;
- a one off contribution from school carry forward balances of £2m in 2023/24. School carry forward balances increased by £2m in 2022/23 due to difficulties recruiting along with lack of requirement to fill some posts over the course of the pandemic. This one off contribution will reduce balances to pre covid levels;
- DSM per capita allocations of £1.95m in 2023/24, increasing to £2.9m in 2024/25 to reflect full academic year. This additional funding was made available to schools to provide for additional support during the pandemic and consultation with Head Teachers indicates that it is not required to support core activities on an ongoing basis; and
- staffing allocations of £1.6m increasing to £2.4m in 2024/25 focussing on a review of Transition Teacher posts and additional specific Pupil Support allocations made to support P1-P3. These posts were allocated to provide additional support during the pandemic and can now be removed without impacting on core teaching activities or core support activities. This proposal has been subject to consultation with Head Teachers and they have advised that these are areas that they would prefer to target over other core activities. While the proposal also includes removal of additional COVID-related pupil support allocations, this can be managed through normal staff turnover and vacancy management.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.

Budget savings will be implemented from Summer 2023 within the DSM framework. Headteachers have been consulted and will have the ability to manage savings in a way that best needs the needs of their individual schools while maintaining core pre Covid Pupil Teacher ratios

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.

This measure will not impact on core Pupil Teacher ratios and the statutory requirement to provide an education that meets the individual needs of all pupils will remain. In delivering this requirement schools will continue to meet any needs arising from protected characteristics. There is no evidence that the proposed budget reduction will impact disproportionately on any group with protected characteristics.

The Council has also invested heavily in the implementation of its Empowered Learning digital strategy to support changes in how Education and support can be delivered more effectively, taking advantage of improved connectivity and the allocation of 1:1 digital devices across the learning estate.

It should also be noted that while this proposal does propose a reduction in transition teacher numbers it is anticipated that the number of teachers required by City of Edinburgh Council will continue to increase as a result of rising rolls. Scottish Government published statistics evidence an increase in teacher numbers of 6.4% across the city over the last three years, compared with a national average of 3.7%. So while there may be a need for a small number of teachers to be redeployed no staff will be under threat of redundancy as a result of this measure.

Budgetary provision for this ongoing growth of £2.296 million per annum is built in to the Council's budget framework assumptions.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)

The element relating of the saving relating to the removal of £1.6m unallocated reserve will not have any impact as it was not allocated to any recurring activity.

The one-off contribution of £2m carry-forward balances is also effectively a centrally held reserve which accrued due to restricted activity during the pandemic. This funding is also not allocated to any recurring activity and can therefore be given up with no adverse impact.

The £1.95m DSM allocation reduction in 2023/24, rising to £2.9m in 2024/25, was additional funding provided over the last 18 months and does not support core activity, schools were able to use this funding based on decisions made at a local level and the removal of the funding will not impact on specific groups or core teaching activities. Given the nature of Devolved School Management Headteachers will have the ability to divert resources locally if they feel that there in an ongoing need.

The proposed staffing reduction of £1.6m in 2023/24, rising to £2.4m in 2024/25 will remove two specific staffing groups. Again this additional resource was put in to schools over the last 18 months to support transition from Primary to Secondary and to provide some additional support in P1-3 during the pandemic. These additional posts served an important purpose at the time, but it is felt that this role can now be removed without any adverse impact. Again as with the DSM reduction noted above, the scheme of Devolved School Management will allow for Headteachers to continue to divert resources in to this area if they feel that there is still a need locally.

Current Budget (£m)	284.300	Proposed Budget Saving (£m)	7.150
Current FTE	3,812.0	Proposed FTE Reduction	65.0

Revenue Savings Proposals 2023/24

Proposal reference number	ECS7
Proposal description	Review and Alignment of Inclusion and Support
Service Director	Lorna French
Service Manager with responsibility for proposal development and delivery	Sharon McGhee
Division	Education

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.000	1.500	1.000	1.000	0.900
Cumulative Savings	0.000	1.500	2.500	3.500	4.400

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where applicable)
<p>Inclusion in Edinburgh is being reviewed in light of the recommendations from the National ASL Review and to ensure alignment with the objectives of the City Plan. This will result in more needs being met locally and specialist services being aligned across Learning Communities. It will specifically improve opportunities for community empowerment and will build capacity within the schools themselves, reducing the reliance on central teams of specialists and therefore providing a more skilled, responsive service overall. It fully coheres with the 20-minute neighbourhood and Team around the Learning Community approach. It also underlines national policy that inclusion is delivered as close to the child or young person as possible. This methodology often results in longer staying-on rates and greater independent work habits, therefore higher life chances.</p> <p>As this is such a large area of work, an overarching project board has been set up to oversee the organisational review of the services which support inclusion, as well as to agree the vision and strategy. This work was begun pre-pandemic and is now being taken forward with peer support from the ADES ASN Network and will involve an independent collaborative review of Inclusion by Education Scotland and ADES on how inclusion is delivered. Initial baseline measures indicate that of the four workstreams, Pupil Support Assistants should be prioritised. This will also satisfy trade unions which have been critical of low pay and poor career progression for PSAs. Recruitment and retention of PSAs has been increasingly difficult and absence rates are higher than for other groups. Taken together this indicates a need to review the overall provision, including training, remuneration and career progression. Comparator authorities have concluded reviews for PSAs to 'professionalise' the workforce, which with fewer, better paid employees, has released significant efficiency savings. Finally, significant research shows that untrained low paid staff can stifle independence rather than support inclusion and raise attainment. It is anticipated that the ASL Service would be decentralised, with inclusion being managed at learning community level. It is also anticipated that some external funding to 3rd sector partners is reviewed to ensure better, strategic use is made of Pupil Equity and Strategic Equity funding.</p> <p>The special school estate is in scope due to the significant changes in ASN delivered in our schools and could see increases in learners attending mainstream schools, as well as clearer ASN profiles for our special schools. This should result in a smaller physical footprint.</p>

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial)
<p>Headteachers have been calling for a review of Inclusion for several years and as mentioned above, the Project Board was initiated pre-pandemic and has just been reconvened. Due to the complexity and scale of the change involved, an overall impact assessment is being prepared, as well as individual ones for each workstream. These will be done with full involvement from teaching and ancillary unions and appropriate stakeholder reference groups. The indicative timeline is that actions could be implemented by 2024/25, however the review of special schools will be particularly sensitive and will require Statutory Consultations.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where

Edinburgh has invested heavily in ASL to a greater extent than almost all other local authorities, with the exception of the Challenge Authorities (which received approximately 10 times the funding pro rata), but has not reviewed provision or completed service level internal scrutiny for several years. The allocation of Inclusion Support 'audit hours for PSAs' was adjusted to be directed to those children and young people recorded on SEEMIS with ASN. This resulted in a significant rise in the numbers assessed as having ASN, accounting for 60% of the national increase in the past 3 years. In addition our profile of ASN is completely at odds with the national picture in which most ASN are in SIMD deciles 1 and 2, whereas ASN in Edinburgh occurs mostly in deciles 7,8,9 and 10. This suggests a perverse incentive has arisen which requires further analysis. There is no ambition to remove support overall, but we should be realigning the support and reducing the management costs.

In parallel, Teams around the Learning Community models are being developed which ensure that headteachers make best use of the significant resources for Finance for Equity, which they can pool and plan together across schools. The greatest risk will be in continuing with the current model. As the population changes and empowerment gains momentum, our schools need to be supporting children and young people to become increasingly active and empowered. Failing to meet needs appropriately could result in lower attainment, children's medical needs not being sufficiently met, an increase in risk-taking behaviour/crime from young people who are at risk of not engaging in full-time education and ultimately legal action against the Council for not fulfilling statutory requirements. If there is not adequate funding to enable the inclusion agenda and requirements under key legislation, there is a risk of legal and reputational impact to the Council.

Part of the new model for school/locality-based inclusion is the investment of recurring budget in excess of £2.5m to establish Wellbeing Hubs in every secondary school to support the presumption of mainstream and to provide additional capacity for young people to take part in a range of curricular and learning experiences and supports.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts,

Full Impact Assessments and Organisational Reviews will be required to ensure compliance with relevant legislation and policy

- Children Young People Scotland Act
- Equality Act 2010
- Scottish Government ASL Action Plan
- UNCRC
- The Promise, Care Experienced Children and Young People

Current Budget (£m)	55.800	Proposed Budget Saving (£m)	4.400
Current FTE	1,288.0	Proposed FTE Reduction	80.0

This review has recently been reconvened and will be progressed with full involvement from teaching and ancillary unions and appropriate stakeholder reference groups. No financial / FTE savings are assumed in 2023/24 pending development of detailed proposals.

Revenue Savings Proposals 2023/24

Proposal reference number	PL7
Proposal description	Income Recovery in Regulatory Services and Planning and Building Standards
Service Director	Peter Watton
Service Manager with responsibility for proposal development and delivery	Andrew Mitchell/David Givan
Division	Place

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.500	0.000	0.000	0.000	0.000
Cumulative Savings	0.500	0.500	0.500	0.500	0.500

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)
This proposal is to increase the income recovery in Planning and Building Standards and in Regulatory Services (non ring-fenced accounts) through the fees charged for services. There is also a small reduction in costs anticipated in Regulatory Services.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.
The charges for these services have already been agreed. However, in Regulatory Services, it is intended to update the relevant Committee on the status of these activities in advance of these increases being delivered.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.
There are no impacts on service outcomes anticipated with the increase in income recovery proposed. The small reduction in funding in Regulatory Services may have an impact on service delivery, which the Head of Regulatory Services will seek to mitigate as far as possible.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)
As these charges are already in place, no integrated impacts are anticipated.

Current Budget (£m)	n/a	Proposed Budget Saving (£m)	0.500
Current FTE	n/a	Proposed FTE Reduction	n/a

Revenue Savings Proposals 2023/24

Proposal reference number	PL8
Proposal description	Organisational Reviews - Place
Service Director	Paul Lawrence
Service Manager with responsibility for proposal development and delivery	Joan Parr, Gareth Barwell, Peter Watton
Division	Place

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.530	0.000	0.000	0.000	0.000
Cumulative Savings	0.530	0.530	0.530	0.530	0.530

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where applicable)
 This proposal seeks to reduce the overall staff cost within the Place Directorate through the implementation of a small number of organisational reviews which are either currently in progress or are planned.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, etc.)
 These organisational reviews are or will be implemented in accordance with the Council's Managing Change procedure.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, the Council's Managing Change procedure.
 Each organisational review will identify any potential impact on service outcomes and associated mitigations (where it is possible to do so) as part of the engagement and consultation carried out.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development
 Integrated Impact Assessments will be carried out as part of the preparation for each organisational review and will be updated throughout the review period.

Current Budget (£m)	183.452	Proposed Budget Saving (£m)	0.530
Current FTE	4,878.0	Proposed FTE Reduction	7.000

This is an indicative estimate of the FTE reductions associated with this proposal. A small number of organisational reviews will be implemented in accordance with the Council's Managing Change procedure.

Revenue Investment Proposals 2023/24

Proposal reference number	INV1
Proposal description	Restoring Bus Services for Willowbrae/Lady Nairne and Dumbiedykes
Service Director	Peter Watton
Service Manager with responsibility for proposal development and delivery	Daisy Narayanan
Division	Sustainable Development

Forecast Savings (including later years where applicable)	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Incremental Savings	0.200	0.000	0.000	0.000	0.000
Cumulative Savings	0.200	0.200	0.200	0.200	0.200

Description of savings proposal, rationale for implementation and alignment to Business Plan priorities (where relevant)

In June 2022, the Council approved a combined motion by Councillors Whyte and Mowat seeking to address the issues raised by local residents in the Willowbrae/Lady Nairne and Dumbiedykes areas of the city where local bus services have been withdrawn. The action agreed was to investigate options for an improved level of public transport in these areas. In December 2022, Transport and Environment Committee received an update on the challenges and options for supported services and requested that the option to introduce an accessible minibus for Willowbrae/Lady Nairne and Dumbiedykes be considered as part of the Council's budget process. This proposal is therefore to introduce a registered local (mini)bus service which would operate to a set timetable and which could accept concessionary bus passes. The cost of operating this service 5 or 6 days per week (including the cost of the vehicle and driver) is estimated to be approximately £0.1m per location. It is unlikely that this cost could be fully recovered from fare revenue.

Outline implementation plan for saving, including (i) key steps, (ii) timescales and (iii) resources (staffing, financial and any project management) required to support delivery. Please highlight any cases where consultation is either required or may otherwise be desirable.

If this proposal is approved, Council officers would seek to engage with local bus service providers and to invite tenders to operate such a service. This would become part of the Council's Supported Bus Programme and would be administered accordingly. If this proposal is approved, the contract will increase in value annually by inflation and therefore will need to be considered as part of the Council's future approach to inflationary increases.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, risks and dependencies, relevant strategic, service plan or community planning outcomes and any pertinent research of practice elsewhere.

It is important to note that there may be other areas of the city which are (or will soon be) experiencing reduced bus services as the operating environment for public transport is extremely challenging and patronage is falling meaning that it is increasingly difficult to sustain all existing commercial services.

Potential equalities and human rights and carbon, climate change adaptation and sustainable development impacts, including proposed mitigating actions (at this stage, only a high-level assessment is requested, highlighting where further work is required)

An Integrated Impact Assessment has been completed for this proposal.

Current Budget (£m)	1.500	Proposed Budget Increase (£m)	0.200
Current FTE	0.000	Proposed FTE Reduction	0.000