

# The City of Edinburgh Council

10am, Thursday, 21 February 2019

## Feedback on the change strategy and budget proposals 2018 and 2019

Item number 4.2(a)(iii)

Report number

Executive/routine

Wards

Council Commitments

### Executive Summary

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In total the Council received more than 2,700 participations in its budget engagement, following two distinct phases of activity starting in October and finishing in February. The purpose of this engagement activity is to inform final decisions on the Council's budget.

## Feedback on the change strategy and budget proposals 2018 and 2019

### 1. Recommendations

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- 1.1 Council notes the feedback received and summarised in the report included as an appendix.

### 2. Background

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- 2.1 The Council's engagement on its budget and proposals for change took place in two distinct phases – before and after Scottish Government's announcement of its draft budget.
- 2.2 The appendix to this report details the findings from the online budget planner and the budget group exercise as well as feedback received after the Council's publication of a its change strategy and budget proposals for 19/20.
- 2.3 A summary of submissions received during phase one were reported to the Finance and Resources Committee on 1 February 2019 and have also been referred to Full Council for information.

### 3. Measures of success

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- 3.1 The report on the proposed engagement methods presented to the August Finance and Resources Committee set a target of 1,400 responses using the budget simulation tool and the open feedback. The proposed engagement report also set a target of 24 groups completing the budget engagement group activity with an estimated total attendance of around 200 individuals.
- 3.2 In total the Council exceeded both of these targets with more than 2,700 responses in both phases, and more than 50 groups involving around 390 participants.

### 4. Financial impact

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- 4.1 The Council set a budget of £35,000+VAT for engagement activity.
- 4.2 It is estimated that the Council will underspend on this budget by around £7,000.

## 5. Risk, policy, compliance and governance impact

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- 5.1 A separate integrated impact assessment report on the change and budget proposals has been provided.

## 6. Equalities impact

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- 6.1 A separate integrated impact assessment report on the change and budget proposals has been provided.

## 7. Sustainability impact

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- 7.1 A separate integrated impact assessment report on the change and budget proposals has been provided.

## 8. Consultation and engagement

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- 8.1 As part of its continuous development processes, Strategy and Communications intends to seek external evaluation of its engagement process. Future engagement plans will take account of any feedback received. Any proposal for ongoing budget engagement connected to the Change Strategy will be brought to committee for consideration

## 9. Background reading/external references

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- 9.1 Report to the Finance and Resources Committee – 10am, Thursday, 16 August 2018 – [Proposed 2018/19 Citizen Engagement](#)
- 9.2 Report to the Finance and Resources Committee – 10am, Friday, 1 February 2019 – [Feedback on the change strategy and budget proposals 2018](#)

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## 10. Appendices

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Appendix 1: Summary of budget engagement - reporting on the budget engagement activity conducted by the City of Edinburgh Council from October 2018 to February 2019

## Appendix One – Budget Simulator

# Summary of Budget Engagement

REPORTING ON THE BUDGET ENGAGEMENT ACTIVITY  
CONDUCTED BY THE CITY OF EDINBURGH COUNCIL  
FROM OCTOBER 2018 TO FEBRUARY 2019

## Executive summary

This report provides a summary of the participation in the Council's budget engagement conducted in two phases between October 2018 and February 2019. The Council received more than 2,700 participations as part of this engagement, including:

- 1,826 surveys, letters, emails, phone calls and social media responses;
- 547 submitted budgets using our online budget planner; and
- Around 390 resident and colleague attendees at facilitated group sessions.

Key points raised by these engagement activities were:

- Strong opposition to the reduction in spending on Edinburgh Leisure due to the importance of this service in meeting many of the Council's goals for physical activity, health and wellbeing. 255 participants contacted the Council during phase two to oppose this change;
- Strong opposition to the reduction in spending on Marketing Edinburgh, who were felt to provide important and necessary support for Edinburgh's vital tourism, hospitality and film sectors. 153 participants contacted the Council during phase two to oppose this change;
- Broad consensus that it was possible and necessary for education and care services to make efficiency savings in the context of the Council's overall financial challenge and the reductions other services had faced in previous years. Though the changes to nursery teacher numbers were opposed by 26 participants in phase two;
- Participants who completed a budget using the online planner recognised the difficulty the Council faces in balancing its budget against its pressures and priorities. In this context they made cuts to all services, but made the smallest average cuts to mental health services (-3.8%), care at home for older people (-4.8%), and roads (-5.0%). The largest cuts were made to libraries (-9.1%), community safety and CCTV (-8.9%) and community learning and development (-8.9%);
- When asked to consider the same services as part of a group exercise, participants identified the same three priorities (mental health services, care at home, and roads), but made the largest spending reductions from economic development, community safety and CCTV, and culture;
- In both the individual budget planner and the group exercise, on average, all the proposed areas for change were accepted. While these areas were only presented in outline, this would seem to indicate the Council can build broad support for these initiatives, and other complex issues, in future;
- In general, the feedback from participants indicated only an outline understanding of the position of local government finances. When presented with more detail about the nature of choices being faced, participants were often surprised and sometimes distressed by the decisions which elected members were being asked to make.

## Format of the budget engagement

The City of Edinburgh Council's engagement process on its 2019/20 budget setting included two distinct phases of activity intended to raise awareness of the general budget position, encourage discussion on potential areas of change, seek insight into citizen and colleague opinions on relative budget priorities, and provide a platform for stakeholders to make elected members aware of their views.

Prior to Scottish Government's announcement of its draft budget, the Council published draft proposals and engaged on them between 1 October 2018 to 7 December 2018. This engagement activity included:

- A high-level prospectus explaining the Council's financial position and the pressures of growth, an aging population, and constrained public sector spending;
- An online and offline open submission process allowing stakeholders to express any views in relation to the Council's budget;
- An original group activity designed to assist stakeholders in having engaging face-to-face discussions about their budget priorities;
- An online budget setting tool (Budget Simulator) that allowed individuals to set their own spending priorities for the Council; and
- A social media and outdoor advertising campaign to raise awareness of engagement opportunities.

In addition to these exercises, residents and Council colleagues could also submit their views by email, post and telephone.

Following the Scottish Government's initial announcement of its planned budget settlement for local government, the Council published an amended prospectus with proposals for change which would form the basis of the 2019/20 Council budget. The Council engaged on this prospectus between 18 January 2019 and 11 February 2019. During this time the Council continued its group activity, and this was supported by a social media campaign and submissions could be received through the Consultation Hub, email, post and telephone as before.

During political negotiations, the Scottish Government amended its settlement for local government, providing additional funding and revenue-raising powers for local government above what had been stated in December. No further revisions to engagement material were made following this announcement.

## Overall response to the budget engagement activity

The Council communicated and invited responses through a range of channels. Responses in 2018 were up by 23% when compared with responses to the 2017 budget activity. The Council has not previously extended budget engagement into the following year, and as a result there is no direct comparison with previous performance. The following table summarises participation by different engagement activities.

*Fig 1. Number of participations by type of engagement*

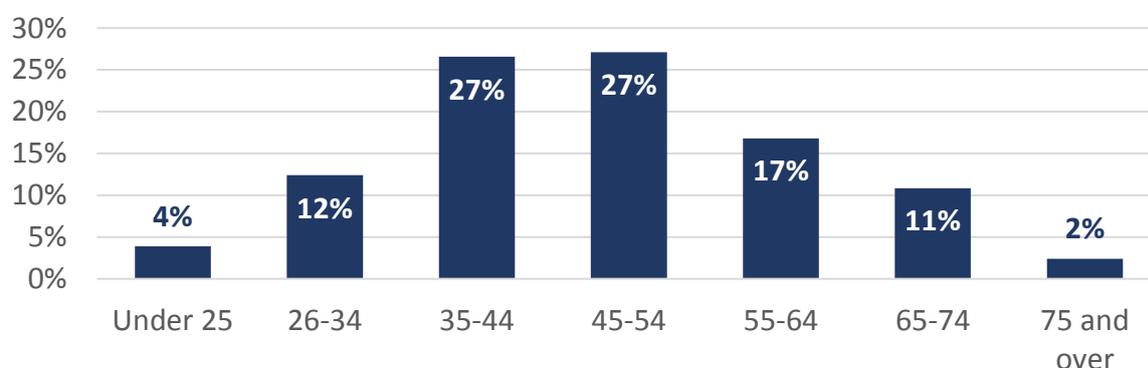
Engagement type	Number
<i>Phase one</i> – completed Budget Simulator sessions	547
<i>Phase one</i> – submissions through the Consultation Hub and other formats	1,050
<i>Phase one</i> – estimated attendance at group events	140
<i>Phase two</i> – submissions through the Consultation Hub and other formats	776
<i>Phase two</i> – estimated attendance at group events	250

The budget engagement was open to any interested party. Though the Council makes specific efforts to raise awareness and reach out to individuals and organisations who may be interested in or impacted by budget proposals, those who responded were predominantly self-selecting. As a result, participants should not be considered representative of the population as a whole and open engagement activity should not be judged on its overall representativeness. Instead, engagement activity should be assessed on the extent to which a broad diversity of relevant individuals have been able to express themselves in the process.

In total, 12% of all participants who provided demographic information were Council colleagues. In previous years this has been around a third of participants. Extra group events were held in phase two with colleagues to ensure colleagues had more opportunities to engage with the budget discussion.

50% of all participants were female, while 43% were male and 8% identified as other or preferred not to say. 13% of participants described themselves as having a long-term illness or disability. And 39% of participants were parents of school-age children – which is around double the actual rate in Edinburgh.

In total 1,671 participants provided their age. The following graph shows the proportion of participants in each age group.



As in previous years, engagement has been lower amongst those at the extremes of the age bands, with only 4% being under 25 and only 2% being over 75.

## The online budget simulator

### Process

The online budget planner presented information on how the Council currently allocates its resources. This tool allows stakeholders to view this information, make changes to the levels of spending in each service area, and understand some of the consequences that might result from making that level of change in each service area's budget. Participants had discretion to increase or decrease funding to all services in 5% increments from -20% to +10%, or to leave funding at current levels.

To encourage meaningful feedback and for ease of use, not all Council services were included in the online planner. It is estimated that Scottish Local Authorities provide in the region of 600 to 700 distinct services, and the complexity of this level of financial information would discourage public engagement and inclusive engagement.

Services with large budgets were included automatically – such as schools and care. Smaller services were grouped together if they were closely related and their combined revenue budgets exceeded £3m. Purely internal services such as Human Resources and Finance had their budgets proportionately allocated to the services they support. This last decision was taken to provide insight into how participants would make meaningful choices between services they receive, rather than reduce funding in areas where they believed there would be no consequences for service delivery.

Initially, participants needed to balance the budget over four years before they could submit (around 11% savings were needed), but this was relaxed after six weeks to allow respondents to submit a one-year budget.

### Insights

The following table shows the average change in all service areas included in the online planner.

*Fig 2. Average change for all services, for all submitted budgets using the online planner*

Services	Average change
Mental health services	-3.8%
Care at home for older people	-4.8%
Roads, transport and infrastructure	-5.0%
Secondary schools	-5.3%
Primary schools	-5.4%
Services for people with disabilities	-5.4%
Residential care for older people	-5.4%
Waste, cleansing and environmental wardens	-6.3%
Residential care for children, child protection services and additional support for learning	-6.6%
Parks, greenspace and local environment	-7.1%
Culture	-7.1%
Nursery schools, nursery classes and early years centres	-7.2%
Economic development	-8.2%
Planning, building & trading standards and environmental health	-8.5%
Sport and leisure	-8.6%
Community learning and development	-8.9%
Community safety and CCTV	-8.9%
Libraries	-9.1%

The amount of spending on **mental health services** was reduced by less than any other service area and had the largest proportion of participants (13%) who balanced their budgets and increased spending in this area. There was strong agreement about the importance of mental health services across all demographic groups, with Council colleagues making the largest overall reduction to this service area (-5%). Amongst those who submitted only a one-year budget, there was no net reduction in spending in this area.

**Care at home for older people** had an overall reduction of 4.8%. There were obvious demographic and age differences in relation to participant budgets for this service; men reduced this service area by twice as much (-5%) as women (-2%); and younger participants made larger reductions (-5%, those aged under 25) compared to older participants (-3%, those aged 45 and over).

**Roads, transport and infrastructure** spending was reduced by 5% overall, and showed no large differences by demographic group. However, 12% of participants wanted to see spending in this area increase – this was the second highest proportion of participants whose budgets included an increase after mental health services.

Spending on **primary schools** and **secondary schools** was very similar, with both having an overall reduction of just over 5%. Parents of school-age children made only a 4% reduction in both services; perhaps unsurprisingly, parents of school-age children prioritised primary and secondary schools over all other service areas – including nursery schools and child protection services. Spending on schools tended to be reduced by more by older participants (-6% to -8%, those aged 45 and over) and by Council colleagues (-8%).

**Services for people with disabilities** had a 5.4% overall reduction and was reduced by men (-6%) more than women (-3%). The same pattern was observed for **residential care for older people**, with an overall 5.4% reduction and larger reductions from men (-6%) than women (-4%). However, unlike care at home, there was no strong pattern in submitted budgets based on the age of participants, with younger and older participants making similar choices.

**Waste, cleansing and environmental wardens** had a net budget reduction of 6.3%. Council colleagues made the largest reductions (-8%) of any group, with the smallest reductions (-4%) made by those aged 65 and over.

Spending on **residential care for children, child protection services and additional support for learning** had an average reduction of 6.6%. Participants aged over 65 made much larger cuts (-9%), as did men (-8%), while parents made a reduction only slightly better than the average (-6%).

**Parks, greenspace and the local environment** had a net 7.1% reduction, with the largest reduction being made by those aged under 25 (-9%), compared to only a 6% amongst those aged 65 and over.

Spending on **culture** was reduced by 7.1% on average, with Council colleagues making a 10% reduction overall and the smallest reductions being made by participants under 25 (-6%) and women (-6%).

The 7.2% reduction in the budget for **nursery schools, nursery classes and early years centres** was the largest of any of the education services. While Council colleagues cut this budget by 7%, this was less than they reduced primary and secondary budgets (-8%). Those aged 65 and over made an overall reduction of 10% for this budget – the joint-highest reduction this age group made for any service area.

The 8.2% reduction in spending on **economic development** includes the most divergent views amongst participants. Those aged under 25 made an average reduction of only 4%, and by contrast those in other age groups made reductions of 9%. Council colleagues and parents both targeted the service with larger cuts, each group submitting average 11% reductions – this was the highest reduction parents made to any service area.

**Planning, building & trading standards and environmental health** had an average 8.5% reduction in spending. This was consistent across most age groups, with only those aged 65 and over cutting the service by 6%. This service grouping showed the smallest change in overall budget change based on the total saving submitted by participants – those who submitted only a one-year budget reduced spending on this area by 7%, compared to those who submitted a four-year budget reducing spending by 13% – a gap of only 6%. By contrast, the gap between one-year and four-year budgets were 18% for primary schools, 13% for mental health services, and 10% for culture.

Participants reduced spending on **sport and leisure** by 8.6%. The group making the smallest reduction overall were those aged 65 and over (-6%), while Council colleagues made the largest reduction (-11%) and most other groups were similar.

The 8.9% reduction in **community learning and development** included the largest reduction made by Council colleagues (-12%) and reductions tended to increase as participant age increased. Those aged under 25 made average 7% reductions, increasing to 10% reductions amongst those aged 65 and over.

**Community safety and CCTV** was reduced by an average of 8.9% and showed little variation amongst demographic groups.

**Libraries** had their budgets reduced by, on average, 9.1%. This service had one of the largest reductions in one-year budgets (7%, joint equal with economic development), but also had one of the largest reductions in four-year budgets (17%, joint fourth overall). There were no significant differences by demographic group.

## Group activity sessions

### Process

As part of the group activity, the Council presented 18 service areas which it was felt residents would generally recognise as delivering services to them, their family or their community – which they would therefore have some understanding of – and where the Council currently spends more than £3m of its budget each year. In order to ensure some highly visible services were displayed, and to keep the number of services involved in the group activity to a manageable number, some services were grouped together.

Each service had a potential maximum spend participants could allocate which was slightly larger than the current level of spending. The group could not access enough funding as part of the group activity to fully fund all services shown, requiring prioritisation of reductions based on whatever criteria the group itself considered most important. The intention of the group exercise was to provide a means of having a shared discussion on priorities – not to perfectly replicate current or future Council budgets.

In total, the Council conducted more than 50 groups to discuss the budget, with around 390 participants.

### Insights

This section summarises how much of the service’s potential maximum spending was allocated by groups on average, and the minimum level of spending allocated by any group. Resident and Council colleague groups are reported together.

*Fig 3. Average and minimum funding for each service area in group activity*

Service title	Average	Min.
Mental health services	99%	67%
Care at home for older people	94%	70%
Roads, transport and infrastructure	92%	33%
Community learning and development	91%	50%
Parks and green space and local environment	91%	50%
Primary schools	89%	56%
Nursery schools, nursery classes and early years centres	89%	50%
Residential care for older people	85%	60%
Waste, cleansing and environmental wardens	84%	57%
Secondary schools	83%	50%
Residential care for children, child protection services and additional support for learning	82%	50%
Services for people with disabilities	82%	58%
Sport and leisure	81%	0%
Libraries	81%	33%
Planning, building and trading standards, and environmental health	76%	0%
Culture	72%	0%
Community safety and CCTV	65%	33%
Economic development	60%	0%

The services and groups of services presented can be seen as falling into three groups – those where the clear consensus of groups was to protect or increase spending (green); those where there was strong support for maintaining current levels of spending, though some groups were more negative (amber); and where a number of groups felt spending should be radically reduced or defunded (red).

A brief summary of the discussion around each service area is included below.

### **Mental health services**

There was a strong belief amongst participants that this was a historically under-funded area and that targeting resources to mental health services would prevent greater costs arising in other areas of Council activity. Those participants who were personally dealing with mental health issues, or who had done so in the past, were vocal in their support of this service.

### **Roads, transport and infrastructure**

Participants were often surprised about the low level of revenue spending on roads and infrastructure maintenance, and transport, compared to other areas of the Council's budget. While groups usually felt this was a core Council service important to all residents, it was observed that this was also a key service for making the city accessible to all residents, either by ensuring the city remained physically accessible or by providing free or subsidised public transport for disabled or more remote communities that would otherwise be less able to visit the city.

### **Community learning and development**

This service performed significantly differently in group sessions than it did with individual online budgets. This may, in part be due to the number of colleagues from community learning and development who participated in group sessions, and it may also be because awareness of the function and responsibilities of this service are higher amongst colleagues than amongst residents.

It was observed that this service has a key role in creating opportunities for more innovative modes of service delivery by upskilling community members and creating and maintaining social networks that residents can access for other purposes. It was felt that if the Council were serious about taking forward Scottish Government's community empowerment agenda, this necessarily meant more work for this service.

### **Parks and green space and local environment**

This service was felt to play an important role in maintaining wellbeing for residents, whether this was through the providing of spaces where people of all ages could engage in a range of exercises for free, or because being able to engage with greenspace was felt to provide physical and mental health benefits. Engaging with wildlife was considered a valuable and meaningful experience for participants, and there were recognised as being very limited opportunities for this in a city. Participants highlighted that the Council's ambitions for the city – which they shared – have often included the word 'green', emphasising the importance parks play in the unique character of the city.

### **'Primary Schools' and 'Nursery Schools, nursery classes and early years centres'**

Because of the relatively high level of spending on education, primary and nursery schools were often substantially under-funding during the first phase of the group exercise – where individuals placed their own tokens to determine their priorities – but were augmented during phase two – where groups made decisions collectively and had more complete understanding over the balance of budget priorities.

Participants were more concerned about teacher numbers than the total spending on education, and were prepared to tolerate some reductions to education services in the context of the Council's wider budget, and provided these did not result in significant staff reductions or impact quality of education. This reflected a view that there were efficiencies within education services and schools that related to ways of working, infrastructure and costs such as heating and lighting.

Amongst the groups of parent council members who participated, there was a belief that money spent on education was more effective at early years. Council colleagues who were themselves teachers, or who had been teachers in the past, expressed the view that less could be done for struggling pupils later in their educational career than was possible at more formative ages and as such early years and nurseries should be protected. There were similar considerations for both primary and nursery service groups, however both residents and colleagues noted that other Council services had already faced large budget reductions and that it was 'time' for education services to seek efficiencies.

### **Secondary Schools**

Discussions about spending on secondary schools usually involved discussions about the level of spending on education at earlier years and, overall, groups tended to spend more on primary, nursery and early years education than on secondary. As with other areas of education, teacher numbers were of greatest concern to all participants, with the same belief that given overall changes in Council budgets over a number of years, it was appropriate for secondary schools to also make savings.

### **Residential care for children, child protection services and additional support for learning**

Lower levels of spending in this service area may reflect higher spending in other areas of education – especially schools. Participants recognised that there were other essential priorities outside of education and made some sacrifices in order to meet them – these tended to come from this area rather than primary or secondary schools.

Participants did not connect as readily with these services, compared to what was assumed to be a high level of understanding around what happened in ordinary education. It was easier for participants to advocate for core education services which benefitted all children, over services which were important but only benefitted a few. Additional support for learning – felt to be delivered by teaching assistants – was often considered to be less important than overall teacher numbers, which participants were keen to protect.

### **Services for people with disabilities**

This group was generally considered vulnerable by participants and there was often discussion around making sure this service was prioritised – however the value of this service was less obvious than the provision of care for elderly people. In part, this may be because participants were more likely to have elderly relatives than disabled relatives.

There was a strong belief amongst participants that residents receiving this service received funding directly 'from government' to cover accessibility, adaptations, and support needs. Some participants knew that individuals could 'self-direct' their support and felt most of these support services were provided by third-sector organisations. In this context it was not clear to a minority of participants why the Council was providing services in this area and questioned whether the easiest way of reducing costs would be step away from this role.

### **Care at home for older people**

While the limitations of care at home to manage very frail users or those with critical needs were acknowledged, participants understood that individuals often wanted to be at home for as long as possible. This desire was something many participants could identify with, and wanted to protect this service both because it felt morally right to them, and because they could imagine themselves in the same circumstances in future. It was also assumed that a system which allowed people to live safely at home for as long as possible would be cheaper than providing care in a residential care facility.

### **Residential care for older people**

For some participants the lower level of spending in this service area was excused by the relatively high level of funding for care at home. Participants felt that being able to keep more people at home would mean less spending on care facilities. Participants recognised the importance of this service in providing for the very frail and those who could no longer live at home, but Council colleagues in particular noted that care services routinely overspent their budgets and this needed to stop if the Council was to effectively meet its other priorities. Participants questioned the extent to which the Council was reclaiming everything it could for care that it was allowed to charge for, and felt this could also be a revenue route for a service where demographic shifts would only create more demand in the long term.

### **Waste, cleansing and environmental wardens**

Participants did not express satisfaction with this group of services, and this may have resulted in lower funding in some cases, with participants being unwilling to spend money on services they did not see as performing well. For other groups, where spending was higher, cleanliness was an important factor for the tourist market and waste collection was a core service they personally relied on that they felt was not performing well and therefore needed more investment. The introduction of charging for garden waste collection was often mentioned, though there was widespread awareness that the Council did not have a statutory responsibility for collecting garden waste and a belief that the Council was right to explore charging options for non-statutory services where this was possible. Participants were supportive of charging in the context of constrained budgets, though they did not necessarily expect this charging to lead to better outcomes.

### **Sport and leisure**

The interconnectedness of this service with many other services was discussed extensively by groups. They recognised that physical health and mental health were closely related, and many participants made this argument to persuade groups to fully fund the service. It was felt that more could be done to encourage participation in sport and general activity amongst school-age children, however this funding was as likely to result in increased spending in schools as it was to result in increases in direct sport and leisure spending.

However, it was also observed that Edinburgh has extensive private gym options, some of which were felt to be cheaper than those provided by Edinburgh Leisure. Participants also used private gym and fitness facilities which they considered to be of a higher standard than those provided by Edinburgh Leisure. Council colleagues also felt more could be done to improve access to school sports facilities for their communities.

## **Libraries**

Opinion about libraries was sharply divided between those who personally used the service extensively and those who had not visited 'in years' and were not aware of the services they provide, with the former being strong advocates. Other participants, who were also not regular library users themselves, were likely to view libraries as a social good, providing services that other people would need and want.

How any one group decided to allocate its resources to libraries often depended on how much importance they placed on libraries as being hubs of community activity, rather than how much value they placed on access to books and the internet. Those who believed libraries were effective in coordinating and facilitating broader programmes of activity were more likely to fund the service, whereas reductions were often made by participants who felt there were other ways and places where library services could be provided, such as through schools and community centres.

## **Planning, building and trading standards, and environmental health**

This service grouping felt remote and difficult to understand for many participants, and in this context was considered less important than those service areas where the Council was felt to be dealing with urgent need. Amongst groups that reduced funding for these services, the decision was not controversial.

## **Culture**

Some participants believed the Edinburgh Festivals generated significant income and that if it was possible for private organisations to make profits in this area, the cultural estate should be self-sustaining, if not profit-making. The results of the group exercise are, somewhat, at odds with feedback received elsewhere in the budget engagement process. Only 59% of groups were willing to accept reductions in the cultural estate to deliver efficiencies, and when reductions in the culture budget are expressed in terms of direct closure of the cultural estate, this tends to be viewed more negatively.

## **Community safety and CCTV**

Participants felt this area was relatively over-funded. They were sceptical of the efficacy of CCTV in tackling crime and antisocial behaviour and believed that targeting these resources into other areas – such as schools – would result in less need for enforcement and detection. This spending decision seems to indicate participants assume that young people are disproportionately the cause of antisocial behaviour.

Participants noted that this service grouping also included public safety, which covers special measures taken to protect attendees at public events. Participants felt that commercial events should pay for their own public safety.

## **Economic development**

Participants were often not persuaded that Economic Development was a spending priority for local budgets and were not convinced by the links between encouraging and facilitating investment into Edinburgh and that translating into local jobs or improved quality of life for residents. However, some groups were strongly motivated to fund the service for exactly these reasons; believing that this was an investment in the long-term future of the city, though there were discussions about the most appropriate way to fund this.

## Change proposals within the group activity

### Process

The group activity took ten areas for change covered in the Council's prospectus (the same ten areas presented in the Council's budget simulator) and asked participants whether they would accept these changes as a group in order to unlock additional funding which could be invested anywhere. This level of extra funding unlocked from all proposed areas for change was stated as equal for the purposes of the game, though it was explained to participants that this was a simplification, and some changes would in reality generate greater or lesser savings or income than others.

### Insights

This section summarises those ten areas, providing the proportion of groups who decided to accept these – and explains some additional discussions that groups had in reaching their decision. It should be noted that the majority of groups accepted the majority of areas for change presented, but also made a range of challenges to the Council.

Participants believed that the Council needed to do more to explore the possibility of charging, means-testing and removing charging exemptions where appropriate. The introduction of garden waste charging was not popular amongst those impacted by it, but there was strong support for the Council pursuing those ideas to enable it to concentrate on funding and delivering core services.

All groups sought additional detail and assurances around the options presented to them. The following sections serve to illustrate how, and to what extent, there could be public support for more detailed proposals in these areas. The overall proportion of groups who accepted each outline proposal should not be interpreted as the same level of support a detailed proposal would have.

### Depots

*“Reduce the number of depots from 19 to 6, improving the retained sites and selling the unused sites to invest in service delivery.”*

75% of groups accepted this change proposals. The proposal contained a number of uncertainties for participants based on the assumption that the Council was currently maintaining nineteen depots that served a purpose and delivered some value. Participants did not have information about the location and size of depots, services delivered from individual depots, and how those services would be changed, positively or negatively. However it was made clear that these sites were used for vehicle and supply storage for a number of necessary activities from gritting to waste collection.

Participants could generally understand there would be benefits of mergers – for some this was obvious and something the Council should pursue automatically, while for others the contextual information was important and their support could be better characterised as conditional based on reasonable disposal of old sites and satisfactory assurances about levels of continuing service.

Without detailed information, participants sought reassurances about the number of jobs being impacted by this change. Concerns were expressed for a workforce that might be forced to travel further to work and the resulting impact on congestion in the city.

Participants were also concerned about the future status of sites. It was made clear that the Council's plan would be to dispose of any assets for the best value it could obtain, this made residents questions whether some depots could be given over to alternative community uses, or whether every site would automatically become private housing or hotels. On a site-by-site basis, it is likely the Council will face varying levels of interest and challenge from local residents, based on resident feedback on this issue.

## **CCTV**

*“Work with the Police and Lothian Buses to have all CCTV, traffic management and other sensors monitored by one service for the whole city. Savings would come from reducing duplication and making all services more effective.”*

75% of groups were in favour of this proposals. While it made sense for these closely related systems and services to co-locate, this should use existing facilities within either the Council or partner estate, rather than create a new building. It was questioned whether this was a long-term saving which would result in budget pressure in the current year due to set-up costs – though this did not necessarily result in opposition from participants given the long-term budget pressures the Council faces.

Participants wanted to know how savings would be shared between partner organisations, whether staff would transfer between organisations, and, where changes resulted in job losses, how these would be dealt with between partners who might have different policies regarding redundancy. Council colleagues were dubious about the ability of the Council to deliver a shared services approach across partners and were concerned that once this process began, the Council might be on a path to shared services many found unpalatable. Residents were less concerned about these issues than Council colleagues.

## **Shared services**

*“Where the Council does not have to deliver a service directly, deliver this jointly with other local authorities. This would save on buildings, equipment and staff costs – though Edinburgh retains a policy of no compulsory redundancies.”*

69% of groups made this choice. Amongst all groups the definition of statutory compared to non-statutory was a point of discussion. In general, a reduction in duplication across the public sector was welcomed by both colleagues and residents. Whether any specific proposal would have support would depend on the nature of the service being impacted.

Entirely administrative or remote processing services would likely have broad support – such as contact centres, human resources, benefits processing, and finance. Support would likely be less for front-line services which residents see regularly and where they are quickly aware of any service failures that occur, for example, refuse collection. And the Council would need to make strong arguments around maintaining control of service quality if shared services were to include the delivery of personal care or other sensitive services where residents want to be assured of appropriate standards being met, but lack immediate personal experience to judge this.

Council colleagues were concerned that combining non-statutory services would require a change of normal work location which they might not be able to manage and that consent to processing or administrative shared services could be a ‘slippery slope’ to merging other services. As a result, some staff groups were unwilling to support any shared services.

## **Community hubs**

*“Review the number of Council buildings to deliver more services from one location, such as Council offices, libraries and museums. Where possible other partners, such as the NHS and Police would share these facilities. As a result, some buildings would be closed as services relocated.”*

69% of groups made this decision. Experience of existing hubs were strongly influential in shaping views of both colleagues and residents. While both groups recognised the benefits of combining facilities, Council colleagues were more critical of what had been achieved by current initiatives.

Residents were positive about the facilities which had been created by moves to co-locate Council offices and libraries – giving improved access to community space and overall improvement in the quality of the facilities accessible to the public. The North East Locality Office in particular was recognised as a significant improvement over the buildings it replaced. However, residents felt that opening hours of different services operating from the same location needed to be better aligned to maximise the potential of any one visit.

Council colleagues observed that the rhetoric around these proposals had failed to result in real change. For example, it was observed that the space allocated for Police Scotland in the North East Locality Office was often under-used. And while office-based co-location of health colleagues at the North West Locality Office was considered successful, there were no examples of primary health services being co-located – such as GP surgeries. Similarly, success in making the school estate more accessible to communities has been limited and even relatively new schools were seen as single purpose buildings.

Without discussing any specific facilities that might be impacted by co-location, residents expressed concerns about accessibility and the future role of libraries. Moving to one central hub for the delivery of a range of local services could make those services less accessible for some residents. Participants highlighted the role of libraries as a hub for communities and questioned whether this would still be the case if libraries were relocated and subsumed into larger multi-purpose buildings. By contrast, other residents cited examples of facilities they felt should be merged for ease and accessibility, and commented that having two Council buildings very close to each other was both a waste of resources and a missed opportunity for the communities they serve.

### **Parking charges**

*“Introduce restrictions on non-residents parking in residential streets and charge for parking in more areas of the city.”*

63% of groups accepted this change proposal. The issue of extending parking permits to other residential streets was controversial and emotive for a minority of participants. The Council’s proposed action was recognised as targeting a real problem – residents in some parts of the city recognise the problem of non-residents parking in their street as part of regular commutes and school pick-up and drop-off. This was cited as being a significant inconvenience to residents who rely on on-street parking, and action to reduce this was welcomed. However, residents also noted that in areas where the Council had introduced resident-only parking, the Council sold more permits than there were available spaces, which led to frustration when those who had paid for the right to park in their street were still unable to do so.

Environmental aspects of the move were clear to participants – it was obviously of benefit to the city and residents to reduce the amount of traffic on the street and the number of journeys undertaken by car. Some participants expressed their willingness to pay the fee because they felt the overall environmental impact of the parking restriction was worth it. However, others felt that this approach was simply displacing a problem rather than solving it, and that public transport interchanges and park-and-ride facilities needed to be improved before commuters would choose to leave their cars outside of Edinburgh.

### **Workplace parking**

*“Charge a fee per parking space to all businesses with a large number of spaces for staff parking (for example, 10 parking spaces or more).”*

56% of groups accepted this change proposal, though for most the specific details of the implementation were important. There was concern for the impact a workplace parking levy would have on critical services, key workers and low-paid workers, especially where there were limited public transport alternatives for their route. Groups were generally supportive of the need to reduce the number of people driving to work and agreed that this measure could address air quality.

### **Cultural estate**

*“Review existing Council museums and galleries provision and look to create new facilities which would better display the Council’s collection of 750,000 objects.”*

59% of groups supported this change proposal, but feedback and conversations around this decision indicate that even amongst those who took the decision to reduce the estate, support is reluctant. The attachment to the cultural estate appears to be in part emotional and in part pragmatic. For some, the idea of closing locations that celebrate the life and history of the city was troubling and undermined Edinburgh’s identity. For other participants, the reduction in the number of tourist attractions seemed like a bad idea for a city that relies heavily on tourist income. These participants calculated that more locations were more likely to translate into higher visitor numbers.

Participants were not convinced that there were significant benefits in areas of curation, and did not tend to discuss how locations such as the National Museum of Scotland and the National Galleries had improved their offer in recent years. Deeper public support for this decision can certainly be secured, but this may require an ambitious plan that puts the city’s offering on equal footing with the national collections also on display in Edinburgh and increases overall visitor numbers and income. Any plan which feels like a reduction in the quality or prominence of Edinburgh’s collections is likely to be very negatively regarded, especially amongst older residents.

The Council’s position on providing free access to these museums was challenged in discussions. Participants felt that a small charge would make a significant contribution given the total number of visitors across the estate. There was some interest in exploring charges only for non-residents based on a proof of address system. It was also felt that a similar result could be achieved, without excluding lower-income visitors, by placing donation boxes in more prominent locations and asking for larger suggested donations.

There was concern about what might happen to buildings in the cultural estate, though awareness of the number and location of these buildings was low.

### **Commercial use of parks**

*“Increase fees for commercial use of parks and look to increase the number of commercial opportunities for parks - this could include renting sites for food vans.”*

69% of groups made this choice. Participants made a distinction between commercial and non-commercial use of parks, in particular citing community and charity events as being different from profit-making events; however they believed the Council understood this distinction and were specifically targeting profit-making activity. Residents did not want to see charges result in exclusion from parks on a regular or sustained basis, but accepted that short-term activities such as concerts were already taking place with limited impact.

It was felt to be important to preserve the balance of use of parks, with parks being actively used as green spaces for almost all of the time, while also acknowledging that these were significant assets that could deliver direct benefits to communities as well as a financial contribution to Council services. In this context, participants believed there were commercial activities taking place in parks at the moment where the Council was either receiving no compensation, or the level of compensation did not reflect the value of the site or maintenance costs. While some participants felt that charges for the current level of activity should increase there should be no additional activity.

Food vans were generally welcomed, provided these were located in ways that did not interfere with normal use of the park and associated litter issues were managed. St Andrew's Square was recognised as a good example of how a business location in a park can support better use of the park – though it was also acknowledged that few locations in Edinburgh had the same potential.

### **Advertising revenue**

*“Increase the number of real and digital adverts on Council assets. Type, size and placement of adverts would be carefully considered, especially in historic areas.”*

78% of groups accepted this proposal. The phrase most commonly used by opponents to this proposition was ‘Time Square’ – the area of New York City famously lit by large advertisements both night and day. In the view of these participants the risk of the city centre becoming something similar was high, and this situation was undesirable due to the historic nature of Edinburgh's centre and their low opinion of public advertising in general.

Distribution of adverts across the city was thought to be important by some supporters of this initiative – a little advertising in all areas of the city was preferable to a lot of advertising concentrated in one place. Others believed that advertising was already so prevalent in Edinburgh and elsewhere that more made little difference.

The ethics of the advertising were a concern to participants. Council control the nature of adverts placed on its assets was crucial, with some participants questioning whether types of product or individual companies would be allowed. By contrast, it was observed that events in Edinburgh and elsewhere are often sponsored, which result in a proliferation of branding, but no real impact on the way the city is perceived.

### **Energy production**

*“The Council would generate energy from sustainable sources, such as by installing solar panels on Council buildings, and increase the number of hybrid and electric vehicles in the Council fleet.”*

91% of groups accepted this change proposal. Participants did not question the environmental benefits of this change, but instead felt the set-up costs of both a hybrid fleet and the roll-out of a charging infrastructure were so high that the Council would never see a return on its investment. While this did not mean the proposal was opposed, not all those who supported it believed it would result in a positive contribution to the Council's financial position.

It was unclear to some participants why this proposal was being put to them. Where residents, in particular, feel there is an easy way for the Council to increase revenue or cut costs which has no obvious impact on Council services or quality of life in the city, they often prefer the Council to act on this quickly. In general, the most pertinent argument for participants on this issue was whether it would be profitable, when it would be profitable, and how much return would the Council see on its investment.

## The Council's budget proposals for 2019/20

### Method

All substantive feedback received as part of the budget process was coded to summarise participant views on key issues. While the Council produced a prospectus on the changes it proposed to make to balance its budget and deliver services differently in future, comments do not necessarily relate to the content of this prospectus and are not necessarily informed by it.

The feedback summarised below only relates to phase two – feedback on those updated proposals which were published after Scottish Government's draft budget settlement in December 2018. Feedback on the previous proposals (phase one) was [reported to the Council's Finance and Resources Committee on 1 February 2019](#).

### Insights

Feedback was dominated by two issues – funding for Edinburgh Leisure and Funding for Marketing Edinburgh. All other issues received significantly lower responses. In part, these higher levels of feedback are driven by these organisations raising awareness of the Council's budget process amongst their own stakeholders and encouraging their participation. The number of responses against each issue received is summarised in the table below.

*Fig 4. Number of responses to phase two of engagement, by theme*

Theme	Number
Don't cut funding for Edinburgh Leisure	255
Don't cut funding for Marketing Edinburgh	153
General concern for vulnerable people	34
Prioritise education	28
Don't cut nursery staff / teachers	26
Opposed to Tram	25
Don't cut police budget	24
Introduce transient visitor levy	20
Protect libraries	17
Prioritise Roads	17
Raise income, don't cut services	16
Prioritise waste services	15

### Edinburgh Leisure

255 comments were in opposition to reducing funding to Edinburgh Leisure. The proposed reduction in funding to Edinburgh Leisure was felt to be at odds with the Council's stated aim of ensuring residents could live healthy active lives. There was concern about levels of obesity in Scotland, which were felt to be rising. Edinburgh Leisure was felt to make a positive contribution to the physical and mental health of users in a diverse range of ways, including through exercise, socialisation, fun and the management of chronic pain. Many participants wrote in support of the services they receive from their local sport or leisure facilities, emphasising the importance these have in their daily lives, and urging the Council to reconsider this decision.

The proposed reduction was felt to be 'short-sighted'. It was stated that public spending on physical activity reduces costs elsewhere in the public sector, and that this change would result in greater costs of care and medical treatment for the Council and the NHS at a later date. Participants said the

reduction of the Council's subsidy would increase their costs of accessing services, and increase costs for those least able to afford them, who would be unable to access private facilities.

Participants felt this was the latest in a series of cuts to the Edinburgh Leisure budget, which was already pressured. This particular budget proposal was considered too drastic and too quick for the organisation to manage effectively.

### **Marketing Edinburgh**

153 comments were received in opposition to reducing funding for Marketing Edinburgh, while one was received in support. As part of this feedback, the Council received a number of form letters from partners of Marketing Edinburgh and from the Edinburgh Ambassador Programme.

Respondents felt that the proposed reduction to Marketing Edinburgh's budget was concerning and indicative of a lack of ambition for the city. It was observed that Edinburgh is a destination which must compete with a number of high profile European cities for both domestic and international tourism. The reduction in Council support for Marketing Edinburgh was felt to be a decision that would leave Edinburgh as the only major city in the developed world without a destination marketing management organisation. The Council was urged not to assume that Edinburgh's success was guaranteed, and reminded of the important role Edinburgh plays in shaping the economic success of Scotland's tourism, film, hospitality and food industries.

Feedback from tourism and film professionals indicated the city was on the cusp of being able to benefit from major expansion in media production driven by the creation of a national film studio, and that defunding Film Edinburgh at this point was a threat to the effectiveness of that investment. It was stated that large projects, such as 'The Avengers', would not take place in Edinburgh without the support of Film Edinburgh and that media production in Edinburgh was a multimillion pound industry underpinned by the ability to secure these major projects.

The scale and speed of the proposed reduction in Marketing Edinburgh's budget were also concerning to many participants. This change was felt to be compounded by the reduction in funding for the Council's Economic Development Service which was assumed to support external and internal investment in the city in a similar way.

### **Other issues identified**

As in previous budget engagement exercises, participants used the opportunity to express their views on specific budget proposals as well as other areas they felt were within the Council's ability to influence. Of these other areas, education was most prominent, with participants reminding the Council of the importance of education for the wellbeing and future prosperity of the city as well the impact it has on individual lives. There were 26 participants who specifically opposed the use of other nursery staff to replace some teachers in nursery schools, citing the high workload of teaching staff in these areas and concerns about the overall quality of education for young children.

Participants wanted the Council to prioritise additional spending in roads and waste – which were felt to be underperforming – while protecting library spending, opening hours and locations. There was a strong, but general, concern for vulnerable people of all ages and participants urged the Council to ensure any impacts on these groups were minimised, emphasising how many Council services being considered for spending reductions and transformation are life-lines for some residents.

In terms of broader spending, a minority of participants expressed opposition to the Council's cut to its contribution to policing, and participants who mentioned tram were generally strongly opposed on

the grounds of affordability, inconvenience to residents and businesses, disputed necessity of the line given Edinburgh's bus service, and the perception that the tram is a 'vanity' project.