



**OUR
CITY,
OUR
FUTURE,
HELP US
DECIDE**

Budget Decisions 2011 - 2014

Foreword

Edinburgh is a great place in which to live and work, with a vibrant culture and dynamic economy.

That doesn't mean we're immune from the tough financial challenges being faced by councils across the UK.

As we prepare to make budget cuts of at least £90 million over the next few years our greatest challenge will be to focus on what matters most – delivering essential services.

We will be making some very tough choices in the months ahead and it is likely that this will lead to changes in the ways in which Council services are delivered in the future.

We've already taken action to ensure a balanced budget. That's why we've made savings of £90 million over the last three years, reduced the Council's budget by £27 million this year and have ensured the Council's financial stability by putting aside money to cover exceptional spending, such as flooding.

We now need to do more to prioritise what we do and how we do it. This means continuing some services, reducing some and cutting others.

We must continue to invest in

Edinburgh's economy, including delivering the tram project, which is largely paid for from outwith our normal funds. This is vital to help the city maintain its attractiveness to investors, businesses and tourists, as well as ensuring Edinburgh can recover more quickly from the recession.

It's essential that we all focus on the needs of the city as a whole, and not just on those services we personally want to retain. I know this isn't easy, but we must do this to maximise the use of the resources we still have.

I hope this leaflet gives you some insight into the budget challenges facing the city. Please do take the time to share your views with us – they really do matter.



Jenny Dawe

Councillor Jenny Dawe
Leader
The City of Edinburgh Council

Be informed, be involved, have your say

There are tough choices ahead, and we know the budget decisions we make will have a real and lasting impact on everyone who lives and works in the city.

That's why it's important that you're involved in helping us make the decisions that are right for you, your community and your city.

This leaflet gives you information about the Council's budget, how Council services are funded and the changes we may have to make because of the reduction in funding we're facing over at least the next three years.

We'd like to know your views on some of the difficult decisions we're facing. Your views really do matter and will be an important part of the decisions the Council has to make about its budget.



Other ways to get involved

Budget meetings

Throughout September and October we're inviting a cross-section of the public to a series of budget summit meetings throughout Edinburgh. At each of the events key budget themes will be discussed and an indicative vote will be held. This will culminate in a city summit on 15 October. You can see the city summit online and view feedback from each of the budget summits at www.edinburgh.gov.uk/budget

Through your community and interest group

Community and interest groups will be given this budget information.

Hold your own budget summit

If you want to hold your own meeting to discuss the key budget issues and priorities, we can provide you with an information and engagement pack. See contact details on page 18.

Other ways to get involved

You can learn more about the Council's key budget priorities and respond to the questions detailed in this leaflet. You can also complete the same questions online at www.edinburgh.gov.uk/budget



Understanding the Council's budget

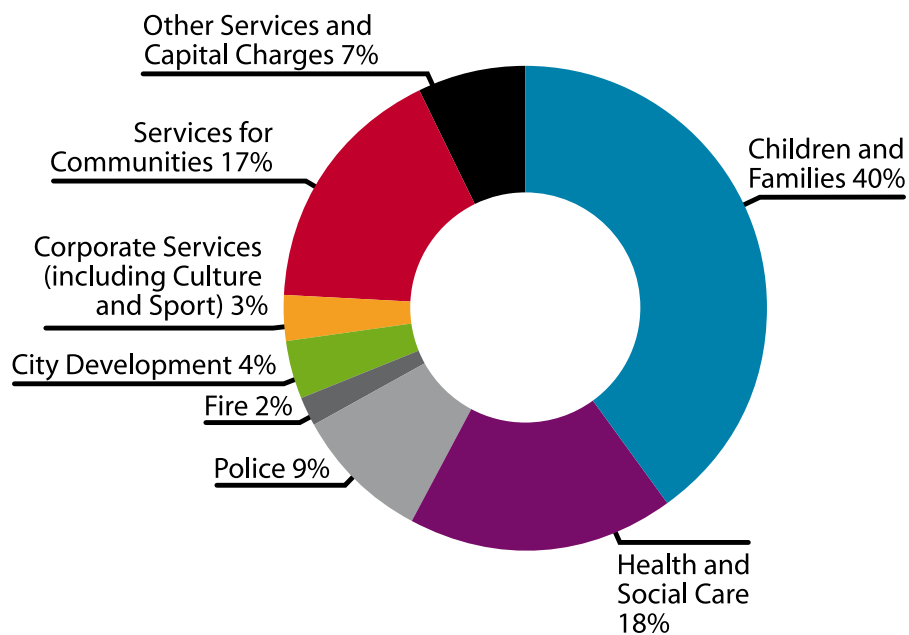
The worldwide economic recession is having a serious impact on all of us. For councils across the UK, as well as other public sector organisations, this means having to make significant cost savings.

With public sector spending being reduced, the amount of money all councils receive from the UK and Scottish governments will be reduced year on year, for the next four or five years. The total reduction in public spending in Scotland could be around £6.4 billion.

In Edinburgh this forces us to look at making budget cuts. This comes at a time of increasing demand for some services, such as vulnerable and looked after children, adults with disabilities and elderly people.

We need to make savings, whilst at the same time ensuring we continue to maintain high standards of service.

About the Council's budget



- We receive 77% of our funding for running day-to-day services, excluding Council housing, from the Scottish Government. The remaining 23% comes from the collection of Council Tax
- Under an agreement with the Scottish Government, Council Tax has been frozen for the last three years
- Edinburgh has the lowest Council Tax of the four major Scottish cities

- Our budget for 2010/11 is around £1 billion, which in itself needed gross savings of £42m
- Sound financial management is an absolute priority. We've made £90 million in savings between 2006 and 2009, mainly through efficiencies
- We're on target to restore our unallocated reserves to £12 million (1% of expenditure) by 2012. This allows us to meet unforeseen circumstances, such as serious flooding in the city

- We will have to make savings of at least £90million between 2011 - 2014
- We need to find around half of these savings, approximately £45 million, during 2011-12
- This saving cannot be met through efficiencies alone – radical change is needed
- The amount we need to save may increase significantly, depending on decisions made by the Scottish Government, for example, if spending on health is protected this may have a direct impact on Council budgets
- We have to focus on doing what matters most – delivering essential frontline services, protecting and supporting our children and the most vulnerable people in our city
- We've been delivering some essential frontline services in partnership with the private and voluntary sectors for many years. This includes care homes for the elderly, nursery provision and community recycling centres.



Investing in our city

The Council, working with partners and organisations, must continue to invest in our city. We need to ensure Edinburgh remains an economically vibrant city, with a dynamic economy, attractive to tourists, and providing a high quality of life to the people who live and work here.

To make sure this continues and to help Edinburgh recover from the recession, we need to invest.

This includes ensuring that the tram project is delivered. Edinburgh's tram has been principally financed by the Scottish Government – this money is not available for any other use. Having a 21st century tram system in Edinburgh will provide a range of benefits, including:

- Trams carry high passenger volumes. This reduces car usage and congestion
- Over 48km of utilities have been upgraded across the city meaning faster broadband, cleaner water and more reliable telephony

- Edinburgh will be brought up to date with transport systems in other European capital cities, maintaining its status as a gateway for visitors from all over the world.

Scrapping the trams isn't the answer to the budget shortfall this Council is facing.

Delivering services differently

We must continue looking at where efficiencies can be made through working in partnership with the private sector and voluntary organisations. This isn't something new – we've been doing this for years. We're now looking at a range of services, and considering whether we continue to deliver these directly, or if alternatives will give better value for money and improved service.

The savings we need to make, for at least the next three years, are so great that efficiencies alone won't be sufficient to ensure a balanced budget. It's clear that we need to look at the services we provide, and prioritise those services which are the most important.

You can share your views on some of these key issues from pages 10 onwards.

The savings so far

There's no doubt that we cannot continue to deliver all of the same services at the same level as before. The money simply isn't available to allow us to do this.

By taking action we've already made £90 million in savings, and managed to reduce our spending by £27 million. Examples of how we've done this are:

- transforming our homecare services, improving efficiency and customer satisfaction
- improving our procurement, making significant cost savings for example in heating and lighting
- rationalising our school estates, protecting funding for education
- using the private and voluntary sectors to provide services – where this gives better value.



The tough choices we're facing

1. Savings and efficiencies

By becoming more efficient, we've reduced running costs over many years - making savings of £90 million in the last three.

But efficiencies are now not enough! We must do things differently and take tough decisions to save more.

A range of measures have already significantly reduced the amount of money we spend on supporting the delivery of Council services - our back-office costs.

This has been achieved by good use of technology and staff reductions. We are continuing to reduce numbers of managers and staff as well as working hours, recruit to essential posts only and carefully manage the number of contract and temporary staff.

QUESTION

Do you think the Council is right to focus savings on back office costs - wherever possible - before frontline services are considered?

Our priorities	Our possible savings
Increasing efficiencies and reducing staff costs	Continue to reduce the number of managers, recruit to essential posts only and offer staff the opportunity to voluntarily reduce their hours
Invest in new technology	Encourage more customers to use online services, rather than face to face or telephone contact
Reduce running costs	Streamline processes to remove waste and duplication

2. Communities

Protecting people and neighbourhoods across the city and ensuring public safety is a major priority. A range of services - many of them in conjunction with Lothian and Borders Police - tackle problems in the community, including reducing litter, graffiti, noise and antisocial behaviour.

Now we have to review the range and frequency of services we deliver and target our resources where they will have the most impact. For example, we provide a 24-hour noise and antisocial behaviour service. But it is the weekend when there are the biggest problems, the greatest need and the highest demand.

QUESTION

Do you think the Council is right to consider directing these services to the times when and where they are most needed?

Our priorities	Our possible savings
Develop communities that are safe	Respond to noise complaints at the busiest times only and not deal with low level anti social behaviour
Keep communities clean	Move to less frequent street cleaning, graffiti removal and emptying of litter bins
Make sure people are well-housed	Reduce some housing advice services

3. Delivering services differently

We've been delivering some essential services in partnership with the private and voluntary sector for many years. This includes care homes for the elderly, nursery provision and the kerbside recycling collection. It also includes the Council's IT service.

Providing even more Council services this way has the potential to secure investment and make additional cost savings. This could lead to us sharing services with other public sector organisations, establishing charitable trusts and working in partnership with the private sector. Areas being considered include Revenues & Benefits, refuse collection and recycling.

QUESTION

Provided service standards are protected and cost savings made, would you support some Council services being delivered by other organisations, including the private sector?

Our priorities	Our possible savings
Assist people to improve and maintain their independence, support them to live at home or in the community where possible	Reduce in-house service provision of care homes, with more reliance on the private sector
Move to an alternative service provider where there is benefit to both the Council and its customers	Review property related services (including janitors) and transactional services (including payroll, HR and invoice processing etc)

4. Pressure on services to vulnerable groups

We currently provide a wide range of services to the most vulnerable people in society including children, the elderly and people with disabilities.

We also offer a wide range of preventative services and support to families who care for their relatives.

A small number of our services are being delivered free of charge to all residents irrespective of financial circumstances whilst most are subject to means-tested charges.

We face increasing challenges as demand for many of our services is rising because more people are living longer. The recession has also increased pressure on benefits, debt advice, homelessness and social care services. The level of savings required means that services cannot be protected at current funding levels.

We've responded to the rising demand and financial challenges by introducing new ways of providing care for those in greatest need, shifting from in-house services to external where this offers the best value for money. This includes moving, where possible, from residential care to care based in people's homes.

QUESTION

Do you think the Council should prioritise services to those in greatest need?

Our priorities	Our possible savings
Maintain services for the most vulnerable children and adults while addressing financial challenges	Delivery of more services through Social Care Direct
Provide support to vulnerable children and their families	Reduce spending on expensive residential places outside Edinburgh by increasing early support for families in their own communities
Make sure our children have the best start in life	Integrate early years services to make better use of our resources

5. General charging to cover costs

As well as making cost savings through prioritising services, becoming more efficient and reducing staff levels, we also need to look at collecting all possible income. This could be done in a number of ways.

We make every effort to collect as much Council Tax and other fees as possible. But we also need to look at other sources of income.

Community centres and schools are currently let at subsidised rates. Various other services are also free of charge to the public - general consumer advice, some pest control services and extra curricular activities in schools.

QUESTION

Do you think the Council is right to consider introducing a charge for these type of services to cover costs?

Our priorities	Our possible savings
Provide a first class education and lifelong learning service	Introduce charges for extra curricular activities in schools e.g. music instruction and increase charges for school and community centre lets
Develop communities that are well maintained	Increase charges for the Garden Aid service to non Council house residents

6. Buildings

To support its operations, the Council owns or rents a range of buildings across the city. We've reduced the properties we occupy - building a new Council HQ, selling surplus properties, terminating rental leases and sharing offices between departments. As staff numbers reduce and better use is made of IT, fewer offices will be needed.

Additional savings can be made by making better use of our buildings, sharing them with partners such as police and health, investing in energy efficiency measures and changing opening hours to meet customer demand. This could mean some reductions, for example, in library opening hours and making better use of neighbourhood offices.

QUESTION

Do you think the Council is right to look at how savings can be achieved through better use of its properties, reviewing opening hours, moving some services to nearby locations and sharing properties with public sector partners?

Our priorities	Our possible savings
Develop communities that are well-informed	Merge nearby libraries into one building and reducing opening hours at small libraries to peak times
Wisely use, develop and invest in our assets	Make better use of under-utilised buildings
Secure future development and land use in the best long term public interest	Share specialist skills with neighbouring local authorities and share premises with other organisations

7. Environment

We want Edinburgh to be the greenest, cleanest and most sustainable city it can be.

You are recycling more, but further action is required to reduce landfill and avoid financial penalties from the European Union. The Council has also invested heavily in improving the condition of roads and pavements but there is still a long way to go. So this needs to remain a priority.

We plan to introduce new recycling services such as food waste and plastic. This could dramatically reduce the amount of residual waste that goes to landfill. We could then change refuse collection patterns with resources focused more on recycling and less on residual waste.

QUESTION

Given the number of recycling facilities and collections already in place - and new services planned - would you support, for example, changing from a weekly to a fortnightly domestic waste collection service?

Our priorities	Our possible savings
Develop the UK's healthiest, most accessible, sustainable and efficient transport system	Not expand schemes such as Bustracker and the Park and Ride network
Develop communities that are green and clean	Invest in new recycling services such as plastic and food waste, allowing us to change refuse collection patterns focused more on recycling and less on residual waste
Developing communities that are well-maintained	Reduce funding for fixing potholes and repairing street lighting

8. Council Tax

Edinburgh has the lowest Council Tax of all four major cities in Scotland. We've also had a freeze on Council Tax for three years. However, a small increase, even as low as 1%, would provide an additional £2.2million in revenue every year. This could help protect front line services. Such an increase at Band D would mean a small yearly increase of £11.69.

QUESTION

Would you consider paying more Council Tax if this was directed to essential, front line services?

Our priorities	Our possible savings
Maximise income from Council Tax and other sources	Increase Council Tax, increase or introduce charges for some services – possibly in line with inflation

Let us know what you think

Here you'll find some key priorities. We're facing a tough and challenging time and the Council will have to make some difficult decisions over the coming months. Let us know your views by answering the following questions. Once you've completed all the questions, please return to Freepost, RSJC-SLXC-YTJY, Budget, Council Leader, City Chambers, Edinburgh EH1 1YJ.

If you prefer, you can complete the questions online at www.edinburgh.gov.uk/budget

Your details

Please fill in your details below and return with the form overleaf

Name

Address

.....

.....

.....

Email Address

Please cut here

Please tick Yes or No?

yes

no

	yes	no
1. Savings and efficiencies Do you think the Council is right to focus savings on back office costs - wherever possible - before frontline services are considered?		
2. Communities Do you think the Council is right to consider directing these services to the times when and where they are most needed?		
3. Delivering services differently Provided service standards are protected and cost savings made, would you support some Council services being delivered through other organisations, including the private sector?		
4. Pressure on services to vulnerable groups Do you think the Council should prioritise services to those in greatest need?		
5. Charging to cover costs Do you think the Council is right to consider introducing a charge for these type of services to cover costs?		
6 Buildings Do you think the Council is right to look at how savings can be achieved through better use of its properties, reviewing opening hours, moving some services to nearby locations and sharing properties with public sector partners?		
7 Environment Given the number of recycling facilities and collections already in place - and new services planned - would you support, for example, changing from a weekly to a fortnightly domestic waste collection service?		
8 Council Tax Would you consider paying more Council Tax if this was directed to essential, front line services?		

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