

Motion – Edinburgh Conservatives

Report Title – Revenue Budget 2018/23; Capital Investment Programme 2018/19 - 22/23; Housing Revenue Account Budget 2018-23

City of Edinburgh Council
22 February 2018

Council:

Considers there has been a failure by the current and previous Administrations to deliver basic council services at reasonable cost to the citizens of Edinburgh and in particular notes the ongoing crisis in health and social care, the significant deterioration of the Council's estate, poorly maintained and inadequately repaired roads and pavements, frequent missed waste collections and increasing critical service failures and significant delays on the ICT programme.

- 1) Regrets the failure of successive council Administrations over the past 20 years to manage and maintain the Council's estate resulting in financial pressures of some £180m to repair, modernise and make safe the estate, all of which was anticipated and regularly brought to the attention of ruling Administrations at both Committee and Full Council meetings.
- 2) Instructs a strategic review of all school buildings and provision across the City of Edinburgh Council area coupled with a broader review of the Council's estate.
- 3) Commits to making future decisions on new school buildings and refurbishments based on a community hub model whereby council and partner services currently delivered across multiple buildings are consolidated on a single site. Accordingly reducing the size and running costs of the Council's estate without impacting services, reducing the requirement for backlog maintenance and realising capital receipts from disposal of vacated sites to fund future development.
- 4) Acknowledges the paucity of strategic thinking brought forward by the Council Administration throughout the budget process and recognises a lack of genuine ideas as a contributing factor to the failure of the budget consultation exercise.
- 5) Further regrets the dysfunctional manner in which the coalition partners publicly engage, raising concerns that internal tensions are hampering decision making across all areas of Council activity.
- 6) Questions why the Administration chose not to directly engage with the Scottish Government regarding the 0.4% cash-terms decrease in funding for Edinburgh and rues the missed opportunity to reduce the scale of the cuts.
- 7) Notes the error made by the Cabinet Secretary for Finance in calculating the scale of the

cuts for Edinburgh, and the uncertainty it created for Council officials and citizens across Scotland.

Revenue Budget 2018/19

On specific budgetary proposals Council:

- 8) Recognises that the Council Administration has not provided value for money to the citizens of Edinburgh following last year's significant council tax increases (including the Scottish Government's increases of between 7.5% and 22.5% in council tax bands E to H) and agrees to limit the council tax increase for 2018/19 to 2% across all bands A-H. Further agrees that the additional funding of £5.5m raised through the 2% increase in Council Tax is ring-fenced from 2019/20 to support implementation of priorities arising from the strategic review of schools.
- 9) Agrees to investment of £8.5m in 2018/19 to begin to address the failure of successive Council Administrations over the past 20 years to manage and maintain the Council's estate effectively.
- 10) Recognises the failure of the Administration to support the 1,000 or so residents who have been assessed as having critical or substantial needs that the Council has not met and agrees to allocate an additional £7m to support delivery of additional care packages for residents. Further recognises the failure of the Administration to deliver transformational change in service delivery and agrees to allocate £0.5m for a dedicated team to drive forward delivery of transformational change.
- 11) Recognises that while the Scottish Government has approved a revised public sector pay policy for 2018/19 which, if applied, would see an increase in costs of around £14m (average 2.6%) in 2018/19, Edinburgh's revenue funding settlement from the Scottish Government will decrease by 0.4% in cash-terms in 2018/19. Given the cash-terms reduction in Edinburgh's settlement, Council acknowledges the difficult balance between recognising the value of the Council's employees and delivery of essential services that are affordable in the longer term. Local Government is subject to separate pay negotiations through COSLA and Council agrees that the mandate approved for the Employers negotiating team should ensure that increases in pay are affordable and sustainable and that there should be an expectation that uplifts for senior managers will be significantly lower than the level assumed in the Scottish Government pay policy.
- 12) Council recognises the need to ensure that workforce costs are sustainable and affordable in the medium term and therefore agrees that a programme of review and prioritisation is undertaken to deliver significant savings across the following areas, with options for implementation of savings to be brought to Council for approval by May 2018:
 - reductions in senior management posts
 - reductions in high levels of spend on agency and overtime
 - stringent vacancy management and recruitment control
 - prioritisation of services (with front-line staffing in schools and social care to be protected).
- 13) Agrees to end the self-imposed political restrictions of the Administration, to continue to

provide full support to surplus staff through the Career Transition Service for up to 6 months, thereafter to implement redundancy.

- 14) Agrees additional investment of £2.3m to address homelessness in the city with investment to be prioritised through the Homelessness Task Force.
- 15) Council ceases further work on phase 2 of the Tram extension project and agrees to reprioritise dividend income from Lothian Buses for investment of £7.2m in a programme of schemes to relieve traffic congestion including the extension of the Hermiston Park and Ride service; effective road repairs in heavily trafficked bus lanes and bus stops; and improvement in traffic management at key junctions and on major public transport routes.
- 16) Agrees to retain Lothian Buses in public ownership.
- 17) Agrees to continue annual investment of £2.6m in additional police officers and rejects the proposal to reduce funding of the Night Team which provides support to residents who are experiencing antisocial behaviour.
- 18) Rejects the Administration's proposed reductions in the libraries media fund. Instructs the Executive Director of Communities and Families to report to the Education, Children and Families Committee by the Summer on options for future service efficiency.
- 19) Agrees additional investment of £1m in 2018/19 to a Waste and Street Cleaning Task Force which will prioritise street cleaning and address ongoing service issues. Further recognises that graffiti has become a serious problem across our city and approves revenue funding of £50,000 to support joint work with Police Scotland to address the problem.
- 20) Agrees additional funding of £415,000 to support children with additional support needs, including £400,000 to support continuation of holiday playschemes.
- 21) Wholly rejects the Administration's proposal to introduce a £25 charge for garden waste collection and agrees to implement an opt in service for fortnightly collection of garden waste.
- 22) Agrees to increase the School Uniform Grant to £85, representing an increase of nearly 20% over and above the level proposed by the Administration and raising Edinburgh well above the current national average. Further agrees additional revenue funding of £250,000 to provide free year-round meals. Council also supports the introduction of free sanitary products in schools and seeks confirmation that the Scottish Government will provide full funding for implementation of this priority in August 2018.
- 23) Agrees to provide additional funding of £250,000 in 2018-19 to support breakfast club provision. Instructs the Executive Director of Communities and Families to report to the Education, Children and Families Committee by the Summer with proposals for mainstreaming this provision from 2019/20.
- 24) Agrees to reduce the savings which Edinburgh Leisure has been asked to make by £150,000 and notes that this will allow for continuation of current opening hours for facilities across the city. Council rejects the Administration's proposal to withdraw funding for the Great Edinburgh International Cross-Country run and agrees to reverse a previous Administration cut and restore £100,000 of funding for sports pitch maintenance.
- 25) Agrees to provide additional funding of £95,000 in 2018/19 to extend Museums and

Galleries opening hours on a pilot basis with a report to be provided to the Culture and Communities committee in the Autumn setting out detailed options for delivery of the service, including further options for efficiency and income generation.

- 26) Agrees additional funding of £125,000 for additional staffing in the Planning service to support acceleration of progress with developments.
- 27) Rejects the Administration's proposals to increase city centre pay and display charges by over 10% in 2018/19 and agrees to limit pay and display increases to 20p per hour. Further, agrees to freeze residential parking permit charges in 2018/19.
- 28) Agrees to implement an emergency repairs service only and instructs the Executive Director of Resources to investigate new methods of providing information and advice to owners on legal and other mechanisms to achieve property repairs.
- 29) Agrees to terminate the Council's membership of the Convention of Scottish Local Authorities delivering an annual saving of £250,000 from 2019/20.
- 30) Approves additional expenditure of £15,000 for temporary mobile variable messaging signals to target enforcement of speed limits in residential and school zones. Further approves recurring revenue expenditure of £25,000 for Christmas decorations in high streets across the city and £20,000 to instigate a gull de-nesting service.
- 31) Rejects the Administration's pledge to ring-fence 10% of the roads and transport budget for cycling. Agrees that these resources should be committed to roads and pavement repairs to improve safety for all road and pavement users.

Capital Investment Programme

Council:

- 32) Agrees the proposals for additional investment of £256.8m as detailed in Annex 3 to this Motion.
- 33) Agrees capital investment of £48.9m over a five-year period to address the Administration's underinvestment in the Council's property estate.
- 34) Notes the failure by the Administration to bring forward a strategy to deliver the Wave 4 schools programme together with investment in Craigmillar and agrees that the £5.5m raised through the 2% increase in Council Tax is ring-fenced within the revenue budget from 2019/20 to support additional capital investment of £77m for implementation of priorities arising from the strategic review of schools. Building on this additional funding, alongside LDP and assumed Scottish Futures Trust funding, the Capital Investment Programme for 2018-23 now includes provision for estimated gross expenditure of over £200m on the Schools Investment programme.
- 35) Agrees that initial design work for Trinity Academy be prioritised through sums set aside in the Capital Fund for development costs relating to the Local Development Plan.
- 36) Rejects the Administration's proposal to fund the replacement of the Burnshot Bridge through the capital programme allocation for roads and pavements, instead requiring the ringfenced budget to be directed to investment in roads and pavements as intended.

Agrees to fund the replacement of the Burnshot Bridge by reprioritising funding from the existing Policy and Planning capital programme allocation.

37) Agrees that no material legal commitments will be entered into pending a review of alignment with the strategic review of schools and consideration of opportunities for wider consolidation and rationalisation of the property estate, including through a community hub approach. Further agrees that additional prudential borrowing will be subject to the outcome of the strategic review of the schools and wider property estate together with development of a sustainable medium-term revenue budget framework.

38) Notes that investment through reprioritisation of the exceptional dividend from Lothian Buses will be confirmed as additional dividends are received.

Spend to Save

39) Subject to consideration of a more detailed business case by the Finance and Resources Committee, a citywide recycling campaign will be rolled out with a budget of £150,000. It is estimated that this will deliver an increase of 2,000 tonnes in recycling, with a corresponding reduction in landfill, which would result in a recurring saving of £130,000 per annum following repayment of the spend to save fund.

Risks and Reserves

Council:

40) Notes the report by the Executive Director of Resources setting out the significant risk associated with the Administration's budget proposals including:

- Risks associated with the delivery of major projects and service transformation, including ICT transformation, Asset Management and Health and Social Care;
- The risk that the current level of provision may not be sufficient to meet the actual cost pressures;
- Assumptions on Financial Settlements and wider fiscal policy considerations;
- The deliverability of services within the baseline level of available resources.

41) Accepts that at a time of increasing risk and transformational change the Council should increase reserves to reflect the greater volatility of its budget and agreed to allocate an additional contribution of £2m to Unallocated General Fund reserves.

Budget 2018/19 – Development of a Sustainable Financial Strategy

Council:

42) Agrees to prioritise one-off funding of £2.3m to develop a comprehensive change plan to address the pressing financial challenges facing the council over the medium term including;

- procurement of a strategic partner for asset management which offers the potential for additional annual savings of around £3m.
- £0.3m for dedicated staff to undertake a strategic property review over 12

months.

- £0.5m to establish a dedicated Health and Social Care Change Delivery Team to deliver the transformational change required within the service.

43) Instructs Human Resources to carry out a full review of Pay and Reward to modernise structures across the council and to deliver a streamlined organisation focused on service delivery.

Conclusions

Council notes the following reports from the Executive Directors of Resources, Place and the Chief Executive:

- Item 5.1 (a) - Revenue Budget Framework 2018/23 Progress Update
- Item 5.1 (b) - Edinburgh Leisure – Pension Guarantee
- Item 5.1 (c) - Extension of Temporary Accommodation Private Sector Leasing Contract and Increase to Costs
- Item 5.1 (d) - 2018-19 Budget Proposals: Overview of Citizen Engagement Process and Feedback
- Item 5.1 (e) - Council Revenue Budget Framework (2018-2023) – Impact Assessments
- Item 5.1 (f) - Council's Budget 2018/23 – Risks and Reserves
- Item 5.1 (g) - Housing Revenue Account Budget Strategy 2018-2023
- Item 5.2 - Capital Investment Programme 2018/19 to 2022/23
- Item 5.3 - City Strategic Investment Fund 2017-18 Update

Council therefore approves:

- The Revenue Budget 2018/19 as set out in the reports, subject to the amendments set out in Appendix 1 to this motion.
- A band 'D' Council Tax of £1,228.15 for 2018/19
- The Council Tax and Rating resolution set out in Annex 2 to this motion
- The 2018/23 Capital Budget as set out in the report by the Executive Director of Resources, with the addition of the new projects set out in Annex 3
- A further report to be submitted to seek approval of revised charges for Council services, the outcomes of which are contained in Appendix 1 to this motion.
- The recommendation by the Executive Director of Place to increase rents by 2% and the outline five-year Housing Revenue Account Capital Programme for 2018/23
- The recommendations contained within Items 5.1 (b) and 5.3 included amongst the supporting papers for today's meeting
- Allocations from the Spend to Save fund as set out in this motion
- A further report to be submitted to seek approval of the prudential indicators arising from this motion.

Moved by Councillor Graham Hutchison

Seconded by Councillor Iain Whyte

**THE CITY OF EDINBURGH COUNCIL
CONSERVATIVE GROUP BUDGET MOTION
REVENUE BUDGET 2018/19**

	2018/19	
	£000	£000
Expenditure to be Funded		
- Resource Allocation Totals	954,371	
- Add: Expenditure funded through Specific Grants	<u>7,593</u>	
		961,964
- General Revenue Funding and Non Domestic Rates	(698,441)	
- Ring Fenced Funding	<u>(7,593)</u>	
		(706,034)
To be Funded by Council Tax		<u>255,930</u>
Council Tax at Band D		£ 1,228.15
Increase on Previous Year		£ 24.08
- Percentage Increase		2.0%
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Funding Requirement		255,930
Council Tax Income		280,317
Funding (Excess) / Shortfall at Council Tax increase above as reported to Finance and Resources Committee February 2018		(24,387)
Service Investment (see Appendix 1)	22,432	
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	3,584	
Less: Additional Savings (see Appendix 1)	<u>(5,779)</u>	
		20,237
Transfer to (use of) Reserves		
- Transfer to Change / Development Fund	2,300	
- Transfer to Unallocated Reserve	2,000	
- Contribution from Spend to Save Fund	<u>-150</u>	
		4,150
Balance of Available Resources		<u><u>-</u></u>

THE CITY OF EDINBURGH COUNCIL
CONSERVATIVE GROUP BUDGET MOTION
REVENUE BUDGET 2018/19

2018/19

SERVICE INVESTMENT	£000
Property condition surveys and repairs and maintenance	8,500
Health and Social Care - additional funding	4,000
Provision for employee pay award	3,500
Homelessness initiatives	2,300
Road repairs and traffic management	1,179
Waste and Street Cleaning task force	1,000
School uniforms / year-round meals	458
Children with additional support needs	415
Breakfast clubs	250
Recycling (Spend to Save)	150
Garden Waste	150
Planning - additional staffing	125
Supported public transport	100
Sports pitch maintenance	100
Museums - 7-day opening (pilot)	95
Graffiti / Enforcement	50
Christmas decorations	25
Gull de-nesting	20
Enforcement of speed limits - residential and school zones	15
TOTAL SERVICE INVESTMENT	<u>22,432</u>
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2018/23	
Garden waste	1,300
Libraries	1,479
Night Noise team	255
Parking Pay and Display	200
Parking Permits	100
Edinburgh Leisure	150
Great Edinburgh Run	100
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	<u>3,584</u>
ADDITIONAL SAVINGS	
	£000
Workforce management	-4,100
Lothian Buses Dividend	-1,179
Shared repairs	-500
TOTAL ADDITIONAL SAVINGS	<u>(5,779)</u>

**THE CITY OF EDINBURGH COUNCIL
COUNCIL TAX / RATING RESOLUTION
CONSERVATIVE GROUP BUDGET MOTION**

To recommend that in respect of the year to 31st March, 2019:

1. GENERAL FUND

Revenue Estimates - the Revenue Estimates as presented and adjusted be approved;

Council Tax - estimated expenditure from Council Tax of £280.317m be met and in terms of Sections 70(1) and 74(1) of the Local Government Finance Act 1992 (the 1992 Act) Council Tax be levied in respect of properties in the bands defined in Section 74(2) of the 1992 Act, as amended by The Council Tax (Substitution of Proportion) (Scotland) Order 2016, as follows:

Band	Council Tax	Band	Council Tax
	£		£
A	818.77	E	1,613.65
B	955.23	F	1,995.74
C	1,091.69	G	2,405.13
D	1,228.15	H	3,008.97

2. RATING APPEALS TIMETABLE

In terms of Part XI of the Local Government (Scotland) Act 1947 the following dates be approved:

Main Assessment Roll

Lodging of Appeals with the Executive Director of Resources by	13 July 2018
Hearing of Appeals by the Rating Authority	21 September 2018

Amendments to Main Assessment Roll made subsequent to its issue

Lodging of Appeals with the Executive Director of Resources	Within six weeks of issue of Rate Demand or in terms of Section 11 of the Rating and Valuation (Amendment) (Scotland) Act 1984
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Hearing of Appeals by the Rating Authority	Periodically
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3. CAPITAL EXPENDITURE

Expenditure on Capital projects in progress be met.

4. BORROWING

The Council borrows necessary sums to meet the above capital expenditure.

**THE CITY OF EDINBURGH COUNCIL
CONSERVATIVE GROUP BUDGET MOTION
CAPITAL BUDGET 2018 - 2023
ADDITIONS TO REVISED PROGRAMME**

	Total £000	Total £000
Available Additional Resources for Distribution		
Additional capital resources as reported to Finance and Resources Committee February 2018:		
2018/19 Financial settlement	4,905	
Unallocated funding, 2018/19	7,000	
Unallocated funding, 2019/20	56,000	
Unallocated funding, 2020/21	84,000	
Unallocated funding, 2021/22	15,000	
Unallocated funding, 2022/23	12,900	179,805
Prudential borrowing (funding through ring-fenced council tax uplift)		77,000
Resources Available for Distribution		256,805

	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	Total £000
Additional Investment						
<i>Infrastructure</i>						
North Bridge Upgrade shortfall	0	0	5,300	0	0	5,300
St Crispin's replacement shortfall (Wave 3)	0	5,850	0	0	0	5,850
Oxgangs YPC replacement shortfall	459	0	0	0	0	459
Asset Management Works shortfall	4,000	16,000	16,000	6,450	6,450	48,900
Roads, Pavements and Public Realm	1,500	1,500	1,500	1,500	1,750	7,750
Play Park Replacement Equipment	200	200	200	200	200	1,000
Communal Bin Upgrade	750	750	1,000	0	0	2,500
Victoria Primary School	461	4,100	1,691	0	0	6,252
South Edinburgh Primary School - funding shortfall	0	0	90	1,542	0	1,632
Boroughmuir High School - additional places	100	2,200	1,862	0	0	4,162
King's Theatre - Contribution	500	500	1,000	1,000	1,000	4,000
Leith Theatre	500	500	0	0	0	1,000
Unallocated Match Funding for High Schools (Wave 4)	0	0	20,000	64,500	17,500	102,000 *
New Care Home	0	0	5,000	5,000	0	10,000
<i>LDP</i>						
Queensferry HS	0	3,000	0	0	0	3,000
Victoria Primary (LDP Share)	188	1,675	691	0	0	2,554
Broomhills Primary School	0	4,416	1,848	0	0	6,264
LDP roads obligations (excluding WETA)	500	1,000	1,000	2,000	2,000	6,500
LDP education and transport projects (unallocated)	0	16,682	0	0	0	16,682
<i>City Deal</i>						
IMPACT	500	2,500	2,000	0	0	5,000
West Edinburgh Transport Appraisal (WETA)	0	0	4,000	5,000	7,000	16,000
	9,658	60,873	63,182	87,192	35,900	256,805

* Assumes £88m (50%) Scottish Government funding from Schools for the Future programme.