

Motion by Green Group

City of Edinburgh Council

Title: Revenue Budget 2018/19; Capital Investment Programme 2018-23; Housing Revenue Account Budget 2018 to 2023

City of Edinburgh Council, 22 February 2018

AMBITIOUS FOR EDINBURGH

Introduction

1. The Green Group welcomes the opportunity to contribute to the debate about the city's budget and we pay tribute to the hard work of staff in preparing the budget papers and delivering the Council services funded by the budget.
2. We also thank all the people in Edinburgh who took time to give us their views on the budget. We note feedback on Edinburgh Leisure services, garden waste and tourist tax as among the themes reflected in budget feedback and have sought to reflect those themes in our proposals. We also note that, once again, Council Tax increases are recognised as part of the funding landscape, coming on top of the findings of two years ago that 63% of budget responses supported increasing the Council Tax as one of the means by which the Council should bridge the budget gap.
3. Local government funding is broken. The unfreezing of Council Tax and revision of bands in 2017-18 are both welcome but represent very modest tinkering. Revenue raising flexibility is still severely constrained by central government. Non-domestic rates remain centralised. Powers such as tourism and private parking levies, considered as the norm by councils elsewhere in Europe or the UK, remain unavailable in Scotland's capital city. We have recognised the case made by both Unite and Unison for reducing the debt burden on Scotland's local authorities and have also argued for investigation of funding capital programmes through issuing of municipal bonds. That leaves much to do by way of reform to put local government funding on a more adequate footing.
4. So, while we welcome the hard work carried out by Green MSPs in the Scottish Parliament in securing by far the best budget concessions by an opposition party since the Parliament was set up, we also support their call for far-reaching reform in future years: in the powers which councils have; in the fiscal tools available; and in the level of funding needed.

Green budget choices: ambitious for Edinburgh

5. The Green Group believes we need to be ambitious for Edinburgh and has sought to prioritise its budget plans to reflect three headline areas:

- **Supporting young people** in this Year of Young People: at school, in care, and at play.
- **Protecting the most vulnerable citizens**
- **Future-proofing the city:** investing in change which reduces cost pressures in years to come and investing in waste and energy services.

6. In making these choices we have drawn upon the **additional £12.4 million** made available on 31 January, identified additional savings and outlined a prospectus for future investment, particularly in schools.

Supporting young people

7. Education is the single largest service provided by the council. In 2017, the results of comprehensive condition surveys for all of the council estate, including schools, have been an eye-opener and so we accept in full the need to find **£48.9m for backlog investment and an average of £7m more a year for better maintenance and repair**. We have also begun dialogue on proposals to ensure that future capital projects have full revenue implications set out in business cases.

8. Over the last 20 years, many schools have been upgraded or replaced, many of them through high-cost private finance schemes which, the debacle of PPP1 schools following the collapse of a wall at Oxfords PS in January 2016 demonstrated, is no assurance of quality of construction. However, some communities have waited too long for the kinds of facilities which all should expect. We support a new building for **St. Crispins** and, at primary school level, for **Victoria** in North Edinburgh and a **new school in south Edinburgh**. But we also believe that the Council needs to be more ambitious for Edinburgh, particularly, in the outstanding needs for secondary schools.

9. That is why we have developed a capital funding proposal which would provide almost **£200m of investment in secondary education**: building new secondary level education and community hubs, specifically in **Craigmillar, Trinity** and **Liberton** and also in **Balerno, Currie, Wester Hailes** and **West Edinburgh**. Our proposal is to use the next year to enter negotiations with the Scottish Government for Wave 4 school funding, linked to a specific initiative to add 0.5% to Council Tax in each of the 4 years 2019-20 to 2022-23, earmarked for new school investment and seeking match-funding from the Scottish Government. Our programme is the equivalent of 12 pence a week more on a Band D property, rising to 53 pence a week more by the end of the funding period.

10. We recognise that this proposal will require the Scottish Government to set aside its threat of undisclosed sanctions should any council opt to raise Council Tax above 3%. For this reason, we have assumed no implementation in 2018-19, leaving a full year for discussion and negotiation. We also recognise that it requires the Scottish Government to make clear its intentions for Wave 4 funding. That is why the programme we propose is ambitious, but given the scale of the investment needs in schools we don't believe that "wait and see" is adequate. **We need to be ambitious for Edinburgh's young people.** We need to carry the funding battle to Scottish ministers.

11. The scale of ambition needs to be matched by a depth of engagement with school communities. That is why we have also **allocated £150,000 to strengthen the way in which council staff can engage with school communities**, particularly young people themselves and citizens from groups who often struggle to get their voices heard.

12. Of course, successful schools are about far more than the buildings. It is what goes on within the buildings that really matters. In our 2017 manifesto we committed to increasing provision for school clothing for those children and young people from low income families as one among many proposals to help bridge the attainment gap. We have studied carefully the evidence from the Child Poverty Action Group, and other charities, about the true cost of the school day and we believe that the council should fund those costs in full, having last updated support for school uniform costs in 2001 and now lagging far behind other councils. **The additional cost to fully fund school clothing would be £443,000 a year**, which we have included in our core budget¹.

13. Some children and young people are disadvantaged by poverty. But there are other barriers too. Over the last few months we have highlighted the desperate need for additional play-scheme provision for some of the **city's young people with the most acute support or disability-related needs and we allocate £350,000 for that purpose**. We also recognise that young people who are looked after can face huge disadvantages as young adults, **so we allocate £144,000 to match Lothian Buses funding and so provide free bus travel for 16-21 year-old care leavers**. We have also recognised pressures on looked after **children and young people services to the tune of £1.5m**.

¹ Most school clothing funded is allocated in August, at the start of the school year. That provides an opportunity to enter discussion with the Scottish Government about council-wide use of the Pupil Equity Fund (PEF). The council receives well over £7 million in PEF over and above its core funding settlement. The additional cost to fully fund school clothing of £443,000 a year is equivalent to just under 6% of the PEF and could be argued to be at least as good a way of delivering on the core aim of the PEF ("to provide targeted support for children and young people affected by poverty to achieve their full potential") as many other ideas. However, the terms of the grant specifically require all of the money to go to individual schools. In principle, all schools could separately operate a uniform top-up grant scheme or they could individually agree to contribute to a council-wide scheme. However, that would be administratively burdensome, and lead to inconsistencies. So we believe there is a reasonable case for a small proportion of PEF to be allocated council-wide where that is consistent with scheme aims and the aspirations of schools and we believe staff should raise that case.

14. In the case of **school meals we have allocated £80,000** extra to that budget. Since school meal charges are not revised until 1 August 2018, we propose that the council uses that period to consult with parents and young people on their preferred option:

- a) To use the £80,000 to keep school meal charges at 2017-18 prices
- b) To use the additional money to invest in improving the quality of school meals; or
- c) A hybrid of a) and b)

15. Finally, we share concern that funding for **play equipment** has virtually disappeared in recent years and so seek to put that right with £1.097m of new capital funding over 5 years.

Protecting vulnerable people

16. In recent months the desperate circumstances faced by homeless people in the capital has been brought into stark relief, whether literally sleeping rough or enduring poor-quality bed and breakfast hostels. We welcome the Homelessness Task Force set up by the council but recognise that it needs funding if it is to achieve its ambitions. **So we have allocated £2m for implementation of homelessness task force recommendations**, £500,000 of which is a one-off transfer from the Council Priorities Fund. We believe that the focus of that funding should be on prevention of homelessness; unblocking the move into permanent housing; and alternatives to bed and breakfast hostels, all of which will reduce future budget pressures.

17. On a similar theme we have allocated **£4.5m to address health and social care pressures**, £0.5m of which is a one-off transfer from the Council Priorities Fund to accelerate transformation-based measures which both reduce the need for high cost interventions and increase service user autonomy; alongside £4m to address current pressures.

18. These are large scale spending commitments. At the other end of the scale, we welcome Council support for our proposal for Edinburgh to join three other councils in looking at the feasibility of a **Basic Income pilot in Scotland**, and allocate £15,000 to match what other councils may contribute and funding from Scottish Government.

Future-proofing the City

19. The Council is in the midst of a transformation programme which impacts on all services. All services are adapting to meet the evolving needs and demands of service users. However, we also note that, in libraries, residents value the role played by professional staff. **Therefore our budget protects in full library staffing levels and opening hours** in 2018-19.

20. Swimming pools and sports halls are also highly valued by residents and we note public feedback on Edinburgh Leisure budgets. **So we have allocated funding to reduce pressure on the core grant to Edinburgh Leisure**. Specifically, we have recognised concern about the impact of charges for sports pitches so we have sought to reduce that specific rise within our budget.

21. Community facilities are more than just buildings. Critical to people's perceptions of their neighbourhood is safety and cleanliness of streets and public places. **As well as allocating £1 million to cleaner streets, with a focus on street cleaning carts, we have added £200,000 to improving the uptake of recycling and waste reduction in tenements** because we believe that there is a heightened awareness of excessive packaging and because we believe that gives opportunities to reduce pressure on the landfill budget.

22. Alongside that, we want to see a greater focus on enforcement on fly-tipping, graffiti and dog-fouling, **with an extra environmental warden in each locality.**

23. Reducing energy use, like reducing waste, is an opportunity to reduce costs for the future as well as helping the city meet its carbon reduction targets. That is why we have also proposed:

- Further investment in **LED lighting** in public places and buildings to complement the street lighting revamp already underway;
- Pump-priming both UK and Scottish Government investment in **electric vehicle infrastructure**;
- Providing additional capacity for the **Building Energy Management System** to achieve better estate temperature control;
- Delivering on the Saughton Park **micro-hydro plant** as an education and demonstration project in the current park renovation;
- Drawing down the £150,000 previously allocated sum for **Energy for Edinburgh** to develop and implement a business plan; and.
- A recommendation that, in developing the forward financial plan and next budget cycle a more comprehensive approach to **carbon budgeting** is outlined, drawing on good practice from other local authorities such as Aberdeenshire Council.

24. On housing, alongside our top priority of tackling homelessness, we propose further action on private rents and empty homes. Over £1 million is held in reserves from landlord registration fees, from which we propose to allocate **£40,000 to commission a comprehensive evidence-gathering exercise to inform an application to the Scottish Government for the city to declare a Rent Pressure Zone** with the aim of limiting excessive rent rises in the private rented sector. For empty homes, we propose a very modest drawn down of £60,000 from the £26 million held in the Council Tax discount fund to **fund a dedicated empty homes service for the city**, with the expectation that, as with other councils running a service, the post will become more than self-funding through additional properties identified as empty.

25. Future-proofing the city is nowhere better illustrated than in our green infrastructure. Edinburgh consistently scores highly in polls of city quality of life, much of which owes to decisions made over many generations, including the decisions made on tree-planting. If we don't respect that legacy we betray future generations. That is why we recognise the scale of tree loss in Edinburgh in the last six years and accept in full professional officer

recommendations to allocate **£140,000 a year for five years to support a street tree planting programme**. Alongside that, we also allocate resources to **park maintenance equipment**, recognising the cost savings that accrue from having equipment which is in maximum use.

26. The public feedback to the budget consultation demonstrates the appetite to introduce a **Transient Visitor Levy**. We regard the case as unassailable and remain frustrated at Scottish Government intransigence in granting the appropriate powers to take the proposal forward. It is estimated that the levy could raise up to £15m a year although this is dependent on detailed design. That additional money could fund both an enhanced cultural offering – for example, it could fully fund the council £5m contribution to the new city centre music venue, within the City Deal – and could help strengthen city centre services and infrastructure given the additional demands of the visitor economy. Therefore we have proposed earmarking a specific sum in the budget to commission **detailed design work on how a Transient Visitor Levy would work**.

27. Even in advance of a Transient Visitor Levy being introduced, there are some steps which the Council can take to enhance the cultural offering. We support moves to increase **museum opening hours** and have allocated funding as recommended by officers. Further we are attracted to the proposition that there is a viable **Spend to Save proposal of £200,000 on cultural venues equipment** which can reduce cost pressure on equipment hire budgets.

28. Finally, although the city centre is inevitably a focal point for both cultural and visitor activity, it is a city centre for all of Edinburgh. We believe that Edinburgh is lagging behind its UK and European peers in transforming the city centre to be a modern pedestrian and cycle-friendly city centre. So we have allocated **£200,000 for a City Centre Transformation Fund** to allow next steps of design and consultation to that end. More broadly, we have recognised pressures on the city's planning service and have allocated **£100,000 for a placemaking pilot** which would allow planning staff to undertake pro-active engagement with communities in development of site masterplans and planning briefs.

Capital priorities

29. Our capital programme is headlined by our ambitious programme for new **secondary education and community hubs** which is outlined in para 9 above and in the appendices.

30. On a more modest scale we have specifically segmented that part of the roads capital programme which is not tied into LDP or WETA to ensure that specific investment in **footways and cycle routes** is as much a priority as roads. We have also recommended a modest increase in the capital funds for **play equipment**, recognising the absence of any such funds for some time and the significant opportunities to draw in complementary funding.

31. In other respects we support many of the recommended proposals in budget paper 5.2 including provision for:

- A new **care home**
- New **waste collection** infrastructure

- Addressing the shortfall in **public buildings condition** (covered further in para 7 above)
- Investing in refurbishment for both **King's and Leith Theatres**

32. We also recognise that £7.9m is already allocated in the capital programme as part of the total package for redeveloping Meadowbank sports facility. We anticipate that the funding package will need to evolve through the current planning process and the extent to which community aspirations for the Westbank site in Portobello are consistent with receipts for sale.

33. Finally, although our capital budget retains the headline costs associated with the City Region Deal, we repeat our disappointment that the shape of the Deal has so little focus on active travel and public transport and in building the low carbon, resilient economy that Edinburgh's future demands; and we look forward to opportunities to reflect on project scope as detailed business cases are brought forward within the broad funding levels.

Public sector pay

34. We have provided £3.5m to allow the council to echo the revised pay uplift outlined by the Scottish Government: 3% for staff earning up to £36,500; 2% for staff earning between £36,500 and £80,000 and maximum £1,600 flat payment above that. We have also followed officer recommendations and allowed for an additional £1.9m for further pay increases, including the outcome of negotiations conducted through COSLA. We recognise that estimating a 3% rise across the board is solely for the purposes of calculating a quantum rather than by way of recommendation. We believe that **any further movement on pay should be focused on bringing further benefit to lower-paid staff** and also to ensuring that staff in arms-length companies such as Edinburgh Leisure share in any further uplift.

Recommendations

Council notes the following reports:

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

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 2018-23

Item 5.2 - Capital Investment Programme 2018-19 - 2022-23

Item 5.3 - City Strategic Investment Fund 2017-18

Council approves:

- The revenue budget set out in the reports, subject to the amendments set out in Appendix 1 to this motion
- A band D Council Tax of £1,240.19.
- The Council Tax and Rating resolution as set out in Annex 2 to this motion;
- The 2018 to 2023 capital budget as set out in the report by the Executive Director of Resources, subject to the amendments set out in Annex 3 to this motion;
- A further report to be submitted to seek approval of revised charges for Council services, the financial impact of which is contained in Appendix 1 to this amendment.
- The recommendations contained in the Housing Revenue Account report by the Executive Director of Place and the outline 5 year HRA capital programme for 2018 to 2023.
- The submission of a report to Finance and Resources Committee by September 2018 setting out a forward strategy on carbon budgeting
- The recommendations outlined in papers 5.1 (b) and 5.3
- Allocations from Council Tax Discount Fund, Landlord Registration Reserve, Council Priorities Fund, City Strategic Investment Fund and Spend to Save Fund, as outlined above.

Moved by Gavin Corbett

Seconded by Claire Miller

**THE CITY OF EDINBURGH COUNCIL
GREEN 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		£ 1,240.19
Increase on Previous Year		£ 36.12
- Percentage Increase		3.0%
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Funding Requirement		255,930
Council Tax Income		283,060
Funding (Excess) / Shortfall at Council Tax increase above as reported to Finance and Resources Committee February 2018		(27,130)
Service Investment (see Appendix 1)	27,657	
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	3,303	
Less: Additional Savings (see Appendix 1)	<u>(1,530)</u>	
		29,430
Use of Reserves		
Contribution from City Strategic Investment Fund		(500)
Contribution from Spend to Save		(700)
Contribution from Council Priorities Fund		(1,000)
Contribution from Council Tax Discount Fund		(60)
Contribution from Landlord Registration Reserve		(40)
Balance of Available Resources		<u><u>0</u></u>

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

2018/19

SERVICE INVESTMENT	£000
Property condition surveys and repairs and maintenance	8,500
Extension of broad principles of Scottish Government 2018/19 pay award to Local Government	5,400
Health and Social Care - additional funding and future capacity	4,500
Homelessness Task Force: Change fund for Temporary Accommodation Models / Prevention Fund	2,000
Looked After Children	1,500
Change Fund for Footways, Cycleways and Roads	1,000
Street cleaning	1,000
Cost of School Day: School Clothing Grants	443
Additional funding for holiday playscheme for children with additional needs	350
Holiday Hunger	250
Communities and Families Third Sector Grants	250
Transforming City Centre Fund	200
Schools Strategic Review: Enhancing Capacity for community dialogue	150
Free bus passes for care leavers	144
Street trees replacement	140
Environmental wardens	100
City Car Club expansion	100
Placemaking Pilot	100
Museums - all-week opening	95
Grounds Maintenance Equipment Replenishment	90
Rent Pressure Zone Study	40
Transient Visitor Levy Proposal	30
Match other Councils in Funding Basic Income Feasibility	15
Transitional investment for LED lighting in public spaces (Spend to Save)	300
Equipment stock for culture service (Spend to Save)	200
Education project for tenement recycling (Spend to Save)	200
Electric Vehicle (EV) Charging (City Strategic Investment Fund)	500
Empty homes officer (Council Tax Discount Fund)	60
TOTAL SERVICE INVESTMENT	<u>27,657</u>
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2018/23	
Library Transition Fund: protecting staffing levels and hours	1,500
Garden Waste Saving	1,300
Night Noise Team	255
Edinburgh Leisure	150
School meals	80
Sports Pitches Access Fund	18
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	<u>3,303</u>
ADDITIONAL SAVINGS	£000
Marketing Edinburgh	(500)
Parking Charges	(300)
Energy Costs and Estate Temperature Management (including BEMS Manager 1 Year Pilot)	(230)
Reduction in Landfill/Waste Costs	(200)
Democratic Services	(100)
Corporate Communications	(100)
Reduction in Staff Travel Costs	(100)
TOTAL ADDITIONAL SAVINGS	<u>(1,530)</u>

**THE CITY OF EDINBURGH COUNCIL
COUNCIL TAX / RATING RESOLUTION
GREEN 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 £283.060m 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	826.79	E	1,629.47
B	964.60	F	2,015.31
C	1,102.39	G	2,428.71
D	1,240.19	H	3,038.47

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
GREEN GROUP BUDGET MOTION
CAPITAL BUDGET 2018 - 2023
ADDITIONS TO REVISED PROGRAMME**

						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
Resources Available for Distribution						179,805
	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Additional Investment	£000	£000	£000	£000	£000	£000
Infrastructure						
Oxgangs YPC	459	-	-	-	-	459
Asset management	4,000	16,000	16,000	6,450	6,450	48,900
Roads	1,000	1,000	1,000	1,000	1,000	5,000
Cycle and footway infrastructure	500	500	500	500	750	2,750
Communal bins	750	750	1,000	-	-	2,500
Victoria Primary School (including LDP Share)	649	5,775	2,382	-	-	8,806
Boroughmuir High School	100	2,200	1,862	-	-	4,162
Theatres Refurbishment	1,000	1,000	1,000	1,000	1,000	5,000
Play equipment and playpark investment	297	200	200	200	200	1,097
Saughton Micro Hydro Funding Gap	362	-	-	-	-	362
North Bridge Upgrade shortfall	-	-	5,300	-	-	5,300
St Crispins replacement shortfall (Wave 3)	-	5,850	-	-	-	5,850
South Edinburgh Primary School shortfall	-	-	90	1,542	-	1,632
New Care Home	-	-	5,000	5,000	-	10,000
LDP						
Queensferry High School	-	3,000	-	-	-	3,000
LDP roads obligations (excluding WETA)	500	1,000	1,000	2,000	2,000	6,500
Broomhills Primary School	-	4,416	1,848	-	-	6,264
LDP Education and Transport Projects	-	16,682	-	-	-	16,682
City Deal						
IMPACT (City Deal)	500	2,500	2,000	-	-	5,000
West Edinburgh Transport Appraisal (WETA)	-	-	4,000	5,000	7,000	16,000
Wave 4 Schools						
New Education/Community Hub in Craigmillar	-	374	9,706	5,004	-	15,084
Liberton - Wave 4 Schools	250	988	3,095	32,711	8,571	45,615
Trinity - Wave 4 Schools	250	450	8,707	25,130	4,478	39,015
West and South West - Wave 4 Schools	-	1,543	8,157	56,339	25,542	91,581
Unallocated Match Funding for Replacement High School (Wave 4)	-	-	5,145	-	-	5,145
Scottish Government Funding for Wave 4 Schools*	(250)	(1,491)	(9,980)	(57,090)	(19,296)	(88,106)
	-	(19,880)	(20,576)	(21,296)	(22,041)	(83,793)
Additional Borrowing funded by Council Tax at 3.5% annually from 2019/20**						
	10,367	42,858	47,436	63,490	15,654	179,805

* - assumes 50% Scottish Government funding from Schools for the Future programme; and

** - assumes Scottish Government consent to raise Council Tax by more than 3% without financial penalty.