

Motion by Green Group

City of Edinburgh Council

Title: Revenue Budget 2019/20; Capital Investment Programme 2019-24; Housing Revenue Account Budget 2019 to 2024

City of Edinburgh Council, 21 February 2019

GOOD FOR EDINBURGH; GOOD FOR OUR FUTURE

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. In previous budget debates we have described local government funding as broken. That remains the case today. However, a year ago our Green MSP colleagues set out the challenge of meaningful progress towards reform and we note the budget agreement secured by those Green MSPs three weeks ago. It provides budget respite to the Council of £7.9m which is welcome but still leaves a set of difficult budget choices. So, equally importantly, it starts to chart a way towards a more empowered local government funding system with, among other changes, greater fiscal flexibility, three-year settlements, a fiscal framework and replacement of the Council Tax. Local government funding may still be broken but there is the prospect of the most significant reform for almost three decades.

Green budget choices

3. The Green Group budget sets out a range of choices which seek to ensure that the city's future is secure:
 - As a leader in tackling the **climate emergency**;
 - As a place where **young people** can grow, learn and thrive; and
 - As a city where our **older and more vulnerable citizens** are supported with dignity.

Tackling the climate emergency

4. In 2018 the UN Intergovernmental Panel on Climate Change (IPCC) published a report demonstrating the urgent need to act on the latest climate science to limit global average temperature rise to 1.5°C over pre-industrial levels by 2030 in order to prevent catastrophic and

irreversible climate breakdown. This council commissioned a sustainability audit report from the Edinburgh Centre for Carbon Innovation (ECCI) and in the report are recommendations for the Council to take action on sustainability and climate change within these timescales. The ECCI report is clear that there are a range of positive opportunities for Edinburgh if the Council follows these recommendations, not just in playing our part in averting climate breakdown, but also in creating income-generating opportunities for the Council and local communities, supporting new skilled jobs, creating affordable housing and reducing inequalities.

5. Therefore the Green budget proposes creation of a **Climate Emergency fund of £2.875m** over the 4-year period of the budget in order to implement ECCI recommendations. The fund will enable bold but necessary changes such as removing the need for petrol/diesel vehicles in the city by 2030 through the City Mobility Plan, and developing a buildings strategy that ensures local communities are energy positive by 2030. Important projects such as the Council-owned energy service company (ESCo) will be given a much-needed financial boost to enable targets to be set and begin delivering real benefits to the city.

6. Governance of the Council's decisions and delivery will be oriented to averting climate breakdown through greater coordination and embedding sustainability in decision-making. The fund will enable investment in dedicated resource with the skills required to operate across functions and service delivery areas, and to set up and deliver projects with partner organisations. We welcome **the pilot carbon budget** set out this year which we proposed in the course of the last year, but also recognise that it is simply the start of a full framework to ensure that carbon costs of the full lifecycle of investments are considered when decisions are made.

7. One of the real advantages of increasing project capacity in this area is the opportunity to draw in additional funding from external sources, both public and private. We are confident that the £2.875m investment we propose could lever in many times that level of funding by showing leadership with innovative ideas for the capital city.

8. As well as this headline investment in a sustainable city, a number of other proposals in the Green Budget reinforce the key theme. For example, we propose the introduction of a dedicated **empty homes officer** to tackle the blight of empty property in a city with a desperate housing shortage. Bringing empty homes back into use means we rely less on building new homes on green land, and it enables efficient use of the existing built housing stock which is far more environmentally sustainable. Other councils have demonstrated that this post more than pays for itself through increased tracking and allocating of Council Tax on long-term empty homes.

9. We also want to recognise the huge public concern about single use plastic proliferation, both globally, in our oceans and here in our own neighbourhoods. Therefore we have allocated funding to expand the use of **easy-access public water points**, as a free alternative to bottled products.

10. The fate of the city's tree cover has been high profile over the last year. The city is unthinkable without its trees. They act as a carbon sink, provide vital habitat and give character to many of our best-loved streets and public places. That's why we have fully funded officer recommendations on a **street tree replacement programme** and also allocated funding over the period to support a comprehensive assessment of trees throughout the city which is currently under-resourced. We also support increased funding to fully trial **alternatives to glyphosate** in our street and greenspace maintenance work.

11. Over the next year, there will be a step-up in the provision of **on-street secure bike parking**, the contract for which is out to tender. It already seems clear from the volume of enquiries that demand will greatly exceed supply in some streets, so we have allocated additional funds for further provision in those high-demand areas.

12. Finally, under this theme, it is critical that the impetus towards a sustainable city is embedded in all that the council does. We note that the budget contains a general 1.55% efficiency target. Within that we believe it is right to focus on much higher targets of not less than **10% for resource efficiency – for example, energy, water and use of materials**.

Helping young people to thrive

13. Over the last week young people in Edinburgh, as elsewhere in the UK, and internationally, have shown their impatience in the failures of leadership over climate change. We owe it to those young people to secure their future. We also owe it to them to ensure that their places of learning are the best they can be. We support the current and pipeline programme which includes **St Crispin's, Victoria PS, Queensferry High School and a new South Edinburgh primary school**. We recognise the case for a replacement for **St Catherine's PS** and various measures to support rising school rolls and the expansion of **Gaelic Medium Education (GME) within those numbers**.

14. However, the completion of the programme for new secondary schools still looms largest. Real progress has been made in the last year with Scottish Government funding for new secondary schools announced, although not yet allocated. We believe it is crucial that council and Scottish Government funding together meets the estimated £207m cost to build new schools in **Craigmillar, Currie, Trinity, Liberton, Balerno and Wester Hailes**. As a fast-growing city, Greens believe that the Scottish Government should allocate at least £100m of the £1 billion fund for new schools to Edinburgh and we welcome inclusion of borrowing for the £78m remainder needed by the Council, within the revenue funding framework. That is why we have assumed that the greater flexibility this year over Council Tax, secured by Green MSPs, will remain in place in future years, and that we would use that flexibility to bring future budgets closer to the balanced position which would allow that borrowing to be secured. Nominally, the level of budget required to support the capital needed is an additional 0.5% on Council Tax over four years – 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.

15. At the other end of the education scale we recognise the value of nursery education and that is why we have supported the significant expansion of nursery provision to 1,140 hours. This remains a very challenging ambition however, and it would be unhelpful to significantly change the teaching model at the same time. **Therefore we reject the proposal to remove nursery teachers from day-to-day nursery classes.**

16. Across all schools we recognise the value of good quality nutrition, so we allocate **£80k to invest in improving school meal quality** in line with Soil Association standards.

17. Equally importantly, we recognise the value of physical activity. We believe that **sports grants offer significant benefit** for a very small amount of money and so we reject that saving. We are also unconvinced about the **2020-21 saving in grants for third parties** in education more generally, believing that will simply reinforce pressure on core council budgets.

18. On a wider scale we do not believe that the scale of proposed cuts to **Edinburgh Leisure** has been well articulated or the impact fully assessed. Over a four-year period we do believe that it is possible to make savings through a broader role for Edinburgh Leisure and partnerships with other providers of sports facilities. However, that needs to be modelled fully, **so we reject the cut in 2019-20 and have reduced the savings target in subsequent years.** The practical impact of that is to turn a 24% savings target into one of less than 7%. We have also outlined a potential spend-to-save proposal to automate access to Edinburgh Leisure facilities.

19. Finally, we recognise some of the difficulties facing longstanding users of **schools and community centres** in evenings and weekend. In response, we have set up a fund both to mitigate significant price pressures and to trial alternative access arrangements where appropriate.

A healthy and caring capital

20. The funding for health and social care is under increased pressure every year due to demographics and the cost to provide services. The local integration of health and social care is still in relatively early stages, so alongside financial pressures there are also challenges to bring about reforms and bring services together for the benefit of patients and to make efficiencies.

21. We recognise the strong case for increased funding for the Edinburgh Integration Joint Board (EIJB), which is why we have

- **Rejected the proposed £3m savings target**, and pass on in full the £10m which has been partly de-ringfenced for further integration of health & social care and to implement the Carer's Act, as well as the Council's share of funding to support the expansion of free personal care for those under 65 years of age;

- Added a further **£2.75m to core revenue for social care**, fully funded by 1% extra on council tax in 2019-20 and recurring thereafter;
- And allocated **£3.716m, £3m of which is from the council priorities fund for 2019-20**, the remainder of which is a one-off payment from revenue, **to create a change fund for health and social care**. We would also expect NHS Lothian to match this commitment.

In total this package equates to over £16m (8.3%) more for health and social care than in the current year, plus pass-through of monies for free personal care expansion.

22. The Green budget change fund worth £3.716m will allow the EIJB to implement the transformation changes set out in their vision for an Edinburgh Model for health and social care and redesign the service around the “**3 Conversations**” approach recommended by the Chief Officer. The service redesign and change implementation would deliver efficiency savings to bring future years within budgeted spending limits and would benefit service users by improving outcomes, including in mental health services. It may also allow the EIJB to look further at support for some of the organisations losing out in the health and social care grants round in 2018-19.

23. Homelessness is a major blight on the city. We took part in and welcome the conclusions of the Homelessness Task Force but it is clear that the city is trapped in a vicious circle of high-cost, low-quality temporary accommodation which shows no sign of easing off. Long term, a significant increase in genuinely affordable housing is the only answer but that cannot be switched on overnight. So, meantime, more must be done to tackle homelessness. **That is why we have allocated £1.5m to invest in homelessness responses:** boosting local teams’ ability to take early preventative action; reviewing temporary accommodation flows; seeking rapid move-on from bed and breakfast accommodation; and adding capacity for outreach support for street homeless and street-begging residents.

24. However, we do not believe Edinburgh can tackle the scale of backlog on its own. In the previous homelessness task force established by the then Scottish Executive, additional funding was allocated to Glasgow in recognition of the unique challenges it faces. Rolling on almost two decades we believe that Edinburgh is now in the same position and that, as part of its Ending Homelessness strategy, **we call on the Scottish Government to match the city council’s commitment.**

25. Supporting our older and most vulnerable residents through social care and tackling homelessness are top priorities in the Green budget. We also recognise the need to provide additional capacity for individual support for those who need it most, therefore we propose help for people to navigate through the **Universal Credit** morass. We have also allocated funding to sustain community **public conveniences** and to improve access to help through the council’s **website and phone system.**

26. As above, homelessness is a priority issue to tackle, but housing issues are more

widespread as well. We believe the council can use more of its **landlord registration income** to engage more proactively with private sector tenants, landlords and letting agents to improve standards in the private rented sector. Meanwhile, we **reject cuts to the city's Shared Repairs Service**.

27. Returning to a prevention theme, we have also added **£500k to family-based care services** to invest in early action to support families where there is a risk that children and young people may require to become formally looked-after.

28. Finally, we have allocated money to fund **extra bus services in the South West of the City** and we have mitigated cuts to the city's **economic development** service.

Income and savings

29. At a time of significant public funding pressure we believe it is right and necessary to tackle funding gaps both through savings and additional income. Our budget is for here and now in advance of the reforms highlighted in paragraph 2 above. Therefore it still contains cuts or savings that we would rather not make. In the meantime, we believe that it is right to use the new council tax flexibility in two specific ways:

- 1% extra to fund social care budgets and other priorities; and
- 0.5% extra to support the completion of the new schools programme

The combined effect of those changes to support social care and new schools is 36p a week on a band D property, rising to £1.60 a week by 2022-23.

30. However, we also accept the need to make savings. We accept the reduction to **Marketing Edinburgh** and are unconvinced by the apocalyptic scenarios painted about the cuts to an organisation that has been around less than 10 years. Equally we believe that it is time to seek a revised arrangement with **Police Scotland**. It cannot be right that half of all council funding to Police Scotland is provided by Edinburgh. Over the four-year period we have outlined a reduction in Police Scotland funding so that it puts Edinburgh and Glasgow in a comparable funding position. The partnership with Police Scotland would remain just as valuable as it is in the other 31 authorities and our expectations of community policing would be no less than in these other authorities.

Capital priorities

31. Our capital programme is headlined by our ambitious programme for new **secondary education and community hubs** which is outlined in para 14 above and in the appendices.

32. In other respects we support many of the recommended proposals in budget paper 4.3 including provision for St Catherine's PS and rising school rolls. We recognise the case for

investment of £4m in active travel as a means of drawing in matched funding and recognise that in the year ahead funding may be found within existing funds, subject to review and reporting back to the Finance and Resources Committee. We have allocated capital to invest in the expansion of GME provision and will look at officers' recommendations on the most suitable location.

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. In the meantime, we have allocated funding from the City Strategic Investment Fund **to accelerate progress on Electric Vehicle Infrastructure.**

Supporting staff sector pay

34. Our budget assumes a 3% pay increase for staff in 2019/20 which is still subject to agreement; and we also welcome the Scottish Budget agreement that any uplift in teacher salaries, which we support, will be fully funded by the Scottish Government. At the same time, we have allocated **£1.5m funding from reserves over two years to support staff through training, management development and wellbeing.**

Recommendations

Council notes the following reports:

Item 4.1 - Revenue Budget Framework 2019-20 Integrated Impact Assessments

4.2 Revenue Budget 2019/24

(a) (i) Council Change Strategy: Planning for Change and Delivering Services 2019-2023 – referral from the Finance and Resources Committee

(ii) Local Government Finance Settlement 2019/20

(iii) Feedback on the Change Strategy and Budget Proposals 2018 and 2019

(b) Council Change Strategy: Risks and Reserves 2019-2023

(c) Housing Revenue Account Budget Strategy 2019-2024

4.3 Capital Investment Programme 2019/20 to 2023/24

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 £1,296.
- The Council Tax and Rating resolution as set out in Annex 2 to this motion;
- The 2019 to 2024 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 2019 -24.
- The pilot carbon budget in 4.2.a (i)
- Allocations from the City Strategic Investment Fund, Workforce Restructuring Fund, Council Priorities Fund, Landlord Registration 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 2019/20 - 2022/23**

| | 2019/20 | | 2020/21 | | 2021/22 | | 2022/23 | |
|--|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|----------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Expenditure to be Funded | | | | | | | | |
| - Resource Allocation Totals | 984,218 | | | | | | | |
| - Add: Expenditure funded through Specific Grants | <u>40,225</u> | | | | | | | |
| | | 1,024,443 | | | | | | |
| - General Revenue Funding and Non Domestic Rates | (698,508) | | | | | | | |
| - Ring Fenced Funding | <u>(40,225)</u> | | | | | | | |
| | | (738,733) | | | | | | |
| To be Funded by Council Tax | | <u>285,710</u> | | <u>302,012</u> | | <u>318,952</u> | | <u>340,061</u> |
| Council Tax at Band D | £ 1,296.00 | | £ 1,354.32 | | £ 1,415.26 | | £ 1,478.95 | |
| Increase on Previous Year | £ 55.81 | | £ 58.32 | | £ 60.94 | | £ 63.69 | |
| - Percentage Increase | 4.5% | | 4.5% | | 4.5% | | 4.5% | |
| 1% extra for social care (year 1) and other priorities | 2,750 | | | | | | | |
| 0.5% to bridge gap for new schools borrowing | <u>1,375</u> | | | | | | | |
| | <u>297,773</u> | | <u>309,899</u> | | <u>323,203</u> | | <u>336,711</u> | |
| Funding (excess) / Shortfall at Council Tax increase above | | (12,063) | | (7,887) | | (4,251) | | 3,350 |
| Service Investment (see Appendix 1) | 13,041 | | 6,200 | | 4,900 | | 4,800 | |
| Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1) | 4,902 | | 7,352 | | 6,602 | | 5,852 | |
| Less: Additional Savings (see Appendix 1) | <u>(980)</u> | | <u>(2,080)</u> | | <u>(2,380)</u> | | <u>(2,580)</u> | |
| | | 16,963 | | 11,472 | | 9,122 | | 8,072 |
| Contributions to / (from) reserves (itemise) | | | | | | | | |
| Council Priorities Fund | (3,000) | | - | | - | | - | |
| Spend to Save Fund | (100) | | - | | - | | - | |
| City Strategic Investment Fund | (500) | | - | | - | | - | |
| Landlord Registration Fund | (300) | | (300) | | (300) | | (300) | |
| Workforce Restructuring Fund | (1,000) | | (500) | | - | | - | |
| | | <u>(4,900)</u> | | <u>(800)</u> | | <u>(300)</u> | | <u>(300)</u> |
| Balance of (available resources)/required savings | | <u>-</u> | | <u>2,785</u> | | <u>4,571</u> | | <u>11,122</u> |

THE CITY OF EDINBURGH COUNCIL
GREEN GROUP BUDGET MOTION
REVENUE BUDGET 2019/20 - 2022/23

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|----------------------|-----------------------|-----------------------|---------------------|
| SERVICE INVESTMENT | £000 | £000 | £000 | £000 |
| Climate emergency fund | 1,875 | (1,375) | (200) | (100) |
| Health and Social Care investment | 2,750 | - | - | - |
| Health and Social Care Change Fund | 3,716 | (3,716) | - | - |
| Tackling the homelessness crisis: prevention activity | 1,000 | (500) | (500) | - |
| Empty homes officer | 50 | - | - | - |
| Secure bike parking accelerated roll out | 100 | (100) | - | - |
| Providing public water taps | 50 | (50) | - | - |
| Street trees and tree maintenance programme | 140 | - | - | - |
| Access support for evening and weekend use of schools/community centres | 100 | - | - | - |
| Universal Credit advice and support staff | 80 | - | - | - |
| Edinburgh Leisure access improvements | 100 | (100) | - | - |
| Digital action plan | 100 | - | (100) | - |
| Alternatives to glyphosate | 50 | - | - | - |
| Improving school meals quality and sustainability | 80 | - | - | - |
| Investment in an active travel fund (from parking income below) | 200 | - | - | - |
| Private renting support unit (from registration income) | 300 | - | - | - |
| Electric vehicle infrastructure (from City Strategic Investment Fund) | 500 | (500) | - | - |
| Staff support project (from Workforce Restructuring Fund) | 1,000 | (500) | (500) | - |
| Waste reduction campaign | 100 | - | - | - |
| South West Edinburgh supported bus services | 250 | - | - | - |
| Family-based care investment | 500 | - | - | - |
| TOTAL SERVICE INVESTMENT | <u>13,041</u> | <u>(6,841)</u> | <u>(1,300)</u> | <u>(100)</u> |
| PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2019/23 | | | | |
| Re-provision of public conveniences | 100 | - | - | - |
| School management design: early years | 350 | 650 | - | - |
| Police funding | (478) | (600) | (400) | (400) |
| Income from parks and greenspace | 150 | - | - | - |
| Economic development | 900 | 900 | (600) | (600) |
| Sports grants | 62 | - | - | - |
| Clean and green | 250 | - | - | - |
| Energy generation | 0 | (100) | (100) | (100) |
| Health and Social Care efficiency target | 3,000 | - | - | - |
| Edinburgh Leisure | 350 | 350 | 350 | 350 |
| Third party grants | 0 | 1,250 | - | - |
| Shared repairs emergency service | 218 | - | - | - |
| TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK | <u>4,902</u> | <u>2,450</u> | <u>(750)</u> | <u>(750)</u> |
| ADDITIONAL SAVINGS | £000 | £000 | £000 | £000 |
| Traffic Regulation Order (TRO) review | (40) | - | - | - |
| Car parking charge policy | (500) | (200) | (200) | (200) |
| Hogmanay contract | - | (800) | - | - |
| Overseas trips and international strategy | (40) | - | - | - |
| Democratic services | (100) | - | - | - |
| Events and access to City Chambers | (50) | - | - | - |
| Travel reduction | (100) | - | - | - |
| Empty homes officer (resulting in additional Council Tax income) | (50) | - | - | - |
| Temperature controls | (100) | - | - | - |
| Waste reduction campaign | - | (100) | (100) | - |
| TOTAL ADDITIONAL SAVINGS | <u>(980)</u> | <u>(1,100)</u> | <u>(300)</u> | <u>(200)</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, 2020:

1. GENERAL FUND

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

Council Tax - estimated expenditure from Council Tax of £297.773m 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 | 864.00 | E | 1,702.80 |
| B | 1,008.00 | F | 2,106.00 |
| C | 1,152.00 | G | 2,538.00 |
| D | 1,296.00 | H | 3,175.20 |

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 | 12 July 2019 |
| Hearing of Appeals by the Rating Authority | 20 September 2019 |

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 |
|---|--|

| | |
|--|--------------|
| Hearing of Appeals by the Rating Authority | Periodically |
|--|--------------|

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 2019 - 2024
ADDITIONS TO REVISED PROGRAMME**

| | Total £000 |
|--|-----------------------|
| Available Additional Resources for Distribution | |
| 2019/20 Settlement - unallocated General Capital Grant funding | 9,411 |
| Unallocated LDP funding - roads and education | 12,525 |
| Unallocated LDP funding - non-specific sums | 3,500 |
| Reallocation of existing CIP budget | 4,000 |
| Resources Available for Distribution | 29,436 |

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total |
|---|----------------|----------------|----------------|----------------|----------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Additional Investment | | | | | | |
| Replacement St Catherine's PS | 12,802 | - | - | - | - | 12,802 |
| Rising school roll pressures | 6,609 | - | - | - | - | 6,609 |
| LDP primary schools - design and enabling works | 4,025 | - | - | - | - | 4,025 |
| GME expansion | 6,000 | - | - | - | - | 6,000 |
| | 29,436 | 0 | 0 | 0 | 0 | 29,436 |