

Conservative Group Budget Motion

City of Edinburgh Council

10.00 am Thursday, 20th February, 2020

Main Council Chamber - City Chambers

Conservative Group Budget Motion

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Motion – Edinburgh Conservatives

City of Edinburgh Council

20 February 2020

Title: Revenue Budget 2020/23; Capital Budget Strategy 2020/30; Housing Revenue Account Budget Strategy 2020/30

Council:

Considers that the systematic destruction and underfunding of local government by the SNP Scottish Government at Holyrood and the financial mismanagement and lack of strategic planning by the SNP/Labour council administration have together fundamentally broken the finances of our Capital City and have left the citizens of Edinburgh to pick up the bill for their neglect and incompetence.

Notes that Edinburgh once again has the lowest block grant per head of population of any local authority in Scotland and acknowledges the failure of the political leadership of the Council to make the case for a funding settlement which recognises Edinburgh's status as a capital city and as Scotland's pre-eminent financial and cultural centre.

Regrets the decision by the SNP/Labour administration to reject Conservative proposals to ringfence a 2% council tax increase for a sustainable wave 4 schools funding model in 2018/19 and then to compound this lack of foresight by choosing trams over schools in the 2019/20 budget process. Thus, leaving Balerno, Liberton and WHEC kicked into the long grass with no funding in place.

Notes the disingenuous claims by the SNP/Labour administration that a 4.79% council tax increase is required to fund wave 4 schools when the Conservative budget motion which follows shows that the same wave 4 schools investment model can still be achieved while rejecting the additional 1.79% increase in Council Tax.

Further notes that the proposed 4.79% increase in Council Tax is a breach of the coalition commitment number 49.

Regrets that despite being willing to abandon their Council tax commitment, the administration still places political expediency above improving frontline services by rejecting out of hand, proposals to outsource security services and trade waste and refusing to explore other opportunities for market testing.

Regrets the ongoing failure of Conveners and Vice Conveners within the administration to provide sufficient political oversight of Senior Officers in managing their departmental budgets resulting in significant and ongoing in year pressures.

Concludes that the current SNP/Labour administration is failing to deliver value for money to the citizens of Edinburgh for their Council Tax and does not have a sustainable grasp on the financial management of the city.

Revenue Budget 2020/23

On specific budgetary proposals Council:

- 1) Rejects the proposed 15% increase in Council Tax over the next three years. Recognises that the Council Administration has not provided value for money to the citizens of Edinburgh and agrees to limit the council tax increase for 2020/23 to 3% p.a.
- 2) Council notes that the failure of the current and previous Administrations to maximise efficiency and effectiveness of Council Services has increased pressure on services with significant underlying budget deficits in Communities and Families, Place and Health and Social Care. Council further recognises that it is the quality of service that is important and commits to considering all methods of service delivery to improve quality and reduce cost thus maintaining and improving services in line with Best Value.
- 3) Council agrees to remove the self-imposed political restrictions of the Administration and empowers Chief Officers and senior managers to develop a programme of Value for Money service reviews to deliver significant savings, with options for implementation of a first phase of additional savings to be brought to Council for approval by June 2020. Market testing and benchmarking should be applied to take an evidenced-based approach to development of savings options.
- 4) Agrees proposals to achieve annual recurring savings of £433,000 through implementation of alternative service delivery models for trade waste and security services.
- 5) Notes that in the Edinburgh Health and Social Care Partnership the pace of change has been slow; urgent work is needed to develop a strategic approach to financial planning in both the immediate and medium to longer term; and that the IJB is continuing to rely on non-recurring funding to address additional recurring Partnership investment and areas of overspend. Further recognises the failure of the Administration and the Edinburgh IJB (EIJB) to deliver transformational change in service delivery despite the belated decision by the EIJB to ring-fence £2.8m of funding in the 2019/20 budget to establish a dedicated team to drive forward delivery of transformational change.
- 6) Council agrees to allocate an additional £8.3m to the EIJB in 2020/21 in line with funding allocated in the Local Government Finance Settlement. Further Council agrees to continue to provide additional funding of £2.5m p.a. to support achievement of prolonged improvements in service outcomes. All funding allocated to the EIJB in 2020/21 will be subject to quarterly scrutiny of financial performance by the Council's Finance and Resources Committee.
- 7) Agrees to investment of £19m over the next three years to continue work to address the failure of successive Council Administrations over the past 20 years to manage and maintain the Council's estate effectively.

- 8) Regrets the Administration's failure to deliver the Asset Management Strategy, with a projected shortfall of £3.7m being reported in the current financial year. Council agrees to establish a dedicated cross-Council team to oversee a strategic review of the Council estate and implementation of a community hub model, thereby reducing revenue costs without impacting services.
- 9) Council acknowledges the difficult balance between recognising the value of the Council's employees and delivery of essential services that are affordable in the medium and longer term. Council agrees to undertake a comprehensive Workforce Modernisation programme including reviews of management costs; redeployment arrangements; and reward and recognition to deliver more robust arrangements and ensure value for money. As a priority the review of management arrangements will consolidate asset management functions across the Council and rationalise senior management structures across Chief Executive, Resources and Strategy / Communications.
- 10) Agrees to retain Lothian Buses in public ownership.
- 11) Welcomes the UK Government commitment to recruit 20,000 police officers in England and Wales and urges the Scottish Government to pass on the full Barnett consequential of this funding for investment in community policing. Further, agrees to continue to invest £1m in additional police officers in 2020/21 while seeking to review the agreement with the Scottish Police Authority to ensure that the Council is receiving value for money.
- 12) Continues to regret the reduced role of Marketing Edinburgh and the part played by senior Councillors in hastening the organisation's downfall.
- 13) Rejects the proposed reduction in qualified teaching staff in nursery schools and agrees funding of £600,000 to develop and consult on alternative proposals.
- 14) Rejects the proposed reduction of £1.8m in school budgets and agrees funding of £900,000 to amend this proposal.
- 15) Agrees funding of £30,000 from 2020/21 to allocate an additional 10 hours of access at no charge to each primary and special school parent council to support their activities.
- 16) Agrees to increase the proposed allocation to Edinburgh Leisure by £250,000 from 2020/21. Further, recognises the positive impact on individuals and communities of engagement in exercise and agrees to examine further opportunities to expand innovative community-based programmes such as the Craggs and Queensferry Sports Centres. Regrets the failure of the Administration and the EIJB to develop a strategic approach to health and wellbeing and agrees to establish a dedicated team to oversee a strategic review.
- 17) Agrees to establish a Sports Fund of £100,000 to provide support to programmes which provide positive opportunities to vulnerable individuals and communities through physical activity and sport. Further, agrees to allocate £30,000 from this Fund to support the continuation of the Spartans Alternative School which supports young people who are at risk of exclusion from mainstream education.
- 18) Agrees to allocate £2m p.a. in the revenue budget for 2020/23 to address pressures on the Temporary Accommodation budget. Further, agrees to allocate £1m from underspends on the Council Tax Reduction Scheme to support investment to address homelessness. This investment will be prioritised through the Homelessness Task Force and will include development of pilot projects to enable homeless people to remain with their pets.

- 19)Rejects the Administration’s proposals to introduce Sunday pay and display parking charges.
- 20)Rejects the proposed reduction in Saturday opening hours at 20 libraries across the City.
- 21)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.
- 22)Agrees to terminate the Council’s membership of the Convention of Scottish Local Authorities delivering an annual saving of £250,000 from 2021/22.
- 23)Approves additional expenditure of £500,000 over three years for a programme of environmental initiatives including work to address key issues including graffiti, blocked drains and necessary tree maintenance.
- 24)Approves additional expenditure of £150,000 over three years to pilot the road mole “right first time” pothole repair system.
- 25)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.
- 26)Rejects plans to introduce a workplace parking levy.
- 27)Allocates £150,000 to reject the proposed reduction in funding in 2021/22 and commits to prioritising the City of Edinburgh Music School and the instrumental music service.
- 28)Regrets the Administration’s £25 garden tax and commits to remove this charge should additional funding become available as a result of the forthcoming Scottish Government and UK budget decisions.

Capital Investment Programme

Council:

- 29)Agrees proposals for additional capital investment of £25m as detailed in Annex 3.
- 30)Regrets the Administration’s decision to approve the Tram Extension business case and reject the opportunity to reprioritise surplus cash flow flows from the existing tram line to support additional investment of £70m for Wave 4 schools.
- 31)Notes the failure by the Administration to bring forward a strategy to deliver the Wave 4 schools programme.
- 32)Approves additional investment of £10m 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 improvements in traffic management at key junctions and on major public transport routes. Further, approves £6m of additional capital investment in roads and pavements.
- 33)Agrees £9m of investment in currently unfunded capital pressures comprising: Bridge Structures (£5m), Parks Infrastructure (£2m) and Community Centres (£2m).

- 34)Agrees that a full business case on the active travel programme should be considered before any commitments are made to allocate resources or reprioritise existing plans.
- 35)Agrees that no material legal commitments will be entered into pending a review of alignment with the strategic review of the estate and consideration of opportunities for wider consolidation and rationalisation of the property estate, including through a community hub approach.

Risks and Reserves

Council:

- 36)Notes the report by the Executive Director of Resources setting out the significant risk associated with the Administration's budget proposals.
- 37)Regrets the failure by the Administration to incorporate a risk contingency within the revenue budget framework. Approves reprioritisation of £2m from the City Strategic Investment Fund (CSIF)¹ as an initial contribution to establish a risk contingency. Further, agrees that establishment of an appropriate risk contingency alongside cessation of the Garden Tax will be key priorities should additional revenue funding become available as a result of the forthcoming Scottish Government and UK budget decisions.
- 38)Instructs the Chief Executive to consult with relevant Conveners and Vice Conveners and report to Council in April with detail of specific proposals to address residual service budget pressures, the efficiency programme savings target and the income generation target. Further, instructs the Chief Executive to report to Council in April on the EIJB budget for 2020/21.

Development of a Sustainable Financial Strategy

Council:

- 39)Subject to consideration of more detailed business cases by the Finance and Resources Committee, approves the use of up to £2m from the Spend to Save Fund to develop a comprehensive change plan to address the pressing financial challenges facing the council over the medium term including;
- Establishment of a dedicated cross-Council project team to undertake a programme of Value for Money service reviews.
 - Provision of additional dedicated staff to accelerate a strategic property review and implementation of a community hub model approach to capital investment.
 - Provision of additional resource to accelerate a strategic approach to health and wellbeing in partnership with the EIJB and Edinburgh Leisure with a particular focus on inclusion of vulnerable individuals and communities through development of opportunities for physical activity and sport.

¹ Including earmarking of £1m transferred from CSIF to the unallocated General Fund.
City of Edinburgh Council 20/2/20

Conclusions

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

Item 4.1 - Revenue Budget Framework 2020/23 Reports:

- (a) Council's Change Strategy: Planning for Change and Delivering Services 2020/23 – referral from the Finance and Resources Committee;
- (b) Council's Change Strategy 2020/23: Risks and Reserves - referral from the Finance and Resources Committee;
- (c) Loans Fund Review - referral from the Finance and Resources Committee;
- (d) Housing Revenue Account Budget Strategy 2020/30 - referral from the Finance and Resources Committee; and
- (e) Council Revenue Budget Framework 2020/21 – Integrated Impact Assessments - referral from the Finance and Resources Committee.

Item 4.2 - Capital Budget Strategy 2020/30 – referral from the Finance and Resources Committee

Item 4.3 - Change and Budget Conversations Report and Change and Budget Citizen Focus Groups Report – report by the Chief Executive

Council therefore approves:

- The Revenue Budget 2020/23 as set out in the reports, subject to the amendments set out in Annex 1 to this motion;
- A band 'D' Council Tax of £1,315.72 for 2020/21;
- The Council Tax and Rating resolution set out in Annex 2 to this motion;
- The 2020/30 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 outcomes of which are contained in Annex 1 to this motion;
- The recommendations by the Executive Director of Place to approve the HRA budget for 2020/21, increase rents by 2% in 2020/21 and agree the proposed five-year Housing Revenue Account Capital Investment Programme for 2020/25;
- Allocations from the Spend to Save fund and Council Tax Reduction Scheme and reprioritisation of reserves as set out in this motion;
- A further report to be submitted to seek approval of the prudential indicators arising from this motion.

Proposed by Councillor Graham Hutchison
Seconded by Councillor Andrew Johnston

**THE CITY OF EDINBURGH COUNCIL
CONSERVATIVE GROUP GROUP BUDGET MOTION
REVENUE BUDGET 2020/21 - 2022/23**

	2020/21		2021/22		2022/23	
	£000	£000	£000	£000	£000	£000
Expenditure to be Funded						
- Resource Allocation Totals	1,041,613					
- Add: Expenditure funded through Specific Grants	<u>56,996</u>					
		1,098,609				
- General Revenue Funding and Non Domestic Rates	(735,150)					
- Ring Fenced Funding	<u>(56,996)</u>					
		(792,146)				
To be Funded by Council Tax		<u>306,463</u>		<u>320,663</u>		<u>334,738</u>
Council Tax at Band D	£ 1,315.72		£1,355.19		£1,395.85	
Increase on Previous Year	£ 38.32		£ 39.47		£ 40.66	
- Percentage Increase	3.00%		3.00%		3.00%	
Funding Requirement	306,463		320,663		334,738	
Council Tax Income		<u>301,663</u>		<u>310,463</u>		<u>319,263</u>
		<u>301,663</u>		<u>310,463</u>		<u>319,263</u>
Funding (Excess) / Shortfall at Council Tax increase above as reported to Council, February 2020		4,800		10,200		15,475
Service Investment (see Appendix 1)	2,850		1,330		1,080	
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	1,983		2,353		2,328	
Less: Additional Savings (see Appendix 1)	<u>(7,133)</u>		<u>(13,383)</u>		<u>(18,883)</u>	
		(2,300)		(9,700)		(15,475)
Contributions to / (from) reserves (itemise)						
Spend to Save Fund	(1,500)		(500)			
Council Tax Reduction Scheme	<u>(1,000)</u>					
		(2,500)		(500)		-
Balance of Available Resources		<u><u>-</u></u>		<u><u>-</u></u>		<u><u>-</u></u>

THE CITY OF EDINBURGH COUNCIL
CONSERVATIVE GROUP GROUP BUDGET MOTION
REVENUE BUDGET 2020/21 - 2022/23

	2020/21	2021/22	2022/23
SERVICE INVESTMENT	£000	£000	£000
Strategic Property Review and Value for Money Service Reviews (Spend to Save)	1,000	(500)	(500)
Health and Wellbeing / Leisure Strategic Review (Spend to Save)	500	(500)	
Homelessness Task Force (Council Tax Reduction Scheme)	1,000	(1,000)	
Infrastructure Investment (Prudential Borrowing)	140	300	250
Sport / Physical Activity	50	50	
Environmental Initiatives	100	100	
Pothole Repairs	30	30	
School Lets	30		
TOTAL SERVICE INVESTMENT	<u>2,850</u>	<u>(1,520)</u>	<u>(250)</u>
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2020/23			
Police	500		
Early Years	400	200	
Management Savings	(267)	(105)	(25)
Schools - DSM	600	300	
Parking	200		
Libraries	300		
Instrumental Music Service		150	
Edinburgh Leisure	250		
Customer and Digital		(175)	
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	<u>1,983</u>	<u>370</u>	<u>-25</u>
ADDITIONAL SAVINGS	£000	£000	£000
Value for Money Service Reviews	(5,000)	(5,000)	(5,000)
Asset Management	(500)	(500)	(500)
Shared Repairs	(300)		
Workforce Modernisation	(800)	(400)	
Strategy and Communications	(200)		
Trade Waste - Alternative VfM Delivery		(100)	
Security Service - Alternative VfM Delivery	(333)		
COSLA		(250)	
TOTAL ADDITIONAL SAVINGS	<u>(7,133)</u>	<u>(6,250)</u>	<u>(5,500)</u>

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

To recommend that in respect of the year to 31st March, 2021:

1. GENERAL FUND

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

Council Tax - estimated expenditure from Council Tax of £301.663m 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	877.15	E	1,728.71
B	1,023.34	F	2,138.05
C	1,169.53	G	2,576.62
D	1,315.72	H	3,223.51

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	10 July 2020
Hearing of Appeals by the Rating Authority	18 September 2020

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 GROUP BUDGET MOTION
CAPITAL BUDGET 2020 - 2025
CHANGES TO THE REVISED PROGRAMME**

						Total £000
Available Resources for Distribution						£000
Prudential Borrowing (funded through additional revenue savings)						15,000
Reprioritisation of Existing CIP Programme (IJB Care Home - pending full business case)						10,000
Resources Available for Distribution						25,000
	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Total £000
Additions to recommended CIP						
Roads and Pavements	2,000	2,000	2,000	-	-	6,000
Transport Schemes	1,000	2,000	7,000	-	-	10,000
Bridge Structure	1,000	2,000	2,000	-	-	5,000
Parks and Greenspace Infrastructure	1,000	1,000	-	-	-	2,000
Community Centres	1,000	1,000	-	-	-	2,000
	6,000	8,000	11,000	0	0	25,000
Reprioritisation of IJB - Care Home	-	(5,000)	(5,000)	-	-	(10,000)
Prudential Borrowing	6,000	3,000	6,000	0	0	15,000