

Liberal Democrat Group Budget Motion

City of Edinburgh Council

10.00 am Thursday, 18th February, 2021

Virtual Meeting - via Microsoft Teams

Liberal Democrat Group Budget Motion

Contacts

Email: gavin.king@edinburgh.gov.uk

Tel: 0131 529 4239

Andrew Kerr

Chief Executive

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Motion by the Liberal Democrat Group

City of Edinburgh Council 18 February 2021

Title: Revenue Budget 2021/22; Capital Budget

Strategy 2021/31; Housing Revenue Account Budget

Strategy 2021/31

1. Building back better

Council:

1. Regrets that the cumulative effect of years of cuts by the SNP Scottish Government to Council funding has severely restricted the ability of the Council to respond flexibly to emergencies, in particular to the pandemic, and is projected to lead to even more severe cuts in service provision in future.
2. Notes that the SNP Scottish Government has interfered with the Council's budget setting process by offering additional funding of £10m only on condition of agreeing to a council tax freeze costing £15m. Agrees that whether the Council has a council tax freeze or not should be a decision solely for the elected members of this Council to decide based on what it would mean for essential services and on an understanding of what the city needs, rather than an election gimmick. Therefore instructs the Council Leader to write to the Cabinet Secretary for Finance to express these views and to make the case for local democracy and accountability and fair funding of local government.
3. Notes continued failures to meet residents' expectations for performance levels in paths, pavements and road repairs, gully cleaning, gritting and snow clearing and waste collection services, despite the efforts of Council staff who are continually expected to do more with less.
4. Notes with concern the continuing structural deficit in EIJB funding and the impact this will have in terms of cuts to service levels and increased delays in care packages and therefore instructs the Council Leader to write to the Cabinet Secretary for Finance to ask the Scottish Government to provide additional funding for the EIJB beyond the hypothecated sums contained in the Local Government Finance settlement.
5. Notes that the budget assumes that the Council will utilise the financial flexibility whereby payment of the principal element of the planned loans fund repayment in 2021/22 will be deferred until 2022/23, with the resulting in-year estimated savings of £34m used to create a COVID-mitigation reserve. Notes that officers continue to make the case, however, for the PPP-based flexibility to be applied on an annuity basis which would optimise the level of retrospective benefit whilst delivering savings to the revenue account over the medium term of the contractual agreements concerned.

6. Welcomes the hugely positive response to the pandemic by all Council staff and communities across Edinburgh through various formal and informal initiatives to help neighbours in need and people struggling with the effects of the virus on themselves, their businesses and their neighbourhoods. Recognises the opportunities arising from a heightened level of community engagement, of a greater willingness to find practical solutions and of new sustainable ways of working and living.
7. Seeks to build on this as a basis for a fair and green recovery along with meaningful community engagement, consultation and participation.
8. Notes the launch of the Council's new Business Plan and welcomes the desire to empower communities, to listen to citizens, to provide early help and support to tackle poverty and homelessness and to incorporate recommendations from the Poverty Commission and from the Edinburgh Climate Commission.
9. Notes the success of the partnership approach adopted by the Council with voluntary sector organisations to tackle major issues arising from the pandemic and welcomes the Council's proposals for greater partnership working, for empowering Council staff, citizens and voluntary groups to help meet the needs of local communities, and for the development of '20 minute neighbourhoods' to provide enhanced local access to Council services and tackle digital exclusion based in a range of local buildings, such as libraries and community centres.
10. Welcomes the desire in the Business Plan
 - to change the way the council provides services, as we have said before, to focus on preventative spending to help it more readily meet citizens' needs and to design reliable, cost effective 'Citizen-centred' services not necessarily provided by the Council itself;
 - to reconnect the Council with the people it serves, to build more empowered and resilient communities across the city and to encourage democratic participation and engagement by citizens;
 - to improve basic services, to fix our paths, pavements and roads, to improve the reliability of waste and recycling collections, to encourage investment in reliable and clean public transport, to improve the cleanliness of the city, its streets and parks;
 - to deliver expanded early years' education; and
 - to develop a sustainable and integrated public transport network, to promote walking, cycling and wheeling as real alternatives to car use.
11. Council agrees to continue consideration of the draft business plan for one cycle to allow for improvements to be made, particularly:
 - ensuring the document has far greater prioritisation around improving the core services which are delivered to residents in return for their council tax;
 - changing the text within the plan to ensure affordable housing relates to homes actually completed rather than just approved for construction;
 - the need to adopt a less centralised approach and to devolve more decision making to local communities;
 - setting out SMART measures for all objectives to track success in delivering the plan;
 - clarity on how the new plan connects to the 2017 coalition commitments which the administration said would be delivered by the end of this Council term; and

- to update the references under ‘inclusion in schools’ to remove the intention to realise capital receipts from selling off special schools and instead focus on helping those in or aspiring to be in mainstream school, who need support to do so.

12. Therefore aims to enable the provision of the highest quality services on a best value basis using an evidence-based approach and, at a time of financial constraints, to focus on helping vulnerable people in their communities and getting basic services right.

2. Specific Revenue Proposals

Council:

1. In view of the ongoing negative impact of the pandemic and the economic recession, agrees to freeze council tax for one year and to freeze charges for school lets and burials and cremations.
2. Recognises the negative impacts of the pandemic and the economic recession on vulnerable residents and therefore agrees a support package of £1.050m to help people in or at risk of poverty maximise incomes, access welfare entitlements, and get the support they need to progress in employment, learning and training.
3. Notes the economic consequences of the pandemic in rising unemployment and benefits dependency. Agrees to boost the Edinburgh Guarantee for All by £175k to ensure that every unemployed Edinburgh citizen is able to access the support they need to gain employment, education or training.
4. Agrees to allocate £110k to fund the Council’s Corporate Parenting Plan for care-experienced young people.
5. Recognises the need to accelerate the decarbonisation of the Council’s estate and therefore agrees to allocate £500k to fund an Enerphit pilot project across two buildings, develop an energy masterplan and business case for an Enerphit retrofit and low-carbon heat network and increase insulation levels to Enerphit standards. Extra funding will be available from the Spend to Save Fund.
6. Agrees to allocate £1m to upgrade digital infrastructure in schools where required and to provide funding to schools for digital devices for all teachers and for pupils in need.
7. Recognises the delays in emptying of full or overflowing communal bins and agrees to allocate £250k to improve waste collection services.
8. Recognises the need to tackle issues around litter, graffiti and dog mess and agrees to allocate £250k to fund Environmental Wardens.
9. Recognises the delays experienced by residents in the filling of grit bins and in the gritting of pavements and paths in parks and agrees to allocate £500k to improve outcomes in future.

10. Accepts that the Administration has failed to give adequate priority to tackling our deteriorating paths, pavements and roads, particularly as this is a major disincentive to walking, cycling and wheeling. Agrees to allocate £10m, being £2m revenue and £8m capital funding, to improve the condition of our paths, pavements and roads.
11. Recognises the significant backlog of road safety projects and agrees to allocate funding of £150k to accelerate delivery of these projects.
12. Welcomes the steps being taken by the Council towards meeting the net zero carbon target, acknowledges the need to encourage local neighbourhood environmental initiatives to support greater sustainability in our communities and agrees to provide £100k to fund them.
13. Notes that the Administration has failed to effectively tackle fly tipping and agrees to abolish the £5 collection charge for bulky items.
14. Acknowledges the need for enforcement of speed limits in residential areas and agrees to spend £100k on a Police Speed Check team of two officers.
15. Reaffirms that pedestrians have top priority in all travel projects and agrees to employ a Walking Projects Manager to ensure the delivery of walking projects and that a minimum of 15% of the transport budget is allocated to pedestrian friendly initiatives.
16. Empowers local communities by setting up a fund of £281k to support Community-based projects.
17. Agrees to continue investment of £478k in community police officers, while seeking to review the agreement with the Scottish Police Authority to ensure that the Council is receiving value for money.
18. Recognises the educational value of qualified teaching staff in Nursery Schools in terms of reducing the Attainment Gap and therefore agrees to withdraw the proposed cut to Nursery teachers and Nursery head teachers of £300k in 2021-22.
19. Accepts that schools are already under substantial financial pressures and need to ensure that all pupils have equal access to digital learning. Therefore agrees to allocate £1m extra for schools to not only remove the cut of £600k but increase Devolved School Budgets by £400k in 2021-22.
20. Recognises the substantial all-round benefits to pupils and school communities of instrumental music teaching and therefore agrees to remove the proposed savings target of £150k in 2021-22.
21. Rejects the cut of £380k to the grant paid to Edinburgh Leisure, recognising the positive impact on the physical well-being and mental health of individuals and communities of engagement in exercise.
22. Recognises the importance to local communities of access to libraries and therefore agrees to remove the cuts to Libraries and Adult Learning to save £300k.

23. Recognises the increased value placed on our parks and green spaces by citizens throughout the pandemic and therefore agrees to reverse the cut to parks and green spaces of £100k.
24. Notes that since the introduction of the charge for garden waste collection, overall recycling rates have further declined; is concerned that any price increase could worsen this trend and therefore agrees not to increase the annual charge to £35.
25. Agrees to remove the self-imposed policy restrictions of the Administration which require the in-house provision of existing services and an expensive commitment to avoiding compulsory redundancies. Instead agrees to empower senior officers to embark on a programme of Best Value service reviews with a view to delivering significant annual revenue savings.

3. The Capital Budget

Council:

1. Notes the cuts in capital funding to the Council by the SNP Scottish Government over recent years and the need for them to be reversed to allow the Council to invest in the facilities, housing and infrastructure required to support our communities and local economies in their recovery from the pandemic and thereafter.
2. Notes that the Sustainable Capital Budget Strategy 2021-31 is affordable in the short term but that there is a funding gap from 2023/24 onwards in the region of £172m.
3. Notes the intention to reduce the overall requirement for education infrastructure by transforming learning and teaching methods and practice in schools and developing plans for catchment reviews and school extensions rather than new schools. However, while being supportive of the principle of inclusion in schools and with a view to 'Getting it Right for Every Child', notes with concern the ambition for inclusion of all pupils in mainstream schools, and the potential detrimental impact on pupils with additional support needs in the absence of significant extra revenue funding of schools, and rejects the proposal to realise capital receipts from selling off special schools.
4. Notes that changes to working arrangements for Council staff during the pandemic and improvements in connectivity and technology may lead to some staff moving to blended working, being a mixture of home-based and office-based work. As a consequence, the Council may find opportunities to reduce its operational estate with capital and/or revenue funding benefits.
5. Notes that the Council owns an investment portfolio of commercial property assets in Edinburgh with an indicative pre-pandemic value in excess of £200m and therefore agrees to seek opportunities over the medium term to realise capital proceeds from the disposal of non-sensitive buildings to contribute in part towards filling its capital funding gap, for example, where the rental yield falls below the Council's pooled borrowing rate.
6. Welcomes the planned funding in 2021-22 for new primary and secondary schools, increased early years provision, the completion of the Energy Efficiency Street Lighting project and further investment in Active Travel and public transport.

7. Welcomes the planned funding over the next ten years of the Wave 4 school building programme for Currie High School, Trinity Academy (Phase 2), WHEC, Liberton High School and Balerno High School as well as provision for five new primary schools and a new high school for Kirkliston/West Edinburgh.
8. Notes the unfunded capital projects listed in Appendix 5 of the Sustainable Capital Budget Strategy 2021-31 and agrees to fund the following from additional prudential borrowing –
 - £8m for improvements to paths, pavements and roads;
 - £5m for infrastructure upgrades to parks, green spaces and cemeteries, new allotments and playground equipment, including £200k to replace drainage in Inverleith Park;
 - £2m for community centres, including £750k towards the building of the £2.0m replacement Corstorphine Community Centre;
 - £3m for the provision of modern and accessible public toilet facilities.

4. The Housing Revenue Account Budget

We propose no changes to the Council's Housing Revenue Account other than, in view of the ongoing negative impact of the pandemic and the economic recession, to agree to freeze council house rents for one year only. We accept that to restore financial balance to the Housing Revenue Account and mitigate the impact of this one year freeze on future budgets may require future rent increases higher than 2%.

5. Conclusions

Council notes the following reports:

Item 4.1 - Revenue Budget 2021/26 Reports:

- (a) Council Business Plan and Budget 2021/26 – referral from the Finance and Resources Committee;
- (b) Local Government Finance Settlement 2021/22 – report by the Executive Director of Resources;
- (c) Council Business Plan and Budget 2021/26: Risks and Reserves – referral from the Finance and Resources Committee;
- (d) Budget Insights 2020 – referral from the Finance and Resources Committee; and
- (e) Corporate Parenting Action Plan 2020/22 – referral from the Finance and Resources Committee.

Item 4.2 - Housing Revenue Account Budget Strategy (2021-2031) – referral from the Finance and Resources Committee

Item 4.3 - Sustainable Capital Budget Strategy 2021-2031 – referral from the Finance and Resources Committee

Item 4.4 - Council Revenue Budget Framework 2021/22 – Integrated Impact Assessments – report by the Chief Executive

Council therefore approves:

- The Revenue Budget 2021/22 as set out in the reports, as amended by the changes/allocations included in Annex 1;
- A band 'D' Council Tax in 2021/22 of £1,338.59;
- The Council Tax and Rating resolution set out in Annex 2 to this motion;
- The 2021/31 Capital Budget Strategy as set out in the report by the Executive Director of Resources, subject to the amendments set out at 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: and
- The recommendation by the Executive Director of Place in the Housing Revenue Account Budget Strategy for 2021/31 and HRA capital programme, subject to agreement of a rent freeze in 2021/22.

Moved by Neil Ross

Seconded by Robert Aldridge

The City of Edinburgh Council 18 February 2021

**THE CITY OF EDINBURGH COUNCIL
LIBERAL DEMOCRAT GROUP BUDGET MOTION
REVENUE BUDGET 2021/22 - 2025/26**

	2021/22		2022/23		2023/24		2024/25		2025/26	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure to be Funded										
- Resource Allocation Totals		1,072,218								
- Add: Expenditure funded through Ring Fenced Grants		<u>61,959</u>								
			1,134,177							
- General Revenue Funding and Non Domestic Rates		(769,893)								
- Ring Fenced Funding		<u>(61,959)</u>								
			(831,852)							
To be Funded by Council Tax		<u>302,325</u>	<u>339,215</u>	<u>376,358</u>	<u>416,090</u>	<u>459,458</u>				
Council Tax at Band D	£ 1,338.59		£1,402.71		£1,444.79		£1,488.13		£1,532.77	
Increase on Previous Year	£ -		£ 64.12		£ 42.08		£ 43.34		£ 44.64	
- Percentage Increase	0.00%		4.79%		3.00%		3.00%		3.00%	
Funding Requirement	302,325		339,215		376,358		416,090		459,458	
Council Tax Income	<u>311,325</u>		<u>328,323</u>		<u>339,179</u>		<u>351,186</u>		<u>363,619</u>	
	<u>311,325</u>		<u>328,323</u>		<u>339,179</u>		<u>351,186</u>		<u>363,619</u>	
Funding (Excess) / Shortfall at Council Tax increase above as reported to Council, February 2021		(9,000)	11,601	37,179	64,904	95,839				
Service Investment (see Appendix 1)	7,432		4,404	4,693	4,927	5,052				
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	2,468		2,628	2,628	2,628	2,628				
Less: Additional Savings (see Appendix 1)	<u>(900)</u>		<u>(3,800)</u>	<u>(8,800)</u>	<u>(11,300)</u>	<u>(13,800)</u>				
		9,000	3,232	(1,479)	(3,745)	(6,120)				
Contributions to / (from) reserves (itemise)										
Balance of Available Resources	<u>-</u>	<u>14,833</u>	<u>35,700</u>	<u>61,159</u>	<u>89,719</u>					

THE CITY OF EDINBURGH COUNCIL
LIBERAL DEMOCRAT GROUP BUDGET MOTION
REVENUE BUDGET 2021/22 - 2025/26

	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
SERVICE INVESTMENT					
Eliminating the increases in charges for School Lets and Burials & Cremations	168				
Maximising incomes and meeting crisis needs	1,050	(1,050)			
Delivering Edinburgh Guarantee For All	175	(175)			
Funding Corporate Parenting	110				
Accelerating decarbonisation of the Council's estate	500				
Creating a fund for digital devices & Upgrading digital infrastructure for schools	1,000				
Empowering schools by rejecting cuts and increasing Devolved School Management Budgets	400				
Extra funding for Waste Collection services	250				
Extra funding for Environmental Wardens	250				
Improving servicing of grit bins and gritting of pavements	500				
Fixing our broken paths, pavements and roads	2,000	(2,000)			
Accelerating the delivery of Road Safety projects	150				
Local neighbourhood environmental initiatives	100	(100)			
Tackling fly tipping by abolishing the £5 charge for the bulky item collection service	175				
Funding of a Police Speed Check team	100				
Funding of a Walking Projects Manager	75				
Community Project funding	281				
Prudential borrowing to fund extra capital spending	148	297	289	234	125
TOTAL SERVICE INVESTMENT	7,432	(3,028)	289	234	125
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2021/26					
Reversing the cuts to:					
Police Funding	478				
Nursery teachers and head teachers	300				
School budgets (DSM)	600				
Instrumental Music service	150				
Edinburgh Leisure	380				
Libraries and Adult Education	300				
Parks and Green Spaces	100				
Dropping the Garden Waste Collection charge increase	160	160			
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	2,468	160	0	0	0
ADDITIONAL SAVINGS	£000	£000	£000	£000	£000
Changes to Redeployment policy	(900)	(400)			
Savings arising from empowering Council management to seek and implement evidence-based Best Value service reviews		(2,500)	(5,000)	(2,500)	(2,500)
TOTAL ADDITIONAL SAVINGS	(900)	(2,900)	(5,000)	(2,500)	(2,500)

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

To recommend that in respect of the year to 31st March, 2022:

1. GENERAL FUND

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

Council Tax - estimated expenditure from Council Tax of £311.325m 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	892.39	E	1,758.76
B	1,041.13	F	2,175.21
C	1,189.86	G	2,621.41
D	1,338.59	H	3,279.55

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	9 July 2021
Hearing of Appeals by the Rating Authority	17 September 2021

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
LIBERAL DEMOCRAT GROUP BUDGET MOTION
CAPITAL BUDGET 2021 - 2026
ADDITIONS TO REVISED PROGRAMME**

	2021-22	2022-23	2023-24	2024-25	2025-26	Total
	£000	£000	£000	£000	£000	£000
Changes to recommended CIP						
Funded through additional Revenue savings:						
Improvements to paths, pavements and roads	2,000	2,000	2,000	2,000		8,000
Parks, Green Spaces and Cemeteries, new allotments and playground equipment, including Inverleith Park drainage	1,000	1,000	1,000	1,000	1,000	5,000
Community Centres, including £750,000 for Corstorphine Community Centre	750	750	500			2,000
Provision of modern and accessible public toilet facilities	1,000	1,000	1,000			3,000
	4,750	4,750	4,500	3,000	1,000	18,000

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