

Liberal Democrat Group Budget Motion 2022-23

City of Edinburgh Council

10.00 am Thursday, 24th February, 2022

Virtual Meeting - via Microsoft Teams

Liberal Democrat Group Budget Motion 2022-23

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Motion by the Liberal Democrat Group

City of Edinburgh Council

Title: Revenue Budget 2022/23; Sustainable Capital Budget Strategy 2022-32; Housing Revenue Account Budget Strategy 2022-32

1. Budget Proposals

Council:

1. Regrets the cumulative effect of year upon year of real-terms cuts by the SNP, and now SNP/Green, Scottish Government to Council funding has severely restricted the ability of the Council to respond to the needs of residents and is projected to lead to even more severe cuts in service provision in future.
2. Notes the substantial revenue deficits in later years starting with £62m for 2023/24 and the draconian level of cuts to services that may be needed to bridge these gaps. Notes the lengthy lead in time required to re-design service delivery and regrets the failure of the SNP/Labour Council Administration to start work now on proposals for implementation in 2023/24.
3. Notes that the SNP/Green Scottish Government continues to interfere with the Council's budget setting process by offering additional ring-fenced funding to meet their priorities rather than the priorities determined by the democratically elected representatives of this city. Therefore instructs the Council Leader to write to the Cabinet Secretary for Finance to express these views in the strongest possible terms and to make the case for local democracy and accountability and fair funding of local government.
4. Notes continued failures to meet residents' expectations for performance levels in paths, pavements and road repairs, gully cleaning and waste collection services, despite the efforts of Council staff who are continually expected to do more with less.
5. 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 uncommitted funding for the EIJB beyond those sums contained in the Local Government Finance settlement.
6. Supports officers' continued efforts to make the case to the Scottish Government for a PPP-based financial flexibility to be applied on an annuity basis which would optimise the level of retrospective benefit to the Council's finances whilst delivering savings to the revenue account over the medium term of the contractual agreements concerned.

7. Notes and welcomes the desire in the Council's Business Plan 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.
8. Notes and welcomes around £6.435m of additional funds to support business recovery and address cost of living impacts on low-income households, through designing and delivering interventions that best meet local needs, and allocates £1.1m of this to address the cost of living crisis.
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. Notes that the Council's first priority is to ensure that services are designed and implemented to meet the needs of residents and provided by a variety of agencies including the Council. 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
 - getting basic services right for all residents across the city
 - empowering teachers to deliver high quality education
 - implementing the Edinburgh 2030 Climate Strategy
 - helping vulnerable people in their communities.

2. Revenue Proposals

Council:

1. Council Tax

In view of the ongoing negative impact of the cost of living crisis with inflation at 5.5%, agrees to increase council tax at 3%, 2.5% below inflation.

2. Funding High Quality Education

Accepts that schools are facing substantial financial pressures imposed by the SNP/Labour Council Administration and that teachers need additional funds to provide high quality education in their schools and to catch up learning lost during the pandemic. Therefore agrees to allocate £1m extra for schools to not only remove the cut of £600k made last year but to increase Devolved School Budgets by £400k in 2022-23 and to maintain this in future years.

3. Tackling Litter and Cleaning our Streets

Recognises the inadequate provision of litter bins and the proliferation of dirty streets and graffiti. Therefore agrees to allocate £1m to provide new and replacement bins and implement a programme of street cleaning and graffiti removal, along with £250k to fund additional Environmental Wardens.

4. Infrastructure for a sustainable future - Gully cleaning, repairs and improvements

Notes that a functioning network of road gullies will help to manage heavy rain and flash flooding events. Notes the significant backlog of blocked and broken gullies across the city and therefore allocates £1m to fund a programme to clean, repair and improve gullies.

5. Infrastructure for a sustainable future - On-street EV charging

Recognises the significant contribution that could be made to reduce the city's GHG emissions if diesel and petrol vehicles were replaced with electric vehicles. Regrets the lack of effort by the Council's SNP/Labour Administration to promote on-street EV charging for residents and businesses and allocates £250k to fund a project to assess and implement on-street EV charging facilities in areas without off-road access.

6. Road safety initiatives incl. safe routes to school & side road zebras

Recognises the significant backlog of road safety projects and agrees to allocate extra funding of £500k to accelerate delivery of these projects including improvements to enhance safe routes to school and to install side road zebras.

7. Measures to manage Ash Dieback & support replacement tree planting

Recognises the loss of many Council trees from Ash Dieback and the need to replace them. Therefore allocates £300k to cover the costs of additional arboreal staff and related expenses and £200k towards the costs of purchasing, planting and maintaining replacement trees.

8. Measures to improve recycling and bulky waste removal

Notes the steady decrease in rates of recycling and the considerable increase in the incidence of fly tipping and agrees to allocate £525k to fund measures to encourage recycling and to abolish the £5 collection charge for bulky waste items.

9. Police Speed Check Team

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.

10. Response to the Whistle Blowing and Organisational Culture Review

Accepts the independent recommendations of the Whistle Blowing and Organisational Culture Review and agrees to allocate £2m to upgrade the Council's HR system in line with those recommendations, which will make it easier for whistle blowers and ensure proper reporting and investigation.

11. Additional One-off expenditure

Agrees to provide £0.7m as a contribution towards permanent repairs to stabilise the Calton Hill rockface and £2.5m towards a short-term revenue deficit in the 2022/23

Children's Services budget.

12. Removal of Policy Restrictions

Agrees to remove the self-imposed policy restrictions of the SNP/Labour Council 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 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 funding its future capital programme, for example, where the rental yield falls below the Council's pooled borrowing rate.
3. Welcomes the planned funding over the next ten years of the Wave 4 school building programme for Currie High School, Trinity Academy (Phase 2), Wester Hailes High School (Phase 2) and Liberton High School as well as provision for other new primary and secondary schools.
4. Notes and welcomes the provision in the Capital budget of £60.85m to fund an initial EnerPHit project for 12 operational Council buildings.
5. Notes that the City Centre Transformation project, City Mobility Plan and the infrastructure requirements of City Plan 2030 are unfunded and are therefore not included in this Capital budget.
6. Agrees to fund the following from additional prudential borrowing –

(1) Improvements to paths, pavements and roads

Accepts that the SNP/Labour Council 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 an extra £9m to improve the condition of our paths, pavements and roads.

(2) Infrastructure upgrades to parks and green spaces

Recognises the value placed on our green and open spaces by residents during the pandemic and agrees to allocate £5m to fund improvements to parks and green spaces including playparks, four new permanent public toilet sites and arboreal equipment, including additional funding to meet the annual tree planting targets required to achieve the one million mark by 2030.

(3) Infrastructure for a sustainable future - Flood prevention and coastal protection

Notes the increased incidence of heavy rain and flash flooding events and the damage to coastal areas from severe storms and allocates £1.5m for the provision of flood prevention and coastal protection measures.

(4) Community safety improvements

Recognises the risks to women and girls on the first and last mile of journeys and the increased incidence of anti-social behaviour in public spaces. Therefore allocates £0.5m for community safety improvements such as extra lighting for paths & targeted CCTV.

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 cost of living crisis, to agree to freeze council house rents for one more year. We accept that, to restore financial balance to the Housing Revenue Account and mitigate the impact of this year's and last year's rent freeze on future budgets, may require future rent increases higher than 2%.

Conclusions

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

Council Budget Reports

- (a) Revenue Budget Framework 2022/27 – Progress Update - referral from the Finance and Resources Committee
- (b) Revenue Budget 2022/23 - Risks and Reserves - referral from the Finance and Resources Committee
- (c) Local Government Finance Settlement 2022/23 – Update – report by the Chief Executive
- (d) Sustainable Capital Budget Strategy 2022-2032 – referral from the Finance and Resources Committee

Housing Revenue Account

Housing Revenue Account (HRA) Budget Strategy (2022-32) – referral from the Finance and Resources Committee

Council therefore approves:

- The Revenue Budget 2022/23 as set out in the reports appended to this motion, as amended by the changes/allocations included in Appendix 1;
- A band 'D' Council Tax of £1,378.75;
- The Council Tax and Rating resolution set out in Annex 2 to this motion;
- The 2022/32 Sustainable Capital Budget Strategy as set out in the report by the Executive Director of Corporate Services, as amended by the changes shown in Annex 3;
- 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
- A rent freeze for all Council tenants to ease the cost of living crisis.
- Council notes that full proposals on the allocation of additional sums anticipated to be received to support (i) business recovery and low-income households and (ii) Health and Social Care Partnerships will be brought to Council in due course.
- A further report to be submitted to seek approval of the prudential indicators arising from this motion.

Moved by

Seconded by

The City of Edinburgh Council 24 February 2022

**THE CITY OF EDINBURGH COUNCIL
LIBERAL DEMOCRAT GROUP BUDGET MOTION
REVENUE BUDGET 2022/23**

	2022/23		2023/24	
	£000	£000	£000	£000
Expenditure to be Funded				
- Resource Allocation Totals	1,139,965			
- Add: Expenditure funded through Specific Grants	<u>56,739</u>			
		1,196,704		
- General Revenue Funding and Non Domestic Rates	(826,193)			
- Ring Fenced Funding	<u>(56,739)</u>			
		(882,932)		
To be Funded by Council Tax		<u>313,772</u>		<u>398,313</u>
Council Tax at Band D		£ 1,378.75		£1,420.11
Increase on Previous Year		£ 40.16		£ 41.36
- Percentage Increase		3.00%		3.00%
Funding Requirement		313,772		398,313
Council Tax Income		<u>323,632</u>		<u>335,718</u>
		<u>323,632</u>		<u>335,718</u>
Funding (Excess) / Shortfall at Council Tax increase above as reported to Council, February 2022		(9,860)		62,595
Service Investment (see Appendix 1)	10,885		2,645	
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	-		-	
Less: Additional Savings (see Appendix 1)	<u>(1,025)</u>		<u>(3,880)</u>	
		9,860		(1,235)
Contributions to / (from) reserves (itemise)				
		-		-
Balance of Available Resources		<u>-</u>		<u>61,360</u>

THE CITY OF EDINBURGH COUNCIL
LIBERAL DEMOCRAT GROUP BUDGET MOTION
REVENUE BUDGET 2022/23

	2022/23	2023/24
SERVICE INVESTMENT	£000	£000
Reversal of school budget cuts	1,000	
Bin replacement, new bins & street cleaning & graffiti removal	1,000	(1,000)
Environmental Wardens	250	(250)
Gully cleaning, repair & improvements	1,000	(1,000)
Infrastructure for a sustainable future incl. on-street EV charging project implementation	250	(250)
Road safety initiatives incl. safe routes to school & side road zebras	500	(500)
Ash Dieback tree maintenance & replacement tree planting	500	(500)
Measures to improve recycling incl. scrapping bulky uplift charge	525	
Funding of Police Speed check team	100	(100)
Maintenance of new public toilets	60	60
Response to whistle blowing/organisational culture recommendations	2,000	(2,000)
Stabilise Calton Hill rockface - contribution to permanent repair	700	(700)
Extra funding of Children's Services	2,500	(2,500)
Interest cost & repayments of additional prudential borrowing	500	500
TOTAL SERVICE INVESTMENT	<u>10,885</u>	<u>(8,240)</u>
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2022/23		
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	<u>0</u>	<u>0</u>
ADDITIONAL SAVINGS	£000	£000
Changes to Redeployment policy	(525)	(175)
Best Value service reviews	(500)	(2,500)
Calton Hill scaffolding		(180)
TOTAL ADDITIONAL SAVINGS	<u>(1,025)</u>	<u>(2,855)</u>

**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, 2023:

1. GENERAL FUND

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

Council Tax - estimated expenditure from Council Tax of £323.632m 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	919.17	E	1,811.52
B	1,072.36	F	2,240.47
C	1,225.56	G	2,700.05
D	1,378.75	H	3,377.94

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 Corporate Services by	8 July 2022
Hearing of Appeals by the Rating Authority	16 September 2022

Amendments to Main Assessment Roll made subsequent to its issue

Lodging of Appeals with the Executive Director of Corporate Services	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 2022 - 2027
ADDITIONS TO REVISED PROGRAMME**

	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	Total £000
Available Resources for Distribution						
Prudential Borrowing (funded through additional revenue savings)						16,000
						<u>16,000</u>
Changes to recommended Capital Investment Programme						
Improvements to paths, pavements & roads	9,000					9,000
Upgrades to parks & greenspace, incl. playparks & 4 new public toilet sites & arboreal equipment & tree planting	5,000					5,000
Flood prevention & coastal protection measures	1,500					1,500
Community safety improvements - extra lighting for paths & targeted CCTV	500					500
	<u>16,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,000</u>