

# Conservative Group Budget Motion 2022-23

## City of Edinburgh Council

10.00 am Thursday, 24th February, 2022

Virtual Meeting - via Microsoft Teams

### Conservative Group Budget Motion 2022-23

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#### Contacts

Email: [gavin.king@edinburgh.gov.uk](mailto:gavin.king@edinburgh.gov.uk)

Tel: 0131 529 4239

#### Nick Smith

Service Director, Legal and Assurance

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# Motion – Edinburgh Conservatives

## City of Edinburgh Council

24 February 2022

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

#### **Council:**

Recognises the unprecedented circumstances under which this budget is being set and acknowledges the resilience of our citizens and businesses in the face of the Covid 19 pandemic.

Commends the work of Council employees, many of whom have been on the front line of the fight against the pandemic.

Applauds the world leading work of UK scientists in testing and approving COVID-19 vaccines, placing us on the front foot in the fight against the disease.

Welcomes the interventions of the UK Government in delivering financial support to individuals and businesses hardest hit by the pandemic and in offering financial flexibilities which have enabled this Council to present a balanced budget.

However, notes that the financial challenges facing this Council largely pre-date the outbreak of COVID-19 and regrets the failure of the SNP-Labour Administration to respond to the 2016 and 2020 Best Value audit findings to develop longer-term sustainable service plans to address projected funding gaps.

Continues to regret the Administration's decision of 2019 to approve the Tram Extension business case, with the latest financial projections highlighting serious concerns over the viability of the extension with attendant implications for the delivery of core council services.

Notes the long term failure of the Administration to convince the Scottish Government to provide adequate and equitable funding for Edinburgh and calls on the SNP / Green Administration at Holyrood to build fair funding for core services, homelessness pressures and concessionary travel into future budgets as a starting point to a fair settlement for local government.

Regrets the failure of the Scottish Government to provide fair funding for homelessness.

Considers the appalling condition of the city's roads and many Council houses to be a cause for embarrassment in our Capital city and a direct consequence of neglect and mis-prioritisation by this SNP-Labour coalition and previous Administrations.

Recognises the key role that the city's business community will play in Edinburgh's recovery from COVID-19 and regrets the omission of businesses and the city's economy more broadly from the Council's business plan.

### **Revenue Budget 2022/27**

On specific budgetary proposals Council:

- 1) Notes the failure of the SNP / Labour Administration to honour its commitment to limit Council Tax increases to 3% per annum. Council recognises the challenges facing taxpayers and agrees to limit the Council Tax increase to 1.5% in 2022/23 thereby reducing the financial burden on residents by £4.8m. Further, Council commits to cap future Council Tax increases at no more than 3% per annum.
- 2) Regrets the Administration's recent 40% increase in the garden tax and agrees to end this charge thereby further reducing the financial burden on residents by £1.8m.
- 3) Regrets the Administration's proposals to increase pay and display charges by c. 6% and agrees to limit increases to 3%.
- 4) Allocates a further £250,000 to reject proposed uplifts in fees and charges relating to school milk, health and social care, community access to school sports facilities and burial and cremation charges.
- 5) Council notes the failure of the current and previous Administrations to maximise efficiency and effectiveness of Council services. 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.
- 6) 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 to be brought to Council for approval by September 2022. Market testing and benchmarking should be applied to take an evidenced-based approach to development of savings options.
- 7) Council regrets the failure of the SNP-Green Administration at Holyrood to address the bureaucratic anomaly in funding for Homelessness prevention with Edinburgh facing additional costs of £17.6m in 2022/23 whereas Glasgow has been able to recover costs through Health mobilisation plan arrangements. The additional cost to Edinburgh is equivalent to £85 per household or over 5% of Council Tax charges in 2022/23. Council agrees to make urgent cross-party representations on this matter.
- 8) Council agrees to undertake a comprehensive Workforce Modernisation programme including recurring investment of £5m to support consolidation of the Living Wage into pay structures alongside 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 develop detailed plans to deliver previously approved savings of £2m through the next phase of Directorate reviews.
- 9) Council welcomes record UK Government funding for social care and agrees to allocate an additional £50.2m to the EIJB in 2022/23 in line with funding confirmed to date.

- 10) Acknowledges the many challenges faced by teachers, pupils and parents alike during the COVID-19 pandemic. Agrees investment of £10.4m in additional teachers and support staff affirming the Council's support for education as a key priority in our city's recovery.
- 11) Approves £2.5m of additional expenditure for a programme of environmental initiatives including work to undertake a Spring "deep clean", invest in hot water pressure washers and address key issues including graffiti, litter, choked gullies and drains, road sweeping, and tree maintenance. Further, Council approves £300,000 for continuation of temporary toilets at The Meadows, Inverleith Park and Leith Links.
- 12) Allocates £2.1m in 2022/23 for an integrated programme focussed on preventing poverty and homelessness; supporting access to work and training; and maximising take-up of benefits.
- 13) 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. Further approves additional revenue funding of £1m for a programme of road and pavement repairs and investment in dropped kerbs.
- 14) Recognising the significant budgetary pressures faced by the Council during the COVID-19 pandemic, agrees to allocate £500,000 to the residential and secure budgets within Children's Services, noting that financial flexibilities and significant additional COVID-related funding from the UK Government are still being considered and thus could potentially be used to meet further pressures.
- 15) Regrets the undemocratic manner in which the Spaces for People programme has been implemented despite widespread local opposition.
- 16) Recognises that the focus on Spaces for People and the reallocation of resources to support this, has contributed to an intense deterioration in the condition of our roads and pavements.
- 17) Agrees to remove all remaining temporary Spaces for People measures and reinstate original road layouts. Further, agrees to allocate an additional £1m for permanent cycling schemes with development of schemes to be subject to meaningful consultation.
- 18) Agrees to retain Lothian Buses in public ownership and rejects plans to introduce a workplace parking levy.
- 19) Regrets that the Scottish Government's provision of free bus travel for under 22s does not provide compensating funding for Edinburgh Trams. Council does not agree budget provision for this unfunded National policy commitment and continues to work with Edinburgh Trams to seek full funding from Scottish Government. Further, Council instructs Officers to bring forward an update to Transport and Environment Committee in March.
- 20) Council notes the recent announcement of additional funding of £6.435m to support business recovery and address cost of living impacts on low-income households and requests that proposals for investment are brought to Council, including options to support recovery of businesses in the hospitality sector which lost bookings during the recent key trading period.
- 21) Agrees to allocate £180,000 for hostile vehicle mitigation barriers.
- 22) Allocates £300,000 to expand the availability of Electric Vehicle charging infrastructure.
- 23) Commits to prioritising the City of Edinburgh Music School and the instrumental music service.

- 24) Recognises the positive impact on individuals and communities of engagement in exercise and agrees to examine opportunities to expand innovative community-based programmes such as the Craggs and Queensferry Sports Centres to support recovery from COVID-19.
- 25) Agrees to establish a Sports Fund of £170,000 to provide support to programmes which provide positive opportunities to vulnerable individuals and communities through physical activity and sport.
- 26) Council welcomes the completion of a feasibility study confirming the practicality of developing high quality and energy efficient modular accommodation and, subject to a robust business case, commits to pilot this innovative approach within the Homelessness Transformation programme.
- 27) Agrees to terminate the Council's membership of the Convention of Scottish Local Authorities delivering an annual saving of £255,000 from 2023/24.
- 28) Continues to regret the reduced role of Marketing Edinburgh and the part played by senior Councillors in hastening the organisation's closure, including incurring large fines from Companies House which were paid by the taxpayer.
- 29) Rejects the Administration's inadequate response to the Tanner Inquiry and Review. Agrees that funding should be set aside in reserves so that the necessary resource can be provided when deficiencies in the proposed Administration response have been resolved.
- 30) Regrets the Administration's failure to deliver the Asset Management Strategy, with pressures of £2.4m written off. Further, rejects the ineffective 20-minute neighbourhood strategy.
- 31) Notes that in the Edinburgh Health and Social Care Partnership urgent work is needed to develop a strategic approach to financial planning with the EIJB continuing to rely on non-recurring funding to address non-delivery of Partnership savings and shortfalls in funding from the Scottish Government. Further recognises the failure of the Administration and the Edinburgh IJB (EIJB) to deliver transformational change in service delivery.

## **Capital Investment Programme**

### **Council:**

- 32) Agrees proposals for additional capital investment of £16m as detailed in Annex 3.
- 33) Regrets the Administration's decision to approve the Tram Extension business case which, according to the updated business case reported in November 2020, could lead to a future call on Council reserves of up to £93m with a cost allowance of £7m now included in the budget framework for 2023/24 with an annual allowance of £9.25m from 2024/25.
- 34) Approves £5m of additional capital investment in roads and pavements, including drainage improvements. Further, approves additional investment of £5m in a programme of transport schemes, including 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.
- 35) Agrees £6m of investment in unfunded capital pressures and priorities comprising: Parks infrastructure including lighting improvements (£2m); Bridge Structures (£1.8m), Calton Road rockface (£1.2m) and permanent cycling schemes (£1m).
- 36) 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.
- 37) Agrees that no material legal property 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, including through a community hub approach.

## **Risks and Reserves**

### **Council:**

- 38) Notes the report by the Executive Director of Corporate Services setting out the significant risks associated with the Administration's budget proposals.
- 39) Agrees allocation of £2m as an initial contribution to establish a risk contingency given estimated budget gaps from 2023/24. Agrees that establishment of an appropriate risk contingency alongside further investment to support businesses and individuals hardest hit by the pandemic will be priorities should additional revenue funding be confirmed through UK and Scottish Government budget decisions.
- 40) Instructs the Chief Executive to report to Council in March with detail of specific proposals to address assumed service savings, including the longstanding savings targets relating to a Chief Officer and Senior / Middle Management review.

## **Development of a Sustainable Financial Strategy**

Council:

- 41) Recognises that the projected budget deficits largely pre-date the outbreak of COVID-19 with the Council increasingly relying on unplanned corporate savings and reserves.
- 42) Agrees to develop an effective strategy to lobby for a fairer settlement for local government including introduction of PPP-based flexibility arrangements; equitable funding for pressures in homelessness and children's services; proper recognition of pay, demographic and demand pressures; and full funding for National policy commitments.
- 43) Supports the work of Council Heads of Finance as they continue to make the case to the Scottish Government for the PPP-based financial flexibility arrangements which would optimise the level of retrospective benefit whilst delivering savings to the revenue account over the medium term to mitigate ongoing COVID impacts.
- 44) 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.
  - Development of service prioritisation and workforce management savings options with a first phase of savings to be implemented by 1<sup>st</sup> January 2023.

## **Housing Revenue Account Budget Strategy**

Council:

- 45) Recognises that the Council Administration has not provided full service and value for money to tenants during the pandemic and agrees to freeze rent levels in 2022/23.
- 46) Welcomes the necessary investment in external fabric and communal areas of blocks where the Council is a majority owner within the draft HRA five-year Capital Investment Programme.
- 47) Regrets the flawed tenant survey with a rent freeze presumed to be not viable and not included as a direct consultation option. Agrees to develop more meaningful consultation arrangements including development a medium-term rent strategy.
- 48) Agrees to focus on improving the HRA repair service offered to Tenants and to bring all HRA homes up to an acceptable minimum standard without delay.
- 49) Notes that the HRA strategy would enable net zero carbon by 2038/39 (eight years later than originally planned).

## **Conclusions**

Council notes the following reports:

### Item 4.1 – Council Budget Reports

- (a) Revenue Budget Framework 2022/27 – 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; and
- (d) Sustainable Capital Budget Strategy 2022-32 - referral from the Finance and Resources Committee.

### Item 4.2 – Housing Revenue Account (HRA) Budget Strategy (2022-2033) – referral from the Finance and Resources Committee

Council approves:

- The Revenue Budget 2022/23 as set out in the reports, subject to the amendments set out in Annex 1 to this motion;
- A band 'D' Council Tax of £1,358.67 for 2022/23;
- The Council Tax and Rating resolution set out in Annex 2 to this motion;
- The 2022/32 Capital Budget Strategy as set out in the report by the Executive Director of Corporate Services, 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 Appendix 1 to this motion;
- The recommendations contained in the Housing Revenue Account by the Executive Director of Place and the outline 10-year HRA capital programme 2022-32, subject to agreement that there be no rent rise in 2022/23 and any revisions needed to the revenue account and / or capital programme as a result;
- Allocations from the Spend to Save Fund as set out in this motion;
- A further report to be submitted to seek approval of the prudential indicators arising from this motion.

Council notes that 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.

**Proposed by** Councillor Andrew Johnston  
**Seconded by** Councillor Graham Hutchison

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

	2022/23		2023/24	
	£000	£000	£000	£000
<b>Expenditure to be Funded</b>				
- Resource Allocation Totals	1,139,965			
- Add: Expenditure funded through Specific Grants	56,739			
		1,196,704		
- General Revenue Funding and Non Domestic Rates	(826,193)			
- Ring Fenced Funding	(56,739)			
		(882,932)		
<b>To be Funded by Council Tax</b>		<u>313,772</u>		<u>398,313</u>
<b>Council Tax at Band D</b>	£ 1,358.67		£ 1,399.43	
<b>Increase on Previous Year</b>	£ 20.08		£ 40.76	
- Percentage Increase	1.50%		3.00%	
<b>Funding Requirement</b>		313,772		398,313
<b>Council Tax Income</b>		<u>318,832</u>		<u>330,774</u>
		<u>318,832</u>		<u>330,774</u>
<b>Funding (Excess) / Shortfall at Council Tax increase above as reported to Council, February 2022</b>		(5,060)		67,539
<b>Service Investment (see Appendix 1)</b>	8,450		1,500	
<b>Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)</b>	(1,115)		(1,205)	
<b>Less: Additional Savings (see Appendix 1)</b>	(2,775)		(11,135)	
		4,560	(11,135)	(10,840)
<b>Contributions to / (from) reserves (itemise)</b>				
Spend to Save Fund	(1,500)		(500)	
Reserves Contribution	2,000			
		500		(500)
<b>Balance of Available Resources</b>		<u>-</u>		<u>56,199</u>

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

	<b>2022/23</b>	<b>2023/24</b>
<b>SERVICE INVESTMENT</b>	<b>£000</b>	<b>£000</b>
Strategic Property Review and Value for Money Service Reviews (Spend to Save Fund)	1,000	(500)
Service Prioritisation and Workforce Management Reviews (Spend to Save Fund)	500	(500)
Infrastructure Investment (Prudential Borrowing)	500	500
Environmental Initiatives	2,500	(2,500)
Poverty - Maximising Incomes and Meeting Crisis Needs	1,500	(1,500)
Footpaths and Road Repairs	1,000	(1,000)
Parks and Greenspace	300	(300)
Children's Services	500	(500)
Sports Fund	170	(170)
Electric Vehicle Charging Points	300	(300)
Hostile Vehicle Mitigation	180	(180)
<b>TOTAL SERVICE INVESTMENT</b>	<b><u>8,450</u></b>	<b><u>(6,950)</u></b>
<b>PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2022/23</b>		
Parking Pay and Display Charges	225	
Discretionary Fees and Charges	250	
Garden Waste Collection Service	910	910
20 Minute Neighbourhoods	(500)	
Tram Concessions	(2,000)	(1,000)
<b>TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK</b>	<b><u>(1,115)</u></b>	<b><u>(90)</u></b>
<b>ADDITIONAL SAVINGS</b>	<b>£000</b>	<b>£000</b>
Service Prioritisation / Workforce Management	(1,250)	(3,750)
Strategic Property Review and Value for Money Service Reviews	(500)	(2,500)
Workforce Modernisation	(525)	(175)
Chief Officers and Senior Management Review	(500)	(1,500)
Calton Road Rockface		(180)
CoSLA		(255)
<b>TOTAL ADDITIONAL SAVINGS</b>	<b><u>(2,775)</u></b>	<b><u>(8,360)</u></b>

**THE CITY OF EDINBURGH COUNCIL  
COUNCIL TAX / RATING RESOLUTION  
CONSERVATIVE 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 £318.832m 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:

<b>Band</b>	<b>Council Tax</b>	<b>Band</b>	<b>Council Tax</b>
	£		£
A	905.78	E	1,785.14
B	1,056.74	F	2,207.84
C	1,207.71	G	2,660.73
D	1,358.67	H	3,328.74

**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  
CONSERVATIVE GROUP BUDGET MOTION  
CAPITAL BUDGET 2022 - 2027  
ADDITIONS TO REVISED PROGRAMME**

						<b>Total £000</b>
<b>Available Resources for Distribution</b>						
Prudential Borrowing (funded through additional revenue savings)						16,000
<b>Resources Available for Distribution</b>						<b><u>16,000</u></b>
	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Changes to recommended CIP</b>						
Roads and Pavements	5,000					5,000
Transport Schemes	5,000					5,000
Parks and Greenspace Infrastructure	2,000					2,000
Bridge Structures	1,800					1,800
Calton Road Rockface	1,200					1,200
Cycle Schemes	1,000					1,000
	<b><u>16,000</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>16,000</u></b>

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