

# Notice of meeting and agenda

## Finance and Resources Committee

**10.00am, Thursday, 14th July, 2022**

Virtual Meeting - via Microsoft Teams

This is a public meeting and members of the public are welcome to attend or watch the live webcast on the Council's website.

The law allows the Council to consider some issues in private. Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

### Contacts

Email: [rachel.gentleman@edinburgh.gov.uk](mailto:rachel.gentleman@edinburgh.gov.uk) /  
[louise.p.williamson@edinburgh.gov.uk](mailto:louise.p.williamson@edinburgh.gov.uk)

Tel: 0131 529 4107

## **1. Order of business**

---

- 1.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

## **2. Declaration of interests**

---

- 2.1 Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

## **3. Deputations**

---

- 3.1 If any.

## **4. Minutes**

---

- 4.1 None.

## **5. Forward Planning**

---

- 5.1 None.

## **6. Business Bulletin**

---

- 6.1 None.

## **7. Executive decisions**

---

- 7.1 Cost of Living Crisis: Cost implications of motion approved by Council, 30 June – Report by the Interim Executive Director of Corporate Services 5 - 10

## **8. Motions**

---

- 8.1 None.

### **Nick Smith**

Service Director, Legal and Assurance

## **Committee Members**

---

Councillor Mandy Watt (Convener), Councillor Marco Biagi, Councillor Graeme Bruce, Councillor Phil Daggart, Councillor Joan Griffiths, Councillor Euan Hyslop, Councillor Alys Mumford, Councillor Vicky Nicolson, Councillor Neil Ross, Councillor Alex Staniforth and Councillor Lewis Younie.

## **Information about the Finance and Resources Committee**

---

The Finance and Resources Committee consists of 11 Councillors and is appointed by the City of Edinburgh Council. This meeting of the Finance and Resources Committee is being held in the Dean of Guild Court Room in the City Chambers on the High Street in Edinburgh and remotely by Microsoft Teams.

## **Further information**

---

If you have any questions about the agenda or meeting arrangements, please contact Rachel Gentleman, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4107, email [rachel.gentleman@edinburgh.gov.uk](mailto:rachel.gentleman@edinburgh.gov.uk) / [emily.traynor@edinburgh.gov.uk](mailto:emily.traynor@edinburgh.gov.uk).

A copy of the agenda and papers for this meeting will be available for inspection prior to the meeting at the main reception office, City Chambers, High Street, Edinburgh.

The agenda, minutes and public reports for this meeting and all the main Council committees can be viewed online by going to <https://democracy.edinburgh.gov.uk/>.

## **Webcasting of Council meetings**

---

Please note this meeting may be filmed for live and subsequent broadcast via the Council's internet site – at the start of the meeting the Convener will confirm if all or part of the meeting is being filmed.

The Council is a Data Controller under the General Data Protection Regulation and Data Protection Act 2018. We broadcast Council meetings to fulfil our public task obligation to enable members of the public to observe the democratic process. Data collected during this webcast will be retained in accordance with the Council's published policy including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

Generally, the public seating areas will not be filmed. However, by entering the Council Chamber and using the public seating area, individuals may be filmed and images and sound recordings captured of them will be used and stored for web casting and training purposes and for the purpose of keeping historical records and making those records available to the public.

Any information presented by individuals to the Council at a meeting, in a deputation or otherwise, in addition to forming part of a webcast that will be held as a historical record, will also be held and used by the Council in connection with the relevant matter until that matter is decided or otherwise resolved (including any potential appeals and other connected processes). Thereafter, that information will continue to be held as part of the historical record in accordance with the paragraphs above.

If you have any queries regarding this, and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact Committee Services ([committee.services@edinburgh.gov.uk](mailto:committee.services@edinburgh.gov.uk)).

## Finance and Resources Committee

10.00am, Thursday, 14 July 2022

### Cost of Living Crisis: cost implications of motion approved by Council, 30 June

Executive/routine  
Wards  
Council Commitments

#### 1. Recommendations

---

- 1.1 Members of the Finance and Resources Committee are asked to:
- 1.1.1. note the estimated cost implications of the approved motion from Cllr Biagi;
  - 1.1.2. note, in view of wider pressures and commitments affecting 2022/23 and subsequent years of the budget framework, the officer recommendation that no further discretionary expenditure be incurred at this time; and
  - 1.1.3. redouble efforts to highlight to the Scottish Government, through COSLA, the significant and increasing inflationary impacts of the current Cost of Living Crisis upon both the Council and the communities it serves.

**Richard Carr**

Interim Executive Director of Corporate Services

Contact: Hugh Dunn, Service Director: Finance and Procurement,  
Finance and Procurement Division, Corporate Services Directorate

E-mail: [hugh.dunn@edinburgh.gov.uk](mailto:hugh.dunn@edinburgh.gov.uk) | Tel: 0131 469 3150

## Cost of Living Crisis: cost implications of motion approved by Council, 30 June

### 2. Executive Summary

---

- 2.1 The report details the estimated cost impacts of the proposals contained within the approved motion on the Cost of Living Crisis from Cllr Biagi approved by Council on 30 June 2022.

### 3. Background

---

- 3.1 At the meeting of Council on 30 June 2022, members considered a report on the Council's unaudited accounts for 2021/22. The provisional outturn for the year indicates an overall underspend of £3.877m, of which £2.628m was assumed in setting 2022/23's budget and a further £0.037m represents the impact of an accounting adjustment and is thus not available for spending on frontline services.
- 3.2 Although any remaining available funding is subject to the outcome of the audit process, up to £1.212m therefore remains unallocated at this time.
- 3.3 The report to Council proposed that up to £0.961m of this sum be earmarked to invest in essential infrastructure upgrades for the Enterprise Resource Planning (ERP) project. Whilst noting the report's recommendations, further details of this expenditure, along with an assessment of the requested upgrades and associated risks with the current ERP programme, will be considered by the Committee as part of the first in-year revenue monitoring report on 8 September.
- 3.4 Members of Council also separately considered and approved a motion from Cllr Biagi on the Cost of Living Crisis, including a proposal for the Finance and Resources Committee to receive a report within two weeks setting out, in the context of the unallocated element of the 2021/22 underspend, the feasibility and costs of:
- (i) approving a further low-income household payment of £100 for each child in receipt of free school meals; and
  - (ii) adding a one-off Living Costs Top-Up Grant to the school clothing grant so that it is increased to £200 per qualifying child for the coming school year.

- 3.5 This report provides the details requested within the wider context of the Council's financial position for 2022/23 and subsequent years.
- 3.6 The agreed motion also proposed the immediate cancellation of all school meal-related debt and the commissioning of a further report to return to the Council in one cycle outlining options for future cost of living support options. The latter request is anticipated to be the subject of a separate report to be considered by Council on 25 August 2022.

## 4. Main report

- 4.1 Following the receipt of some £6.4m of additional funding through the Scottish Government's Local Authority COVID Economic Recovery (LACER) Fund, as part of setting the 2022/23 revenue budget the Council agreed to make an additional payment of £100 for every child within a low-income household, identified with reference to the free school meals qualification. Some 8,400 payments were made as part of this scheme. Based on current take-up levels, repeating this scheme would entail a total cost of £883,200.
- 4.2 The Council also currently pays annual school clothing grants of £120 (primary) and £150 (secondary) per child to those families meeting relevant eligibility criteria. Increasing each of these sums to £200 would result in an additional cost, based on numbers eligible for the coming academic year, of £606,330.
- 4.3 The motion approved by Council on 30 June 2022 furthermore requested an indication of the sums required to write off all existing school meal-related debt. Based on current sums outstanding, this would entail an additional cost of some £64,000.
- 4.4 Taken together, the measures included in the motion would therefore have a combined estimated cost of £1,553,530 as shown in the table below, exceeding the available level of funding from the unallocated element of the 2021/22 underspend by some £341,000. It is also possible that increasing the sums paid may result in higher overall levels of take-up, adding to this total cost.

	<b>Current take-up levels</b>	<b>Proposed payment/ additional payment</b>	<b>Associated cost</b>
Free School Meals	8,832	£100	£883,200
School clothing – Primary	5,221	£80	£417,680
School clothing – Secondary	3,773	£50	£188,650
School meal-related debt			£64,000
<b>Total cost of measures included in motion</b>			<b>£1,553,530</b>

- 4.5 It is not anticipated that payment of either sum above would have any adverse impact on wider benefit entitlement for the recipients. On a practical note, however, as payment for the school clothing grant for the upcoming academic session has

already been made, the top-up would need to be achieved by separate means. Given the “passport” nature of the payments, it would nonetheless be possible to increase the sums paid with reference to free school meal entitlement by the amounts concerned.

- 4.6 The budget update report considered by the Finance and Resources Committee on 16 June 2022 outlined a range of inflationary pressures to which the Council is exposed in 2022/23 and subsequent years. These pressures include those in respect of energy, inflation-based contract uplifts, food and catering, fuel and home-to-school transport and pass-throughs of cost increases affecting, amongst others, children’s services and temporary accommodation services. In addition, the respective pay claims for the main bargaining groups significantly exceed the level of provision included within the budget framework.
- 4.7 Members of the Committee are furthermore aware of the significant wider financial pressures affecting the Council in subsequent years of the budget framework, with a recurring savings requirement of £63m in 2023/24 alone.
- 4.8 In view of the extent of these pressures in the current and future years and noting the existing commitment in respect of the ERP system detailed in Paragraph 3.3, it is officers’ recommendation that no further discretionary expenditure be committed at this time.
- 4.9 Given the extent of cost-of-living increases, however, it is also recommended that representations, through COSLA, to the Scottish Government be redoubled, outlining the scale of the pressures facing both the Council and the communities it serves. These pressures have significantly worsened since the Council’s budget was set in February 2022.

## **5. Next Steps**

---

- 5.1 Next steps will be informed by the outcome of members’ consideration of the issues outlined within the report.

## **6. Financial impact**

---

- 6.1 The estimated cost implications of the proposals contained within the approved motion exceed the unallocated element of the 2021/22 underspend by some £0.341m.
- 6.2 In view of wider pressures affecting the budget framework in 2022/23 and subsequent years, however, it is recommended that no further discretionary expenditure be incurred at this time.

## **7. Stakeholder/Community Impact**

---

- 7.1 There is no direct relevance to the report’s contents.



## **8. Background reading/external references**

---

- 8.1 [Unaudited Annual Accounts 2021/22](#), The City of Edinburgh Council, 30 June 2022
- 8.2 [Motion by Cllr Biagi on Cost of Living Support](#), The City of Edinburgh Council, 30 June 2022
- 8.3 [Revenue Budget Update 2022/27 Framework: progress update](#), Finance and Resources Committee, 16 June 2022

## **9. Appendices**

---

None

This page is intentionally left blank