

Finance and Resources Committee

10.00am, Tuesday 25 April 2023

Royal Visits

Executive/routine Wards Council Commitments	City Wide
---	-----------

1. Recommendations

- 1.1 It is recommended that the Committee:
- 1.1.1 notes the information provided in response to the Addendum to the report to Committee (Item 7.7 Response to Motion by Councillor Mumford – Operation Unicorn) on 26 January 2023; and
 - 1.1.2 notes the further requirement for a briefing note to be circulated to Members, as set out in paragraphs 5.2 and 5.3 of this report.

Andrew Kerr

Chief Executive

Contact: Norma Cuthbertson, Executive Assistant to the Lord Provost and Clerk to the Lieutenancy E-mail: lord.provost@edinburgh.gov.uk | Tel: 0131 529 4430

Contact: Hugh Dunn, Service Director, Finance and Procurement, E-mail: hugh.dunn@edinburgh.gov.uk Tel: 0131 469 3150

Contact: Alison Coburn, Operations Manager, Place Email alison.coburn@edinburgh.gov.uk Tel: 0131 5293149

Report

Royal Visits

2. Executive Summary

- 2.1 This report provides further information on the costs of Royal visits and demonstrates that support for the Lieutenancy is contained within the Office of Lord Provost budget, with an estimated 20% of staffing costs allocated to this area of work.
- 2.2 Generally the activities supported by the Council in preparing for Royal events are undertaken as part of the normal business of the Council and are therefore not recorded separately. The costs associated with Traffic Orders are recorded and are summarised in this report.
- 2.3 With regard to information on upcoming Royal visits to the city, it is concluded that B Agenda items do not comply with security requirements. Instead, members are asked to refer to the website <https://www.royal.uk/future-engagements>
- 2.4 On the Capital City Supplement it is confirmed that the Council Leader has written to the Cabinet Secretary for Finance and Economy as requested. It is also confirmed that the payment of CCS has been received in full for 2023/24.

3. Background

- 3.1 At its meeting on 26 January 2023, the Finance and Resources Committee considered a report in response to Councillor Mumford's motion to Council on 27 October 2022. This concerned Operation Unicorn and the Council's approval of the following element of the adjusted motion:
 - 3.1.1 Additionally calls for a report to Finance and Resources Committee within 3 cycles outlining the costs associated with future planned visits from Charles III or other members of the monarchy that will be incurred by the council over the next year and whether this is covered in full by the Capital City Supplement.
- 3.2 Whilst the recommendations were approved, the Addendum (set out in appendix one to this report) was also approved. This report provides additional information as required, within the constraints that apply.

4. Main report

Costs of Royal Visits, Including Officer Capacity, Over the Past Council Term

- 4.1 The Addendum regrets that the previous report to Committee did not include information on the past costs to the city of Edinburgh for hosting royal visits, nor an estimate of upcoming costs.
- 4.2 It also comments that the financial impacts on the city for royal visits often go beyond the expenditure of the Lord Provost's office, for example concerning bus diversions and public safety measures, as well as having an impact on Edinburgh's residents. Further information on the costs of royal visits, including officer capacity, over the past council term is requested.
- 4.3 As previously reported, the routine cost to the Council of official visits to the city by members of the Royal Family is currently covered by the budget for the Office of Lord Provost. The breakdown of this budget over the past Council term is as follows:

Table 1: Lord Provost's Office Budget 2017 to 2022

Financial Year	Total Budget £	Staffing Costs %	Transport Costs %	Other Costs %
2017/18	434,744	64%	1%	35%
2018/19	485,833	67%	1%	32%
2019/20	502,157	68%	2%	30%
2020/21	513,911	67%	1%	32%
2021/22	487,530	68%	1%	31%

- 4.4 Table 1 above shows that a high percentage of the Lord Provost's Office budget is taken up with staffing costs, in keeping with other service areas of the Council. "Other" costs comprise supplies and services (including the Council's Civic Hospitality budget and Members' costs).
- 4.5 The amount of officer time devoted to the Lieutenancy (as opposed to the Lord Provostship) varies within the team. Also, the distinction is made less clear by the fact that on certain Royal occasions, the civic role sits with the Lord Provost rather than the Lord Lieutenant. This applies to events such as the "Ceremony of the Keys" when it is the Lord Provost and Members of the Council who welcome the Monarch to the city.
- 4.6 On balance, it is believed that a reasonable estimate is that 20% of staff time is allocated to the Lieutenancy role and related work with the Royal Household. It is anticipated that the same pattern of spend is likely to continue over the term of this Council 2022 to 2027.
- 4.7 It was reported previously that Police Scotland have occasional use of a civic car in support of Royal visits to the city. As the table above shows, transport costs account for a very small percentage of the Lord Provost's Office budget. The majority of the costs associated with the two civic cars sit within Fleet Services, with a notional "tariff" then charged below the line (i.e. not counting against its budget) to Members' Services.

- 4.8 Other costs incurred by the Council (particularly for larger scale Royal events in Edinburgh) fall mainly within the remit of the Executive Director of Place (e.g. road closures, public safety, waste and cleansing).
- 4.9 The operational activities associated with Royal events, including officer time, are generally incorporated within the work of individual service teams and are not recorded separately. Therefore, it is not possible to provide a breakdown of all costs associated with Royal events or to provide details of the officer time spent on planning for and supporting Royal events.
- 4.10 However, the fees associated with Temporary Traffic Regulation Notices and Temporary Traffic Regulation Orders are captured and are detailed below in Table 2 below for 2017/18 to 2022/23. These costs include an element of officer time.

Table 2: Royal Event Fees for Traffic Orders

Financial Year	Royal Event Fees
2017/18	£33,368.47
2018/19	£34,403.70
2019/20	£21,453.93
2020/21	£535.11
2021/22	£8,732.40
2022/23	<u>£25,870.43</u>
<u>Total</u>	<u>£124,364.04</u>

Greater Consideration of What Information about Upcoming Visits Can be Made Available to Councillors, Including as B Agenda Items

- 4.11 The clear advice to the Council from Police Scotland remains that no prior details of any Royal visit are to be released. This is to ensure the integrity of the security operation and to mitigate threat and risk.
- 4.12 The inclusion of information as B Agenda items does not therefore comply with these security requirements which need to be adhered to. Certain information is available, however, through the Royal Communications Office which releases some detail no more than eight weeks before official visits take place. Please refer to: <https://www.royal.uk/future-engagements>

More information on the Capital City Supplement and its Relationship to Royal Visits

- 4.13 In September 2008, the Council's Capital City Supplement (CCS) submission to the Scottish Government highlighted additional annual revenue costs of £10.7m incurred by the Council in respect of the city's economic, cultural, gateway, decision-making and ambassadorial roles. Within this overall sum, the submission detailed costs incurred in facilitating the hosting of an array of ceremonial events, including royal and VIP visits.
- 4.14 These events place unique demands on a number of Council functions, including roads and cleansing services, and at the time it was estimated that some £30,000 specifically related to royal visits, albeit with some variation in the year-on-year position. These sums, which will have been subject to subsequent inflationary

pressures, are additional to the staffing-related costs outlined in Paragraph 4.3 above.

- 4.15 In recognition of these pressures, the Council's annual grant settlement has, since 2011/12, contained an additional £3.9m of revenue funding. In recent years, however, this allocation has coincided with support received through the Scottish Government policy whereby no authority receives total funding less than 85% of the per capita Scottish average. The effect of the convergence of these policies is that sums received through the CCS have been offset in full by a reduced contribution through the 85% funding floor.
- 4.16 Given this position, in considering Councillor Mumford's original motion on 27 October 2022, Council requested that the Council Leader write to the Cabinet Secretary for Finance and the Economy to demand firstly that the CCS be taken out of general revenue funding and provided separately and distinctly, and secondly that its quantum be increased. This letter was sent by the Council Leader on 22 November 2022, with a response (included as Appendix 2) then received from the Deputy First Minister on 13 December.
- 4.17 Due to a combination of relative changes in the city's population and the devolution of Non-Domestic Rates Empty Property Relief to local authority control, with effect from April 2023 the Council will not receive any support through the 85% funding floor noted above in 2023/24 and, as such, the payment of CCS has been received in full.

Up-to-date Information on Stakeholder/Community Impact with Particular Reference to Climate Targets.

- 4.18 With reference to section 7 on Stakeholder/Community Impact below, the Council's role and responsibility varies depending on "ownership" of Royal visits. In most cases, however, these events are organised by an external body (under Royal Patronage for example) whose role is to manage the wider impacts directly.
- 4.19 On transport, Police Scotland (in partnership with the Metropolitan Police) is directly accountable for protecting and ensuring the safety of the Royal Family when in Edinburgh. Officers determine both the vehicle types and the safe transport routes to be used in moving VIPs around.
- 4.20 Police Scotland is a national organisation subject to the Scottish Government's climate change legislation and target date for net-zero emissions of all greenhouse gases by 2045.

5. Next Steps

- 5.1 As in previous years, a summary of Lieutenancy activity in Edinburgh will be included in the annual report on the Office of Lord Provost to Full Council in June 2023.
- 5.2 In the meantime, a Briefing Note was circulated to committee members on 11 April:
- to inform members how the Lord Provost office funds and engages with Royal Visits;

- to include in the briefing note the duties of the Lord Lieutenant relating to Royal Visits that are specifically required under the Act and which are potentially optional; and
- to circulate information on costs of attendance at the King's Coronation should an invitation be received and plans for any related events in Edinburgh if any.

5.3 The circulation of this briefing note was a further action from the Finance and Resources Committee on 26 January 2023.

6. Financial impact

- 6.1 The cost of the Lieutenancy to the city is met from the Lord Provost's Office budget which amounts to £518,142 in the current financial year (with nearly 70% of spend relating solely to staffing costs). Where larger scale events take place (during Royal Week for example) costs will be incurred across a wider range of service delivery areas. Any future events of this nature can only be costed as the necessary arrangements are put in place through the EPOG process and in conjunction with the Scottish Government.
- 6.2 Edinburgh's funding for 2023/24 includes a £3.9m Capital City Supplement payment. This funding has been provided in recognition of a number of factors outlined within the Council's submission in 2009, including the associated costs of royal visits, although is significantly less than the overall sum originally highlighted. Given this, it is not possible to assess the adequacy of funding received specifically in respect of royal events as requested by Councillor Mumford's original motion.

7. Stakeholder/Community Impact

- 7.1 The Office of Lord Provost routinely undertakes engagement and co-production with a broad range of stakeholders, leading community representatives and business organisations.
- 7.2 Speeches and other inputs for events are developed in consultation with event owners as appropriate.
- 7.3 The Office of Lord Provost assists both the Council and city partners to deliver key equality and rights outcomes, and to meet the Equality Act 2010 public sector equality duties to (i) eliminate unlawful discrimination, harassment, and victimisation, (ii) advance equality of opportunity, and (iii) foster good relations.
- 7.4 The Office of Lord Provost contributes to the 2030 Climate Strategy and the related target of becoming a Net-Zero City by 2030, endeavouring to mitigate carbon impacts by utilising public transport where and when appropriate, and when any long-distance travelling is required.

8. Background reading/external references

8.1 None.

9. Appendices

- 9.1 Appendix One: Addendum, Finance and Resources Committee 26 January 2023
- 9.2 Appendix Two: Response from Deputy First Minister on the Capital City Supplement, 13 December 2022

Green Group Addendum

Adds:

1.2 Regrets that this report does not include information on the past costs to the city of Edinburgh for hosting royal visits, nor an estimate of upcoming costs;

1.3 Recognises that the financial impacts on the city for royal visits often go beyond the expenditure of the Lord Provost's office, for example concerning bus diversions and public safety measures, as well as having an impact on Edinburgh's residents;

1.4 Notes that this report references the contribution of the Office of the Lord Provost to the Sustainable Edinburgh 2020 objectives, but not the more relevant 2030 Climate Strategy;

1.5 Therefore requests an updated report to be provided within one cycle including additional requested information on:

- costs of royal visits, including officer capacity, over the past council term;
- greater consideration of what information about upcoming visits can be made available to councillors, including as B agenda items;
- More information on the capital city supplement and its relationship to royal visits, including an update on the amended motion passed at Full Council requesting that the Council Leader write to the Cabinet Secretary for Finance and the Economy; and
- Up-to-date information on Stakeholder/Community Impact with particular reference to climate targets.

Deputy First Minister and Cabinet Secretary for Covid Recovery
An Leas Phrìomh Mhinistear agus Ath-shlànachadh
Cobhid
John Swinney BPA/MSP



Scottish Government
Riaghaltas na h-Alba
gov.scot

T : 0300 244 4000
E : scottish.ministers@gov.scot

Councillor Cammy Day
Jenny.Frame@edinburgh.gov.uk

Our Reference: 202200332365
Your Reference: LG Finance Settlement

13 December 2022

Dear Councillor Day ,

Thank you for your correspondence of 22 November regarding the Capital City Supplement (CCS) that City of Edinburgh Council has received since 2009-10 as part of the overall local government finance settlement.

I can confirm that the City of Edinburgh Council has received extra funding in recognition of its capital city status since 2008-2009. This sum initially amounted to £3.5 million each year and as you have acknowledged this was increased by an extra £0.4 million from 2011-12 meaning the Council now receives additional annual funding of £3.9 million.

Whilst I appreciate that the quantum provided for the CCS has remained unchanged, Scotland's settlements from the UK Government have suffered a decade of austerity with average real terms cuts of over 5 per cent, equating to a loss of £18 billion. Despite this, local authority revenue funding for vital day to day services is £2.2 billion or 22.9 per cent higher in cash terms in 2022-23 than it was in 2013-14. As the CCS forms part of the overall revenue funding then it too has benefited from this 22.9 per cent increase. In this respect it is important to bear in mind that on the whole individual elements of the overall revenue settlement do not receive inflationary increases but are impacted by the overall annual changes in the total funding.

In response to your comments on the 85 per cent funding floor, I introduced the additional funding floor in time for the 2012-13 local government finance settlement in recognition that local authorities like Edinburgh and Aberdeen were receiving the lowest funding per head as a result of the needs-based formula. As a result of this floor the City of Edinburgh Council has been allocated over £120 million,

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot



INVESTORS
IN PEOPLE

Accredited
Until 2020



over and above their needs based funding allocation since 2012-13.

I note your request to have the CCS removed from the local government finance settlement but I fear to do so could open the floodgates for other local authorities with individual separate funding streams to make a similar request. There is also a push to consolidate all Scottish Government funding to local government within the local government finance settlement to help reduce bureaucracy and as a result administration costs for both the Scottish Government and local government.

I appreciate the challenges we are all facing due to the current cost crisis and the particular challenges associated with supporting a capital city with such a high international standing. However it should also be noted that a capital city such as Edinburgh can explore commercial opportunities in both new and existing markets that have the potential to add value to individuals and local economies in Edinburgh.

For all of these reasons I am going to continue to include the CCS within the overall settlement but I can also confirm that I have no plans to remove the additional funding being provided for the 85 per cent funding floor.

I hope you find this information helpful.

JOHN SWINNEY