

Motion by Green Group

City of Edinburgh Council

Title: Revenue Budget 2020/21-2022/23; Capital Investment Programme 2020-30; Housing Revenue Account Budget Strategy 2020 to 2030

City of Edinburgh Council, 20 February 2020

A BUDGET FOR THE CLIMATE EMERGENCY

Introduction

1. The Green Group welcomes the opportunity to contribute to the debate about the city's budget and we pay tribute to the hard work of staff in preparing the budget papers - especially in the very squeezed timescale for this year - and delivering the Council services funded by the budget.
2. Over the last three years Greens, at various levels, have sought to secure reforms to local government funding, with greater control over local revenue, additional powers, tax reform and funding framework all being developed. Significant political instability at the UK level and the consequent UK election and delayed budget process has resulted in a stalling of those reforms but their urgency remains.

Green budget: Climate Emergency

3. The city council is one of a growing number of public bodies to declare a climate emergency. Unless cities, regions and nations all act to reduce greenhouse gases dramatically, the United Nations has warned of an increasingly bleak future, with catastrophic consequences for huge numbers of people, especially the poorest, and a devastating impact on habitats and other species. The council has set a target for the city to be a Zero Carbon City by 2030. But declarations and targets are only meaningful if actions follow. And that includes spending priorities.
4. That is why we believe the 2020 budget must be a climate budget. But a climate budget does far more than deliver a reduction in greenhouse gases. It makes for a city which is more equal, more liveable and more attractive: where congestion and air pollution are slashed; where fuel poverty is ended; where community life is strengthened. It's an Edinburgh which leads the way rather than being left behind; and where, as a result, investment is attractive.

5. Those are budget choices: not just within the revenue budget straitjacket imposed on the council; but within large scale programmes too:

- The **£1.33 billion City Region Deal** and the need for it to be recast as a Green City Deal to support a sustainable and resilient city region economy.
- The **£8 billion Lothian Pension Fund** and the potential to invest in zero carbon development; in renewable energy; and forest regeneration.
- The **£2.5 billion** investment in the council's **housing stock** with the aim of being zero carbon by 2030.
- The **City Plan 2030** with its capacity to shape billions of pounds of development towards a zero-carbon city: reducing fuel bills, making walking, cycling and public transport much easier; and enhancing green spaces.
- Access to **£2 billion within the Scottish National Investment Bank** with a primary focus on securing a zero-carbon economy.

6. Investment valued at £4-8 billion could deliver up to two-thirds of the target to be net zero carbon and be fully paid back by savings generated. While these are huge sums; the council also has potential leverage over that kind of funding, which far outstrips the incremental decisions which are the focus for annual revenue budgets.

7. That is why our budget highlights both the big programme changes needed (above) and the more modest, but more immediate actions in our 7-point package for a zero-carbon city.

A climate emergency package for 2020

8. The Green Group welcomes continued progress in developing carbon budgeting which we led on securing in 2018 and looks forward to carbon-budgeting being an integral part of the way the council charts progress against the 2030 Zero Carbon target.

9. We believe, on evidence so far, that there are enormous opportunities to bring in **additional external funding** to support the city on its progress to zero carbon; and so we have allocated funding for an additional post with the remit to explore and harness additional funding opportunities. This post will complement existing and pipeline capacity funded through Climate KIC.

10. Many of the priorities below are drawn from the council's sustainability short window improvement programme agreed in October 2019.

CLIMATE 1: Changing travel

11. Transport accounts for a third of emissions in Edinburgh and has proved the most stubborn to shift in the last decade. Changing that means changing *what* we do and *how* we do it.

12. The priority is promoting active travel and public transport. While protecting the **10% ring-fence for active travel** within the transport budget, we would go further by requiring all transport spend to demonstrate how it was contributing to reduction of emissions. Our programme includes expanding **on-street secure cycle storage** on a revenue neutral basis¹; and puts funding into development of a ground-breaking potential **workplace parking levy** which, as in the vanguard Nottingham scheme, can act as both a brake on traffic growth and a source of **significant revenue** to help fund ambitious schemes like City Centre Transformation and City Mobility.

13. At the same time as helping shape travel choices we also recognise the need to ensure that a reduced volume of vehicles moves swiftly away from petrol and diesel: hence accelerated funding of **£700k for expanded electric vehicle charging points**; and increased fleet transition funding for **11 electric mini-buses** especially suitable for children and young people with additional needs and **electric cargo bikes** to replace some use of council vans.

CLIMATE 2: Energy transformation

14. We welcome steps that have been taken so far to improve energy performance within the council's estate and operations but believe that so much more can be done, much of it on a Spend to Save basis. The HRA Budget Strategy, embracing the 2030 Zero Carbon target is an important marker in this respect. So our budget proposes funding for:

- Full integration of **energy efficiency measures in the asset improvement programme.**
- Feasibility of **deep energy retrofit of council buildings**, coupled with funding for early actions, as reported to Finance and Resources Committee in December 2019.
- A pilot of **LED lighting in private tenements and blocks of flats** where the council remains responsible for power costs.
- A post and supplementary funding within housing strategy team to harness additional funding to improve **energy efficiency in privately-rented homes.**
- Funding for **Edinburgh Community Solar Co-operative** to enhance capacity to deliver an extended solar PV programme on public buildings, based on community share issues allied with support to community organisations developing their own solar PV projects.

¹ The current funding model is £60 per year per bike with 6 bikes taking up the equivalent space of 1 standard parking bay, so a total of £360.

CLIMATE 3: Waste prevention

15. Tackling waste is a triple win for Edinburgh. It reduces greenhouse gas emissions; reduced volumes reduce collection and processing costs; and less waste is less litter to scar our neighbourhoods. We want to change the emphasis from disposal to reduced consumption, repair and multiple use. So we have allocated **£200k, rising to £500k in the second year, for a Waste Reduction fund** to be used to develop public information on ways of preventing and reducing waste as well as supporting signature campaigns such as an **Edinburgh-branded re-usable coffee cup and expansion of Repair/Re-use hubs**. The higher spend in year two is to ensure that capacity can be increased as demand is assessed.

CLIMATE 4: Protecting nature

16. Edinburgh is fond of proclaiming how much green space is within the city and it is indeed an asset to be protected and enhanced in the forthcoming City Plan. Over recent months the presence of breeding otters on the Water of Leith and Union Canal and other locations has been the source of delight to tens of thousands of citizens and testimony to decades of work to restore waterways. Yet, so much more could be done to enhance the city as a haven for wildlife, which is why we allocate:

- £80k for a pilot to use **alternatives to chemical weed-killers using glyphosate**.
- £200k for a **Natural Edinburgh wildlife programme**, drawing in Citizen Science programmes; specialist research and support into enhancement programmes for headline species such as water vole or formerly common song birds; and habitat enhancement through an expanded Living Landscapes project, coupled with improved public information.

CLIMATE 5: Food for Life

17. Food choices have a major carbon footprint. We recognise that the council's own services have started on a journey to change that impact and we want to support that by investing £100k in **replacing plastic fruit pots and single use soup pots with a washable re-useable alternative in all 90 primary schools**. We will fund this by ending the use of bottled water in packed lunches with a recurrent saving of £49k which can also fund bottles for life, each with school brand so that all children have access to a means to fill up from a tap.

18. At the same time as reducing plastic we also want to build on progress with Soil Association accredited programmes to promote local produce and reduce food miles. We will consult parents prior to the August start of the school year to gauge views on the planned school meal price freeze versus a rise targeted on improving school menu offer.

CLIMATE 6: Trees for Life

19. Even the best programmes for reduction of greenhouse gases recognise the need to increase carbon sinks, most obviously in programmes to protect and plant trees. Some of that relates to procurement policy, from sourcing wood-related products from sustainable sources to ensuring that other products are not based on deforestation. But Edinburgh can also host more trees. That is why we have **doubled annual spend on the street trees programme**, to give our neighbourhoods the benefit of trees as natural regulators of temperature, offering shade in summer and shelter at other times. Street trees are valued in the city but, for scale, we welcome the million trees pledge recently adopted by the council. However, we noted that the pledge, as yet, has no funding allocated to it. So, in advance of that full funding package being identified **we have also allocated £100k each year for more general tree planting** to make sure the council is showing a lead in the early years and we welcome opportunities to integrate tree planting with schools and community programmes and, with partners, to enhance leisure and recreation in the Pentland Hills Regional Park and rural west Edinburgh.

CLIMATE 7: Community Action on Climate Change

20. The delivery of services through localities or neighbourhoods has been through a number of iterations in recent years with what can seem a confusing landscape to community groups. We hear very mixed views on how successful funds distributed through Neighbourhood Environment Projects (NEPS) are and we think it is the right time to give them a more consistent purpose in line with the key theme of this budget while still allowing for significant local discretion. **We will refocus just over £1m in NEPs as Community Climate Action Funds.** By inviting future community projects to align with community climate action we believe that many of the current priorities – such as greenspace, community growing, pedestrian access – will be protected, while recognising that achieving zero carbon targets is as much a priority for grassroots action as for some of the strategic programmes outlined elsewhere in this budget.

Delivering city services

21. Although the Green Group priority is setting a budget for a climate emergency, we recognise that the council has significant pressures in day to day services. Low carbon policies can help address many of those by reducing resource inputs, improving health and tackling problems through causes rather than symptoms. For example, schools which are energy efficient and in good condition can have more money to spend on school materials rather than fuel bills. But more immediate mitigation is needed too.

22. That is why our budget:

- Fully removes all cuts to **library opening hours**
- Retains **instrumental music** service in schools
- Gives greater funding to support **sport and leisure access**.

23. On sports and leisure we have ensured that Edinburgh Leisure receives no reduction in core funding over the three-year period. We have also allocated £100k to mitigate potential significant year on year price hikes, as part of the price harmonisation between the council and Edinburgh Leisure.

24. We have also signalled our intention, as in our 2019 budget, to end funding for the **winter festivals contract** once the current contract expires in January 2022.

Breaking out of the funding straitjacket

25. Edinburgh's ability to tackle cuts is significantly constrained by Scottish Government restrictions on councils. In Parliament, in February 2020, MSPs of the three largest parties voted against a Green MSP proposal to restore local authority say over Non-Domestic Rates. New powers, like tourism and workplace parking levies have been secured by Greens but are not yet operational. The council cannot set council tax freely. On top of all that the council's funding from the Scottish Government is, like-for-like, flat in cash terms – in other words, it faces a real-terms cut, once inflation is taken into account.

26. If Edinburgh were allowed to set council tax as it chose OR if the Scottish Government gave it funding uprated for inflation (i.e. stable in real terms) then the council could make different budget choices as illustrated below².

² Since it is illustrative we have used year 1 figures only and all are in comparison to the core budget presented to the Council.

FUNDING CHOICES UNDER ALTERNATIVE SCENARIOS

These are solely illustrative and not mutually exclusive. If, for example, the council's final revenue settlement was higher after the Scottish and UK budgets, the council could reject some cuts or accelerate capital investment or add further funding to the Zero Carbon Plan

Scenario	20-21 budget
Real terms flat budget (inflation @1.84%)	Additional funding - £13m
Fully fund capital programme including bringing forward new high schools for Wester Hailes and Liberton	£9.55m
Reject loss of nursery teachers	£600k
Reject Quality Improvement Officer savings	£120k
Retain community police service funding at above Scottish average	£1.030m
Retain Night Noise team	£100k
Reject library changes (opening hours plus inter library service)	£400k
Reject devolved school budget changes	£1.2m
Council tax @ 5%	Additional funding - £600k
Reject loss of nursery teachers	£600k
Council tax @ 6%	Additional funding - £3.45m
Reject loss of nursery teachers	£600k
Reject Quality Improvement Officer savings	£120k
Retain most community police service	£1.030m
Retain Night Noise team	£100k
Reject library changes (opening hours plus inter-library service)	£400k
Reject devolved school budget changes	£1.2m
Warwick Plan³: £1 a week on Band D equivalent Council Tax to fund climate action	Additional funding - £12m
City Mobility Plan and City Centre Transformation	Total package TBC but £12m could support at least £170m of capital
Retrofit public buildings to Passivhaus Plus standard	
Develop land assembly packages with sustainable urban infrastructure: heat, power, water, waste.	

³ In Warwick District Council, Conservative Council Leader Andrew Day has fronted an all-party proposal to charge an extra £1 a week on Council Tax to fund the Council's Climate Emergency Programme. The statement says "Councillors believe that the fairest way to raise the money locally is through our Council tax. We will therefore be considering at the Council meeting on 26 February, asking residents for an increase of £1 per week (for a Band D property)." This is on top of the rise in CT for core services.

Capital choices

27. As with our revenue budget, the priority for capital investment is in seeking convergence between investment in a zero-carbon future and improving quality of life. So our plans to enhance investment in council fleet could deliver new electric mini-buses to transport young people with additional needs in vehicles uniquely suited to their needs. We also allocate £1 million to cover immediately-needed works in **community centres** at risk of closure because of condition in advance of a fuller discussion in March on how to meet the future investment needs of centres. And we seek to double the annual investment in **play facilities in our parks**.

28. Equally, our capital investment priorities overlap with other political groups: our commitment to building **Wave 4 schools, for example, especially if designed and built to Passivhaus standards**. As presented to council, the Wave 4 schools are identified within the capital programme; however, the programme, as a whole, is not fully-funded. We recognise a reasonable expectation in school communities, particularly those in Wester Hailes and Liberton, to see their projects brought forward within the programme and it might be through overall programme slippage or additional schools funding from the Scottish Government – or a combination of both – that this aim can be realised. However, we also think it is right to signal the council's agreement that these schools be developed earlier than programmed. That is why we have **allocated headroom in our revenue budget to support £11m of extra capital funding over this period to assist towards the acceleration of the Wester Hailes and Liberton projects**.

29. Finally, beyond that, as we highlighted in paragraph 5, there is a massive opportunity to marshal significant capital resources to invest in the city's zero carbon journey.

Recommendations

Council notes the following reports:

4.1 Revenue Budget 2020/23

- (a) Council Change Strategy: Planning for Change and Delivering Services 2020/23 – referral from the Finance and Resources Committee
- (b) Council Change Strategy 2020/23: Risks and Reserves
- (c) Loans Fund Review
- (d) Housing Revenue Account Budget Strategy (2020-2030)
- (e) Council Revenue Budget Framework (2020-21) Integrated Impact Assessments

4.2 Capital Budget Strategy 2020-2030

The City of Edinburgh Council 20 February 2020

4.3 Change and Budget Conversations Report and Change and Budget Citizen Focus Groups report

Council approves:

- The revenue budget set out in the reports, subject to the amendments set out in Appendix 1 to this motion
- A band D Council Tax of £1,339.23.
- The Council Tax and Rating resolution as set out in Annex 2 to this motion;
- The 2020 to 2030 capital budget as set out in the report by the Executive Director of Resources, 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 financial impact of which is contained in Appendix 1 to this amendment, subject to application of the fee rises harmonisation fund set out in that appendix
- The recommendations contained in the Housing Revenue Account report by the Executive Director of Place and the outline 10-year HRA capital programme 2020-30.
- The pilot carbon budgeting report in 4.1, Recommendation 1.1.4
- Allocations from General Reserves (formerly in Strategic Investment Fund), Former CEEF and Spend to Save Fund, as outlined above.

Moved by Gavin Corbett

Seconded by Chas Booth

**THE CITY OF EDINBURGH COUNCIL
GREEN GROUP BUDGET MOTION
REVENUE BUDGET 2020/21 - 2022/23**

	2020/21		2021/22		2022/23	
	£000	£000	£000	£000	£000	£000
Expenditure to be Funded						
- Resource Allocation Totals	1,041,613					
- Add: Expenditure funded through Specific Grants	<u>56,996</u>					
		1,098,609				
- General Revenue Funding and Non Domestic Rates	(735,150)					
- Ring Fenced Funding	<u>(56,996)</u>					
		(792,146)				
To be Funded by Council Tax		<u>306,463</u>		<u>320,663</u>		<u>334,738</u>
Council Tax at Band D	£ 1,339.23		£1,404.05		£1,472.01	
Increase on Previous Year	£ 61.83		£ 64.82		£ 67.96	
- Percentage Increase	4.84%		4.84%		4.84%	
Funding Requirement	306,463		320,663		334,738	
Council Tax Income		<u>306,908</u>		<u>321,267</u>		<u>335,941</u>
		<u>306,908</u>		<u>321,267</u>		<u>335,941</u>
Funding (Excess) / Shortfall at Council Tax increase above as reported to Council, February 2020		(445)		(604)		(1,203)
Service Investment (see Appendix 1)	2,840		2,085		1,910	
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	20		240		2,185	
Less: Additional Savings (see Appendix 1)	<u>(915)</u>		<u>(1,221)</u>		<u>(2,392)</u>	
		1,945		1,104		1,703
Contributions to / (from) reserves (itemise)						
Unallocated General Reserves (ex-CSIF element to support EV infrastructure)	(700)					
Former CEEF for Year 1 deep energy retrofit feasibility, etc.	(200)					
Spend to Save (Energy efficiency - LED and asset management)	<u>(600)</u>		<u>(500)</u>		<u>(500)</u>	
		(1,500)		(500)		(500)
Balance of Available Resources		<u>-</u>		<u>-</u>		<u>-</u>

THE CITY OF EDINBURGH COUNCIL

**GREEN GROUP BUDGET MOTION
REVENUE BUDGET 2020/21 - 2022/23**

	2020/21	2021/22	2022/23
SERVICE INVESTMENT	£000	£000	£000
Climate Emergency			
Expansion of electric vehicle charging infrastructure	700	(700)	
Energy efficiency - LED and asset management	600	(100)	
Sustainability Project support: innovation post	50		
Development project for Workplace Parking Levy	60		
Warm homes for private tenants	100		
(Above projects self-financing through funding generated and/or minor use of earmarked funds)	(210)		
Trees: street trees and 1 million trees programme	170		
School estate: deep energy retrofit feasibility plus early works (funded from allocation from former CEEF fund)	200	(200)	
Solar PV expansion	50		
Biodiversity: alternatives to glyphosate	80	(80)	
Biodiversity: Natural Edinburgh Project	200		
Waste prevention	200	300	(300)
Food for Life	60	(100)	
Prudential borrowing/loans charges	80	25	25
Prudential borrowing Wave 4 Schools contribution to acceleration	500	100	100
TOTAL SERVICE INVESTMENT	<u>2,840</u>	<u>(755)</u>	<u>(175)</u>
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2020/23			
Edinburgh Leisure - core funding	120	120	120
Phasing-in of sports price harmonisation	100	(50)	(25)
Instrumental music		150	350
Library opening hours	300		1,000
Police Scotland	(500)		500
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	<u>20</u>	<u>220</u>	<u>1,945</u>
ADDITIONAL SAVINGS	£000	£000	£000
Security service - alternative delivery	(333)		
Trade waste externalisation		(100)	
Member catering	(12)		
Estate temperature reduction	(100)		
Additional parking revenue	(470)	(206)	(371)
Christmas and Hogmanay - net-zero cost in 2022/23			(800)
TOTAL ADDITIONAL SAVINGS	<u>(915)</u>	<u>(306)</u>	<u>(1,171)</u>

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

To recommend that in respect of the year to 31st March, 2021:

1. GENERAL FUND

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

Council Tax - estimated expenditure from Council Tax of £306.908m 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	892.82	E	1,759.60
B	1,041.62	F	2,176.25
C	1,190.43	G	2,622.66
D	1,339.23	H	3,281.11

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	10 July 2020
Hearing of Appeals by the Rating Authority	18 September 2020

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
GREEN GROUP BUDGET MOTION
CAPITAL BUDGET 2020 - 2025
ADDITIONS TO REVISED PROGRAMME**

	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Total £000
Additions to recommended CIP:						
Fleet transition - electric mini-buses and cargo bikes	2,000	-	-	-	-	2,000
(of which supported by external funding)	(1,000)	-	-	-	-	(1,000)
(of which supported by prudential borrowing, in turn met by savings in fuel costs)	(1,000)	-	-	-	-	(1,000)
Community Centres	1,000	-	-	-	-	1,000
Play Facilities	200	200	200	200	200	1,000
Wave 4 Schools Accelerated Delivery	<i>£0.5/£0.6/£0.7m of additional loans charge support provided over three years of revenue budget to support delivery of £11m of additional capital expenditure by 2022/23</i>					
To be financed from additional borrowing	1,200	200	200	200	200	2,000