

Motion by Liberal Democrat Group

The City of Edinburgh Council

**Item 4.1: Revenue Budget 2023/24 and Sustainable
Capital Budget Strategy 2023-2033**

A backdrop of Scottish Government cuts

Council:

1. Condemns the Scottish Government's repeated failure, year after year, to adequately fund the Council and the subsequent impact upon the quantity and quality of services delivered, with the Council facing a £76 million (5.5%) funding gap this year alone.
2. Denounces the Scottish Government's ongoing attack on local democracy and accountability through ring-fenced funding, short term budgeting and imposing unfunded obligations on the Council, resulting in tens of millions of cuts required over the next four years. Regrets the negative impact this has on the Council's capacity to devise and implement vital strategies, such as ending poverty and reaching Net Zero by 2030.
3. Notes the legal requirement for the Council to set a balanced budget at a time when costs are rising and when the funding being received from the Scottish Government is reducing, a challenge which requires difficult choices.

A Council budget that delivers

Council:

4. Notes that, despite continued funding cuts from the Scottish Government, residents still rightly expect high-quality local services in return for the increasing amounts of council tax they pay each year, which requires a budget which focuses on essential core services, delivered well.
5. Agrees that, at a time of difficult choices and limited resources, it is critical to prioritise spending on those Council services which residents say matter most, including:

Education – where the Council has a responsibility and duty to give every child the best possible start in life. Council therefore rejects the proposed budget cuts which would risk reducing the resources available for teaching in our schools.

Getting the basics right – where Council notes the huge public concern over the poor and worsening states of the city's roads, paths and pavements, and accordingly allocates substantial additional money to improve repairs and carry out additional resurfacing works for the long term.

Making Edinburgh a cleaner and greener city – with additional resource for our parks and greenspaces, improving funding for fly tipping, graffiti removal and street sweeping, and additional resource for flood defences and gully cleaning in light of the increasing impacts of climate change.

Therefore, agrees to the budget set out below.

The City of Edinburgh Council 23 February 2023

An efficient and effective Council for the future

6. Recognises that given the Scottish Government's current approach to local council funding, further cuts are likely to be required in future.
7. Therefore, agrees it is imperative that the Council consider all options which could deliver upon its fundamental promise of services for residents in the future by doing things differently, primarily through Best Value service reviews. Therefore, agrees to proceed with a Best Value review of waste and cleansing services that considers the potential savings that might arise through external provision while maintaining if not improving services.
8. Agrees furthermore that Edinburgh has amongst the most knowledgeable, diligent, and gifted voluntary and community sector in Scotland, noting that delivery of services by the Council is not always effective or efficient, and that a tremendous multiplier effect applies to Council funding. Recognises the potential this has for the Council to enable better outcomes with less resource invested.
9. Recognises the need to raise business rates on empty commercial property as an effective policy in its own right as a way of bringing properties back into use and also to help deliver important additional funding to improve front line Council services.

Revenue Budget Proposals

1. Protect school budgets by rejecting cuts to teachers and pupil support assistants at a cost of £5.55m.
2. Reject the cut to the Speech and Language Therapy budget of 370k. Proceed with the review, so long as any savings from duplication go into school budgets.
3. Reject the savings from a review of the Council's Inclusion policies and related support.
4. Increase spending by £3m on gully cleaning, fly tipping, graffiti removal and street sweeping.
5. Fund the Climate & Sustainability team, at a cost of £279k, to press ahead with implementing measures to make our city cleaner and greener.
6. Save £600k from the redeployment pool by withdrawing the commitment to no compulsory redundancies.
7. Raise £40k from property developers via a 25% increase to Road Occupation charges.

8. Generate significant savings from Best Value service reviews, specifically looking at external provision of Waste & Cleansing Services which may result in savings of £500k in year 1, rising to £2.5m p.a. in subsequent years.

9. Reject the £120k cut to the Taxicard service.

Notes, in addition, the Council could

10. raise additional revenue from empty commercial property through the withdrawal of Empty Property Relief for Non-Domestic Rates.

11. reduce energy costs and carbon emissions by turning down standard temperature settings in Council offices from 19° to 18° C.

12. raise extra revenue by charging commercial event operators for advice and guidance provided through the Event Planning Operations Group (EPOG) process.

Capital Budget Proposals

1. Add £11m to improve paths, pavements and roads.

2. Add £3m to fund improvements to parks and greenspaces.

3. Add £2m to fund measures to prevent flooding.

4. Allocate £3m towards the funding of the King's Theatre refurbishment project from the Asset Management Works programme.

5. Notes the Council's commercial property portfolio is managed with a view to maximising the generation of income and capital gains. It also represents a potential source of capital for investment in Council priorities. The Council could put in place a long-term strategy that sets out the purposes and objectives for its commercial estate. Alongside this strategy, the Council could identify all its land titles and commercial properties, their potential uses and value to the Council.

6. Notes that energy efficiency is a key element of the Council's strategy towards achieving its climate targets with the potential for significant reductions in annual carbon emissions and energy costs. Notes the potential source of up to £50m of lower-cost capital available to the Council in its commercial property portfolio that could fund a second programme of energy efficiency measures for the Council's operational estate.

Conclusions

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

Council Budget Reports

- (a) Revenue Budget Framework 2023/27 – Progress Update - referral from the Finance and Resources Committee
- (b) Revenue Budget Framework 2023/24 – Further Update – report by the Chief Executive
- (c) Council Revenue Budget Framework – (2023/24) - Integrated Impact Assessments – report by the Interim Executive Director of Corporate Services
- (d) Revenue Budget 2023/24 - Risks and Reserves - referral from the Finance and Resources Committee
- (e) Sustainable Capital Budget Strategy 2023-2033 – referral from the Finance and Resources Committee

Council therefore approves:

- The Revenue Budget 2023/24 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 £1,447.69 for 2023/24;
- The Council Tax and Rating resolution set out in Annex 2 to this motion;
- The 2023/33 Sustainable Capital Budget Strategy as set out in the report by the Interim 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 motion; and
- A further report to be submitted to seek approval of the prudential indicators arising from this motion.

Moved by Councillor Neil Ross

Seconded by Councillor Lewis Younie

**THE CITY OF EDINBURGH COUNCIL
LIBERAL DEMOCRAT BUDGET MOTION
REVENUE BUDGET 2023/25**

	2023/24		2024/25	
	£000	£000	£000	£000
Expenditure to be Funded				
- Resource Allocation Totals	1,243,820			
- Add: Expenditure funded through Specific Grants	<u>56,559</u>			
		1,300,379		
- General Revenue Funding and Non Domestic Rates	(903,917)			
- Ring Fenced Funding	<u>(56,559)</u>			
		(960,476)		
To be Funded by Council Tax		<u>339,903</u>		<u>386,914</u>
Council Tax at Band D	£ 1,447.69			£ 1,491.12
Increase on Previous Year	£ 68.94			£ 43.43
- Percentage Increase	5.00%			3.00%
Funding Requirement		339,903		386,914
Council Tax Income		<u>345,295</u>		<u>355,653</u>
		<u>345,295</u>		<u>355,653</u>
Funding (Excess) / Shortfall at Council Tax increase above as reported to Council, February 2023		(5,392)		31,261
Service Investment (see Appendix 1)	3,357		3,234	
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	5,535		7,885	
Less: Additional Savings (see Appendix 1)	<u>(3,500)</u>		<u>(5,700)</u>	
		5,392		5,419
Contributions to / (from) reserves (itemise)				
Contribution to unallocated general reserve				
		-		-
Balance of Available Resources		<u>0</u>		<u>36,680</u>

THE CITY OF EDINBURGH COUNCIL
LIBERAL DEMOCRAT BUDGET MOTION
REVENUE BUDGET 2023/25

	2023/24	2024/25
SERVICE INVESTMENT	£000	£000
Add staff resource to the Climate & Sustainability team	279	
Increase spending on gully cleaning, fly tipping, street sweeping & graffiti removal	3,078	(123)
TOTAL SERVICE INVESTMENT	<u>3,357</u>	<u>(123)</u>
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2023/27		
Protect School budgets by rejecting proposed cuts	5,550	
Reject Speech & Language Therapy saving	370	130
Reject the Taxicard saving	120	30
Reject alignment of Inclusion and Support		1,500
Cost of borrowing £16m for the capital budget	685	690
Increase fees and charges by CPI in October 2022 except as noted *	(1,150)	
Increase in Road Occupation charges by 25%	(40)	
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	<u>5,535</u>	<u>2,350</u>
ADDITIONAL SAVINGS		
Increase parking penalties to £50/£100	(2,400)	
Changes to Redeployment policy	(600)	(200)
Best Value service reviews	(500)	(2,000)
TOTAL ADDITIONAL SAVINGS	<u>(3,500)</u>	<u>(2,200)</u>

* fees and charges for community access to secondary school facilities and HMO licences.

**THE CITY OF EDINBURGH COUNCIL
COUNCIL TAX / RATING RESOLUTION
LIBERAL DEMOCRAT BUDGET MOTION**

To recommend that in respect of the year to 31st March, 2024:

1. GENERAL FUND

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

Council Tax - estimated expenditure from Council Tax of £345.295m 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	965.13	E	1,902.10
B	1,125.98	F	2,352.50
C	1,286.84	G	2,835.06
D	1,447.69	H	3,546.84

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	14 July 2023
Hearing of Appeals by the Rating Authority	15 September 2023

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 BUDGET MOTION
CAPITAL BUDGET 2023 - 2028
ADDITIONS TO REVISED PROGRAMME**

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Available Resources for Distribution (if applicable)						
Prudential Borrowing (funded through additional revenue savings)	16,000					16,000
	<u>16,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,000</u>
Changes to recommended Capital Investment Programme						
Improvements to paths, pavements & roads	11,000					11,000
Improvements to parks & greenspace	3,000					3,000
Flood prevention measures	2,000					2,000
King's Theatre	3,000					3,000
Re-allocation from Asset Management Works for the King's Theatre	(3,000)					(3,000)
	<u>16,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,000</u>