

Motion by the Conservative Group

City of Edinburgh Council

23 February 2023

Title: Item 4.1 Revenue Budget 2023/24 and Sustainable Capital Budget Strategy 2023-33

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 increased demand for services, the challenging global economic environment and the continuing financial legacy of the pandemic.

Notes the long-term failure of Council Administrations and COSLA 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, adult social care demography and concessionary travel into future budgets as a starting point to a fair settlement for local government.

Notes that the financial challenges facing this Council largely owe their origins to the failure of the previous 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.

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 the previous SNP/Labour Administration.

Revenue Budget 2023/27

On specific budgetary proposals Council:

- 1) Recognises the financial challenges facing taxpayers and agrees to limit the Council Tax increase to 4% in 2023/24.
- 2) Rejects the proposed budget cut for Speech and Language Therapy services but instructs a full review of the service to identify the best mechanism of maximising the benefits to those in receipt of the services.
- 3) Council notes the continual failure to maximise efficiency and effectiveness of Council services. In recognising that the quality of the service is critical, Council further commits to considering revisions to all methods of service delivery to improve quality and/or reduce cost in line with Best Value.

- 4) 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 2023. Market testing and benchmarking should be applied to take an evidenced-based approach to development of savings options.
- 5) Council regrets the failure of the SNP/Green Administration at Holyrood to address anomalies in funding for Homelessness prevention with Edinburgh facing additional gross costs of £33.7m in 2023/24. The additional cost to Edinburgh is equivalent to 10% of Council Tax charges in 2023/24 and Council agrees to make urgent cross-party representations.
- 6) Approves £3.7m of additional expenditure for a programme of environmental initiatives including investment in City Centre operations and action to address key issues including graffiti, fly tipping, communal bin cleaning/maintenance; and provision of a means tested special uplift service.
- 7) Notes that Penalty Charge Notices (PCNs) for parking enforcement have not increased for over 20 years and agrees to adopt the higher PCN rate with a charge of £50 where the penalty is paid within 14 days. Additional income of £2.4m will be ringfenced for investment in road and pavement repairs to start to address the appalling condition of the city's roads
- 8) Rejects proposals to increase pay and display and parking permit charges by c.12% and limit increases to 5%.
- 9) 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.
- 10) Agrees to retain Lothian Buses in public ownership, recognising the need to evolve services as housing provision in the city changes, but rejects plans to introduce a workplace parking levy.
- 11) Regrets that the Scottish Government's provision of free bus travel for under 22s and over 60s does not provide compensating funding for Edinburgh Trams. Council does not agree budget provision for these unfunded National policy commitments 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 April.
- 12) Agrees investment of £200,000 to restore bus services 69 and 20 for Willowbrae/Lady Nairne and Dumbiedykes.
- 13) Allocates £220,000 to reject proposed uplifts in fees and charges relating to health and social care and community access to school sports facilities.
- 14) Commits to prioritising the City of Edinburgh Music School and the instrumental music service.
- 15) 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 Crags and Queensferry Sports Centres.
- 16) Agrees to terminate the Council's membership of the Convention of Scottish Local Authorities delivering an annual saving of £255,000 from 2024/25.

- 17) Regrets the previous Administration's failure to deliver the Asset Management Strategy, with pressures of £2.4m written off. Further, recognises that many organisations have been proactive in developing new ways of working to benefit employers, employees and customers, but regrets the delay in Council bringing forward robust proposals for flexible working and effective use of Waverley Court and other property assets.
- 18) Council agrees to review organisational change and redeployment arrangements to maximise opportunities for redeployment and ensure value for money.
- 19) Supports the proposal to replace the Council's HR and Payroll system subject to further detailed consideration by Finance and Resources Committee on 10 March 2023.
- 20) Notes the continued failure of the Edinburgh Health and Social Care Partnership to develop a strategic approach to financial planning with the Edinburgh Integration Joint Board (EIJB) continuing to rely on non-recurring funding to address non-delivery of Partnership savings and shortfalls in funding from the Scottish Government and NHS Lothian. Further recognises the failure of the Partnership and EIJB to deliver transformational change in service delivery.
- 21) Council notes the urgent need to address the failure of the EIJB to make progress towards a sustainable budget position and agrees to reprioritise £2.5m of the Council's allocation to the EIJB on a recurring basis to create ring-fenced Innovation and Service Transformation funds with the initial phase of business case proposals for investment to be brought to the Council by the Autumn.

Capital Investment Programme

Council:

- 22) Agrees proposals for additional capital investment of £16m as detailed in Annex 3.
- 23) 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 included in the budget framework for 2023/24 and an annual allowance of £9.25m from 2024/25.
- 24) Rejects the proposal to reduce the carriageway and footways budget to address cost pressure on the North Bridge project.
- 25) Agrees an additional contribution of up to £3m to the King's Theatre renovation subject to further assurance on the robustness of project cost estimates and confirmation of match funding from other bodies.
- 26) 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:

- 27) Notes the report by the Executive Director of Corporate Services setting out the significant risks associated with the Administration's budget proposals.
- 28) Agrees that establishment of an appropriate ICT infrastructure reserve will be a priority should additional revenue funding be confirmed through UK and Scottish Government budget decisions.
- 29) Requests the Chief Executive to report to Council in April with detail of specific proposals to address long-standing underlying budget pressures in the Place and Education and Children's Services Directorates.

Development of a Sustainable Financial Strategy

Council:

- 30) Recognises that the projected budget deficits largely pre-date the outbreak of COVID-19 with the Council continuing to rely heavily on corporate savings and reserves.
- 31) Agrees to develop an effective strategy to lobby for a fairer settlement for local government including 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.
- 32) Subject to consideration of more detailed business cases by the Finance and Resources Committee, approves the use of up to £1m from the Spend to Save Fund to accelerate the development of a comprehensive change plan to address the pressing financial challenges facing the council over the medium term including;
 - Establishment of a dedicated 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 1st January 2024.
- 33) Agrees to establish Health and Social Care Innovation and Service Transformation Funds with a first phase of business cases to be reported to the Council in the Autumn.

Conclusions

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

- (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 £1,433.90 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;
- Allocations from the Spend to Save Fund as set out in 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; and
- A further report to be submitted to seek approval of the prudential indicators arising from this motion.

Proposed by Councillor Phil Doggart
Seconded by Councillor Graeme Bruce

**THE CITY OF EDINBURGH COUNCIL
CONSERVATIVE GROUP 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	£ 1,433.90		£ 1,476.92	
Increase on Previous Year	£ 55.15		£ 43.02	
- Percentage Increase	4.00%		3.00%	
Funding Requirement		339,903		386,914
Council Tax Income		<u>342,006</u>		<u>352,266</u>
		<u>342,006</u>		<u>352,266</u>
Funding (Excess) / Shortfall at Council Tax increase above as reported to Council, February 2023		(2,103)		34,648
Service Investment (see Appendix 1)	8,963		9,405	
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	1,390		1,520	
Less: Additional Savings (see Appendix 1)	<u>(7,250)</u>		<u>(10,455)</u>	
		3,103		470
Contributions to / (from) reserves (itemise)				
Spend to Save Fund	(1,000)			
		<u>(1,000)</u>		-
Balance of Available Resources		<u>(0)</u>		<u>35,118</u>

THE CITY OF EDINBURGH COUNCIL
CONSERVATIVE GROUP BUDGET MOTION
REVENUE BUDGET 2023/25

	2023/24	2024/25
SERVICE INVESTMENT	£000	£000
Strategic Property Review (Spend to Save Fund)	500	(500)
Service Prioritisation and Value for Money Service Reviews (Spend to Save Fund)	500	(500)
Infrastructure Investment (Prudential Borrowing)	463	642
Road and Footpath Repairs	2,400	
City Clean Up	2,400	800
Bus Services	200	
EIJB Innovation and Transformation Funds	2,500	
TOTAL SERVICE INVESTMENT	<u>8,963</u>	<u>442</u>
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2023/27		
Speech and Language Therapy	370	130
On Street Parking Charges and Parking Permits	800	
Discretionary Fees and Charges	220	
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	<u>1,390</u>	<u>130</u>
ADDITIONAL SAVINGS		
EIJB - Council Priorities Fund Allocation	(2,500)	
Trams Concessionary Fares	(1,250)	(250)
Review of Organisational Change and Redeployment	(600)	(200)
COSLA		(255)
Parking Enforcement - Penalty Charge Notice	(2,400)	
Strategic Property Review		(500)
Service Prioritisation and Value for Money Service Reviews	(500)	(2,000)
TOTAL ADDITIONAL SAVINGS	<u>(7,250)</u>	<u>(3,205)</u>

**THE CITY OF EDINBURGH COUNCIL
COUNCIL TAX / RATING RESOLUTION
CONSERVATIVE GROUP 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 £342.006m 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	955.93	E	1,883.99
B	1,115.26	F	2,330.09
C	1,274.58	G	2,808.05
D	1,433.90	H	3,513.06

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
CONSERVATIVE GROUP 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						
Prudential Borrowing (funded through additional revenue savings)	11,250	4,750				16,000
	11,250	4,750	0	0	0	16,000
Changes to recommended Capital Investment Programme						
Roads and Pavements	8,000	4,000				12,000
City Clean Up	500					500
Transport Schemes	500	750				1,250
Parks and Greenspace	750					750
Bridge Structures	1,500					1,500
King's Theatre	3,000					3,000
Asset Management Works Reserve	(3,000)					(3,000)
	11,250	4,750	0	0	0	16,000