

Addendum by the Administration

Finance and Resources Committee (Special Meeting)

23 October 2023

Item 7.1 – Revenue Monitoring 2023/24 – month three report

- 1.1.8 Asks officers to pro-actively engage with Edinburgh Leisure to consider all possible options towards paying the real living wage and making it sustainable going forward, in recognition of the contribution that Edinburgh Leisure's staff make to the health and wellbeing of Edinburgh's residents and visitors.
- 1.1.9 Affirms our commitment to inclusion and high attendance in our schools and that the skills and experience of our EWOs (Education Welfare Officers) should be retained within our inclusion work, as set out in the original budget proposal details.

Moved by: Cllr Mandy Watt

Seconded by:

Amendment by the SNP/Green Group

Finance & Resources Committee (Special Meeting) 23 October 2023 Revenue Monitoring 2023/24 – month three report update

Adds:

1. Committee expresses deep concern about the situation facing the IJB and notes that to undertake any actions within the proposed recovery plan risks damage to staff and service users as well as the financial sustainability of health and social care in Edinburgh;
2. Committee acknowledges the work done to date on the Medium Term Financial Plan for the IJB, and that continuation of this must be the priority going forward;
3. Committee agrees that in order that this situation should not arise again:
 - a. IJB funding including updates on the deficit and progress on the Medium Term Financial Plan should be added as a standard item on the agenda for Finance and Resources meetings going forward;
 - b. Council officers should work with IJB officers to see how budget timings and processes can be brought into closer alignment including ensuring that IJB budgets are available for Councillors to take into consideration when setting CEC budgets. An initial report on this should be brought back to the next F&R Committee Meeting.;
 - c. Updates on spending and allocation of the underspend should be brought to all Finance & Resources Committee meetings for the remainder of the financial year;
4. Finally, Committee firmly believes the NHS should also contribute to the projected underspend and therefore instructs CEC officers and the Chief Executive to continue to ask the NHS to contribute more funding to the IJB in recognition of the integrated nature of health and social care and that care costs allocated to the Council are preventative, contributing to a reduction in overall NHS spend.

Deletes recommendations 1.1.1, 1.1.2 and 1.1.3 and **replaces with:**

- 1.1.1 Welcomes the work done by Council officers to identify uncommitted resources from various service areas and notes that we are now close to being able to cover all of the shortfall in IJB and other service areas;
- 1.1.2 Notes that the previous committee recommendations included a recognition of other challenges facing the City of Edinburgh Council outwith health and social care funding;
- 1.1.3 Further notes that these challenges include the fact that 1 in 5 children in Edinburgh are growing up in poverty, and that in-work poverty is a growing issue, and
- 1.1.4 Recognises that anti-poverty measures are preventative, and will reduce the pressure felt by health and social care services in Edinburgh;
- 1.1.5 Notes that temporary accommodation costs represent a significant expenditure pressure as set out in the report, and recognises that initiatives to reduce homelessness can help alleviate this pressure;
- 1.1.6 Understands that budgets and service demands are liable to change throughout the year, and that confidence in funding is essential to avoid entering damaging short-term cost saving measures;
- 1.1.7 Therefore agrees that the underspend should be allocated as suggested in the report with the exception of additional allocations of:
 - 1.1.7.1 £1.9m to repeat the 2022/23 cost of living direct payment for every child in the city in receipt of free school meals and school clothing grant, at the sum of £200;
 - 1.1.7.2 £1m to reintroduce payments through the Tenant Grant Fund, providing direct payments to individuals and families who are in rent arrears and at risk of homelessness or eviction
 - 1.1.7.3 £473k to Edinburgh Leisure as a one-off additional payment to cover the immediate implementation of the living wage for workers for this financial year and secure agreement for the company to not deviate from this position in future years;
 - 1.1.7.4 £150k to reinstate the Council's Education Welfare Officers and reversing the cuts to this service, and reinstating this service, noting that the report recognises that any 'savings' found from this cut have now been reduced to £250k

Recognises that use of reserves will require further discussion after referral to Full Council and rennumbers accordingly.

Moved by: Cllr Macinnes

Seconded by: Cllr Mumford

Addendum by the Liberal Democrat Group

Finance and Resources Committee (Special Meeting)

23 October 2023

Item 7.1 - Revenue Monitoring 2023/24 - Month Three Report

Committee

Adds:

- 1.1.8 Recognises the deeply concerning 2023/24 financial position of the Edinburgh Integration Joint Board's (EIJB's) Health and Social Care Partnership, with the Council being expected to fund a budgeted overspend of £14.2m.
- 1.1.9 Notes the unpublished, EIJB special measures proposals that could be needed to break even in the current year. And further notes that such measures could require extensive cuts to social care packages and critical services, with related impacts on staff, affecting a range of vulnerable service users and their carers.
- 1.1.10 Agrees
- i) it is essential for the adequate provision of social care services in Edinburgh that the EIJB's Medium Term Financial Strategy (MTFS) is brought back on track; and
 - ii) that the cuts to essential social care services, proposed in the EIJB's special measures plan, are to be avoided.
- 1.1.11 Calls on NHS Lothian to provide an annual financial contribution, in recognition of NHS costs saved, towards the cost of the EIJB's preventative spending to reduce delayed hospital discharges and allow elderly and disabled people to return to their communities.
- 1.1.12 Requests greater oversight by the Council's Finance & Resources Committee (F&R) of the implementation of the EIJB's MTFS and instructs officers to ensure that F&R has an update to every meeting for as long as necessary, outlining MTFS progress and setbacks that affect the Council, and input to the EIJB's

annual budget process with a view to setting a balanced budget for the Council's share of proposed EIJB spending in 2024/25.

1.1.13 Agrees that the Council's 2022/23 underspend of £13.3m and additional resource of £0.9m be made available, only to the extent required and no more, to meet the projected 2023/24 EIJB overspend of £14.2m.

Moved by: Cllr Neil Ross

Seconded by: Cllr Lewis Younie

Addendum by the Conservative Group

Finance & Resources Committee (Special Meeting)

23 October 2023

Item 7.1 - Revenue monitoring report 2023/24 - month three report

Adds:

- 1.2 Committee is concerned at the additional expenditure pressures at this stage of the financial year and recognises the need reform the delivery of Council services to reduce the likelihood of future year pressures;
- 1.3 Committee expresses deep concern about the situation facing the IJB and notes that to undertake any actions within the proposed recovery plan risks damage to staff and service users as well as the financial sustainability of health and social care in Edinburgh;
- 1.4 Committee acknowledges the work done to date on the Medium-Term Financial Plan for the IJB, and that continuation of this must be the priority going forward;
- 1.5 Committee agrees that in order that this situation should not arise again:
 - a. IJB funding including updates on the deficit and progress on the Medium-Term Financial Plan should be added as a standard item on the agenda for Finance and Resources meetings going forward;
 - b. Council officers should work with IJB officers to see how budget timings and processes can be brought into closer alignment including ensuring that IJB budgets are available for Councillors to take into consideration when setting CEC budgets. An initial report on this should be brought back to the next F&R Committee Meeting;
 - c. Updates on spending and allocation of the underspend should be brought to all Finance & Resources Committee meetings for the remainder of the financial year;
- 1.6. Finally, Committee firmly believes the NHS should also contribute to the projected underspend and therefore instructs CEC officers and the Chief Executive to continue to ask the NHS to contribute more funding to the IJB in recognition of the integrated nature of health

and social care and that care costs allocated to the Council are preventative, contributing to a reduction in overall NHS spend.

Moved by: Cllr Phil Daggart

Seconded by: Cllr Jo Mowat

Emergency Motion by the Administration

Finance and Resources Committee

23 October 2023

Emergency Motion – Scottish Government Council Tax Announcement

In June 2023, the Scottish Government confirmed their commitment to partnership working with Local Authorities through the publication of the Verity House Agreement. The Agreement pledged to deliver regular budgetary engagement between Scottish and Local Government in preparation for the Scottish Budget in December.

Through partnership working, Scottish and Local Government were to work together to ultimately deliver on three key national priorities; ending poverty; transforming the economy through a just transition to deliver net zero, and delivering sustainable person-centred public services.

On 17 October 2023, the First Minister unexpectedly announced the Scottish Government would freeze Council Tax rates for the 2024/25 Financial Year.

The announcement blindsided Local Government, COSLA, and the SNP's Coalition partners at Holyrood and contradicted the foundations of the Verity House Agreement, diminishing the statement of intent the Agreement pledged for the future of Local Authorities.

On the back of real term income cuts for Local Government, now compounded over several years, the announcement to freeze Council Tax has the potential to exacerbate an already precarious environment and result in the deterioration of publicly run services, which the Agreement was introduced to protect.

As the lowest funded per capita Local Authority in Scotland, the future of the City of Edinburgh Council's services would be at peril without the support of Council Tax revenue.

COSLA sought immediate input from Councils regarding their forecast for 2024/25 Council Tax increases and this had to be submitted without consulting Councillors, who are ultimately responsible for agreeing a rate. The rate submitted was per the last published forecast and did not reflect the amount required to fully protect services.

Therefore, Committee agrees; that the Chief Financial Officer will write to COSLA – as a matter of urgency – to put on record the rates that would be required to fully protect services; and

That the Convenor will write to the Scottish Government to emphasise Committee's dismay that a decision proposing to reintroduce a council tax freeze without consulting COSLA regarding the impact this would have on local services; and our view that the Verity House Agreement should be adhered to in respect of ring-fencing of funds and both existing and proposed local taxes.

Moved by: Cllr Mandy Watt

Seconded by: