

Motion by the Liberal Democrat Group

City of Edinburgh Council

22nd Febraury 2024

Item 4.1: Revenue Budget 2024/25 and Sustainable Capital Budget Strategy 2024-2034

A. The Scottish Government's continued assault on local government

Council:

1. Recognises the need for the Council's services to help residents lead safe, happy, and prosperous lives and for the Council to deliver on its agreed and ambitious goals; to create good places to live and work, end poverty in Edinburgh, and reach Net Zero by 2030.
2. Condemns the continued failure of the SNP/Green Scottish Government to provide sufficient funding to all Scottish local authorities and, in particular, adequate funding for the City of Edinburgh Council given this is the worst funded Scottish council per head of population.
3. Regrets the damage done by this sustained and destructive assault on local democracy and local services by 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.
4. Condemns the democratic outrage committed by the First Minister in breaking the Verity House Agreement by announcing a Council Tax freeze without consulting Councils, COSLA, or even Scottish Government Officials and his Cabinet colleagues; notes that this promise was outside his gift and that the financial compensation for Edinburgh to implement a freeze was £1.4 million short in funding a 5% council tax; furthermore this 'compensation' was funded through an effective reduction in the Council's block grant.
5. Recognises that the replacement of Council Tax remains an outstanding failure of almost 17 years of SNP governments and that an underfunded proposal to freeze rates is a wholly inadequate response.
6. Requests that the Council Leader invites the Cabinet Secretary for Finance, Shona Robison, to come before the Council to offer explanation for this unprovoked and sustained assault upon Council resources and local democracy.

B. Delivering Essential Services

Council:

7. Recognises that, despite the Scottish Government's continued failure to support local authorities, the Council still has a responsibility to ensure vital services are delivered throughout the entire city.

8. Notes the considerable progress that was made by the decision of members from four different political parties to vote for the Liberal Democrat budget for 2023/24, which delivered record investment in fixing our roads and pavements; £3 million extra for gully cleaning, fly tipping, graffiti removal and street sweeping; additional money to improve our parks and greenspaces; and £2 million additional investment for flood defences.

9. Agrees that, at a time of difficult choices and limited resources, it is critical to build on this progress and further prioritise spending on those council services which matter most to residents, including:

- **Schools** – where the Council has a responsibility to give every child the best possible start in life; therefore, not only rejects the budget cuts proposed to the Education, Children, and Families Committee but instead resolves to increase the financial support given to primary and secondary teachers to help ensure they have the resources needed to deliver education in their schools.
- **Getting the basics right** - noting our residents rightly expect basic maintenance and upkeep of the city, agrees to spend an additional £12.5 million to address our potholed roads, broken pavements and damaged paths. Also agrees to spend an additional £1 million to hasten the implementation of long-awaited road safety schemes including pedestrian crossings, and additional funding for walkways, footbridges and accessibility improvements along the Water of Leith.
- **A greener city** – given the climate and nature emergencies, agrees to invest in the new LHEES office to increase its capacity to deliver clean heat projects across the city, and to create an 'Invest to Save' business case for energy efficiency measures in council buildings. Also agrees additional funds for tree planting to deliver the Million Trees City plans, create new allotments and invest the additional money needed to maintain the Council's network of supported bus services.
- **Edinburgh Leisure** – where Council recognises that Edinburgh Leisure facilities, accessible and affordable throughout the city, are of incalculable value in promoting healthy living and recreational activities, and therefore resolves to prevent closures and job losses at Edinburgh Leisure through additional investment, rejecting the attempt by the SNP and Greens to withdraw their funding.

C. Building Towards an Efficient, Effective, Data Driven Council

Council:

10. Commends the work on the Medium-Term Financial Plan conducted by officers, of which this Budget represents a component, but notes the huge financial challenge and difficult choices it presents in the coming years.

11. Recognises that the resources made available to the Council from the Scottish Government are, without a change in approach, unlikely to increase over coming years and that efficiency, effectiveness, and data literacy must be cornerstones of this Council's approach to ensure the continued delivery of services to residents.

12. Recognises that Best Value reviews are a key component of this efficient reshaping of the Council, given their potential to save resources and achieve the same or better delivery of service.

13. Recognises that through increased data literacy across the organisation, the Council can better understand its resources and service performance therefore enabling the Council to adapt and deliver to residents' needs.

D. Delivering on Residents' priorities and Our City's Needs

Revenue Budget Proposals

14. Council agrees to:

i) Spend £5.2 million needed to reject the proposed education cuts – recognising that savings which impact the delivery of education risk harming our young people in the short term and our city in the long term; and agrees to go even further by committing an additional £2 million to devolved school management budgets, providing extra money for each and every primary and secondary school.

ii) Commit £216,000 of additional revenue spending to enable £12.5m investment to continue improving our city's paths, pavements and roads.

iii) Commit an additional £300,000 per annum in order to deliver the network of supported bus services, recognising the importance of delivering public transport where the commercial market has failed to do so.

iv) Commit £3.2 million to support Edinburgh Leisure and prevent closures, loss of jobs, and a resulting devastating impact upon every community in Edinburgh; recognising the likely need for additional support and engagement in future years.

v) Spend £500,000 per annum to provide extra tree officers to plant more trees and deliver the Million Tree City project by 2030.

vi) Spend £200,000 per annum to increase the capacity of the LHEES Office by creating a new Heat Network Officer role and increasing the total project budget of the LHEES Office by £145k.

vii) Spend £150,000 per annum to install temporary public toilets in parks.

viii) Spend £600,000 per annum to fund dedicated community police, including for local speed enforcement, reversing the decision of the last SNP administration to remove all Council funding for community policing across Edinburgh.

ix) Spend £500,000 to support families to maximise their income through providing advice on benefits and related issues to reduce child poverty.

Revenue Raising Proposals

15. Council agrees to

i) Best Value reviews of Corporate Services, such as digital and IT and other services as identified in the Change programme to raise £500,000 in 2024/25 and more thereafter.

ii) Savings of £1.4m from reviewing off contract spend & waivers, net of extra procurement costs of £500,000 to implement.

iii) Fees and Charges increases:

- a. Garage rents increase by 5% to raise £15,000.
- b. Road Occupation permit charges additional increase of 15% to raise £22,000.

iv) Parking Pay and Display additional increase of 2% to raise £200,000 of recurring revenue.

Capital Budget Proposals

16. Council agrees that these spending proposals will be funded by repurposing a capital contingency of £7m along with prudential borrowing of £8.15m:

- i) Add £12.5m to the paths, pavements and roads budget to continue enhancements to the roads and pavements network by maximising the number of projects which can be delivered on a 'like for like' basis through delivery of Scenario 4 of the September 2023 report presented to the Transport & Environment Committee.
- ii) An extra £1m to accelerate the implementation of Road Safety projects.
- iii) Add £500,000 to the Million Tree City budget to plant more trees.
- iv) A new £500,000 fund to create more allotments and support the Right to Grow.
- v) £450,000 to carry out improvements to the Water of Leith bridges and walkways plus Dell Road route repairs.
- vi) Spend £100,000 to purchase a new weeding machine to allow the Council to stop using glyphosate while maintaining service levels.
- vii) Re-prioritise the operational buildings retrofit pilot project to adopt a Best Value approach in line with the Council's Net Zero objectives.
- viii) Given the lack of funding from the Scottish Government and the high cost of borrowing from PWLB, instruct officers to prepare an 'invest to save' Energy Efficiency business case to retrofit buildings within the Council's operational estate to reduce energy costs and the related carbon emissions using funds generated from the Council's commercial property estate. The report will take into account the loss of rental income and the need to fund the gap between realising capital from sales and investing that in energy reduction measures. It will target the lower yielding commercial properties with a view to investing the net proceeds of up to £50m into energy efficiency measures, such as insulation, ventilation and zero carbon onsite energy generation, that could yield higher returns in energy cost savings, along with the related CO2 reductions.

Council notes the following reports from the Executive Director of Corporate Services:

Council Budget Reports

- a) Revenue Budget Strategy and MTFP Progress Update - referral from the Finance and Resources Committee (25 January 2024)
- b) Revenue Budget Framework and Medium -Term Financial Plan (MTFP) 2024/29 – Further Update - referral from the Finance and Resources Committee (6 February 2024)

- c) Revenue Budget 2024-25 – Risk and Reserves - referral from the Finance and Resources Committee
- d) Sustainable Capital Budget Strategy 2024-2034 – referral from the Finance and Resources Committee

Council therefore approves:

- The Revenue Budget 2024/25 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 2024/25;
- The Council Tax and Rating resolution set out in Annex 2 to this motion;
- The 2024/34 Sustainable Capital Budget Strategy as set out in the report by the Executive Director of Corporate Services, as amended by the changes shown in Annex 3;
- The allocations from reserves as set out in this motion;
- A further report to be submitted seeking approval of revised charges for Council services, the financial impact of which is set out in Appendix 1; 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 2024/26**

	2024/25		2025/26	
	£000	£000	£000	£000
Expenditure to be Funded				
- Resource Allocation Totals	1,344,834			
- Add: Expenditure funded through Specific Grants	<u>16,211</u>			
		1,361,045		
- General Revenue Funding and Non Domestic Rates	(989,082)			
- Ring Fenced Funding	<u>(16,211)</u>			
		(1,005,293)		
To be Funded by Council Tax		<u>355,752</u>		<u>409,900</u>
Council Tax at Band D	£	1,447.69	£	1,491.12
Increase on Previous Year	£	-	£	43.43
- Percentage Increase		0.00%		3.00%
Funding Requirement		355,752		409,900
Council Tax Income		355,752		369,400
		<u>355,752</u>		<u>369,400</u>
Funding (Excess) / Shortfall at Council Tax increase above as reported to Council, February 2024 (note 1)		-		40,500
Service Investment (see Appendix 1)	6,358		2,598	
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	-		-	
Less: Additional Savings (see Appendix 1)	<u>(2,208)</u>		<u>(4,208)</u>	
		4,150		<u>(1,610)</u>
Contributions to / (from) reserves (itemise)				
Welfare Reform	(900)		-	
Severe Weather	(1,000)		-	
City Strategic Investment Fund	(450)		-	
Spend to Save / CEEF	(1,800)		-	
		<u>(4,150)</u>		-
Balance of Available Resources		<u>-</u>		<u>38,890</u>

Note 1 - incremental 2025/26 gap takes account of position set out in update report to the Finance and Resources Committee on 6 February 2024 i.e. that deferral of the schools-related savings results in the loss of the full-year effect of savings originally proposed from August 2024.

THE CITY OF EDINBURGH COUNCIL
LIBERAL DEMOCRAT BUDGET MOTION
REVENUE BUDGET 2024/26

	2024/25	2025/26
SERVICE INVESTMENT	£000	£000
Extra for School budgets	2,000	(2,000)
Community Police team including enforcement of speed limits	600	
Forestry team extra staff for tree planting & tree care	500	
Extra funding for supported bus routes	300	
Local Heat & Energy Efficiency Strategy project team	200	
Temporary public toilets in parks	150	
Revenue cost of extra capital spending	216	632
Addressing child poverty by increasing familial access to benefit advice	500	(500)
Discretionary Housing Payments	117	(117)
Flood prevention assessments	150	(150)
Edinburgh 900 anniversary	500	(500)
Culture Fund	300	(300)
Night Time Co-ordinator	50	(50)
Safety improvements for walking, wheeling and cycling on off road paths	225	(225)
Enforcement & signage to address amplified busking	50	(50)
Extra procurement resource to review off contract spend and waivers	500	(500)
TOTAL SERVICE INVESTMENT	<u>6,358</u>	<u>(3,760)</u>
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2024/28		
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	<u>0</u>	<u>0</u>
ADDITIONAL SAVINGS		
Best Value service reviews in Corporate Services, such as digital & IT and other services as identified in the Change programme	(500)	(2,000)
Savings from reviewing off contract spend & waivers	(1,400)	
Reinstate Library fines	(71)	
Road Occupation permit charges - extra 15%	(22)	
Garage rent charges - extra 5%	(15)	
Pay & Display parking charges - extra 2%	(200)	
TOTAL ADDITIONAL SAVINGS	<u>(2,208)</u>	<u>(2,000)</u>

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

To recommend that in respect of the year to 31st March, 2025:

1. GENERAL FUND

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

Council Tax - estimated expenditure from Council Tax of £355.752m 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	12 July 2024
Hearing of Appeals by the Rating Authority	13 September 2024

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 2024 - 2029
ADDITIONS TO REVISED PROGRAMME**

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Available Resources for Distribution (if applicable)						
Borrowing	8,150					8,150
Repurposed Capital Contingency	7,000					7,000
	15,150	0	0	0	0	15,150
Changes to recommended Capital Investment Programme						
Extra investment on roads & pavements (note 1)	12,500					12,500
Additional tree planting	500					500
Building new allotments & supporting Right to Grow	500					500
New weeding machine to phase out Glyphosate	100					100
Water of Leith bridge works & accessibility improvements	450					450
Extra investment in Flood Prevention measures	100					100
Extra investment to accelerate Road Safety projects	1,000					1,000
	15,150	0	0	0	0	15,150

Notes

1) On a like-for-like basis as in scenario 4 of TEC report in September 2023

Sustainability Impact Assessment of Budget – Lib Dem Group

Climate impact statement

The Council has a statutory duty to ensure that its policies, plans and strategies take account of: i) carbon impacts; ii) adaptation to climate change and iii) sustainable development. The climate impact statement is structured around these themes.

SECTION 1: Carbon impacts

1. BUILDINGS energy usage and embodied carbon

Positive impacts:

This budget proposal will have a significant positive impact on the city's long-term ability to reduce its emissions from heat through the development of heat network proposals and energy efficiency measures. It does so by investing in the new Local Heat and Energy Efficiency Strategy (LHEES) Office, by providing funding for both additional staffing and project funds.

This budget proposal asks that officers prepare an 'invest to save' Energy Efficiency Business Case to retrofit buildings within the Council's operational estate to reduce energy costs and the related carbon emissions using funds generated from the Council's commercial property estate. The net proceeds of up to £50m will be invested into long-term energy efficiency measures, such as insulation, ventilation and zero carbon onsite energy generation that could result in significant reductions in carbon emissions and yield higher returns in energy cost savings.

This budget proposal includes a suggestion to adopt a Best Value approach to the Council's pilot EnerPhit programme and reprioritise its spending to improve energy efficiency across a greater number of properties rather than focus on maximising energy efficiency in a very small number of properties only, thereby achieving a greater overall reduction in carbon emissions.

This budget proposal includes funding to install temporary toilets in parks. While there may be some additional carbon emissions associated with the construction and maintenance of these toilets, this is likely low due to the temporary nature of the facilities. In addition, there will be important benefits to health and wellbeing of park users, and the cleanliness of the parks, as well as important access to water during hot periods.

2. TRANSPORT

Positive impacts:

This budget proposal includes funding for new and existing supported bus routes. This will allow greater access to public transport, encouraging modal shift.

This budget proposal includes additional funding to accelerate delayed road safety measures, which will have a positive effect on the safety of the most vulnerable road users; those travelling on foot and by bike. Additional funding for safe travel will help to promote modal shift away from private vehicles.

This budget proposal includes additional funding to repair broken roads, pavements and paths. While an adequate condition of the road benefits all road users and there is embedded carbon in road repairs, these repairs are of disproportionate benefit to cyclists and pedestrians who are most at risk of serious injury as a result of potholes and broken pavements. Having adequate pavements, paths and roads is therefore of greatest benefit to those who choose, or want to choose, active travel.

The budget proposals include an increase in parking charges. This encourages use of other modes to travel into the city centre and will lead to longer-term lower emissions from transport.

3. RESOURCE USE/ WASTE

This budget proposal does not contain any headline proposals that have a significant impact on this category.

SECTION 2: Climate Change Resilience Impacts

1. COMMUNITIES

Positive impacts:

This budget proposal includes funding for temporary public toilets in parks. These toilets provide access to water for people and animals during periods of extreme heat, which will be more frequent as a result of climate change.

This budget proposal contains funding to accelerate tree planting so that the Million Tree City project can be achieved by 2030. Tree canopies can reduce local

temperatures by several degrees, providing cooler, safer spaces for individuals during periods of extreme heat. Wooded areas also create important havens for wildlife during extreme weather events.

2. INFRASTRUCTURE / SERVICE DELIVERY

Positive impacts:

This budget proposal contains significant additional funding for the LHEES team to develop heat network proposals and implement energy efficiency measures. Efficient, well-insulated and well-ventilated homes are important for residents' health and wellbeing during both extreme cold and heat events, reducing their vulnerability to climate change.

This budget proposal includes plans for an 'invest to save' Energy Efficiency business plan that will help implement energy efficiency measures across the Council's operational estate. As above, these measures will not only reduce emissions but will provide healthier and more comfortable places to live, work and learn in a changing climate.

3. BIODIVERSITY / LAND USE

Positive impacts:

This budget proposal includes additional funding for Tree Officers to accelerate tree planting and ensure the delivery of the Million Tree City programme. Tree planting is important for our local environments by improving green spaces, creating wildlife habitats, reducing local temperatures during heat waves etc, and for mitigating climate change and help contain rising global temperatures.

This budget proposal includes additional funding to create allotments and deliver a 'Right to Grow'. Provided the locations are chosen sensitively, community gardens are a sustainable land use that increases biodiversity through diverse, usually organic planting. It allows people to grow their own food sustainably, reducing emissions from food miles, reducing food costs and promoting healthy and environmentally-friendly lifestyles.

SECTION 3: Sustainable development impacts

1. SOCIAL JUSTICE – Inclusion, connectivity, education, health, housing etc

Positive impacts:

This budget proposal has a significant positive impact on primary and secondary education across Edinburgh. It not only rejects the proposed cuts to education, but increases school budgets to ensure that teachers can help give every child, regardless of their background, the best possible start in life.

This budget proposal includes funding to ensure Edinburgh Leisure will be able to continue to deliver invaluable benefits for health, fitness and wellbeing for residents across Edinburgh without the need for closures, job losses or service reductions.

This budget proposal includes additional funding to create allotments and deliver a 'Right to Grow'. This will allow many more people across the city to grow their own food sustainably, reducing emissions from food miles, reducing food costs and promoting healthy and environmentally-friendly lifestyles.

2. SOCIAL JUSTICE – employment, innovation, regeneration, training etc

Positive impacts:

This budget proposal includes funding for new and existing supported bus routes, servicing a number of areas with high socio-economic deprivation. High-quality public transport is crucial for connecting these communities to employment, education, commercial and healthcare opportunities.

This budget proposal will allow Edinburgh Leisure to pay the Real Living Wage to all of its staff in 2024-25.

3. ENVIRONMENTAL GOOD STEWARDSHIP

Positive impacts:

This budget proposal includes funding to purchase mechanical weeding equipment to help the Council stop its use of the chemical weed killer glyphosate while maintaining adequate weeding services for residents.