

# Motion – Edinburgh Conservatives

## Report Title – REVENUE BUDGET 2015- 2016; CAPITAL INVESTMENT PROGRAMME 2015-2020; HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME 2015-2016.

City of Edinburgh Council  
12 February 2015

### Council:

Considers there has been a failure by the current and previous Administrations to maximise efficiency and effectiveness of Council Services. Notes that this failure means increasing pressure on services that are facing further financial restrictions and that, without greater efficiencies, investment in technology and improved productivity the Council will be unable to sustain service levels and improve service performance in future years.

1) Regrets the rejection of the proposed Alternative Business Model Programme (ABM) in 2011/12 which would have delivered £40m of additional savings in comparison to the Public Sector Comparator and notes that this shortfall has now increased to at least £65m. Notes that the iPFM programme is projecting a shortfall of £4m in 2014/15 against planned savings and that, to date, this programme has delivered negligible savings against the estimated annual savings of £8m which were underpinned by contractual commitments within the partnership arrangements which were recommended to the Council.

2) Agrees that the Council must give absolute priority to ensuring that savings identified are both achievable and delivered. Notes the risks involved in the Administration's future savings plans and their poor track record of delivery to date with missed targets and under achievement of cost reductions in programmes including Priority Based Planning; Procurement; iPFM; Environment; and Customer Services.

3) Agrees that a comprehensive workforce strategy is essential in enabling the Council to manage and plan its required savings. Acknowledges the recent Audit Scotland assessment that the Administration has failed to develop a comprehensive workforce strategy and that this critical issue has been outstanding since 2007.

4) Agrees that, in the challenging circumstances facing the Council, the leadership of elected members and confidence of staff in decision-making and change management of Chief Officers will be critical. Notes the extremely disappointing results of the Employee Survey 2014 with only 30% of staff agreeing that change is managed well and only 35% having confidence in senior management decision-making.

5) Notes that the failure by the current and previous Administrations to maximise efficiency and effectiveness of Council Services means increasing pressure on services with an estimated residual shortfall of £5.5m in Health and Social Care for 2015/16 and a risk that the Council may need to draw down from general reserves in order to balance the budget in 2014/15 and 2015/16.

## Budget 2015/16

Considers that there has been a failure by the Administration to provide leadership in the development of a comprehensive transformation and change plan to address the financial challenges over the medium term and regrets that once again the Council is presented with a piecemeal one-year budget plan for 2015/16.

Council:

- 6) Rejects the proposals for allotment charges, garden waste and festive lights which were contained within the budget framework.
- 7) Amends the budget framework proposals to reduce the savings required in Additional Support for Learning and Family Mediation services by £295,000 and £35,000 respectively. Notes that, following more in-depth consideration, certain proposals (totalling £242,000) for reductions to grants and contract funding are no longer assessed to be achievable and instructs the Director of Children and Families to identify alternative savings to address the resulting shortfall.
- 8) Adjusts the budget framework proposal for the review of the taxicard proposal. Instructs the Acting Director of Services for Communities to identify alternative savings to address the resulting shortfall.
- 9) Rejects the Administration's proposals for a new shared repairs service and agrees to continue with the emergency repairs service currently in place. Instructs the Director of Corporate Governance to investigate new methods of providing information and advice to owners on legal and other mechanisms to achieve property repairs and to further investigate mechanisms to ensure residents pay for their own professional advice in relation to their properties. This with a view to reducing the unrecoverable burden on the general taxpayer over the coming years.
- 10) Rejects the Administration's proposals for above inflation parking charges which will have a damaging effect on city centre retail and commerce. Agrees to maintain permit and on-street parking fees at current levels.
- 11) Rejects the Administration's proposals to implement savings of £300,000 for 2015/16 through closure of around 10 public toilets and reduction in opening hours of the remaining facilities. Instructs the Acting Director of Services for Communities to report on all alternative options to modernise and redesign services including outsourcing.
- 12) Amends the Administration's proposals for reduced opening hours in libraries to maintain a greater level of service than proposed by limiting the saving required from this service to £135,000.
- 13) Rejects the Administration's current proposed network of 20mph roads and agrees that there are other road safety measures which should be prioritised in the meantime such as fixing potholes and broken pavements which would improve safety for pedestrians, cyclists and public transport and other vehicle drivers.
- 14) Agrees that as the cost of Stair lighting falls through investment of spend to save resources in more energy efficient lighting the cost of this should be passed to owners providing equity between factored and non-factored properties and making a saving in the Council budget by relieving the general taxpayer of this burden benefiting the few.
- 15) Agrees to close the cooperative development unit.
- 16) Agrees to terminate the Council's membership of the Convention of Scottish Local Authorities.

## Priority Areas

17) Approves £2.5m of additional revenue funding for effective and efficient repair of potholes to prolong the life of the repairs delivered (including reprioritisation of £0.5m of dividend income from Shawfair Land Ltd for preventative “right first time” repair of potholes). Further, approves £3.6m of additional capital investment in roads and pavements.

18) Approves £2m of additional revenue funding for effective and efficient repair of property to prolong the life of the repairs delivered. Further, approves £3.4m of additional capital investment in property.

19) Approves £5m of additional capital investment to address the implications of rising school rolls. Defers confirmation of funding for preliminary design fees for a new high school in Craigmillar with this position to be kept under review as requirements become clearer.

20) Acknowledges the Joint Director of Health and Social Care’s assessment that there is a residual shortfall of £5.5m in funding for 2015/16. Approves a contribution of £2m towards addressing the financial pressures arising from growth in care at home to meet demographic and unscheduled care pressures. In light of the significant additional resources allocated to NHS Lothian on 9<sup>th</sup> February instructs the Chief Executive and Joint Director of Health and Social Care to seek to secure additional resources from NHS and Scottish Government partners to fully address the financial pressures arising from growth in care at home. Further instructs the Chief Executive and Joint Director of Health and Social Care to develop a balanced and Integrated Joint budget for 2015/16 in partnership with NHS Lothian with agreed proposals to significantly shift the balance of care (and associated financial resources) from acute care to primary, community and social care this in advance of the full integrated joint service in 2016/17.

21) Approve additional funding of £1.5m in 2015/16 to support community policing through a strengthened Service Level Agreement with Police Scotland.

22) Approves additional expenditure of £25,000 for compacting bins to improve street cleanliness and achieve greater efficiency in refuse collection. Further approves one-off revenue expenditure of £15,000 to instigate a gull de-nesting service.

23) Notes the Administration’s pledge to commit 5% of the roads and transport budget to cycling has risen to 7% and recognises that the estimated backlog of £260m in road and footway works makes this commitment unaffordable and rejects the Administration’s proposal to ring-fence further uplifts for cycling, these resources to be committed to roads and pavements repairs which will be prioritised to improve safety for all road and pavement users.

## Risks and Reserves

Council:

24) notes the report by the Director of Corporate Governance setting out the significant risks associated with the Administration’s budget proposals including:

- assumptions on the delivery of major projects, savings proposals and internal improvement plans;
- on-going risks including those associated with shared repairs and tram operations;
- the adequacy of funding to deliver transformational change including reserves to meet staff severance costs;
- assumptions on Financial Settlements and wider fiscal policy considerations;
- emerging risks including the ability to deliver Health & Social Care services within the baseline level of available resources.

25) Accepts that, at a time of increasing risk, significant budget reductions and implementation of transformational change, the Council should increase reserves to reflect the greater volatility of its budget and agrees to allocate £2.5m of dividend income from Shawfair Land Ltd to Unallocated General Fund reserves.

## Budget 2016/17 – Development of a Sustainable Financial Strategy

Council:

26) Agrees that the priority for the Council must be the efficient delivery of front line services and that it will engage positively in transformational change to ensure the Council:

- serves the citizens of Edinburgh more efficiently;
- puts the customer at the heart of all the Council does;
- delivers high quality services at the best possible price.

27) Notes that potential gross annual savings reported to date from BOLD and other service change initiatives are £49m by 2019/20. Notes that over the five-year period to 2019/20, the Council's overall estimated savings requirement is over £100m and that, on that basis, the BOLD proposals, would address, at best, half of this requirement.

28) Recognises that it is the quality of service that is important not whom it is delivered by and commits to considering all methods of service delivery to improve quality and reduce cost to the taxpayer thus maintaining and improving services in times of financial austerity.

29) Agrees to remove the self imposed political restrictions of the Administration with a view to creating a far more impactful change plan that will deliver greater channel shift and new and efficient partnership ways of working. This, coupled with a workforce plan that reduces staffing numbers and shifts staffing resource to the frontline, will aim to deliver £100m of savings over five years thus maintaining services and addressing the demographic pressures we face. This to avoid the only alternative of cuts in service to the public.

30) Council agrees to develop a comprehensive transformation and change plan to address the financial challenges over the medium term including:-

- Development and implementation of a comprehensive Workforce Strategy enabling the Council to plan and deliver the required savings and transformational change.
- Prioritisation of the Commercial Excellence programme to market test Facilities Management, Roads and Environmental services to provide quality services at the best possible price, delivering significant savings from 2016/17.
- Implementation of a budget development process with genuine prioritisation of available resources.
- Allocation of £2.9m from the ICT efficiency fund to meet Transformation Plan implementation costs
- Commitment of £2m from the Spend to Save Fund to meet upfront capital costs of an enhanced Channel Shift business case showing greater shift than BOLD's predicted 50% and aiming to achieve closer to the Cabinet Office aspirations of 80%

The entirety of the above to transform the service delivery, quality and efficiency of the Council, delivering better services for less.

## Conclusions

### **Council notes:**

- The reports by the Director of Corporate Governance setting out the revenue and capital investment frameworks
- The report by the Acting Director of Services for Communities setting out the proposals for the Housing Revenue Account budget
- The report by the Director of Corporate Governance setting out the main potential equality and rights impacts of the proposals associated with the revenue budget framework

### **Council approves:**

- The revenue budget set out in the reports, subject to the amendments set out in Annex 1 to this motion
- A band D Council Tax of £1,169 for 2015/16;
- The Council Tax and Rating resolution as set out in Annex 2 to this motion;
- The 2015/20 Capital Investment Programme as set out in the report by the Director of Corporate Governance, subject to the amendments set out in Annex 3 to this motion;
- The recommendations contained in the report by the Acting Director of Services for Communities to increase rents by 2% in 2015/16 and the outline 5 year Housing Revenue Account Capital programme for 2015/20.

**Moved by** Councillor Iain Whyte

**Seconded by** Councillor Cameron Rose

**THE CITY OF EDINBURGH COUNCIL  
CONSERVATIVE GROUP BUDGET MOTION  
REVENUE BUDGET 2015/16**

	2015/16	£000
<b>Expenditure to be Funded</b>		
- Resource Allocation Totals	941,609	
- Add: Expenditure funded through Specific Grants	299	941,908
- General Revenue Funding and Non Domestic Rates	-712,287	
- Ring Fenced Funding	-299	-712,586
<b>To be Funded by Council Tax</b>		229,322
<b>Council Tax at Band D</b>		<b>£ 1,169.00</b>
<b>Increase on Previous Year</b>		<b>£ -</b>
- Percentage Increase		<b>0.0%</b>
<b>Funding Requirement</b>		<b>229,322</b>
<b>Council Tax Income</b>		<b>236,158</b>
<b>Funding Excess at Council Tax increase above as reported to Finance and Resources Committee September 2014</b>		<b>-6,836</b>
<b>Changes to budget framework assumptions</b>		
Teachers' superannuation - employer contributions increase from September 2015	1,800	
Savings in loans charge expenditure	-1,800	
Lothian Buses - additional dividend	-2,000	<b>-2,000</b>
<b>Service investment (see Appendix 1)</b>		<b>6,540</b>
<b>Additional savings (see Appendix 1)</b>		<b>-580</b>
<b>Amendments to Corporate Governance proposals (see Appendix 1)</b>		<b>0</b>
<b>Add / Less: amendments to draft revenue budget framework</b>		
Service-wide reductions to grant and contract funding for third parties - reduced proposal (CF16)	330	
Reduce provision of festive lights and trees - withdraw proposal (CG7)	130	
Reform Parking Charges Structure - withdraw proposal (SfC 3)	750	
Increase allotment charges - withdraw proposal (SfC 4)	150	
Closure of some public conveniences outside the city centre - withdraw proposal (SfC 11); continue revenue funding to modernise public conveniences	600	
Reduce third sector / partner agency grants - reduced proposal (SfC 17)	400	
Review of Libraries Opening hours - reduced proposal (SfC 18)	115	
Review of garden waste collection - withdraw proposal (SfC 21)	100	
Review Taxi Card provision - reduced proposal (SfC 26)	300	<b>2,875</b>
<b>Balance of Available Resources</b>		<b>-1</b>

**THE CITY OF EDINBURGH COUNCIL**  
**CONSERVATIVE GROUP BUDGET MOTION**  
**REVENUE BUDGET 2015/16**

<b>SERVICE INVESTMENT</b>	<b>£000</b>
Preventative Roads Repairs and Maintenance	2,000
Emergency Repairs Service	500
Preventative Property Repairs and Maintenance	2,000
Health and Social Care - Joint Integrated Budget	2,000
Compacting Bins	25
Gulls de-nesting	15
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<b>TOTAL SERVICE INVESTMENT</b>	<b><u>6,540</u></b>
<b>ADDITIONAL SAVINGS</b>	<b>£000</b>
Neighbourhood Grants	-250
Cooperative Development Unit	-30
Services for Communities - Replacement Savings	-300
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<b>TOTAL ADDITIONAL SAVINGS</b>	<b><u>-580</u></b>
<b>AMENDMENTS TO CORPORATE GOVERNANCE PROPOSALS</b>	
Merchandising - modified proposal (CG 1)	75
Website advertising - withdrawn proposal (CG 2)	150
<b>Replaced by:</b>	
Re-align Risk Management service	-25
Additional income - Council Tax Fraud Team	-50
Customer Services - channel shift	-50
Additional workforce savings proposed	-100
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	<b><u>0</u></b>

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

To recommend that in respect of the year to 31st March, 2016:

**1. GENERAL FUND**

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

Council Tax - estimated expenditure from Council Tax of £236.158m 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 follows:

Band	Council Tax £	Band	Council Tax £
A	779.33	E	1,428.78
B	909.22	F	1,688.56
C	1,039.11	G	1,948.33
D	1,169.00	H	2,338.00

**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 Director of Corporate Governance by 10 July 2015

Hearing of Appeals by the Rating Authority 18 September  
2015

**Amendments to Main Assessment Roll made subsequent to its issue**

Lodging of Appeals with the Director of Corporate Governance Within six weeks of issue of Rate Demand or in terms of Section 11 of the Rating and Valuation (Amendment) (Scotland) Act 1984

Hearing of Appeals by the Rating Authority Periodically

**3. CAPITAL EXPENDITURE**

Expenditure on Capital projects in progress be met.

**4. BORROWING**

The Council borrows the necessary sums to meet the above capital expenditure.

**THE CITY OF EDINBURGH COUNCIL  
CONSERVATIVE GROUP BUDGET MOTION  
CAPITAL BUDGET 2015 - 2020  
ADDITIONS TO REVISED PROGRAMME**

	<b>Total £000</b>
<b>Available Additional Resources for Distribution</b>	
Additional capital resources	
Unallocated - available from 2019-20	9,000
Capital Fund	7,500
Additional funding from Scottish Government	5,819
<b>Resources Available for Distribution</b>	<b>22,319</b>

	2015-16	2016-17	2017-18	2018-19	2019-20	Total
	£000	£000	£000	£000	£000	£000
<b>Additional Investment</b>						
BOLD - ICT/channel shift infrastructure	1,000	-	-	-	-	1,000
Local Development Plan Investment	900	-	-	-	-	900
Rising School Rolls	5,000	-	-	-	-	5,000
Carriageways and Footways	3,000	-	618	-	-	3,618
Property	3,419	-	-	-	-	3,419
New high school for Craigmillar	-	-	(618)	-	-	(618)
Unallocated	-	-	-	-	9,000	9,000
	<b>13,319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,000</b>	<b>22,319</b>