

Budget Motion by the Liberal Democrat Group

Item No.

Report Title REVENUE BUDGET 2015-2018; CAPITAL INVESTMENT PROGRAMME 2015-2020; HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME 2015-2016

City of Edinburgh Council

12 February 2015

1. Context

Council notes the balanced budget position presented for 2015/16 but regrets the Labour/SNP administration's past decisions which have exacerbated the current financial difficulties. The Labour/SNP administration inherited a stable financial situation with increased reserves and balanced budget but have not maintained this. There have been missed opportunities to secure financial stability by avoiding tough decisions on ABM Environmental Services, which projected to deliver £27m of savings over seven years. The level of savings foregone could have managed current pressures and led to service improvements.

Not making tough decisions has left the Council in a compromised financial position and made it increasingly difficult to support the most vulnerable and in need.

2. Budget process

Consultation

Council welcomes the improvements to the budget consultation process, in particular the online Budget Planner and the three month timeframe to enable residents to express their views, enabling residents to gain an insight into the challenges the Council is facing and the range and complexity of the service provision. Council would encourage a more participative approach to budget setting for future years.

Financial planning

Council regrets the short term approach taken in setting the budget for 2015/16, with savings targeting vulnerable groups and not taking a more radical approach through the BOLD programme.

Council welcomes the improved transparency around procurement and instructs a similar level of scrutiny in tracking progress within the BOLD projects, given the importance of the level of savings towards the Council's overall financial strategy.

3. Budget proposals

Maximising resources for frontline services and the city's priorities

In considering the Labour/SNP administration's budget proposals for 2015/16, Council acknowledges the substantial saving plans due to be delivered through the BOLD programme, however regrets that they are not more ambitious or realistic.

Council rejects the Labour/SNP administration blanket policy of no compulsory redundancies in a city with low unemployment, as this imposes restrictions on the flexibility and extent of the BOLD proposals. This policy does not promote the best use of resources, having the right staff in the right jobs and breeds inefficiency. The principles of BOLD include transformational change which cannot be achieved without significant workforce changes; there is a danger of designing the structure around the past rather than a future vision.

Council views a significant number of the Labour/SNP administration's budget savings proposals to be out of alignment with Council's priorities, adversely affecting frontline services and vulnerable groups. Council rejects in whole or in part several savings proposals and plans to utilise the headroom to continue supporting those services and groups most in need.

Council furthermore again regrets the Labour/SNP administration's decision not to close Castlebrae High School and the consequent reduction in investment available for schools, care services and roads and pavements, as well as poorer likely outcomes for the pupils directly affected.

Council regrets the Labour/SNP administration's decision not to progress with the ABM proposals and the subsequent failure to achieve the promised service and savings targets from the In-house Environmental Services model.

Additional targeted and sustainable investment

Council welcomes the delivery of a number of capital projects, including the Water of Leith – phase 2 flood prevention works, the gym hall extensions at East Craigs and Cramond, along with additional investment in the roads and pavements, all of which align with Liberal Democrat priorities identified in previous budget proposals.

Future prospects

Council raises concerns over the continued commitment to balancing of the 2015/16 budget in a sustainable manner and recognises that there is still reliance on utilisation of reserves and one-off savings and therefore questions the sustainability of this approach.

Continued pressures in Service Areas, in particular those highlighted by Health and Social Care, emphasise the need to progress the BOLD savings initiatives with more ambition and continue to focus on more radical approaches to service delivery.

4. Recommendations

Council notes:

- The reports by the Director of Corporate Governance setting out the revenue and capital budget framework;
- The report by the Director of Corporate Governance setting out the potential equality and rights risks and estimated carbon impacts associated with the revenue budget framework;
- The Risks and Reserves report by the Director of Corporate Governance setting out the planned use of reserves and the current and emerging risks facing the revenue and capital budget framework;
- The report by the Acting Director of Services for Communities setting out the Housing Revenue Account budget;

Council approves:

- The revenue budget set out in the reports, subject to the amendments outlined in Appendix 1 to this motion;
- A further report will be submitted to seek approval of revised charges for Council services, the outcomes of which are contained in Annex 1 to this amendment;
- The 2015/16 to 2019/20 capital budget as set out in the report by the Director of Corporate Governance, subject to the amendment set out in Appendix 2 to this motion;
- A band D Council Tax of £1,169;
- The Council Tax and Rating resolution as set out in Annex 3 to this motion;
- The recommendations contained in the report by the Director of Services for Communities to increase rents by 2% and approve the outline five-year HRA capital programme for 2015/20.

Signature of Proposer Paul Edie.....

Signature of SeconderRobert Aldridge

Moved by Paul Edie

Seconded by Robert Aldridge

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

	2015/16	2015/16
	£000	£000
Expenditure to be Funded		
- Resource Allocation Totals	941,609	
- Add: Expenditure funded through Specific Grants	299	
	<u> </u>	941,908
- General Revenue Funding and Non Domestic Rates	(712,287)	
- Ring Fenced Funding	(299)	
	<u> </u>	(712,586)
		<u> </u>
To be Funded by Council Tax		<u>229,322</u>
Council Tax at Band D		£ 1,169.00
Increase on Previous Year		£ -
- Percentage Increase		0.0%
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Funding Requirement		229,322
Council Tax Income		236,158
Funding Excess at Council Tax increase above as reported to Finance and Resources Committee September 2014		(6,836)
Changes to budget framework assumptions		
Teachers' superannuation - employer contributions increase from September 2015	1,800	
Savings in loans charge expenditure	(1,800)	
Lothian Buses - additional dividend	(2,000)	
	<u> </u>	(2,000)
Service Investment (see appendix 1)		2,517
Add/Less: Amendments to Draft Revenue Budget Framework (see appendix 1)		6,819
Less: Additional Savings (see appendix 1)		(500)
Amendments to Corporate Governance proposals		
Merchandising - modified proposal (CG 1)	75	
Website advertising - withdrawn proposal (CG 2)	150	
Replaced by:		
Re-align Risk Management service	(25)	
Additional income - Council Tax Fraud Team	(50)	
Customer Services - channel shift	(50)	
Additional workforce savings proposed	(100)	
	<u> </u>	0
Balance of Available Resources		<u><u><u>0</u></u></u>

THE CITY OF EDINBURGH COUNCIL
LIBERAL DEMOCRAT GROUP BUDGET MOTION
REVENUE BUDGET 2015/16

SERVICE INVESTMENT	£000	
Shared Repairs Service (emergency service only)	500	
Roads and Pavement repairs	2,017	
TOTAL SERVICE INVESTMENT		2,517
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2015/16	£000	
Third Sector and partner agency grants (Proposal SFC17)	1,500	
Review taxi card provision (Proposal SFC26)	800	
Edinburgh Leisure (Proposal CG5)	500	
Service-wide reductions to grant and contract funding for third parties (Proposal CF16) (reduce proposal to 1% on smaller groups)	500	
Learning Disability Accommodation services – cost reductions (Proposal HSC21)	400	
Addictions and blood borne virus (Proposal HSC11)	346	
Review of Libraries opening hours (Proposal SFC18)	250	
Night-time staffing element (Proposal HSC13)	235	
Supported bus services (Proposal SFC27)	200	
Family Solutions service efficiencies (Proposal CF2)	200	
Reduced staffing ratios in day services for people with disabilities (Proposal HSC22)	200	
Closure of some public conveniences outside the city centre (Proposal SFC11) (closures restricted to ensure that those in most remote areas are not affected)	200	
Reduction in Third Party Payments (Proposal ED3)	167	
Reduce use of City Car Club (Proposal SFC10)	160	
Increase allotment charges (Proposal SFC4)	150	
Increase in charges for Council care homes for older people (Proposal HSC3)	147	
Reform parking charge structure (Proposal SFC3) (Restrict Permit pricing increase to 5%)	115	
New approach to delivery of mediation service (Proposal SFC16)	113	
Review approach to garden waste collection (Proposal SFC21)	100	
Reduction in operational services for Community Services (Proposal CF13) (reduced to exclude Arts Awards and International Unit options)	94	
Reduce Education Welfare Officer Posts (Proposal CF5)	69	
Social Strategy - Grants (Proposal HSC17)	58	
Review weekend services - disability (Proposal CF15)	50	
Review day care services (Proposal CF20)	50	
Members' Services Staffing Review (Proposal CG3) (reduce by 50%)	50	
Review Throughcare Service (Proposal CF18)	42	
Young People's offending services (Proposal CF11) (reduced to exclude staffing element)	40	
Increase charges for home care (Proposal HSC4) (reduce increase in charges by 50%)	40	
Grants reduction (10% over 3 years) (Proposal HSC16)	33	
Volunteer Support (Proposal HSC24)	10	
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK		6,819
ADDITIONAL SAVINGS	£000	
Contracting-out of festival postering and management of vacant sites on arterial routes	(350)	
Corporate Policy and Strategy Staff Savings	(150)	
TOTAL ADDITIONAL SAVINGS		(500)

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

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

	2015-16	2016-17	2017-18	2018-19	2019-20	Total
	£000	£000	£000	£000	£000	£000
Additional Investment						
BOLD - ICT/channel shift investment	1,000	-	-	-	-	1,000
Local Development Plan investment	900	-	-	-	-	900
Rising school rolls	5,000	-	-	-	-	5,000
Carriageways and footways	3,000	-	-	-	-	3,000
Property (Asset Management Works)	3,419	-	-	-	-	3,419
Unallocated	-	-	-	-	9,000	9,000
	13,319	-	-	-	9,000	22,319

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