

Motion by Green Group

City of Edinburgh Council

Title: Revenue Budget 2016/17-2019/20; Capital Investment Programme 2016-21; Housing Revenue Account Budget 2016/17 to 2020/21

City of Edinburgh Council, 21 January 2016

Introduction

1. The Green Group welcomes the opportunity to contribute to the debate about the city's budget and we pay tribute to the hard work of staff in preparing the budget papers and in increasing public engagement in the budget this year.
2. We also thank all the people in Edinburgh who took time to give us their views on the budget. The best way of showing appreciation is that we, as a council, take heed of what they tell us. The Green Group has sought to do this where possible, while still recognising that the funding settlement for local government, and the broader arrangements for financing local government present many unpalatable choices for the council.
3. In particular, we note that **63% of budget responses supported increasing the council tax** as one of the means by which the council should bridge the budget gap. In offering this view, the people of Edinburgh demonstrate a rejection of the false dogma of austerity; an appetite for proper funding of public services; and a maturity about that debate which defies sterile mainstream political narratives. We believe that the council owes it to the city to ensure that the debate *outside* the city chambers is also heard *inside* the city chambers.
4. Local government funding is broken. The council tax freeze has amplified a fundamentally badly designed tax, compounded by the centralisation of non-domestic rates. The Commission on Local Tax Reform offers a prospectus for reform and more effective funding system. But a new system will take some years to implement. Decent services cannot wait that long. Bolder choices are needed in the short term well.

Green budget choices

5. The Green Group has sought to prioritise its budget plans to reflect three priority areas:
 - Investing in social care for the city's frail elderly and disabled citizens
 - Backing schools to provide the best springboard for our children and young people
 - Protecting our most vulnerable children

We have also recognised the need to support services in highly-regarded or vital services: libraries and leisure centres; community centres; homelessness; and parks and green space.

6. The choices we have made result in **an additional £10 million** being available to head off what we regard as the most unpalatable cuts; in addition to well over **£3 million in additional savings** to meet the above priorities.

Investing in social care

7. Social care for older and disabled citizens is in crisis. Every week around 5,000 hours of care go unmet.

8. We reject seven of the most damaging cuts proposed in the draft budget framework which would have taken **£3.85m out of social care in 2016-17 alone**. Those rejected proposals include setting up a local authority trading company for care which we regard as weakly-scoped and poorly-evidenced.

9. In addition, **we are proposing £1.76 million to invest in a “Living Wage Plus”** for staff working in social care, under contract to the council. The additional investment will be used to ensure that staff are paid £9 an hour, creating a clear premium for care work over and above Living Wage, and therefore increasing recruitment and retention of staff to meet need, while signalling the huge value of care provision.

Backing the city's schools

10. Our primary, secondary and special schools are and should be a source of pride to the city. Investing in schools is investing in our young people and in our city's future.

11. We reject cuts to:

- Special school support staff
- Family and pupil support
- Social and behavioural support
- School road safety crossing patrols

12. We have listened carefully to concerns from parents and teachers about the impact of loss of business support within schools and therefore allocate **£1 million to mitigate those cuts** pending further clarity on the scope and nature of the cuts.

13. **We reject in full the £1.668 million cut to the school music service** in years 2-4 of the budget framework. While we support a review of the service to ensure greater breadth of coverage and greater inclusion and note the possibility of savings being identified we believe that any possible savings should follow after a review, not labour under the shadow of cuts.

14. Further, **we propose an additional £8.6m**, over the budget framework period, to tackle the **backlog of school repairs and preventative maintenance** to ensure that our children and young people are able to learn in an environment which is safe, secure and allows them to flourish.

Protecting vulnerable children

15. Our schools priorities above give additional priority to vulnerable children. However, we also recognise the challenges which face some of the city's most disadvantaged children and young people. In that context we reject:

- Cuts to advocacy services
- Cuts to family-based care and through-care
- Closure of Hillview respite centre for disabled children
- Disability respite service cuts
- Cuts to parenting and family support

Defending community and lifeline services

16. We note that community centres and community learning and development have been targeted for successive cuts over the last 3 years and **so we reject £930,000 of further cuts** to that area.

17. We also seek to support Edinburgh Leisure and note the continuing threat of swimming pool and leisure centre closures and **we therefore re-instate £334,000 grant, rising to £741,000** in years 2-4.

18. We recognise that libraries are within the scope of the property review process but believe that it is premature to allocate service cuts and closures to libraries and **so we reject the libraries cut** throughout the budget framework period.

19. We recognise the success of many of our parks in achieving green flag status and believe that this is put at risk by cuts of £207,000 rising to £443,000 in the parks and greenspace budget; we therefore reject that.

20. Finally, we note that homelessness services have been subject to cuts of £2.3 million in the last three years. So we believe that the redesign of services should be with funding of £229,000 rising to £327,000 reinstated.

Investing in the city

21. The council has a significant capital programme and relatively modest scope to increase investment in the short term. Nevertheless, we reallocate some capital from city programmes to fund improvements in parks and play areas throughout the city.

22. We note the expiry of the Central Energy Efficiency Fund in March 2016 but strongly support its continuation after that date, potentially match-funded through SALIX to create a programme of **over £1.6 million which can support an energy conservation** programme in public buildings.

23. We also reallocate money within the Capital Fund for **almost £6 million of additional investment in health, safety and preventative repairs** and maintenance in public buildings and the wider estate.

24. We recognise ongoing negotiation for a City Region City Deal and welcome a **Green City Deal**, with a particular focus on sustainable place-making, active and healthy travel and supporting decentralised and flexible working. We look forward, as part of that, to securing powers to introduce a tourist levy which could add around **£11 million a year to revenue or support capital investment**.

25. Finally, we re-echo our call from 2015 to **secure the future of Meadowbank Sports Stadium**. We are *provisionally* allocating funding in our revenue budget to support the acceleration of capital funding to bridge the funding gap, while recognising the need for some further clarity on the scale and timing of that funding gap. That leaves sufficient room for manoeuvre within the capital programme also to make progress in meeting other future priorities such as a new school for south Edinburgh.

Paying for investment: thawing the council tax freeze

26. Our investment of £10 million in heading off the worst cuts and boosting priority areas of schools and social care comes at a price. We propose a council tax rise of 4.3%, equivalent to £50 a year in band D, or 97p a week. That will see band D council tax rise to £1,219 a year, compared to the £1,429 it would have been had council tax risen by CPI since 2007-08. We also propose a 1% additional rise in council tax in years 2-4 of the budget framework.

27. In putting before the council the choice of raising council tax we have been mindful of the potential penalties from the council exercising its democratic right to raise revenue. We have studied closely the Local Government Finance Circular 7/2015 of 16 December 2015 and noted how it varies from its predecessors. We have written to the Cabinet Secretary for Finance to draw his attention to the fact that his 2011 manifesto commitment to freeze council tax throughout this parliament has already been achieved because the parliament dissolves on 23 March 2016, before the 2016-17 financial year begins. We have noted the guidance from the Chief Executive of COSLA to all council leaders that the Scottish Government has so far not clarified if and how it will penalise councils which decline to freeze council tax.

28. In light of these changes and uncertainties we believe that it is absolutely right and legitimate of the council to set a budget which incorporates a council tax rise and then challenge the Scottish Government as to whether it will indeed choose to deduct almost £7 million from funding public services in Edinburgh.

Recommendations

Council notes:

- The report by the Acting Executive Director of Resources setting out the revenue and capital budget framework.
- The report by the Acting Executive Director of Resources setting out the potential equality and rights risks associated with the revenue budget framework; and the report on carbon emissions impact assessment, noting, however, concerns raised in report 7.10 on the capital programme that comprehensive and ongoing assessment of carbon and sustainability impacts is currently weak.
- The report on corporate governance payments to third parties amid ongoing concern about the scale of funding cuts in train; and the need to recognise the huge value of the city's locally-based voluntary sector.
- The Council Business Plan 2016-20 and the need for priority focus in transformation programmes to be on improving and streamlining services for service users and empowering frontline staff.

Council approves:

- The revenue budget set out in the reports, subject to the amendments set out in Appendix 1 to this motion
- A band D Council Tax of £1,219;
- The Council Tax and Rating resolution as set out in Appendix 2 to this motion;
- The 2015 to 2020 capital budget as set out in the report by the Director of Corporate Governance, subject to the amendments set out in Appendix 3 to this motion;
- A further report to be submitted to seek approval of revised charges for Council services, the outcomes of which are contained in Annex 1 to this amendment
- The recommendations contained in the Housing Revenue Account report by the Executive Director of Place to increase rents by 2%, and the outline 5 year HRA capital programme for 2016 to 2021.

Moved by Gavin Corbett

Seconded by Steve Burgess

**THE CITY OF EDINBURGH COUNCIL
GREEN PARTY BUDGET MOTION
REVENUE BUDGET 2016/20**

	2016/17	Indicative 2017/18	Indicative 2018/19	Indicative 2019/20
	£000	£000	£000	£000
Expenditure to be Funded				
- Resource Allocation Totals	947,072			
- Add: Expenditure funded through Specific Grants	<u>300</u>			
		947,372		
- General Revenue Funding and Non Domestic Rates	-710,941			
- Ring Fenced Funding	<u>-300</u>			
		-711,241		
To be Funded by Council Tax		<u>236,131</u>		
Council Tax at Band D	£ 1,219.00	£ 1,268.00	£1,319.00	£ 1,372.00
Increase on Previous Year (Indicative)	£ 50.00	£ 49.00	£51.00	£ 53.00
- Percentage Increase assumed in Long Term Financial Plan (see note)	0.0%	3.0%	3.0%	3.0%
- Additional Percentage Increase proposed	4.3%	1.0%	1.0%	1.0%
Note:				
The Council's Long Term Financial Plan reported to Finance and Resources Committee September 2015 (Item 7.3 F&R 24.9.15, Para 3.7) assumes increases in Council Tax income which equate to the percentages shown above.				
Funding Requirement		236,131		
Council Tax Income reported to Finance and Resources Committee January 2016 (Item 7.6 F&R 14.1.16)	238,631			
Additional Council Tax income from increases of 4.3% in 2016/17 and 4% annually from 2017/18	<u>10,000</u>	12,800	15,800	19,000
Council Tax Income		<u>248,631</u>		
Funding Excess at Council Tax increase above as as amended from reported to Finance and Resources Committee January 2016 (Item 7.6 F&R 14.1.16, Para 3.20 vi)		-12,500	-17,800	-20,800
			-20,800	-8,500
Service Investment (see Annex 1)	7,157	5,966	7,543	5,728
Add / Less: Amendments to Draft Revenue Budget Framework (see Annex 1)	10,384	18,043	19,691	19,691
Less: Additional Savings (see Annex 1)	<u>-3,541</u>	-4,059	-4,284	-4,384
		14,000		
Use of Reserves				
Drawdown from Capital Fund		-1,500	-2,150	-2,150
			-2,150	-2,118
Balance of Available Resources		<u>0</u>	<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>	<u>10,417</u>

THE CITY OF EDINBURGH COUNCIL
GREEN PARTY BUDGET MOTION
REVENUE BUDGET 2016/20

	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
SERVICE INVESTMENT				
Schools Repairs	3,400	1,524	2,462	1,250
Environmental Wardens	200	200	200	200
Premium rate for care staff above Living Wage	1,760	1,760	1,760	1,760
Additional Borrowing costs required to accelerate capital projects	0	232	871	300
Community Empowerment Act implementation	297	100	100	100
Funded from the Capital Fund				
Repairs and Maintenance and Health and Safety work on Council property estate	1,500	1,500	1,500	1,468
LDP infrastructure		650	650	650
TOTAL SERVICE INVESTMENT	<u>7,157</u>	<u>5,966</u>	<u>7,543</u>	<u>5,728</u>
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2016/20				
The following contingency provision is reduced in part				
Transformation savings delivery / grant contingency	0	-2,000	0	0
The following savings proposals are wholly rejected				
CF/EFF1 Advocacy services review	47	47	47	47
CF/EFF4 Review of support staff within all Special Schools	0	292	440	440
CF/EFF5 Reductions to Family Based Care and Throughcare	188	188	188	188
CF/EFF9 Young People's Service review	230	230	230	230
CF/EFF12 Sport Third Party Payments	334	741	741	741
CF/ST7 Community Services	480	480	480	480
CF/SP1 Youth work delivery	250	250	250	250
CF/SP2 Community centre staff reduction	200	200	200	200
CF/SP4 Redesign of Music Instructor Service	0	1,668	1,668	1,668
CF/SP8 Review of family and pupil support services	500	500	500	500
CF/ST2 Reconfiguration of residential provision	224	300	300	300
CF/ST3 Reconfigure primary and secondary social, emotional and behaviour difficulties support	150	223	223	223
CF/ST4 Disability respite services	100	100	100	100
CF/ST5 Parenting support review	167	217	217	217
CF/ST6 Family solutions review	228	330	330	330
CF/ST8 Redesign of Libraries Service	254	2,800	2,800	2,800
CF/ST11 Redesign of Homelessness Services (General Fund Share)	229	327	327	327
HSC/EFF4 Reduce the size of in-house home care service by 25% and purchase more care at home	350	1,685	1,685	1,685
HSC/EFF6 Health and Social Care Third Party Payments	582	582	582	582
HSC/EFF7 Consolidate care and support/care at home pricing levels	900	900	900	900
HSC/EFF8 Reduce spending on block-contracted services by 10%	720	720	720	720
HSC/SP2 Redesign day services for adults with learning disabilities	0	1,000	1,000	1,000
HSC/SP3 Health and Social Care- improve management of service user demand	1,300	1,300	1,300	1,300
HSC/ST2 Establish Local Authority Trading Company or Co-operative for a range of care services	0	1,500	1,500	1,500
PLA/EFF5 Place Third Party Payments	250	250	250	250
PLA/SP1 Parks and Greenspace	207	443	443	443
PLA/SP4 Withdrawal of School Crossing Patrol Guide service at lunchtime	78	104	104	104
PLA/SR2 Reduce gully cleaning service	110	110	110	110
The following savings proposals are rejected in part				
CO/ST12 Business support in schools	1,000	1,000	1,000	1,000
PLA/INC6 Review allotment services	10	10	10	10
PLA/SP3 Waste Services	546	546	546	546
PLA/SR1 Stop Repairs and Maintenance of Stair Lighting Service in Tenements	750	1,000	500	500
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	<u>10,384</u>	<u>18,043</u>	<u>19,691</u>	<u>19,691</u>

ADDITIONAL SAVINGS

**THE CITY OF EDINBURGH COUNCIL
GREEN PARTY BUDGET MOTION
REVENUE BUDGET 2016/20**

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
The following are additional savings on				
CO/ST1 Corporate Operations - Finance	-176	-150	-150	-150
CO/ST11 Corporate Operations - Members' Services	-107	-165	-165	-165
CO/ST14 Corporate Operations - Communications	-168	-268	-268	-268
CO/ST4 Corporate Operations - Legal Services	-139	-180	-180	-180
CO/ST5 Corporate Operations - Human Resources	0	-98	-198	-298
CO/ST6 Corporate Operations - Strategy & Insight	-178	-148	-148	-148
CO/ST8 Corporate Operations - Digital & IT	-152	-104	-104	-104
CS/EFF6 Review funding arrangements for Winter Festivals	0	-125	-250	-250
CW/EFF2 Reduction in consultant expenditure	-500	-500	-500	-500
PLA/INC2 Increase Car parking charges	-95	-95	-95	-95
PLA/INC7 Increase parking permit charges by 5%	-205	-205	-205	-205
The following are further savings initiatives				
Travel for staff	-100	-200	-200	-200
Energy savings and estate temperature control	-600	-700	-700	-700
Marketing Edinburgh cut	-500	-500	-500	-500
Christmas lights	-75	-75	-75	-75
Package of measures to increase Trade and Commercial waste income and reduce landfill tax liability	-546	-546	-546	-546
TOTAL ADDITIONAL SAVINGS	<u>-3,541</u>	<u>-4,059</u>	<u>-4,284</u>	<u>-4,384</u>

**THE CITY OF EDINBURGH COUNCIL
COUNCIL TAX / RATING RESOLUTION
GREEN PARTY BUDGET MOTION**

To recommend that in respect of the year to 31st March, 2017:

1. GENERAL FUND

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

Council Tax - estimated expenditure from Council Tax of £248.631m 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	812.67	E	1,489.89
B	948.11	F	1,760.78
C	1,083.56	G	2,031.67
D	1,219.00	H	2,438.00

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	8 July 2016
Hearing of Appeals by the Rating Authority	16 September 2016

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
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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 the necessary sums to meet the above capital expenditure.

**THE CITY OF EDINBURGH COUNCIL
GREEN PARTY BUDGET MOTION
CAPITAL BUDGET 2016 - 2021
ADDITIONS TO REVISED PROGRAMME**

	Total £000
Available Additional Resources for Distribution	
Additional capital resources	
Unallocated funding, 2019-20	7,000
Unallocated funding, 2020-21	7,000
Meadowbank Capital Receipts, prudential borrowing, grants and other contributions	35,120
Resources Available for Distribution	49,120

	2016-17	2017-18	2018-19	2019-20	2020-21	Total
	£000	£000	£000	£000	£000	£000
Redistribution of Existing Projects						
City Dressing Programme	(40)	(127)	-	-	-	-167
St Andrew Square public realm	(421)	-	-	-	-	-421
Additional Investment						
Parks and Play Areas	461	127	-	-	-	588
Meadowbank Redevelopment	1,720	23,804	15,583	-	-	41,107
Unallocated Resources	-	-	-	1,013	7,000	8,013
	1,720	23,804	15,583	1,013	7,000	49,120