

Motion – Edinburgh Conservatives

Report Title – 2016-20 Revenue and Capital Budget Framework; Capital Investment Programme / Plan 2016-17 to 2023-24; Housing Revenue Account – Budget Strategy 2016-17 to 2020-21.

City of Edinburgh Council
21 January 2016

Council:

Considers there has been a failure by the current Council Administration to maximise efficiency and effectiveness of Council Services meaning four wasted years without an effective transformation strategy. This compounds the failings under the previous Administration which have contributed to four years of waste in the use of taxpayers money. Notes that this failure means increasing pressure on services that are facing further financial restrictions and that, without greater efficiencies, investment and improved productivity the Council will be unable to sustain service levels and improve service performance in future years.

- 1) Continues to regret 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 £70m. Notes that the iPFM 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 and services including BOLD; Priority Based Planning; iPFM; Environment; and Health and Social Care.
- 3) 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 recent staff survey with only 25% of staff agreeing that change is managed well and only 26% having confidence in senior management decision-making.
- 4) Notes that the failure by the current and previous Administrations to maximise efficiency and effectiveness of Council Services means increasing pressure on services with estimated residual shortfalls of £9m in Corporate Property and £7m in Health and Social Care requiring to be offset by the identification of additional savings in 2016/17.
- 5) Welcomes the belated moves by the Administration to implement measures in areas previously proposed by the Conservative Group including workforce planning and prioritisation; management reductions; productivity improvements; and savings on stair lighting and shared repairs. However, Council notes that these programmes could have been delivered over a longer timescale, with less stress for staff, at a lower cost to the taxpayer and with more measured changes to services had they been begun when first proposed by the Conservative Group.
- 6) Rejects political calls for an increase in Council Tax or selected increases to create a "Mansion tax" which are both unnecessary and ill-conceived.

Budget 2016/17

Considers that there has been a failure by the Administration to provide leadership in the development of a sufficiently comprehensive change plan to address the financial challenges over the medium term and that proposals to date by the Administration do not fully address the savings required or set out in an open and comprehensive manner how changes will be implemented or services delivered in future.

On specific budgetary proposals Council:

7) Rejects the Administration's proposals to increase charges for residents' parking permits by 5% in 2016/17 and increase pay and display parking charges by 18% over 4 years which will have a damaging effect on city centre retail and commerce. Agrees to freeze residents' permits at current levels and increase on-street parking fees at 2% per annum.

8) Recognises the feedback from the public engagement exercise and rejects the Administration's proposal to reduce funding for the music instruction service by 75%.

9) Rejects the Administration's proposals for reduced opening hours in museums and other cultural venues and instructs the Chief Executive to develop proposals for a Cultural trust to realise these savings in an alternative manner through tax efficient methods and to instil further innovation in this service.

10) 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.

11) Rejects the Administration's proposals to increase health and social care charges for residential accommodation and telecare by 4% and restricts increases to 2% in 2016/17.

12) Agrees that as the cost of Stair lighting falls through investment of spend to save resources in more energy efficient lighting the cost of energy and repairs and maintenance 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 which benefits only a limited number of residents in an inequitable manner.

13) Rejects the Administration's proposals for the shared repairs service and agrees to provide an emergency repairs service only. Instructs the Acting Executive Director of Resources 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.

14) Rejects the Administration's proposals to: increase allotment rents by 10%; reduce related waste collection and pest control services; reduce gully cleaning; and reduce bus stops and shelters maintenance.

15) Instructs the Executive Director of Place to assess the condition of public toilets closed following last year's budget and report back the outcome, highlighting which could be reopened in the 2016/17 financial year and costs of upgrading others.

16) Agrees to terminate the Council's membership of the Convention of Scottish Local Authorities.

17) Rejects the following savings options: withdrawal of the night noise team; withdraw the school crossing service at lunchtimes; community centre staff reduction; removal of funding from schools for additional family and pupil support; and redesign of day services for adults with learning disabilities.

Priority Areas

- 18) Agrees to fully reinvest savings achieved through improved efficiencies in home care services into reablement and community services.
- 19) Reprioritises £2.5m of funding from the Strategic Acquisition Fund and approves £3.5m of additional investment in efficient and effective road repairs, including completion of urgent works at Picardy Place/Leith walk area.
- 20) Approves £3.5m of additional revenue funding for effective and efficient repair of property to prolong the life of the repairs delivered.
- 21) Recognises the material change in the Council's financial circumstances arising from the Local Government Finance Settlement announcement in December and agrees to proceed with the procurement of an Enterprise Wide Strategic Partner for Asset Management which offers nearly £40m of additional net savings to the Council over a 10 year period.
- 22) Approves £55m of additional capital investment to address the implications of rising school rolls in South Edinburgh; deliver the new Dumbryden care home, replacing two older care homes; and earmark funding to rebuild Meadowbank Sports Centre.
- 23) Approves additional expenditure of £25,000 for compacting bins to improve street cleanliness and achieve greater efficiency in refuse collection. Further approves revenue expenditure of £15,000 to instigate a gull de-nesting service.
- 24) Agrees to ring-fence any capital receipts arising from Panmure School pending assessment of any associated capital investment requirements arising from the proposed increase in pupils attending Gorgie Mills School.
- 25) Notes the Administration's pledge to commit 5% of the roads and transport budget to cycling has risen to 9% and recognises that the backlog 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:

- 26) notes the report by the Acting Executive Director of Resources setting out the significant risks associated with the Administration's budget proposals including:
- Risks associated with the delivery of major projects, savings proposals, transformation programme and affordability of severance costs;
 - The risk that the current level of provision for demographic changes may not be sufficient to meet the actual cost pressures;
 - assumptions on Financial Settlements and wider fiscal policy considerations;
 - the deliverability of services within the baseline level of available resources.
- 27) 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 reprioritise £3m from the Strategic Acquisition Fund to Unallocated General Fund reserves.

Budget 2016/17 – Development of a Sustainable Financial Strategy

Council:

28) 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.

29) 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.

30) 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.

31) Council acknowledges the fundamental change in financial circumstances arising from the Scottish Government Draft Budget and agrees to reverse the decision to proceed with phase 1 of the Tram extension project and reprioritises £5m of dividend income from Lothian Buses to establish a Change Fund to develop a comprehensive change plan to address the financial challenges over the medium term including:-

- Prioritisation of the Commercial Excellence programme to market test Roads and Environmental services to provide quality services at the best possible price, delivering significant savings from 2017/18.
- The greatly accelerated development of Shared services proposals which have shown very limited impact under this and previous administrations.
- Provision of further Spend to Save funding to accelerate and maximise savings through Channel Shift.
- Implementation of a cultural trust and examination of opportunities to extend this to include libraries and other services.

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 report by the Acting Executive Director of Resources setting out the Revenue and Capital Budget framework;
- The report by the Chief Executive providing an overview of feedback and engagement;
- The reports by the Acting Executive Director of Resources setting out the equality and rights and carbon, climate and sustainability impact assessments;
- The report by the Executive Director of Place setting out the proposals for the Housing Revenue Account budget

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 £1,169 for 2016/17;
- The Council Tax and Rating resolution as set out in Appendix 2 to this motion;
- The 2016-17 to 20-21 Capital Investment Programme as set out in the report by the Acting Executive Director of Resources, subject to the amendments set out in Appendix 3 to this motion;
- The recommendations contained in the report by the Executive Director of Place to increase rents by 2% in 2016/17 and the outline 5 year Housing Revenue Account Capital programme for 2016/2021
- A further report to be submitted to seek approval of revised charges for Council services, the outcomes of which are contained in Appendix 1 to this amendment.

Moved by Councillor Iain Whyte

Seconded by Councillor Cameron Rose

Appendix 1

THE CITY OF EDINBURGH COUNCIL CONSERVATIVE GROUP 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		
		<u>236,131</u>		
To be Funded by Council Tax				
		£1,169.00		
Council Tax at Band D		£ -		
Increase on Previous Year				
- Percentage Increase		0.0%		
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Funding Requirement		236,131		
Council Tax Income		238,631		
Funding (Excess) / Shortfall at Council Tax increase above as reported to Finance and Resources Committee January 2016 (Item 7.6 F&R 14.1.16, Para 3.20 vi)		-2,500	-5,000	-5,000
				10,500
Service Investment (see Annex 1)	12,540		10,825	3,075
				2,875
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	2,310		5,472	5,922
				6,322
Less: Additional Savings (see Annex 1)	<u>-2,850</u>		-9,297	-3,997
		12,000		-4,197
(Use of) / contribution to Reserves				
Draw down from Capital Fund	-2,000		-2,000	0
Contribution from Strategic Acquisition Fund	-5,500		0	0
Contribution from Lothian Buses Earmarked Fund	-5,000		0	0
Contribution to Unallocated General Fund	<u>3,000</u>		0	0
		-9,500		
(Balance) / Shortfall of Available Resources		0	0	0
		0	0	15,500

ANNEX 1

THE CITY OF EDINBURGH COUNCIL CONSERVATIVE GROUP BUDGET MOTION REVENUE BUDGET 2016/20

	2016/17	2017/18	2018/19	2019/20
SERVICE INVESTMENT	£000	£000	£000	£000
Property repairs and maintenance (£4m from Capital Fund)	3,500	2,700	1,000	1,000
Roads repairs and maintenance	3,500	400	100	0
Health and Social Care Reablement & Community Services	350	1,685	1,685	1,685
Common Good	100	250	250	150
Gulls de-nesting	15	15	15	15
Compacting bins	25	25	25	25
Public Conveniences	50	0	0	0
Capital priorities	0	5,750	0	0
Establishment of a Development / Change Fund	5,000	0	0	0
TOTAL SERVICE INVESTMENT	12,540	10,825	3,075	2,875
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2016/20				
Continue night noise team service (CF/SR1)	200	200	200	200
Continue school crossing guide service at lunchtime (PLA/SP4)	78	104	104	104
Reject community centre staff reduction (CF/SP2)	200	200	200	200
Continue funding to Police Scotland (PLA/EFF5 and PLA/EFF6)	500	500	500	500
Day services for adults with learning disabilities (HSC/SP2)	0	1,000	1,000	1,000
Reject review of family and pupil support (CF/SP8) (offset by the following savings)	500	500	500	500
- Additional funding for Early Years services	-190	-190	-190	-190
- Children's services	-310	-310	-310	-310
Culture (CSE/EFF1) - amend to reject reduced operating hours (offset by the following)	166	166	166	166
- Establish a Cultural Trust	-130	-260	-260	-260
Parking (PLA/INC7) - Reject increase to Residents' Parking Permit charges by 5%	115	115	115	115
Parking (PLA/INC2 and INC8) - amend to restrict uplift to 2% p.a.	775	1,373	1,823	2,223
Reject redesign of Music Instructor Service (CF/SP4)	0	1,668	1,668	1,668
HSC charges (HSC/INC1) - amend to restrict uplift to 2% p.a.	250	250	250	250
Reject review of allotment services and increase rents (PLA/INC6)	21	21	21	21
Reject reduction in gully cleaning service (PLA/SR2)	110	110	110	110
Reject reduction in Bus stops and shelters maintenance (PLA/SP7)	25	25	25	25
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	2,310	5,472	5,922	6,322
ADDITIONAL SAVINGS	£000	£000	£000	£000
COSLA	0	-247	-247	-247
Neighbourhood grants	-250	-250	-250	-250
Asset Management	-2,100	-8,300	-3,000	-3,200
Shared Repairs	-500	-500	-500	-500
TOTAL ADDITIONAL SAVINGS	-2,850	-9,297	-3,997	-4,197

Appendix 2

THE CITY OF EDINBURGH COUNCIL COUNCIL TAX / RATING RESOLUTION CONSERVATIVE GROUP 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 £238.631m 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	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

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

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.

Appendix 3

THE CITY OF EDINBURGH COUNCIL CONSERVATIVE GROUP BUDGET MOTION CAPITAL BUDGET 2016 - 2021 ADDITIONS TO REVISED PROGRAMME

		Total £000				
Available Additional Resources for Distribution						
Unallocated funding, 2019-20		7,000				
Unallocated funding, 2020-21		7,000				
Meadowbank Capital Receipts, prudential borrowing, grants and other contributions		35,120				
Revenue contribution, 2017-18		5,750				
		54,870				
Resources Available for Distribution						
	2016-17	2017-18	2018-19	2019-20	2020-21	Total
	£000	£000	£000	£000	£000	£000
Additional Investment						
Primary Schools, South Edinburgh		530	1,274	8,613	2,320	12,737
7th New Care Home	991			-		991
Meadowbank Sports Centre		1,720	23,804	15,583		41,107
	991	2,250	25,078	24,196	2,320	54,835