

# Motion – Edinburgh Conservatives

## Report Title – Revenue Budget Framework 2017/21; Capital Investment Programme / Plan 2017-18 to 2025-26; Housing Revenue Account – Budget Strategy 2017-2022; Council Tax Review of Procedure for Second Homes.

City of Edinburgh Council  
9 February 2017

### Council:

Considers there has been a failure by the current Council Administration to maximise efficiency and effectiveness of Council Services meaning five wasted years without an effective transformation strategy. This compounds the failings under the previous Administration which have contributed to five 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 £75m. Notes that the iPFM programme 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 Asset Management; Environment; and Health and Social Care.

3) 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 underlying deficits in Waste Services and non-delivery of savings in Health and Social Care requiring to be offset by the identification of additional savings and non-recurring funding in 2016/17.

4) 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.

## Budget 2017/18

5) 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:

6) Rejects the Administration's proposals to increase pay and display parking charges by up to 20% in 2017/18 which will have a damaging effect on city centre retail and commerce. Agrees to freeze city centre charges in 2017/18 and limit remaining increases in peripheral and extended zones to 20p per hour.

7) Rejects further development of the Administration's network of 20mph roads and agrees that there are other road safety measures which should be prioritised such as fixing potholes and broken pavements which would improve safety for pedestrians, cyclists and public transport and other vehicle drivers.

8) Agrees that the cost of energy for stair lighting 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.

9) Reverses the Administration's implementation of a 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.

10) Reverses the Administration's previous decision to reduce gully cleaning.

11) Instructs the Executive Director of Place to assess the condition of public toilets closed following the 2015/16 budget and report back the outcome, highlighting which could be reopened in the 2017/18 financial year and costs of upgrading others.

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

13) Recognises the negative impact the Scottish Government's increases of between 7.5% and 22.5% in council tax for bands E to H will have on property rich/cash poor households and considers the impact of this considerable increase for some Council Taxpayers, outwith the Council's control, means that preventing a further hike in charges is imperative. Notes that making no change to general Council Tax rates will prevent further pain for those in bands E to H while ensuring there is no increase for hard pressed taxpayers in Bands A to D, many of whom often have the least resources.

14) Rejects the Administration's proposal to remove a 10% Council Tax discount for second homes. Noting that an important principle of Council Tax is that it was intended to reflect a charge for services as well as a tax on property and that second homes, by their nature, do not place as high a burden on services as a primary residence.

15) Agrees that a Band D Council Tax of £1,169 (no change) be set for 2017/18; this to demonstrate a willingness of the Council to be more efficient and effective and limit increases in taxation on hard working families in the City to assist in building the City's economic prosperity for the future.

## Priority Areas

- 16) Council agrees to reverse the decision to proceed with phase 1 of the Tram extension project at this time and reprioritises dividend income from Lothian Buses for investment of £7.5m over three years in a programme of schemes to relieve traffic congestion including effective road repairs in heavily trafficked bus lanes and at bus stops; and improvement in traffic management / traffic signal controls at key junctions and on major public transit routes.
- 17) Approves £2.5m of additional revenue funding for effective and efficient repair of property to prolong the life of the repairs delivered.
- 18) Agrees to proceed with the procurement of an Enterprise Wide Strategic Partner for Asset Management which offers additional annual savings of around £3m.
- 19) Approves £43.2m of additional capital investment to address the implications of rising school rolls; deliver a new primary school in South Edinburgh; provide the Dumbryden care home; provide for essential investment at North Bridge; earmark funding to rebuild Meadowbank Sports Centre; and provide an additional £1.5m for investment in Asset Management.
- 20) Agrees to additional investment of £1.5m including provision of a hospital discharge team to reduce delayed discharge and investment in hand held devices for social care workers to improve efficiency and increase contact time with home care clients.
- 21) Rejects the Administration's proposed reductions of library expenditure and instructs the Acting Executive Director of Communities and Families to examine alternative models of service delivery including consideration of innovative ways in which volunteers can be used to enhance library services.
- 22) Approves additional investment of £1m in a Waste and Street Cleaning Task Force which will prioritise street cleaning and address ongoing service issues with overflowing communal bins.
- 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 and £20,000 to support provision of Festive lights in local neighbourhoods.
- 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 10% and recognises that the backlog in road and footway works makes this commitment unaffordable and continues to reject the Administration's ring-fencing of funds for cycling. These resources should be committed to roads and pavements repairs to improve safety for all road and pavement users prioritising routes heavily used by pedestrians and cyclists.

## 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 and service transformation;
- 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.

## Budget 2017/18 – Development of a Sustainable Financial Strategy

Council:

27) 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; and delivers high quality services at the best possible price.

28) Recognises that it is the quality of service that is important and commits to considering all methods of service delivery to improve quality and reduce cost to the taxpayer thus maintaining and improving services in line with the Councils strategic Best Value duty which has been ignored by the current Administration.

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 whilst also putting these modern working practices in place prior to any newly planned changes to structures.

30) Council agrees to reprioritise £2m from the strategic acquisition fund to develop a comprehensive change plan to address the financial challenges over the medium term including:-

- Market testing of Roads and Environmental services to provide quality services at the best possible price, improving services and delivering significant savings from 2018/19.
- Procurement of an Enterprise Wide Strategic Partner for Asset Management.
- The greatly accelerated development of Shared services proposals which have shown very limited impact under this and previous administrations.
- Recovery of the energy costs of tenement stair lighting.
- Acceleration and maximisation of 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:**

- Items 4.1 (b) and 4.2 by the Acting Executive Director of Resources setting out the Revenue and Capital Budget framework;
- Item 4.1(c) by the Acting Executive Director of Resources setting out the risks associated with the Revenue Budget framework;
- Item 4.1 (d) by the Executive Director of Place setting out the proposals for the Housing Revenue Account 2017/22 Budget Strategy.
- Item 4.4 by the Acting Executive Director of Resources setting out proposals for the review of the council tax discount for second homes.

### **Council approves:**

- The revenue budget 2017/18 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 2017/18;
- The Council Tax and Rating resolution as set out in Appendix 2 to this motion;
- The 2017-22 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;
- Continuation of the Council Tax 10% discount for Second Homes;
- The recommendation by the Executive Director of Place to increase rents by 2% in 2017/18 and the outline 5 year Housing Revenue Account Capital Programme for 2017/2022.
- 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 2017/21**

	2017/18		Indicative 2018/19		Indicative 2019/20		Indicative 2020/21	
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Expenditure to be Funded</b>								
- Resource Allocation Totals	941,715							
- Add: Expenditure funded through Specific Grants	<u>16,195</u>							
		957,910						
- General Revenue Funding and Non Domestic Rates	(685,371)							
- Ring Fenced Funding	<u>(16,195)</u>							
		<u>(701,566)</u>						
<b>To be Funded by Council Tax</b>		<u>256,344</u>						
<b>Council Tax at Band D</b>		<b>£1,169.00</b>						
<b>Increase on Previous Year</b>		<b>£ -</b>						
<b>- Percentage Increase</b>		<b>0.0%</b>						
<b>Funding Requirement</b>		<b>256,344</b>						
<b>Council Tax Income</b>		<b>259,274</b>						
<b>Funding (Excess) / Shortfall at Council Tax increase above as reported to Finance and Resources Committee January 2017, as revised by supplementary report to Council, 9 February</b>		<b>(2,930)</b>		<b>7,068</b>		<b>22,468</b>		<b>33,357</b>
<b>Service Investment (see Annex 1)</b>	10,287		1,920		2,920		170	
<b>Add / Less: Amendments to Draft Revenue Budget Framework (see Annex 1)</b>	2,860		1,428		1,810		1,810	
<b>Less: Additional Savings (see Annex 1)</b>	<u>(3,137)</u>		<u>(9,416)</u>		<u>(11,798)</u>		<u>(8,607)</u>	
		<b>10,010</b>		<b>(6,068)</b>		<b>(7,068)</b>		<b>(6,627)</b>

**Use of Reserves**Contribution from  
Strategic Acquisition  
Fund**(4,580)****(1,000)**

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Contribution from  
Lothian Buses  
Earmarked Fund**(2,500)**

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**Balance of Available  
Resources**--**15,400****26,730**

The residual funding requirements shown in future years are based on the assumptions contained within the budget framework report considered by the Finance and Resources Committee on 19 January 2017. The report notes, however, that these projections may need to be revised in light of additional information concerning future years' settlements when this becomes available.

## ANNEX 1

### THE CITY OF EDINBURGH COUNCIL CONSERVATIVE GROUP BUDGET MOTION REVENUE BUDGET 2017/21

	2017/18	2018/19	2019/20	2020/21
<b>SERVICE INVESTMENT</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Property repairs and maintenance	2,500	0	0	0
Roads repairs and maintenance	3,000	1,750	2,750	0
Health and Social Care	1,500	0	0	0
Street Cleaning and Waste Task Force	1,000	0	0	0
Gully cleaning	177	110	110	110
Gull de-nesting	15	15	15	15
Compacting bins	25	25	25	25
Public Conveniences	50	0	0	0
Festive Lights	20	20	20	20
Establishment of a Development / Change Fund	2,000	0	0	0
<b>TOTAL SERVICE INVESTMENT</b>	<b>10,287</b>	<b>1,920</b>	<b>2,920</b>	<b>170</b>
<b>PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2017/21</b>				
Libraries	1,798	0	0	0
Parking	700	1066	1448	1448
Council Tax Second Homes Discount	362	362	362	362
<b>TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK</b>	<b>2,860</b>	<b>1,428</b>	<b>1,810</b>	<b>1,810</b>
<b>ADDITIONAL SAVINGS</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
COSLA	0	(247)	(247)	(247)
Cultural Trust	(130)	(260)	(260)	(260)
Asset Management	(1,500)	(400)	(2,600)	(2,600)
Shared Repairs	(500)	(500)	(500)	(500)
Lothian Buses Dividend	(1,007)	(3,009)	(3,191)	0
Transformation Savings Programme	0	(5,000)	(5,000)	(5,000)
<b>TOTAL ADDITIONAL SAVINGS</b>	<b>(3,137)</b>	<b>(9,416)</b>	<b>(11,798)</b>	<b>(8,607)</b>

## 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, 2018:

#### 1. GENERAL FUND

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

Council Tax - estimated expenditure from Council Tax of £259.274m 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	779.33	E	1,535.94
B	909.22	F	1,899.63
C	1,039.11	G	2,289.29
D	1,169.00	H	2,864.05

#### 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 Resources by	14 July 2017
Hearing of Appeals by the Rating Authority	15 September 2017

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

Lodging of Appeals with the Executive Director of Resources	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 2017 - 2022 ADDITIONS TO REVISED PROGRAMME

	<b>Total £000</b>
<b>Available Additional Resources for Distribution</b>	
Additional capital resources as reported to Finance and Resources Committee January 2017:	
Unallocated additional grant, 2017/18	6,930
Unallocated funding, 2019/20	7,000
Unallocated funding, 2020/21	7,000
Contribution from Capital Fund	20,000
Further anticipated grant funding (February 2017), 2017/18	2,278
<b>Resources Available for Distribution</b>	<b>43,208</b>

	<b>2017- 18 £000</b>	<b>2018- 19 £000</b>	<b>2019- 20 £000</b>	<b>2020- 21 £000</b>	<b>2021- 22 £000</b>	<b>Total £000</b>
<b>Additional Investment</b>						
Rising School Rolls	1,500	6,000	0	0	0	7,500
Asset Management Works	1,474	0	0	0	0	1,474
Dumbryden Care Home	0	69	1,528	0	0	1,597
Meadowbank Sports Centre	1,422	3,950	2,528	0	0	7,900
South Edinburgh Primary School	530	1,274	8,613	2,320	0	12,737
North Bridge	750	1,400	4,700	4,700	450	12,000
	<b>5,676</b>	<b>12,693</b>	<b>17,369</b>	<b>7,020</b>	<b>450</b>	<b>43,208</b>