

# Motion – Edinburgh Conservatives

## Report Title – Council Change Strategy – Revenue Budget 2019-23; Capital Investment Programme 2019/20 - 2023/24; Housing Revenue Account Budget 2019-24

City of Edinburgh Council - 21 February 2019

### Council:

Considers there has been a failure of the SNP/Labour administration to deliver basic services to the citizens of Edinburgh and in particular notes; the shambolic roll out of the garden tax and new waste collection service, the abject failure to address the crisis in health and social care, and the illogical obsession with the extension of the tramline to Newhaven while the Council estate becomes increasing unmanageable and our roads and pavements continue to crumble.

Notes that the approved budget brought forward by the administration for 2018/19 was unrealistic and undeliverable, particularly in relation to Health and Social Care where £6m of savings has failed to be delivered.

Regrets the failure of Conveners and Vice Conveners within the administration to provide sufficient political oversight of Senior Officers in managing their departmental budgets resulting in significant and ongoing in year pressures.

Welcomes the inclusion of proposals from the Conservative Group's 2018/19 budget motion in the 2019/20 administration budget in the following areas;

- Workforce Management - Senior Management, Agency, Overtime, Recruitment Control, Redeployment
- Shared Repairs
- Enforcement - Improved Approach
- Health and Social Care Transformation Team
- Strategic Review of Council Estate
- Investment Decisions on a Community Hub model
- Workforce Modernisation - Full Review of Pay and Reward

Notes with regret the ongoing failure of the Scottish Government to properly fund local authorities and the complicity of the Scottish Greens in allowing through yet another SNP budget which has seen funding to the City of Edinburgh Council slashed.

Acknowledges the lack of strategic thinking brought forward once again by the SNP/Labour administration and a disingenuous budget consultation which failed to inspire public interest.

Concludes that the current SNP/Labour administration is failing to deliver value for money to the citizens of Edinburgh for their Council Tax, does not have a sustainable grasp on the financial management of the city, and wastes valuable time fighting amongst itself.

## Revenue Budget 2019/20

On specific budgetary proposals Council:

- 1) Recognises that the Council Administration has not provided value for money to the citizens of Edinburgh and agrees to limit the council tax increase for 2019/20 to 2%.
- 2) Agrees to remove the Administration's £25 charge for garden waste collection and to continue to provide fortnightly collection of garden waste.
- 3) Council notes that failure of the current and previous Administrations to maximise efficiency and effectiveness of Council Services has increased pressure on services with significant underlying budget deficits in Communities and Families and Health and Social Care. Council further 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 thus maintaining and improving services in line with Best Value.
- 4) Council agrees to remove the self-imposed political restrictions of the Administration and empowers Chief Officers and senior managers to develop a programme of Value for Money service reviews to deliver significant savings, with options for implementation of a first phase of additional savings to be brought to Council for approval by June 2019. Market testing and benchmarking should be applied to take an evidenced-based approach to development of savings options.
- 5) Notes the Care Inspectorate's progress review findings that in the Edinburgh Health and Social Care Partnership the pace of change has been slow; that a strategic approach had not been taken to an improvement plan; and that there had not been enough progress in key strategic areas. Further recognises the failure of the Administration and the Edinburgh IJB (EIJB) to deliver transformational change in service delivery and welcomes the belated decision by the EIJB to ring-fence funding to establish a dedicated team to drive forward delivery of transformational change.
- 6) Council agrees to allocate an additional £3m to the EIJB in 2019/20 to support delivery of additional care packages for residents. Further, Council agrees to review this allocation following detailed consideration of the EIJB's financial plan for 2019/20. All funding allocated to the EIJB in 2019/20 will be subject to quarterly scrutiny of financial performance by the Council's Finance and Resources Committee.
- 7) Council agrees to ring-fence funding received for the extension of Free Personal Care to under 65s ("Frank's Law") for release to the Edinburgh IJB, subject to consideration of a detailed implementation plan and receipt of associated Directions.
- 8) Agrees to establish a social care fund of £200,000 in 2019-20 to provide a safety net for vulnerable citizens who may be adversely affected as a result of the EIJB grants process. This fund would be operated through EVOC who would lead on signposting and matching of citizens to appropriate care and support.
- 9) Agrees to investment of £8.5m in 2019/20 to continue work to address the failure of successive Council Administrations over the past 20 years to manage and maintain the Council's estate effectively.
- 10) Regrets the Administration's failure to deliver estate rationalisation within the Asset Management Strategy, with a projected shortfall of £3.6m being reported in the current financial year. Council agrees to establish a dedicated cross-Council team to oversee a

strategic review of the Council estate and implementation of a community hub model, thereby reducing revenue costs without impacting services.

- 11) Council acknowledges the difficult balance between recognising the value of the Council's employees and delivery of essential services that are affordable in the medium and longer term. Council agrees to undertake a comprehensive Workforce Modernisation programme including reviews of management costs; organisational change and redeployment arrangements; and reward and recognition to deliver more robust arrangements and ensure value for money.
- 12) Council agrees to reinstate the Career Transition service to provide full support to surplus staff and maximise opportunities for redeployment.
- 13) Agrees to retain Lothian Buses in public ownership.
- 14) Agrees to continue investment of £2.6m in additional police officers while seeking to review the agreement with the Scottish Police Authority to ensure that the Council is receiving value for money. Further, rejects the proposal to reduce partnership funding by £1m in 2021/22.
- 15) Rejects the proposed budget cut of £567,000 to Marketing Edinburgh. Agrees to a budget reduction of £300,000 in 2019/20 which will allow Marketing Edinburgh to restructure and present a revised business model by October 2019, setting out an evidenced-based plan to maximise outcomes whilst minimising reliance on public sector funding.
- 16) Rejects the proposed reduction in qualified teaching staff in nursery schools.
- 17) Agrees funding of £30,000 in 2019/20 to allocate an additional 10 hours of access at no charge to each primary and special school parent council to support their activities.
- 18) Rejects the proposed reduction of £3m to Edinburgh Leisure in future years. Further, recognises the positive impact on individuals and communities of engagement in exercise and agrees to examine further opportunities to expand innovative community-based programmes such as the Craggs and Queensferry Sports Centres.
- 19) Agrees to establish a Sports Fund of £100,000 to provide support to programmes which provide positive opportunities to vulnerable individuals and communities through physical activity and sport. Further, agrees to allocate £30,000 from this Fund to support the continuation of the Spartans Alternative School which supports young people who are at risk of exclusion from mainstream education.
- 20) Agrees funding of £100,000 for additional staffing to support acceleration of progress to address the back-log of works relating to trees on Council land.
- 21) Rejects the Administration's proposals to introduce Sunday pay and display parking charges. Further, reject proposals to increase residential parking permit charges in 2019/20 and agrees to freeze residential parking permit charges at current rates.
- 22) Notes the reduction in forecast parking income in 2018/19 and agrees that further analysis of the reasons for changes to behaviour are reported to the next meeting of the Transport and Environment Committee to inform reconsideration of pay and display charges. Further, rejects the Administration's proposals to increase city centre pay and display charges by over 10% in 2019/20 and agrees to limit pay and display increases to a maximum of 20p per hour.
- 23) Agrees to implement an emergency repairs service only and instructs the Executive Director of Resources to investigate new methods of providing information and advice to owners on

legal and other mechanisms to achieve property repairs.

- 24) Agrees to terminate the Council's membership of the Convention of Scottish Local Authorities delivering an annual saving of £250,000 from 2020/21.
- 25) Approves additional expenditure of £100,000 for a programme of environmental initiatives.
- 26) Approves additional expenditure of £50,000 for undertake a pilot of the road mole "right first time" pothole repair system. Further approves recurring expenditure of £60,000 to employ additional staff to address the back-log of street lighting repairs across the City.
- 27) Rejects the Administration's pledge to ring-fence 10% of the roads and transport budget for cycling. Agrees that these resources should be committed to roads and pavement repairs to improve safety for all road and pavement users.
- 28) Rejects plans to introduce a workplace parking levy.
- 29) Commits to retention and continued funding of the City of Edinburgh Music School and the instrumental music service.

### Capital Investment Programme

#### Council:

- 30) Agrees the proposals for additional investment of £125.7m as detailed in Annex 3 to this Motion.
- 31) Agrees to continue capital investment of £48.9m over a five-year period to address the Administration's underinvestment in the Council's property estate.
- 32) Agrees that in making a decision on any major capital investment it is good practice to consider the opportunity cost, that is the amount that could be available to spend on other projects if the capital investment were not made. Further, agrees to cease further work on the Tram Extension business case and reprioritise estimated surplus cash flows from the existing tram line and the exceptional Lothian Buses dividend.
- 33) Notes the failure by the Administration to bring forward a strategy to deliver the Wave 4 schools programme and agrees that, based on available information, the sum of £5m per annum relating to estimated tram surplus cash flows from the existing line is ring-fenced within the revenue budget to support additional capital investment of £70m for completion of priority 1 Wave 4 schools at Currie, Trinity and Craigmillar. Building on this additional funding, it is assumed that Scottish Futures Trust funding, will allow for completion of the Wave 4 Schools Investment programme including Balerno, Wester Hailes and Liberton.
- 34) Council agrees to reprioritise dividend income from Lothian Buses to invest £20m in a programme of schemes to relieve traffic congestion, including the extension of the Hermiston Park and Ride service; effective road repairs in heavily trafficked bus lanes and bus stops; and improvements in traffic management at key junctions and on major public transport routes.
- 35) Agrees that initial design and enabling works for Brunstane, Maybury and Builyeon Road primary schools be prioritised through sums set aside in the Capital Fund for development costs relating to the Local Development Plan.
- 36) Approves £7m of additional capital investment in roads and pavements. Further, Council approves £0.8m in a programme of Parks upgrades.

- 37) Agrees £5.4m of additional investment in currently unfunded capital pressures comprising: West Princes Street Gardens, including Ross Theatre (£5m) and Hunter's Hall park redevelopment (£0.44m).
- 38) Agrees that a full business case on the active travel programme should be considered before any commitments are made to allocate resources or reprioritise existing plans.
- 39) Agrees that no material legal commitments will be entered pending a review of alignment with the strategic review of the estate and consideration of opportunities for wider consolidation and rationalisation of the property estate, including through a community hub approach. Further agrees that additional prudential borrowing will be subject to detailed review of assumed cash flows from the existing tram line.
- 40) Notes that investment through reprioritisation of the exceptional dividend from Lothian Buses will be confirmed as additional dividends are received with £11m of investment to be delivered through the current Capital Investment Programme.

### Risks and Reserves

#### Council:

- 41) Notes the report by the Executive Director of Resources setting out the significant risk associated with the Administration's budget proposals including:
- Risks associated with the delivery of major projects and service transformation, including ICT transformation, Asset Management and Health and Social Care;
  - The risks associated with delivery of approved savings and management of underlying pressures;
  - Assumptions on Financial Settlements and wider fiscal policy considerations;
  - Demographic changes leading to rising service demands.
- 42) Accepts that at a time of increasing risk and transformational change the Council should increase reserves to reflect the greater volatility of its budget and agrees to allocate an additional contribution of £6m to the Council Priorities Fund, including £4m to be earmarked for Health and Social Care pending review of the EIJB plan for 2019-20. Further agrees that no new commitments are made from the City Strategic Investment Fund pending consideration of the half-year revenue budget monitoring report for 2019/20.
- 43) Instructs the Chief Executive to consult with relevant Conveners and Vice Conveners and report to Council in April with detail of specific proposals to address the assumed efficiency savings target of £9.5m and underlying budget deficits in service budgets. Further, instructs the Chief Executive to report to Council in April on the approved EIJB budget for 2019/20.

### Development of a Sustainable Financial Strategy

#### Council:

- 44) Subject to consideration of more detailed business cases by the Finance and Resources Committee, approves the use of up to £1.5m from the Spend to Save Fund to develop a comprehensive change plan to address the pressing financial challenges facing the council over the medium term including:
- Establishment of a dedicated cross-Council project team to undertake a

programme of Value for Money service reviews.

- Provision of additional dedicated staff to accelerate a strategic property review and implementation of a community hub model approach to capital investment.

45) Instructs the Executive Director of Resources to carry out a full review of Pay and Reward to modernise structures across the council and to deliver a streamlined organisation focused on service delivery.

46) The Change Strategy also includes a number of savings planned for implementation in later years. Recognising that the Council is, at this stage, setting a one-year budget, these will be considered more fully as part of next year's budget process, informed by more detailed development of the proposals concerned.

### Conclusions

Council notes the following reports from the Executive Directors of Resources, Place and the Chief Executive:

- Item 4.1 – Council Revenue Budget Framework (2019-2020) – Integrated Impact Assessments
- Item 4.2(a)(i) – Council Change Strategy – Planning for Change and Delivering Services 2019-23
- Item 4.2(a)(ii) – Local Government Finance Settlement 2019-20 – Further Update
- Item 4.2(a)(iii) – Feedback on Change Strategy and Budget Proposals 2018 and 2019
- Item 4.2 (b) – Council Change Strategy – Risks and Reserves 2019-2023
- Item 4.2 (c) – Housing Revenue Account Budget Strategy 2019-24
- Item 4.3 – Capital Investment Programme 2019-20 to 2023-24

Council therefore approves:

- The Revenue Budget 2019/20 as set out in the reports, subject to the amendments set out in Annex 1 to this motion.
- A band 'D' Council Tax of £1,264.99 for 2019/20
- The Council Tax and Rating resolution set out in Annex 2 to this motion
- The 2019/24 Capital Budget as set out in the report by the Executive Director of Resources, with the addition of the new projects set out in Annex 3
- 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 motion.
- The recommendation by the Executive Director of Place to approve the 2019/20 budget, draft five-year capital investment programme for 2019/24, and the 2% rent increase for 2019/20 set out in Appendices 2, 4 and 5 of the report at item 4.2 (c) for today's meeting.
- Allocations from the Spend to Save fund as set out in this motion
- A further report to be submitted to seek approval of the prudential indicators arising from this motion.

**Moved by** Councillor Graham Hutchison

**Seconded by** Councillor Iain Whyte

**THE CITY OF EDINBURGH COUNCIL  
CONSERVATIVE GROUP BUDGET MOTION  
REVENUE BUDGET 2019/20**

	<b>2019/20</b>	
	<b>£000</b>	<b>£000</b>
<b>Expenditure to be Funded</b>		
- Resource Allocation Totals	984,218	
- Add: Expenditure funded through Specific Grants	<u>40,225</u>	
		1,024,443
- General Revenue Funding and Non Domestic Rates	(698,508)	
- Ring Fenced Funding	<u>(40,225)</u>	
		(738,733)
<b>To be Funded by Council Tax</b>		<u>285,710</u>
<b>Council Tax at Band D</b>		<b>£ 1,264.99</b>
<b>Increase on Previous Year</b>		<b>£ 24.80</b>
- Percentage Increase		<u>2.0%</u>
		<u><b>290,898</b></u>
<b>Funding (Excess) / Shortfall at Council Tax increase above</b>		<b>(5,188)</b>
<b>Service Investment (see Appendix 1)</b>	3,040	
<b>Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)</b>	4,848	
<b>Less: Additional Savings (see Appendix 1)</b>	<u>(7,200)</u>	
		<b>688</b>
<b>Contributions to / (from) reserves</b>		
Transfer to Council Priorities Fund - Health and Social Care	4,000	
Transfer to Council Priorities Fund	2,000	
Spend to Save Fund	<u>(1,500)</u>	
		<b>4,500</b>
<b>Balance of (available resources) / required savings</b>		<u><u>-</u></u>

**THE CITY OF EDINBURGH COUNCIL**  
**CONSERVATIVE GROUP BUDGET MOTION**  
**REVENUE BUDGET 2019/20**

**2019/20**

<b>SERVICE INVESTMENT</b>	<b>£000</b>
Strategic Property Review and Value for Money Service Reviews (Spend to Save)	1,500
Garden Waste	800
Social Care Fund	200
Career Transition Service	100
Environmental Initiatives	100
Trees	100
Sport / Physical Activity	100
Street Lighting	60
Pothole Repairs	50
School Lets - Parent Councils	30

<b>TOTAL SERVICE INVESTMENT</b>	<b><u>3,040</u></b>
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**PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2019/23**

Health and Social Care	3,000
Police	522
Early Years	280
Marketing Edinburgh	267
Parking	679
Book Fund	100

<b>TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK</b>	<b><u>4,848</u></b>
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<b>ADDITIONAL SAVINGS</b>	<b>£000</b>
VfM Service Reviews	(5,000)
Asset Management	(500)
Localities	(400)
Shared repairs	(300)
Workforce Modernisation	(800)
Strategy and Communications	(200)
<b>TOTAL ADDITIONAL SAVINGS</b>	<b><u>(7,200)</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, 2020:

**1. GENERAL FUND**

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

Council Tax - estimated expenditure from Council Tax of £290.898m 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:

<b>Band</b>	<b>Council Tax</b>	<b>Band</b>	<b>Council Tax</b>
	£		£
A	843.33	E	1,662.06
B	983.88	F	2,055.61
C	1,124.44	G	2,477.27
D	1,264.99	H	3,099.23

**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	12 July 2019
Hearing of Appeals by the Rating Authority	20 September 2019

**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
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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 necessary sums to meet the above capital expenditure.

**THE CITY OF EDINBURGH COUNCIL  
CONSERVATIVE GROUP BUDGET MOTION  
CAPITAL BUDGET 2019 - 2024  
ADDITIONS TO REVISED PROGRAMME**

	<b>Total £000</b>
<b>Available Additional Resources for Distribution</b>	
2019/20 Settlement - unallocated General Capital Grant funding	9,411
Unallocated LDP funding - roads and education	12,525
Unallocated LDP funding - non-specific sums	3,500
Reallocation of existing CIP budget	4,000
Reprioritisation of existing CIP budget	15,239
Prudential borrowing (funded through ring-fenced cash flows from existing tram line)	70,000
Reprioritisation of exceptional dividend (Capital from Current Revenue)	11,000

**Resources Available for Distribution**

**125,675**

	<b>2019-20 £000</b>	<b>2020-21 £000</b>	<b>2021-22 £000</b>	<b>2022-23 £000</b>	<b>2023-24 £000</b>	<b>Total £000</b>
<b>Additional Investment</b>						
Replacement St Catherine's PS	12,802					12,802
Rising School Rolls pressures	6,609					6,609
Roads and Pavements	7,000					7,000
LDP Primary Schools	4,025					4,025
Transport Schemes	3,000	2,000	2,000	2,000	2,000	11,000
Wave 4 Schools	5,000	20,000	30,000	15,000	8,000	78,000
West Princes Street Gardens	5,000					5,000
Parks Upgrade	599					599
Hunter's Hall park redevelopment	440					440
Inverleith Park Upgrade	200					200
	<b>44,675</b>	<b>22,000</b>	<b>32,000</b>	<b>17,000</b>	<b>10,000</b>	<b>125,675</b>