

Motion by Liberal Democrat Group

City of Edinburgh Council

Title: Revenue Budget 2019/20; Capital Investment Programme 2019-24; Housing Revenue Account Budget 2019 to 2024

City of Edinburgh Council, 21 February 2019

MAKING EVERY PENNY COUNT

Council notes the budget position presented for 2019-20 but regrets the previous decisions of Labour/SNP and SNP/Labour administrations, which have exacerbated the current financial pressures, and the continued uncertainty about Brexit outcomes with the possibility of a no-deal disorderly Brexit still on the horizon.

Council regrets the damaging Local Government Finance Settlements over many recent years by the Scottish Government which have resulted in substantial funding cuts to the city council and are projected to lead to even more severe cuts in service provision in the future.

Council notes that the Scottish Government has seen a 3.3% increase in real terms in its budget for 2019-20 but has passed to the Council a 1.5% cut in the funding of core services. Council notes that in order to fund the entire £33.1m funding gap for 2019-20, Council Tax would need to increase by 15%.

Council aims to provide the highest quality services on a best value basis and, at a time of financial constraints, to focus on getting basic services right.

Council notes the commitment made by the SNP/Labour administration to continue a policy of no compulsory redundancies and that the financial consequences of this policy for 2019-20 mean cuts to frontline services such as community policing and street cleaning.

Council notes the commitment made by the SNP/Labour administration to keep a presumption in favour of in-house provision for existing revenue-funded core services and that this prevents the Council from considering a diverse range of possible external service solutions.

Council notes the failure over many years since SNP and Labour have been in coalition for the Health and Social Care budget to be managed effectively. Council notes that this budget is especially important for our most vulnerable citizens. Council further notes the continued failure of waste services to meet performance levels expected and the deterioration of basic services such as street lighting repairs.

Council welcomes the intention of the Scottish Government to provide additional powers to local Councils to allow them greater control over, and responsibility for, raising their own finances, such as introducing a transient visitor levy.

Budget Process

Although the Council conducted an online public consultation for its Change Strategy over a ten-week period in late 2018, the detailed proposals for 2019-20 were made available online for public feedback for a period of only three weeks resulting in a poor level of engagement.

Longer Term Approach

Council believes there is a need for fundamental reform of the way the council provides services, to transform the council from a reactive to a proactive organisation, to focus on preventative spending to help it to manage demand and to design reliable, cost effective 'Citizen-centred' services not necessarily provided by the Council itself. Council recognises that the Council cannot simply continue to do the same things in the same way with substantially fewer staff and other resources.

Council recognises that to achieve the radical changes necessary will require it to

1. drop the policy commitment to no compulsory redundancies and the presumption in favour of in-house provision of existing revenue funded core services, and
2. create a Transformation Fund. The sale of around 10% of the council's investment property portfolio could be utilised to contribute to a Transformation Fund, based on 'spend to save' principles, to fund the one-off costs of up-front investments required for this transformation and
3. to make every penny count, adopt a phased programme of targeted zero-based budgeting to identify operational efficiencies and to cut low priority expenditure.

Spending Priorities for 2019-20

In addition to the above longer-term proposals, Council agrees that its objectives in the setting of this budget will be to make every penny count and to get basic services right

1. to set up a one-year fund of £4m, partly funded from reserves and equally divided between high priority roads and pavements, to tackle the roads and pavements in the poorest condition.
2. to set up an Environment Fund for Schools of £1m; to reverse the cuts to Nursery teachers and head teachers; and to fund more support for schools to promote integration and minimise disruption.
3. to abolish the garden tax and to improve waste collection service reliability by seeking to arrange external service provision, which should save £1.125m.
4. to reject the proposed cut of £0.350m and increase real term funding for Edinburgh Leisure while a Physical Activity Strategy is agreed and implemented by the Culture & Communities Committee.
5. to save our community police by reversing the proposed cut of £0.522m.

Recommendations

Council notes the following reports:

Item 4.1 - Revenue Budget Framework 2019-20 Integrated Impact Assessments

4.2 Revenue Budget 2019/24

(a) (i) Council Change Strategy: Planning for Change and Delivering Services 2019-2023 – referral from the Finance and Resources Committee

(ii) Local Government Finance Settlement 2019/20

(iii) Feedback on the Change Strategy and Budget Proposals 2018 and 2019

(b) Council Change Strategy: Risks and Reserves 2019-2023

(c) Housing Revenue Account Budget Strategy 2019-2024

4.3 Capital Investment Programme 2019/20 to 2023/24

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 £1,277.40.
- The Council Tax and Rating resolution as set out in Annex 2 to this motion;
- The 2019 to 2024 capital budget as set out in the report by the Executive Director of Resources, subject to the amendments set out in Annex 3 to this motion;
- A further report to be submitted to seek approval of revised charges for Council services, the financial impact of which is contained in Appendix 1 to this amendment.
- The recommendations contained in the Housing Revenue Account report by the Executive Director of Place and the outline 5-year HRA capital programme 2019 -24.
- Allocations from the Council Priorities Fund as outlined above.

Moved by Neil Ross

Seconded by Robert Aldridge

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

	2019/20	
	£000	£000
Expenditure to be Funded		
- 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)
To be Funded by Council Tax		<u>285,710</u>
Council Tax at Band D		£ 1,277.40
Increase on Previous Year		£ 37.21
- Percentage Increase		3.0%
		<u>293,648</u>
Funding (Excess) / Shortfall at Council Tax increase above		(7,938)
Service Investment (see Appendix 1)	6,349	
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	5,421	
Less: Additional Savings (see Appendix 1)	<u>(2,415)</u>	
		9,355
Contributions to / (from) reserves (itemise)		
From the Council Priorities Fund	(1,417)	
	<u>(1,417)</u>	
		(1,417)
Balance of Available Resources		<u><u>0</u></u>

THE CITY OF EDINBURGH COUNCIL
LIBERAL DEMOCRAT GROUP BUDGET MOTION
REVENUE BUDGET 2019/20

2019/20

SERVICE INVESTMENT

£000

Improvements to roads and pavements	4,000
Environment Fund for Schools	1,000
Additional Support for Learning to support integration and minimise disruption	200
Award 20 hours per annum of free use of primary and special school facilities to parent bodies (PTAs and parent councils)	49
Abolish the garden waste collection charge	800
Increase funding of street cleaning services	250
Increase funding of parks and greenspace	50

TOTAL SERVICE INVESTMENT

6,349

**PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK
2019/23**

Protect the small grants budget to support city-wide sports and learning activities	62
Protect early years education by reversing the proposed cuts to Nursery teachers and Nursery head teachers	350
Redesign and improve our public toilets by reversing the proposed cuts	250
Reverse the additional proposed cut to Health and Social Care	3,000
Reverse the proposed cut to street cleaning in order to maintain service investment	250
Reverse the proposed cut to roads services in order to maintain service investment	250
Retain four environmental wardens	120
Encourage sport and physical exercise by reversing the proposed cut to Edinburgh Leisure	350
Reduce the cut to Marketing Edinburgh	267
Save our community police by dropping the proposed cut to Police Funding	522

TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK

5,421

ADDITIONAL SAVINGS

£000

Drop pledge of no compulsory redundancies - impact on current redeployment pool	(700)
Drop pledge of no compulsory redundancies - impact on budgeted staff cuts for 2019/20	(350)
Extra revenue from introduction of a £50 charge for inhibition data queries related to statutory notices	(240)
Savings resulting from external provision of environmental services, including waste collection, taking account of a nine month delay in implementation	(1,125)

TOTAL ADDITIONAL SAVINGS

(2,415)

**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, 2020:

1. GENERAL FUND

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

Council Tax - estimated expenditure from Council Tax of £293.648m 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	851.60	E	1,678.36
B	993.53	F	2,075.78
C	1,135.47	G	2,501.58
D	1,277.40	H	3,129.63

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
LIBERAL DEMOCRAT GROUP BUDGET MOTION
CAPITAL BUDGET 2019 - 2024
ADDITIONS TO REVISED PROGRAMME**

	Total £000
Available Additional Resources for Distribution	
2019/20 Settlement - unallocated General Capital Grant funding	9,411
Unallocated LDP funding - roads and education	12,525
Reallocation of existing CIP budget	4,000
Unallocated LDP funding - capital fund	3,500
	29,436
Resources Available for Distribution	

	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	Total £000
Additional Investment						
Replacement St Catherine's PS	12,802					12,802
Rising school rolls pressures	6,609					6,609
Darroch refurbishment	5,800					5,800
New LDP Primary Schools - design and enabling works	4,025					4,025
Inverleith Park Upgrade	200					200
	29,436	0	0	0	0	29,436