

Motion by Green Group

City of Edinburgh Council

Title: Revenue Budget 2017/18 - 2020/21; Capital Investment Programme 2017-22; Housing Revenue Account Budget 2017/18 to 2021/22

City of Edinburgh Council, 9 February 2017

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 delivering the council services funded by the budget.
2. We also thank all the people in Edinburgh who took time to give us their views on the budget, both this year and last year. The best way of showing appreciation is that we, as a council, take heed of what they tell us. We note, for example, that proposed changes to **library services** have caused anxiety for residents who rightly see the local library as part of the fabric of their community. We also remind members of the findings of last year's budget consultation that **63% of budget responses supported increasing the council tax** as one of the means by which the council should bridge the budget gap.
3. Local government funding remains in need of fundamental reform. While the unfreezing of council tax and revisions of bands are both welcome, the revenue raising flexibility is still severely constrained by central government. Non-domestic rates remain centralised. Powers such as tourism and parking levies, considered as the norm by councils elsewhere in Europe or the UK, remain unavailable in Scotland's capital city. We have recognised the case made by both Unite and Unison for reducing the debt burden on Scotland's local authorities and have also sought further exploration of funding capital programmes through issuing of municipal bonds. In all of those respects the prospectus for reform leaves much to be done.
4. The Green Group also believes that it is perfectly legitimate to be critical of a funding system and an individual funding settlement, while still seeking to improve it within the means available. Indeed, to fail to do the latter is to fail the citizens who depend on public services. So this motion presents choices within that context and within the updated settlement issued on 2 February 2017.

Green budget choices

5. The Green Group has sought to prioritise its budget plans to reflect three headline areas:

- Tackling the pressure on community facilities: libraries, swimming pools, schools, safe and clean streets.
- Protecting the interests of our citizens on the lowest incomes: tenants, and users of welfare advice and homelessness services.
- Investing in change which reduces cost pressures in years to come: waste and energy

6. In making these choices we have drawn upon the **additional £12.3 million** made available on 2 February; in addition to around **£3 million in additional savings** to meet the above priorities.

Community facilities

7. The council is in the midst of a transformation programme which impacts on all services. It is right and proper to ensure that all services adapt to meet the evolving needs and demands of service users. However, we also note that, in libraries, residents value the role played by professional staff. **Therefore our budget rejects in full the remaining £1.8m cut to library services** in 2017-18, with a further year being allowed to develop alternative proposals for a reduced savings target of £900k.

8. Swimming pools and sports halls are also highly valued by residents and we note continued concerns about potential closures as a result of pressures on Edinburgh Leisure budgets. So we **reject in full an additional cut to Edinburgh Leisure budget of £407k**. We also earmark **almost £600k for Edinburgh Leisure to target free access** to services for groups of citizens who, for reasons of income or other barriers, are unable to access leisure facilities.

9. The budget debate comes at the same time as the release of the report of the Cole Inquiry into standards and construction of PPP1 schools. As well as specific issues for the PPP1 schools, the report inevitably heightens debate around school conditions generally. We note that there is a funding gap of £8 million per year for the council estate as a whole, of which the school estate is part. So we seek to make some inroads into that funding gap **by allocating £3m for backlog repairs in schools in 2017-18**.

10. Finally, community facilities are more than just buildings. Critical to people's perceptions of their neighbourhood is safety and cleanliness of streets and public places. Over the last 6 months we have engaged actively with managers and trade unions on an action plan to improve waste and recycling services and that remains a top priority. But we also believe that more needs to be done at a neighbourhood level. Therefore we have allocated **extra funding for two more environmental wardens in each locality** (eight in total) plus a significant increase in **litter-cart street by street cleaning** throughout the council area.

Protecting the interests of low income residents

11. We have looked very carefully at the proposals for council housing and have listened carefully to the arguments put forward by Edinburgh Tenants Federation. We applaud the wide-ranging and ambitious investment programme put forward for council housing by the housing team. However, taking account of the reserves for and continuous flow of income into the council tax discount fund of over £2 million each year, we consider the investment programme can be substantially delivered over the programme period while also recognising the real pressures faced by council tenants in recent years. As paper 4.1(d) on the agenda recognises, the incomes of those people in the lowest 20% by income in Edinburgh have reduced by almost a third since 2008, while highest incomes have risen over the same period. We also note that in 2016-17, the average council rent in Edinburgh is £94.61 a week, compared to a Scottish average of £67.76. The next highest rent to Edinburgh's is £75.50 while our neighbouring councils in the same Lothian housing market area have rents which range from £56.84 to £69.40. For all of these reasons we believe that the time is right to give council tenants respite from the harsh winds of rising costs and falling incomes. **Therefore we propose a council house rent freeze in 2017-18.**

12. The crisis of rising housing costs is not simply felt by council tenants. Average private rents in the city hover at around £1000 a month with far too many tenants facing a service utterly at odds with such high prices. At the end of 2017 the city council will be granted new powers to declare Edinburgh a "Rent Pressure Zone" to limit inflation-busting rent increases. The Green Group believes the City Council should be in the vanguard of using those new powers so we have allocated £60,000 from the surpluses derived from landlord registration income to **fund a feasibility study with a view to preparing a submission to Scottish ministers on a Rent Pressure Zone.**

13. Further, on housing, we have looked carefully at the experience of other local authorities in investing in a dedicated empty homes officer and, note that, on average, a **£50k investment in a dedicated private sector empty homes post yields an extra £100,000 per year** in additional council tax income. So we propose such a post in Edinburgh.

14. Finally, we have considered carefully the savings targets proposed for **welfare advice and homelessness services** and do not believe that these can be justified at a time of acute pressure on the residents with lowest incomes.

Save for the future

15. We recognise the strength of the argument which says that additional resources available now should be used now to build resilience in future budgets. In two areas – energy costs at £13m and landfill / waste costs at £10m, the council has significant and, other things being equal, rising, cost burdens. Therefore we propose additional resources in a **"Save for the Future" fund** to bring forward or accelerate proposals in three key areas: **energy efficiency** and energy management; future income opportunities from **renewables**; and reduced landfill or waste handling costs through **waste prevention.**

Capital priorities

16. We support the Capital Coalition in its identification of capital programme priorities, particularly with regard to a replacement Meadowbank, new care home, and new school provision or capacity. The additional £2.278m of capital made available on 2 February allows other, more modest options to be considered:

- As above, we seek to restore revenue **funding to provision of public toilets** but recognise that this needs to be accompanied by capital investment to build or improve facilities, to which we allocate £1 million.
- As in 2016-17, we have rejected the city council's withdrawal from repair and maintenance of stair lighting in common stairs, believing it to be at odds with the safety and security of residents. We therefore propose that the service is re-introduced either through a direct service from the council or through a social enterprise partner, with residents charged for the service. However, we also recognise that a programme of **modernising lighting** will both reduce energy costs (which the council still funds) and reduce frequency of repairs and replacements, so we allocate £1 million to that as well.
- Finally, we have seen some excellent examples of how **children's play areas in parks and other locations have been made more welcoming to children with disabilities** so we allocate £278k to that.

17. The Green Group's budget proposals seek to set priorities at a time of significant strain on council funding and sit alongside our increasing appetite to explore and pioneer new ways of investing in and protecting public service.

Recommendations

Council notes:

- The reports 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 risks associated with the revenue budget framework.
- The report by the Executive Director of Place setting out the Housing Revenue Account budget strategy

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 £1,204.07
- The Council Tax and Rating resolution as set out in Annex 2 to this motion;
- The 2017 to 2022 capital budget as set out in the report by the Acting Executive Director of Resources, subject to the amendments set out in Annex 3 to this motion;
- The removal of the council tax discount for second homes as set out in report 4.4 by the Acting Executive of Resources.
- 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, subject to a revised proposal to retain rents at 2016-17 levels as set out in Annex 4, and the outline 5 year HRA capital programme for 2017 to 2022, subject to revised proposals on transfer from the ring-fenced council tax discount fund.

Moved by Gavin Corbett

Seconded by Steve Burgess

**THE CITY OF EDINBURGH COUNCIL
GREEN 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
Expenditure to be Funded								
- 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>							
		(701,566)						
To be Funded by Council Tax		<u>256,344</u>						
Council Tax at Band D		£ 1,204.07						
Increase on Previous Year		£ 35.07						
- Percentage Increase		3.0%						
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Funding Requirement		256,344						
Council Tax Income	266,342							
Additional income from empty homes pilot	100		100		100		100	
		<u>266,442</u>						
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		(10,098)		(100)		15,300		26,189
Service Investment (see Appendix 1)	9,995		1,353		1,253		1,253	
Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)	2,933		1,817		1,783		1,783	
Less: Additional Savings (see Appendix 1)	<u>(2,720)</u>		<u>(3,020)</u>		<u>(3,220)</u>		<u>(3,420)</u>	
		10,208		150		(184)		(384)
Amendments to proposals								
		<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>
Contribution from licensing income reserve		(60)		-		-		-
Contribution from Council Tax Discount Fund		(50)		(50)		(50)		(50)
Use of Reserves		(110)		(50)		(50)		(50)
Balance of Available Resources		<u><u>-</u></u>		<u><u>-</u></u>		<u><u>15,066</u></u>		<u><u>25,755</u></u>

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.

**THE CITY OF EDINBURGH COUNCIL
GREEN GROUP BUDGET MOTION
REVENUE BUDGET 2017/21**

	2017/18	2018/19	2019/20	2020/21
SERVICE INVESTMENT	£000	£000	£000	£000
Save for the Future: energy efficiency, energy production and landfill reduction proposals	5,000	0	0	0
Backlog repairs and maintenance in schools	3,000	0	0	0
Edinburgh Leisure equal access project	582	0	0	0
Stairlighting - reinstatement of repairs and maintenance, part-supported through charging	500	500	400	400
Street cleaning	300	300	300	300
Public toilet provision	300	300	300	300
Environmental wardens	203	203	203	203
Rent pressure zone study (funded from licensing income)	60	0	0	0
Dedicated empty homes post (funded from Council Tax Discount Fund)	50	50	50	50
TOTAL SERVICE INVESTMENT	9,995	1,353	1,253	1,253
PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2017/21				
Libraries	1,798	900	900	900
Edinburgh Leisure	407	407	407	407
Support staff in special schools	292	440	440	440
Parks	236	236	236	236
Advice services	200	200	200	200
Winter festivals	-	(366)	(400)	(400)
TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	2,933	1,817	1,783	1,783
ADDITIONAL SAVINGS	£000	£000	£000	£000
Waste handling costs	(500)	(600)	(700)	(800)
Parking charges	(300)	(400)	(400)	(400)
Marketing Edinburgh	(500)	(500)	(500)	(500)
Energy costs and temperature control	(500)	(600)	(700)	(800)
Resources - Finance	(176)	(176)	(176)	(176)
Resources - Legal and Risk	(139)	(139)	(139)	(139)
Chief Executive - Democratic Services (including Members' Services, Lord Provost and Councillors' catering)	(107)	(107)	(107)	(107)
Chief Executive - Communications	(168)	(168)	(168)	(168)
Chief Executive - Strategy and Insight	(178)	(178)	(178)	(178)
Chief Executive - Digital and ICT	(152)	(152)	(152)	(152)
TOTAL ADDITIONAL SAVINGS	(2,720)	(3,020)	(3,220)	(3,420)

**THE CITY OF EDINBURGH COUNCIL
COUNCIL TAX / RATING RESOLUTION
GREEN 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 £266.442m 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	802.71	E	1,582.01
B	936.50	F	1,956.61
C	1,070.28	G	2,357.97
D	1,204.07	H	2,949.97

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
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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 GROUP BUDGET MOTION
CAPITAL BUDGET 2017 - 2022
ADDITIONS TO REVISED PROGRAMME**

	Total £000
Available Additional Resources for Distribution	
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
Resources Available for Distribution	43,208

	2017-18	2018-19	2019-20	2020-21	2021-22	Total
	£000	£000	£000	£000	£000	£000
Additional Investment						
New South Edinburgh Primary School	530	1,274	8,613	2,320	-	12,737
North Bridge	750	1,400	4,700	4,700	450	12,000
Meadowbank Sports Centre	1,422	3,950	2,528	-	-	7,900
Rising School Rolls	1,500	5,196	-	-	-	6,696
Dumbryden Care Home	-	69	1,528	-	-	1,597
Public toilets in high-footfall areas	1,000	-	-	-	-	1,000
LED stairlighting	1,000	-	-	-	-	1,000
Disabled-friendly play equipment in public parks	278	-	-	-	-	278
	6,480	11,889	17,369	7,020	450	43,208

**THE CITY OF EDINBURGH COUNCIL
GREEN GROUP BUDGET MOTION
HOUSING REVENUE ACCOUNT, 2017/18**

Proposed change in weekly rent

0%