

# Budget Motion by the Liberal Democrat Group

## Item No.

## Report Title REVENUE BUDGET 2017-2021; CAPITAL INVESTMENT PROGRAMME 2017-2022; HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME 2017-2018

City of Edinburgh Council

9 February 2017

### 1. Context

Council notes the balanced budget position presented for 2017/18 but regrets the Labour/SNP administration's past decisions which have exacerbated the current financial difficulties. The Labour/SNP administration inherited a stable financial situation with increased reserves and balanced budget but have not maintained this. There have been missed opportunities to secure financial stability by avoiding tough decisions on ABM Environmental Services, which projected to deliver £27m of savings over seven years. The level of savings foregone could have managed many of the current pressures and led to service improvements.

Avoiding tough decisions has left the Council in a compromised financial position and made it increasingly difficult to support the most vulnerable and in need.

Council notes that the Edinburgh Guarantee was created in August 2011, under the former Liberal Democrat led administration and is therefore not a key achievement of the Labour/SNP administration.

Council notes the Local Government Finance Settlement, announced on 15 December 2016 by the Scottish Government, resulting in an overall grant funding reduction for Edinburgh of £37.1m in 2017/18 compared to 2016/17, before factoring in the additional income available from the changes to Council Tax bandings and the revised funding announced on 2 February 2017. It's a missed opportunity to meet the challenges of slipping educational performance, see a transformational investment in education and a step change in mental health services.

### 2. Budget process

#### Financial planning

Council regrets the short term approach taken in setting the budget since 2012 with the negative impact on vulnerable groups. Council regrets that the budget in 2017/8 has again suffered from the lack of longer term vision by the administration. Substantial changes to the budget approach would undoubtedly have helped set the city on a stronger, more liberal path, giving people the chance to succeed and reach their potential whatever their background.

### **3. Budget proposals**

#### **Maximising resources for frontline services and the city's priorities**

Council rejects the Labour/SNP administration blanket policy of no compulsory redundancies in a city with low unemployment, as this imposes restrictions on the flexibility and extent of the Transformational Change proposals. This policy does not promote the best use of resources, having the right staff in the right jobs and breeds inefficiency. The principles of the massive transformational change which the council is working towards cannot be achieved without significant workforce changes and we are unconvinced that this is achievable by voluntary actions alone.

Council views a significant number of the Labour/SNP administration's previously approved budget savings proposals to be out of alignment with Council's priorities, adversely affecting frontline services and vulnerable groups. A Liberal Democrat led Council would have rejected in whole or in part several savings proposals and chosen different options to achieve the required savings. These savings would have been utilised to continue supporting those services and groups most in need. This is demonstrated by budget motions previously proposed by the Liberal Democrat Group.

Council furthermore again regrets the Labour/SNP administration's decision not to close Castlebrae High School and the consequent reduction in investment available for schools, care services and roads and pavements, as well as poorer likely outcomes for the pupils directly affected.

#### **Additional targeted and sustainable investment**

In keeping with our priorities to keep the city clean there will be further investment in street cleansing to increase the number of barrow beats.

To improve mental health in the city, funding will be provided to enhance the training provision for carers, along with other targeted preventative activity.

To ensure that the city is a great place to walk, cycle and use public transport, a significant amount of the revised funding will be invested in roads and pavements.

Council proposes a further investment in care at home capacity to ensure that integration is properly funded and that our most vulnerable citizens are properly cared for.

To provide diversity of provision, choice for parents and an excellent early learning experience for preschool children, there will be investment in a wider pilot of outdoor nurseries.

To improve health and wellbeing, further investment in Active Schools has been proposed for Friday afternoons. In addition to this investment, out of school activities will also benefit from

further funding. This will create opportunity for school children across the city.

#### 4. Recommendations

##### Council notes:

- The reports by the Acting Executive Director of Resources setting out the revenue and capital budget framework;
- The report by the Chief Executive setting out the 2017-21 Budget Proposal overview of feedback and engagement;
- The Risks and Reserves report by the Acting Executive Director of Resources setting out the planned use of reserves and the current and emerging risks facing the revenue and capital budget framework;
- The report by the Executive Director of Place setting out the Housing Revenue Account budget;
- The report by the Chief Executive setting out the Council Business Plan 2016-20;

##### Council approves:

- The revenue budget as set out in the report, subject to the amendments outlined in Annex 1 to this motion;
- The Council Tax and Rating resolution as set out in Annex 2 to this motion;
- The 2017/22 capital budget as set out in the report, subject to the amendments outlined in Annex 3 to this motion;
- A band D Council Tax of £1,204.07;
- The removal of the Council Tax discount for Second Homes as set out in item 4.4 by the Acting Executive Director of Resources
- The recommendations contained in the report by the Executive Director of Place to increase rents by 2% and the outline five-year Housing Revenue Account Capital Programme for 2017/22.

**Signature of Proposer** ..... Paul Edie.....

**Signature of Seconder** .....Robert Aldridge .....

---

**Moved by** Paul Edie

**Seconded by** Robert Aldridge

**THE CITY OF EDINBURGH COUNCIL  
LIBERAL DEMOCRAT 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>							
		(701,566)						
<b>To be Funded by Council Tax</b>		<u>256,344</u>						
<b>Council Tax at Band D</b>	£	<b>1,204.07</b>						
<b>Increase on Previous Year</b>	£	<b>35.07</b>						
<b>- Percentage Increase</b>		<b>3.0%</b>						
<hr/>								
<b>Funding Requirement</b>		<b>256,344</b>						
<b>Council Tax Income</b>		<b>266,342</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>(9,998)</b>	<b>-</b>		<b>15,400</b>		<b>26,289</b>	
<b>Service Investment (see Appendix 1)</b>	8,200		-		-		-	
<b>Add / Less: Amendments to Draft Revenue Budget Framework (see Appendix 1)</b>	1,798		900		900		900	
<b>Less: Additional Savings (see Appendix 1)</b>	<u>-</u>		<u>(900)</u>		<u>(900)</u>		<u>(900)</u>	
		<b>9,998</b>	<b>-</b>		<b>-</b>		<b>-</b>	
<b>Amendments to proposals</b>								
		<u>0</u>	<u>0</u>		<u>0</u>		<u>0</u>	
<b>Use of Reserves</b>		-	-		-		-	
<b>Balance of Available Resources</b>		<u>-</u>	<u>-</u>		<u>15,400</u>		<u>26,289</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  
LIBERAL DEMOCRAT GROUP BUDGET MOTION  
REVENUE BUDGET 2017/21**

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<b>SERVICE INVESTMENT</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Additional Care at Home Capacity	2,000			
Preventative activity - (e.g. mental health training)	2,000			
Roads and Pavement Repairs	1,700			
Street Cleansing	1,000			
Parks Maintenance and Improvement	500			
Friday Afternoon School Activities (e.g. physical education, languages)	500			
Outdoor Nurseries	500			
<b>TOTAL SERVICE INVESTMENT</b>	<b><u>8,200</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2017/21</b>				
Libraries	1,798	900	900	900
<b>TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK</b>	<b><u>1,798</u></b>	<b><u>900</u></b>	<b><u>900</u></b>	<b><u>900</u></b>
<b>ADDITIONAL SAVINGS</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Dressing lampposts and roundabout advertising		(350)	(350)	(350)
Savings from preventative activity - (e.g. mental health training)		(550)	(550)	(550)
<b>TOTAL ADDITIONAL SAVINGS</b>	<b><u>-</u></b>	<b><u>(900)</u></b>	<b><u>(900)</u></b>	<b><u>(900)</u></b>

**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, 2018:

**1. GENERAL FUND**

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

Council Tax - estimated expenditure from Council Tax of £266.342m 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	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
---	--

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.

**THE CITY OF EDINBURGH COUNCIL  
LIBERAL DEMOCRAT 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>						
North Bridge	750	1,400	4,700	4,700	450	12,000
New South Edinburgh Primary School	530	1,274	8,613	2,320	-	12,737
Meadowbank Sports Centre	1,422	3,950	2,528	-	-	7,900
Dumbryden Care Home	-	69	1,528	-	-	1,597
Rising School Rolls	2,500	5,196	-	-	-	7,696
Carriageways and Footways	1,278	-	-	-	-	1,278
	<b>6,480</b>	<b>11,889</b>	<b>17,369</b>	<b>7,020</b>	<b>450</b>	<b>43,208</b>