

# Budget Motion by the Liberal Democrat Group

## City of Edinburgh Council

22 February 2018

### Title: Revenue Budget 2018/23; Capital Investment Programme 2018/19 - 22/23; Housing Revenue Account Budget 2018-23

Council notes the budget position presented for 2018 – 19 but regrets the previous decisions of the past Labour/ SNP administration which have exacerbated the current financial pressures.

Council notes that in 2012 the Council inherited from the previous Lib Dem led administration a stable financial situation with increased reserves and all departments spending within budget, but that this has not been maintained.

Council regrets that the administration has missed opportunities to secure greater financial stability by avoiding tough decisions on Alternative Business Models programme which projected delivering savings of more than £80million over the seven years to date. The level of savings could have alleviated many of the current pressures and contributed towards the Wave 4 Schools programme.

Avoiding tough decisions has left the council in a compromised financial position, made it increasingly difficult to deliver critical projects and support the most vulnerable and in need.

Council notes the disappointing Local Government Finance Settlements by the Scottish Government which have led over the years to substantial cuts in funding to the city council and are projected to lead to further severe reductions in service in the future. Council regrets the Scottish Government has not granted powers to the City of Edinburgh to charge a local transient visitor levy (tourist tax) to help meet the costs of festivals.

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.

#### Budget Process

Council regrets the short-term approach taken in setting the budget since 2012 with the negative impact on vulnerable groups. Council regrets that the 2018/19 budget has suffered from the lack of longer term vision by the administration. Council further regrets the continuing poor level of engagement with the public budget consultation process.

#### Longer term approach

Council believes there is a need for fundamental reform of the way the council runs services, to transform the council from a reactive to a proactive organisation, to focus on preventative spending and

designing 'Citizen-centred' services. 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 therefore commissions an investigation into the experiences of other public sector organisations in transforming services to provide what actually matters most to citizens. Council recognises that such radical change will require up-front initial investment. The sale of elements 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 investment required for this transformation.

### Investment priorities

In addition to the base budget contained in the papers, priorities for further investment are:

1. To get the basics right. Council therefore agrees to make substantial additional investment in maintaining and improving roads, pavements and cycle paths and to make broad improvements to street cleaning.
2. To invest further in services to support vulnerable people and young people. Council agrees additional investment in mental health and preventative services, seed-corn funding for Housing First for the most vulnerable homeless people and free lunches throughout the school holidays for eligible young people who need them.
3. Listening to citizens' views on budget proposals. In response to the clear views expressed in the consultation process, Council agrees to reduce the proposed cuts to Edinburgh Leisure, to retain both the free garden waste collection service and the council's night time noise team. Council supports the view expressed in the consultation process that the Scottish Government should permit Edinburgh to levy a tourist tax.

### Conclusions

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

- Item 5.1 (a) - Revenue Budget Framework 2018/23 Progress Update
- Item 5.1 (b) - Edinburgh Leisure – Pension Guarantee
- Item 5.1 (c) - Extension of Temporary Accommodation Private Sector Leasing Contract and Increase to Costs
- Item 5.1 (d) - 2018-19 Budget Proposals: Overview of Citizen Engagement Process and Feedback
- Item 5.1 (e) - Council Revenue Budget Framework (2018-2023) - Impact Assessments
- Item 5.1 (f) - Council's Budget 2018/23 – Risks and Reserves
- Item 5.1 (g) - Housing Revenue Account Budget Strategy 2018-2023
- Item 5.2 - Capital Investment Programme 2018/19 to 2022/23
- Item 5.3 - City Strategic Investment Fund 2017-18 Update

Council therefore approves:

- The Revenue Budget 2018/19 as set out in the reports, as amended by the changes/allocations included in Annex 1
- A band 'D' Council Tax of £1,240.19
- The Council Tax and Rating resolution set out in Annex 2 to this motion
- The 2018/23 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 financial impact of which is contained in Appendix 1 to this amendment.
- The recommendation by the Executive Director of Place to increase rents by 2% and the outline five-year Housing Revenue Account Capital Programme for 2018/23
- The recommendations contained within Items 5.1 (b) and 5.3 included amongst the supporting papers for today's meeting

**Moved by** Councillor Neil Ross

**Seconded by** Councillor Robert Aldridge

**THE CITY OF EDINBURGH COUNCIL  
LIBERAL DEMOCRAT GROUP BUDGET MOTION  
REVENUE BUDGET 2018/19**

	<b>2018/19</b>	
	<b>£000</b>	<b>£000</b>
<b>Expenditure to be Funded</b>		
- Resource Allocation Totals	954,371	
- Add: Expenditure funded through Specific Grants	<u>7,593</u>	
		961,964
- General Revenue Funding and Non Domestic Rates	(698,441)	
- Ring Fenced Funding	<u>(7,593)</u>	
		(706,034)
<b>To be Funded by Council Tax</b>		<u>255,930</u>
<b>Council Tax at Band D</b>		<b>£ 1,240.19</b>
<b>Increase on Previous Year</b>		<b>£ 36.12</b>
- Percentage Increase		<b>3.0%</b>
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<b>Funding Requirement</b>		<b>255,930</b>
<b>Council Tax Income</b>		<b>283,060</b>
<b>Funding (Excess) / Shortfall at Council Tax increase above as reported to Finance and Resources Committee February 2018</b>		<b>(27,130)</b>
<b>Service Investment (see Appendix 1)</b>	28,648	
<b>Add / Less: Amendments to Draft Revenue Budget Framework (see</b>	3,628	
<b>Less: Additional Savings (see Appendix 1)</b>	<u>-</u>	
		<b>32,276</b>
<b>Use of Reserves</b>		
Workforce restructuring		<b>(2,000)</b>
Council Priorities Fund		<b>(3,146)</b>
<b>Balance of Available Resources</b>		<u><u>0</u></u>

**THE CITY OF EDINBURGH COUNCIL**  
**LIBERAL DEMOCRAT GROUP BUDGET MOTION**  
**REVENUE BUDGET 2018/19**

2018/19

<b>SERVICE INVESTMENT</b>	<b>£000</b>
Property condition surveys and repairs and maintenance	8,500
Additional improvements to roads, pavements and cycle paths	4,500
Health and Social Care to address backlog in providing care packages and seek match funding from NHS Lothian	4,000
Health and Social Care additional spending specifically to fund community based preventative measures & improvements to mental health care	2,000
Staff pay - extension of broad principles of Scottish Government 2018/19 pay award to Local Government	3,500
Tackling Homelessness - Retain the instant access winter shelter, provide seedcorn funding for Housing First pilot project & private sector leasing (PSL) contract renewal/uplift and other measures	2,000
Looked-after children	1,500
Waste & Cleansing improvements - enhance street cleanliness and weed and leaf removal in residential areas & more quickly tackle fly tipping and litter complaints	1,000
Extend provision of IT hardware in schools	250
Increase care for children attending Special Schools during the holidays from 4 to 6 weeks	453
Extend provision of free school lunches during the holidays to eligible children	400
Breakfast Clubs - to support local initiatives	250
Mental health & wellbeing in high schools - to fund two FTE staff to develop classroom content & boost training	100
To fund improvements and general maintenance to parks & greenspace	100
Extend opening hours for Museums and Galleries to seven days per week	95
<b>TOTAL SERVICE INVESTMENT</b>	<b><u>28,648</u></b>
<b>PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2018/23</b>	
Libraries - retain opening hours	1,573
Reverse cut to Edinburgh Leisure	420
Retain Night Time Noise Team	255
Retain free brown bin collection	1,300
Reduce cut to Grounds Maintenance for Edinburgh Leisure	80
<b>TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK</b>	<b><u>3,628</u></b>
<b>ADDITIONAL SAVINGS</b>	<b>£000</b>
None	
<b>TOTAL ADDITIONAL SAVINGS</b>	<b><u>-</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, 2019:

**1. GENERAL FUND**

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

Council Tax - estimated expenditure from Council Tax of £283.060m 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	826.79	E	1,629.47
B	964.60	F	2,015.31
C	1,102.39	G	2,428.71
D	1,240.19	H	3,038.47

**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	13 July 2018
Hearing of Appeals by the Rating Authority	21 September 2018

**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 2018 - 2023  
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 February 2018:	
2018/19 Financial settlement	4,905
Unallocated funding, 2018/19	7,000
Unallocated funding, 2019/20	56,000
Unallocated funding, 2020/21	84,000
Unallocated funding, 2021/22	15,000
Unallocated funding, 2022/23	12,900
	<b>179,805</b>

	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	Total £000
<b>Infrastructure</b>						
North Bridge Upgrade shortfall	-	-	5,300	-	-	5,300
St Crispins replacement shortfall (Wave 3)	-	5,850	-	-	-	5,850
Oxgangs YPC replacement shortfall	459	-	-	-	-	459
Asset Management Works shortfall	4,000	16,000	16,000	6,450	6,450	48,900
Burnshot Bridge	1,500	2,000	-	-	-	3,500
Roads, Pavements and Public Realm	-	-	1,000	1,500	1,750	4,250
Play Park Replacement Equipment	200	200	200	200	200	1,000
Communal Bin Upgrade	750	750	1,000	-	-	2,500
Victoria Primary School	461	4,100	1,691	-	-	6,252
South Edinburgh Primary School shortfall	-	-	90	1,542	-	1,632
Boroughmuir High School - additional places	100	2,200	1,862	-	-	4,162
Theatres Refurbishment	1,000	1,000	1,000	1,000	1,000	5,000
New Care Home	-	-	5,000	5,000	-	10,000
	<b>8,470</b>	<b>32,100</b>	<b>33,143</b>	<b>15,692</b>	<b>9,400</b>	<b>98,805</b>
<b>LDP</b>						
Queensferry HS	-	3,000	-	-	-	3,000
Victoria Primary (LDP Share)	188	1,675	691	-	-	2,554
Broomhills Primary School	-	4,416	1,848	-	-	6,264
LDP roads obligations (excluding WETA)	500	1,000	1,000	2,000	2,000	6,500
LDP education and transport projects (unallocated)	-	16,682	-	-	-	16,682
	<b>688</b>	<b>26,773</b>	<b>3,539</b>	<b>2,000</b>	<b>2,000</b>	<b>35,000</b>
<b>City Deal</b>						
IMPACT	500	2,500	2,000	-	-	5,000
West Edinburgh Transport Appraisal (WETA)	-	-	4,000	5,000	7,000	16,000
	<b>500</b>	<b>2,500</b>	<b>6,000</b>	<b>5,000</b>	<b>7,000</b>	<b>21,000</b>
<b>Wave 4 Schools</b>						
Unallocated Match Funding for Replacement High Schools (Wave 4)	-	-	12,500	12,500	-	25,000
	<b>9,658</b>	<b>61,373</b>	<b>55,182</b>	<b>35,192</b>	<b>18,400</b>	<b>179,805</b>