

Appendix 2 (Part 1)

**The City of Edinburgh Council
21 February 2008**

REVENUE BUDGET/CAPITAL INVESTMENT PROGRAMME 2008 – 2011 HRA REVENUE AND CAPITAL PROGRAMME 2008 – 2011

LIBERAL DEMOCRAT/SNP MOTION

Funding and Expenditure

1. Council notes that this Budget is about providing excellent public services that people in Edinburgh want, efficiently and cost-effectively. Council Tax will be frozen at 2007/08 levels next year. The Administration is also committed to freezing Council Tax at 2007/08 levels until at least 2010/11 subject to receiving commensurate funding as for 2008/09. This Budget reflects tough action taken to place the Council's finances on a stable footing and to provide a sound platform from which we can implement our vision and transform services to ensure that the Council plays a lead role in Edinburgh's growth as a major capital city of international significance.
2. Council notes that the priorities in this Budget are to:
 - transform and improve care for the elderly and vulnerable;
 - significantly invest in the fabric of our city - our roads, pavements, schools and other buildings;
 - provide a stable and sustainable financial base from which to improve services;
 - promote economic development to generate wealth, create opportunities and fund services that enhance quality of life and provide for a bright new future for Edinburgh residents.
3. Council notes that this Budget is balanced, responsible, challenging and sustainable. It is developed in the best interests of Edinburgh residents. It identifies record levels of efficiency savings to deliver maximum value for taxpayers' money. It tackles the unrealistic budgets, unfunded posts, asset-stripping and poor planning and political oversight which characterised budgets from the previous Administration. It begins to restore Council reserves to a level appropriate to financial risks. It demands proper accountability and budget control, reduces bureaucracy and provides for the long-term interests of Edinburgh residents rather than short-term Party politics.

4. Council notes that the Council Tax will be frozen at 2007/08 levels, which will attract funding of £6.9m from the Scottish Government in accordance with the Scottish Government/COSLA Concordat. We will look to reach a similar agreement with the Scottish Government on resources which will allow us to freeze Council Tax at 2007/08 levels until at least 2010/11.
5. Council welcomes the changes in the Local Government Finance settlement for the period 2008 – 2011. Councils' retention of efficiency savings and the removal of ring-fencing have provided greater flexibility within the budget. This budget complies with the Scottish Government/COSLA Concordat, which will be set out in the forthcoming Local Outcome Agreement. We have sought not to change previously ring-fenced allocations in this budget in order to provide continuity and promote transparency. We will look at the opportunities provided by the flexibility to develop services over the coming year and in time for next year's Budget.
6. Council welcomes the commitment, secured by this Administration, from the Scottish Government to deliver a capital city supplement from 2009/10. The Scottish Government has responded positively to the direct approaches made by the Liberal Democrat/SNP coalition, with support in Parliament, that Edinburgh requires specific funding to provide for the distinct challenges it faces as the nation's capital city and to enable Edinburgh to fulfil its role as the economic driver of Scotland.
7. Council notes the following:
 - Report no CEC/160/07-08/CE by the Chief Executive setting out the policy context for the budget;
 - Report nos. CEC/155/07-08/PS and CEC/156/07-08/F by the Director of Finance, setting out the overall resources available for revenue expenditure in the three year period 2008 – 2011;
 - Report nos. CEC/162/07-08/PS, CEC/163/07-08/F, and CEC/165/07-08/CD by the Directors of Finance and City Development, setting out the overall resources available for capital expenditure in the three year period 2008 – 2011;
 - Report no CEC/164/07-08/CD setting out the survey requirements to meet statutory obligations in relation to Council buildings.
8. Council approves the following:
 - Report no CEC/161/07-08/CD by the Directors of Finance and City Development setting out the revised capital programme for 2007 – 2010;
 - The revenue and capital budgets set out in the reports and the detailed departmental budget packs and resource allocations, including the core programme for 2010/11 and prudentially funded

capital projects, subject to the adjustments set out in Annex 1 and Annex 2 to this motion;

- Report no CEC/157/07-08/F by the Director of Finance regarding the Council's reserves and risks and the proposed use of balances to fund expenditure in the budget, subject to the adjustments set out in Annex 1 and Annex 2 to this motion;
- A band D Council Tax of £1169 which is the same level as 2007/08 and to note that Edinburgh has the lowest level of Council Tax of the 4 main Scottish cities;
- The Council Tax and Rating resolutions as set out in Annex 3 to this motion;
- The schedule of charges for Council services in 2008/09 as set out in Annex 4 to this motion;
- The recommendations contained in report no CEC/159/07-08/CS on the BT Partnership extension;
- The recommendations contained in the report at item 4.2g on the review of Home Care and Support and Care at Home Services;
- The recommendations contained in report no CEC/168/07-08/C&F on the organisational review of Children & Families;
- The recommendations contained in report no CEC/167/07-08/C&F on the organisational review of Community Learning and Development subject to the reconfiguration of staffing to ensure that there are sufficient funds to deliver key front-line services in line with the saving shown at annex 1;
- The recommendations contained in report no CEC/166/07-08/SfC by the Director of Services for Communities to increase rents by RPI +2.7%, and to invest £32m in capital improvement, in line with the previously agreed strategy for delivering the Scottish Housing Quality Standard. This will take the average weekly rent from £58.06 to £61.95, an increase of £3.89 per week;
- The recommendations contained in report no CEC/158/07-08/F&R by the Director of Finance on the Scotland Excel project and that this will be met from the Spend to Save Fund in 2008/09;
- The Prudential Indicators at annex 5.

9. Council notes that, in line with the recommendation from the Director of Finance, the budget is not being fully allocated to services in 2009/10 and 2010/11, in order to retain headroom which will allow full review of ring-fenced resources and development of outcome agreements which will set out the priorities at both national and local level to improve services and quality of life for the citizens of Edinburgh.

Key Service Improvements

10. Council notes that the budget provides additional funding to deal with expenditure pressures and new developments in accordance with the Corporate Plan, most notably:

Caring for our most vulnerable

Council notes that this Budget reflects the Administration's priority of placing the welfare of people at its core and ensuring that effective care is provided for our most vulnerable. Residents have consistently responded to Budget consultations by prioritising support and protection for children at risk, vulnerable adults, care for older people living in the community and supporting people with physical and learning disabilities and their families. This Administration has responded positively to those views and will be spending record sums on our most vulnerable people through this Budget. Key budget priorities for Health and Social Care include providing support for people in their own homes for longer by investing more in domiciliary care, night and day services for older people and providing support to an increased number of school leavers with learning disability. Specific improvements include:

- £5.8million per annum for vulnerable children including those in foster and residential care;
- £6.2million per annum to support the increasing cost pressures and demand for care of older people;
- An additional £1.3million per annum to support adults with learning disability;
- Beginning the transformation of our domiciliary care services towards a model of excellence, providing intensive support at the outset when it is most needed and using this to 're-able' clients to maximise their independence.

Maximising opportunities and learning for our children

Council notes that this Administration will aim to provide the optimum learning environment for our schoolchildren in order to benefit their education and learning and maximise their opportunities. The fabric of our school estate has been neglected for too long and too many of our children are educated in sub-standard buildings with leaking roofs and unsatisfactory playgrounds. The Administration has moved swiftly to address this and, through this Budget, will invest heavily in the fabric and condition of our school estate. Specific budgeted improvements include:

- Investing £19m over 3 years in our schools fabric;

- Re-affirming the Administration's intent to re-build or refurbish all 5 schools in the Wave 3 scheme, allocating £33million in total (with £16m over the next three years) to that end. We are completing feasibility studies and will work with the Scottish Government to look at current and potential funding mechanisms;
- Introducing greater transparency in the budget allocation to schools, with no indirect cuts, and additional resources of £0.8million to cover increases in energy costs. Both are widely welcomed by Head Teachers;
- Streamlining departmental management through a £2million reduction in senior management posts recognising a widespread concern that the department has an overly expensive management structure;
- Refocusing this Council's investment in Community Learning and Development by reducing bureaucracy and maximising delivery of front-line services to local communities;
- Reaffirming our commitment to a locally delivered Community Learning and Development service by confirming that no Community Education Centres will close as a result of this Budget and by allocating £100,000 for activities for children during school holidays to be determined and delivered locally; and
- Allocating increased resources for English as an Additional Language services to reflect the increasing pressures in this area.

To note that the Convener of Education, Children and Families will outline our forward vision for our children in greater detail at the Education, Children and Families Committee meeting on 18 March 2008.

A safe, green, clean and attractive city:

Council notes that this Administration is determined to create a safer, greener, cleaner city where community safety and good environmental practice is at the core of all policies. To facilitate this, the Budget:

- provides an additional £3million per annum funding for Police officers;
- provides for greater integrated working with the police, for example, through the introduction of Neighbourhood Action Units and the proposed introduction of Joint Patrolling;
- provides an additional £240,000 for street cleansing in the city and, as a result of a major review to be presented imminently, significantly more street cleaners;
- invests an additional £3.9million over 3 years in streetlighting;
- applies £6m to improve waste reduction, reuse and recycling, taking the city's recycling rates from 30% to more than 40%; and
- uses capital grant to invest £45million over 3 years in flood prevention schemes.

Promoting economic growth

Council notes that this Administration will play its part in facilitating sustained economic growth in Edinburgh and acting in our role as Capital **for** Scotland will ensure that these benefits are shared by the wider City Region and Scotland as a whole. By providing a creative and forward thinking living environment we will benefit residents, attract students, inspire visitors and promote our inward investment strategy.

This budget specifically:

- Mainstreams the employment of those bringing forward the redevelopment of Princes Street returning it to its rightful status as one of the most iconic streets in Europe;
- Allocates an additional £0.3million per annum to support economic development and enhance the planning function;
- Fills the post of head of the economic development service overcoming years of underinvestment by previous administrations and allowing the Council to properly re-engage with the City's business community and their representatives;
- Commits funding of £350,000 to build on the future promotion of Edinburgh as an *Inspiring Capital* and as a destination to live, work, invest, visit and study;
- Continues funding the Edinburgh/Glasgow collaboration project with over £100,000 in 2008/09.

Capitalising on our iconic festivals and internationally renowned cultural and tourism offering

Council notes that Edinburgh is home to the world's greatest Summer and Winter Festivals which make a massive contribution to Scotland's economy, employment and tourism. This Budget ensures that Edinburgh's Festivals retain their reputation and recognises that investment in culture and arts attracts audiences and participants world wide. It secures Edinburgh's unique position as the world's leading festival city. This Budget specifically provides:

- £542,000 for the Edinburgh International Festival (bringing the total financial support to £2.4m) allowing the International Festival to develop with match funding from the Scottish Arts Council and the Scottish Government
- £800,000 for Winter Festivals; and £200,000 for other festivals, from the Capital Fund in 2008/09. This will increase the level of investment previously allocated through the Cities Growth Fund.

- £6m for refurbishment of the Kings Theatre;
- £3m for renewal of the Tattoo Stands subject to match funding from national sources;
- £1m for a national photographic centre subject to match funding from national sources.

Council also notes the crucial role our Museums and Arts Service plays in the cultural life of this city and, to begin reversing the trend of underinvestment in front line services, agrees that £115,000 be allocated for this purpose, this to include reinstatement of Sunday openings for the City Arts Centre and the Museum of Childhood. Council also agrees investment of £500,000 and £520,000 respectively at the Assembly Rooms and the City Arts Centre.

Promoting Sport and Leisure

Council notes that this Administration is committed to providing sport and leisure services of the highest quality and to make it easy for all to participate in healthy activities. This Budget specifically provides:

- £21million for our National and Regional Sporting Facilities - Royal Commonwealth Pool and Meadowbank;
- £5.3million for refurbishment of Glenogle Baths;
- £5million investment in parks, pitches and pavilions;
- £3.5million for a new library at Drumbrae; and
- £0.7million allocated to support key international, sporting and civic events.

Modern, effective transport arrangements

Council notes this Administration's commitment to a better transport infrastructure with excellent integrated public transport and so continues to encourage modal shift. This Budget addresses the historic underfunding of roads and pavements throughout the city. It specifically:

- Invests a record level of £60m over 3 years in footways and carriageways to make our streets safer for all users, not least cyclists;
- Maintains our financial commitment to the delivery of trams following the decision of Council in December 2007;
- Reaffirms the Administration's commitment to retaining Lothian Buses in public ownership;
- Provides capital funding of £2.4m over three years for cycling, walking and safer streets and a further £0.5m for cycling projects;

- Continues to spend £1m on supported bus services where there is demonstrated demand;
- Invests £0.6m in the further expansion of the Bustracker real time information system;
- Continues to work with our partners in SEStran to deliver further Park and Ride sites around the perimeter of the city; and
- Awaits with interest the consultants' report on the reintroduction of passenger services on the South Suburban railway line.

Investing in the fabric of Edinburgh

Council notes that the budget provides additional funding to invest in our assets:

- £11million over 3 years investment in operational property over and above the specific investment in our school buildings;
- £1.9million over two years to meet our statutory obligations in relation to buildings, including asbestos management and compliance with the Disability Discrimination Act;
- An additional £0.5million per annum, rising to £1.5million per annum by 2010/11 for ongoing maintenance of buildings, sadly neglected by the previous Administration.

This will begin to reverse the deterioration which has taken place over a number of years to our buildings and infrastructure.

A range of affordable housing options

Council notes that this Administration has committed to a range of measures to facilitate safe, affordable, efficient, accessible, warm and healthy homes for all. This Administration is committed to improving Edinburgh's supply of affordable housing to help create and maintain balanced and sustainable communities and to protect the city's labour supply. This Budget specifically:

- Invests £3.6million over 3 years in housing regeneration;
- Commits to the use of £36million of housing development funding to increase the supply of affordable housing;
- Invests £32m to upgrade existing housing stock to the Scottish Housing Quality Standard by 2015. We will deliver 1,500 new kitchens and bathrooms in 2008/09; and
- Recognises that this Budget is based on the lowest ever level of empty homes and a continued reduction in rent arrears.

Making the Council Work for Residents

Council notes that it must have a clear and consistent customer-focused corporate culture. This Administration is committed to promoting local democracy and empowering residents and communities over decisions about services which directly affect them. The review of Neighbourhood Partnerships will ensure that arrangements maximise the involvement of residents and local communities in the decision-making process. The Council also needs to be outward and forward looking, promoting true partnership working and cross-fertilisation of ideas and approaches to identify and share best practice and to firmly embed a culture of continuous improvement.

Efficiencies and Reviews

11. Council notes that the budget demonstrates a commitment to ensuring that the Council is modern, efficient, fit for purpose and offers maximum value for taxpayers' money. This Administration is committed to identifying and eliminating obsolete or inappropriate work practices and duplication of activity and to pursuing efficiencies. In 2008/09 record efficiency savings of £15million are planned and can be retained by the Council to help meet pressures and new burdens. Delivery of these savings is a significant part of our financial strategy and will be subject to close monitoring and review during the course of the year.
12. Council notes that, as previously agreed, the Chief Executive will report back by June 2008 on outstanding issues from the Council Review 2007. Council asks that a further report be brought forward over the summer on the Pathfinder/Shared Services agenda in relation to the strategy, policy, procurement and performance functions. This report should incorporate the impact on support staff in service and central support functions and consider the most efficient future organisational structure for the corporate core and related support functions with the clear aims of identifying and eliminating duplication of activity and establishing a consistent customer focused corporate culture with a leaner organisational core.
13. Council instructs the Chief Executive to arrange for an independent review of the Corporate Communications service with the draft remit being submitted to the Policy and Strategy Committee meeting on 15 April 2008.
14. Council instructs the Director of Corporate Services to report further, within two months, on future service delivery options for the school and welfare catering service.

15. Council instructs the Director of Services for Communities to ensure that the review already underway on Libraries will include the provision of a new library at Drumbrae and library provision at Liberton/Alnwickhill. The review to be reported to Council within three months.
16. Council instructs the Director of Corporate Services to report within 3 months on the development of a longer term partnership agreement with Edinburgh Leisure, which secures the future of the Edinburgh International Climbing Centre, rationalises the management of facilities, provides improvement in pitches and pavilions, and makes better use of leisure facilities in schools.
17. Council notes that Council was most recently advised (25 October 2007) that the review of Legal Services would report by the end of 2007. Council instructs the Chief Executive to ensure that the review is urgently completed and that the findings and recommendations be reported to the Policy and Strategy Committee meeting on 15 April 2008.
18. Council notes that the review of support for elected members was instructed in February 2007. Council recognises the changed circumstances arising from the introduction of proportional representation and multi-member wards, the increased volume of constituent enquiries and the welcome improved level of engagement between residents and elected members. Council instructs the Director of Corporate Services, in consultation with the Policy and Strategy Committee, to determine the most appropriate and cost-effective support arrangements.
19. Council notes that the ICT Partnership with BT will produce over £6.3million of efficiency savings over the next three years which are helping to fund service improvements. We will ensure that sufficient funds are available to invest in the Council's ICT infrastructure where a business case demonstrates improvements in service delivery and realisable resource savings.
20. Council notes that, in addition to natural staff turnover, voluntary employee severance may be required to achieve efficiency savings and agree that up to £4.5m is to be drawn down from the Capital Fund for this purpose.

Future Actions

21. Council proposes to re-build or refurbish all 5 schools in the Wave 3 scheme and is allocating £33m in total (with £16million over the next 3 years) to that end. We are completing feasibility studies and will work with the Scottish Government to look at current and potential funding mechanisms.

- 22. Council notes that this Budget provides £21million for our National and Regional Sporting Facilities – the Royal Commonwealth Pool and Meadowbank. The Council Leader and Chief Executive are in dialogue with the Scottish Government. Council notes that the Chief Executive will report to Council shortly on this matter
- 23. Council instructs the Chief Executive and all Directors to support the property rationalisation review by optimising the use of all property and land assets and to release property assets for disposal where alternative service delivery mechanisms are available.

Conclusion

- 24. Council recognises that this Budget represents a new beginning, delivering sustainability to Council finances, improvement in maintenance of properties, roads and footways, secures the future of major cultural and sporting facilities and schools, improves support for vulnerable people, promotes economic growth and provides a platform for further service modernisation and improvement in the interests of the people of Edinburgh.
- 25. Council recognises that this Budget represents a historic milestone for the City of Edinburgh Council. It is the first Budget delivered by a coalition Administration. This Budget has also been constructed in the light of revised funding arrangements for Scottish local authorities. Council recognises the exceptional support that Finance officials and departmental contacts have provided to all political groups in enabling them to produce their respective budgets. Council commends the Director of Finance and staff involved for their valuable work.

Signature of proposer
Councillor Gordon Mackenzie

Date 21 February 2008

Signature of seconder
Councillor Nick Elliott-Cannon

Date 21 February 2008