

## **Joint Council Leader Andrew Polson Presenting the Council Budget 2021/22 Overview**

Provost, our primary purpose here at this Special Council Meeting today is to:

- Agree our Council General Revenue Budget for 2021/22
- To set our Council Tax levels for East Dunbartonshire for the coming year
- To approve our Revised, ambitious 10 Year Capital Investment Plan for this area, and
- To agree the Housing Revenue and Capital Budget

It is another 'first' for us to be setting our Budget in this digital environment, after an unprecedented year of change and challenge as a result of the ongoing Covid pandemic and I will highlight the key considerations across each of the reports in front of us, before we propose and second our recommendations.

But as ever, before I go in to the detail of our proposals to balance the books and our ambitious plans for capital investment and improvement for this area, it is only right that I provide the context for the continuing and substantial financial challenge we in local government continue to face.

Last year I highlighted the year on year real time cut in funding to local government in Scotland, sustained for a decade now and having a real impact on the services we strive to deliver.

And this year, after the unprecedented impact of a global pandemic and the phenomenal response by our amazing workforce to keep our vital services going and our communities safe, that position is unfortunately as bad as ever, if not worse.

And it is not just *our* evaluation that confirms this. In their report last month, Audit Scotland highlighted that the financial cost of Covid-19 on councils in 2021/22 is estimated to be £767 million pounds, with the funding announced in November 2020 meeting only 60-70% of the cost pressures identified by councils. Just last year Audit Scotland acknowledged that across Scotland we were seeing the effect of a decade of reductions in local government funding, with local government benchmarking indicators clearly showing a nation-wide decline in how council services are performing as a result. They confirmed that although there was a slight increase in Scottish Government funding to councils in 2019/20 that the reductions over previous years remained larger than in any other area of the Scottish Government budget and that all the additional funding last year - 2020/21 - was specifically to fund the expansion of early learning and childcare. No increase was available for local determination.

And COSLA have published their analysis of local government settlement, with the stark reality that since 2013/14, local government revenue funding has reduced by 2.4% in real terms in contrast to the 3.1% increase in Scottish Government revenue funding over the same period – hardly ‘fair funding’.

While the offer of £90 million to offset a council tax increase equivalent to a 3% rise for the majority supports a freeze in Council Tax for this year, it is critical that this £90 million is then baselined for future settlements or there is a significant risk of substantial council tax increases being faced next year.

The £94 million additional funding in the settlement for pay increases does not meet the cost of a meaningful pay award, consistent with the Scottish Government’s proposals for other parts of the public sector, and will therefore impact on core budgets elsewhere for this to be met.

There is £259 million to address local government Covid costs this year with a commitment to pass on additional consequentials for lack of income. However, this funding MUST be passed to local government without strings attached and without the persistent questions about the value of the essential services we are delivering daily.

Provost, the Scottish Government has delivered persistent underfunding of local government in recent times and, quite frankly, totally undervalues the local services we deliver to our communities. This has been exacerbated with a continued disregard and lack of respect for the vital role that local government has played and continues to play in response to the Covid pandemic.

This is evident in the lack of assurance that all local government Covid costs will be met – an assurance that *has* been granted to both Health and to Health and Social Care Partnerships. The Scottish Government continually demonstrate a lack of trust in local government through their increased central control and through incremental funding, funding with conditions attached and grants that are administratively burdensome. We MUST in local government be able to determine the best course of action for our residents, our communities and our businesses - based on OUR local circumstances.

We take that local commitment seriously. In 2019 we undertook our council-wide ‘2020 Vision’ budget consultation and engagement exercise to establish the priorities of our communities for budgets and services. We are again making that commitment to engage once more later this year to establish our new priorities for 2022 and

beyond as we emerge from the significant impact of the global pandemic we still face.

Provost – it is imperative that the Scottish Government address local government under-funding and STOPS the burdensome centralised control they continue to exert allowing us to determine the core services and effective delivery mechanisms that our communities deserve.

At this point I would like to once again thank and pay tribute to the fantastic efforts of our workforce over the unprecedented 12 months we have experienced. They are the life-force of this organisation and their resilience, flexibility and commitment to delivering critical and essential services to our communities this year has been simply amazing.

Provost, our Council budget for the year ahead estimates expenditure of just over £268.1 million and income of £260.6 million, equating to a financial gap of £7.5 million.

We will balance the gap with fiscal flexibilities as we consider using

- a proportion of capital grant for revenue purposes,
- a loans fund repayment holiday,
- the use of capital receipts to fund revenue expenditure, and
- a review of service contracts arrangements,

The timing for the delivery of these will be underwritten through our reserves which is consistent with our policy and strategy.

Mindful of the financial impact of the pandemic on our residents and communities, there will be NO increase to fees and charges for 2021/22.

We will deliver a Council Tax freeze, in recognition of the financial challenges our residents face BUT, I stress again, that the funding to support this move MUST be baselined to avoid a significant increase in council tax being required as a consequence to balance next years' books.

Provost I now turn to our revised 10 year Capital Investment Programme and our Capital Budget for 2020/21.

Our ambitious capital programme demonstrates our ongoing commitment to investment across all of East Dunbartonshire. We remain committed to building a new Boclair Academy in Bearsden and a new Additional Support Needs School in Kirkintilloch – despite the Scottish Government’s disappointing decision not to support these hugely important projects to this area.

Given the current circumstances, our capital programme rightly reflects the emphasis on infrastructure to support the learning environment, with an additional £5.2 million added to the Schools ICT Strategy across the programme, with an anticipated accelerated programme for ICT infrastructure replacement for 2021/22 and an ambitious programme for device replacement across the school estate.

Our investment will see improvements in connectivity and new innovative hardware and infrastructure that are required to support learning remotely. An increase in the use of technology as well as its reliability is critical in the sustainability of the learning environment now and in the future. Maintaining connectivity with pupils and parents emphasises the investment required on an ongoing basis and as we move from Covid response, this programme will gain momentum in 2021/22.

Beyond the school estate, the new Allander Leisure and Adult Day Care Centre has a combined budget of £40.6 million pounds, and the £4.4 million new Community Sport Complex in Kirlintilloch are both progressing.

The team to progress the City Deal project for Bishopbriggs has been established and the secured Grant funding of £30 million pounds will deliver economic regeneration, public transport, and roads infrastructure investment in the Bishopbriggs area to be delivered fully by the end of 2024/25.

The revised Capital Programme also includes £1 million of investment to enhance Council assets in Milngavie Town Centre and proposes to progress a feasibility study into the construction of a new Lenzie Academy.

I’m sure you’ll agree, it is an ambitious programme indeed with benefits and enhancements for our young people through our education investment, our vulnerable through our new Allander leisure and day care centre and improved facilities across all of our East Dunbartonshire localities.

And now, turning to Housing.

Our approach to the Housing Revenue and Capital Budget for the year ahead is mindful of the impact of Covid-19 on our communities, including the significant

financial hardship that those who have been furloughed or are no longer in employment face.

Taking account of:

- employee costs of £1.65 million, which includes the 2% pay award in line with other budget assumptions
- property costs of £3.45 million and other operating costs and
- central support totalling £2.45 million and debt charges of £3.48 million
- assumed borrowing of £13.5 million to support the housing capital investment programme.

The income required from housing rent for the budget is £14.57 million. This can be achieved with our proposed rent increase of just 0.5% which equates to the average weekly rent over a 48 week period increasing from £84.53 to £84.95 - just a 42p increase. This is well below our benchmarking comparisons and is supported by a large representative group of our tenants.

In the face of the continuing challenges with rent arrears and levels of poverty in the area, exacerbated by the pandemic, we are establishing a Hardship Fund. This will support Council tenants where their tenancies are at risk due to financial hardship and an allocation of £100 thousand pounds from the Housing budget unallocated reserves will finance this for its first year. This builds on our ongoing Council commitment to support the most vulnerable in our communities and tackle financial deprivation and poverty

The Housing capital budget for 2021/22 is £28.27 million, which includes:

- £4.75 million investment in meeting the Scottish Housing Quality standards and energy efficiency standards and improving the safety and liveability of our council houses
- £12.45 million on the development of new affordable housing through our Affordable Housing Investment Programme
- £5.37 million to fund purchasing new homes using turnkey arrangements from developers
- £3.2 million to fund purchasing properties from the open market and
- £2.4 million for the implementation of a new Integrated Housing management system.

Our 5 year capital overview to March 2026 highlights an ambitious £28.5 million direct investment in existing Council houses

- £74.6 million investment on the development of affordable new housing and
- £11.2 million to fund the purchase of new homes using turnkey arrangements and
- £15 million to support the purchase of properties from the open market.

This outline of our revenue and capital investment priorities demonstrates a balanced housing revenue and capital budget for the year ahead.

My fellow Joint Leader Councillor Moody will now formally propose our Budget approach for 2021/22.

### **Joint Council Leader Vaughan Moody Proposing the suite of Council Budgets**

Thank you Councillor Polson.

Provost and fellow Councillors – we have some key decisions to take tonight to agree our budget for the year ahead.

Before I formally propose each budget paper, I would echo what my fellow Joint Leader has highlighted that the under-funding of local government has got to stop. We can only hope that the Scottish Government will listen to the message that is being given to them - loud and clear.

As we have already heard, Audit Scotland and colleagues in COSLA have highlighted this persistent under-funding trend – and even the additional funding to support the Covid response is not without its shortfalls and constraints.

Provost it cannot continue. The increase in demands for services, not least from our aging and vulnerable demographic, even before the Covid challenges, is well documented.

We make no apology for stressing that fair funding is essential, that funding with strings attached – like the commitment to a council tax freeze for this year - is only viable if it is baselined to avoid even bigger funding gaps in future years.

But despite this we have presented a set of budget measures that balance our books for the year ahead while maintaining our essential services.

I echo Councillor Polson's huge thanks to our workforce for their commitment and resolve over these past 12 months, which has ensured that our communities have received the vital public services they need.

Our budget proposals include commitment to continue to support our East Dunbartonshire Leisure and Culture Trust. The Trust has experienced an unprecedented year and has also played a vital role in our Covid response through the use of facilities early on for the production of food parcels and PPE distribution,

and more recently in the establishment of our GP vaccination clinics and mass vaccination centres.

As we have heard too that our revised capital programme - which is intrinsically linked to our revenue budget - demonstrates real ambition right across the area and will deliver essential and enhanced facilities across *all* of East Dunbartonshire, including:

- A modern new Boclair Academy in Bearsden
- A future-proof, fit for purpose ASN school here in Kirkintilloch
- A combined Allander Leisure and Adult Day Care Centre,
- The completion of our early years expansion programme,
- Exciting investment in Bishopbriggs through the City Deal
- Kirkintilloch Community Sports Complex
- £1million investment for Milngavie town centre
- A feasibility study to build a new Lenzie Academy

Ambition indeed.

And on to our Housing budget proposals.

- A rent increase of just 0.5%, equivalent on average to 42p per week, which is significantly below many of our benchmarking comparison councils.
- The establishment of a hardship fund for those whose tenancies are at risk.
- A capital housing budget that sees investment in our current housing stock to maintain quality and energy efficiency standards and to expand our housing stock through both new builds and a range of purchase schemes.

A housing budget that recognises our current and future need, and takes account of the truly challenging circumstances our tenants currently face.

In summary Provost, our approach to revenue and investment, despite the circumstances and with the persistent reduction in local government funding of recent times, secures our service delivery for the year ahead and enhances our facilities and our amenities throughout the area and I have no hesitation in proposing all of our proposals here tonight.

However, I would conclude my remarks by asking the Leaders of the other political groups on the Council, and indeed those of no political group, to join Councillor Polson and myself in writing to the First Minister demanding a fair funding settlement for local government, that allows us to not only continue to respond to our communities' current needs, but also enables us to work with those communities to recover from the significant impacts of this pandemic.

In particular, I would want to highlight our support, in keeping with the cross party support agreed at COSLA, for the key principles articulated in the Independent Review of Adult Social Care (the Feeley Report); specifically empowering people, valuing the workforce and the need to adopt a human rights approach.

I would also want to make it very clear, however, that local councils with our local knowledge and expertise and crucially local democratic accountability are the organisations best placed to deliver on these principles - not only in terms of the quality of outcomes we can achieve but also in ensuring the effective and efficient use of resources.

I would seek colleagues' agreement that the Chief Executive should draft a letter in these terms for us to sign.

Thank you

**Joint Council Leader Andrew Polson  
Seconding the suite of Council Budgets**

Provost, with all that I have previously said and with that proposal from my fellow Joint Council Leader, I have no hesitation in seconding our budget proposals for

- Council Revenue
- Capital Investment
- Housing Revenue and Capital

I believe they truly offer the best possible outcomes for the people of East Dunbartonshire for the year ahead. I would also encourage all of our residents to engage with us and let us know their future service and funding priorities when we consult on these later this year and when we have a clearer position of the continuing Covid situation.

Thank you