

# **Midlothian Council Budget 2014/15 Proposals from the Green Party**



**Produced December 2013**

**Councillor Ian Baxter**

## **Introduction**

This Green budget amendment has been, by necessity, drawn up in a hurry. With a full three months to go until a budget has to be agreed by this council, the SNP-led coalition has again decided to rush through a decision in December with inadequate advance notice and no public consultation in its timetable. The City of Edinburgh Council in comparison published its draft proposals a full five months before its budget will be decided in February. Greens once again call for much greater public involvement in setting the Council's budget.

## **Budget Statement**

There is no doubt that Midlothian Council is facing very difficult times financially. We recognise that the austerity we face is very much driven by ideologically motivated cuts from a Westminster government which seeks to scale back the role of the state, including local government. We also oppose the Scottish Government's Council Tax freeze. This removes the freedom of democratically elected councillors to decide the levels of services and local taxation. It disproportionately benefits those with the highest value properties with the cost felt most by those who rely on council services.

Midlothian Council deserves praise for recognising that the significant savings required will not, and should not, be met by cutting services, but by transforming the way we do our business. We applaud the work of the Chief Executive, Kenneth Lawrie, and all council staff in rising to that challenge and accepting change.

However, whilst it is recognised that Business Transformation is about more than cutting costs and improving efficiency, we believe it should also be a statement about the direction in which we want Midlothian to travel. That is why this budget represents a first step in that direction. It focusses on protecting those services which are not only vital to the wellbeing of our people, but which also represent an investment in the future of our young people, the life blood of Midlothian. Our vision is of a Midlothian which looks to the future; by being at the forefront of publicly owned renewable energy; by nurturing and investing in our young; by opening up local democracy; and by changing the way we go about our daily lives .

The Green Party therefore proposes the following amendments to the Coalition budget:

### Education, Communities & Economy – Learning Assistants

At a time when demands in the classroom are increasing and the average experience level of teachers is falling, this is not the time to remove learning assistants. The valuable work they do is an investment in the future of our children and will be repaid in future years both in terms of childrens' quality of life and in an increase in positive outcomes across Midlothian. We do accept that greater flexibility may be required in how learning assistants are utilised, but rationalisation should not take place before a thorough reassessment is carried out. We propose to remove this cut.

Cost - £204,629

### Resources – School Crossing Guides

Whilst we agree that a review be carried out, this should take the form of a revenue neutral re-allocation of crossing patrols. It is clear from the rationale given for this change that there is scope for removing or reducing the service in some areas. However, consideration should be given to reinstating patrols previously removed or introducing them where new housing has resulted in additional risks to children walking to school. Removing patrols can only lead to more children being driven to school, which adds to the need for more patrols. We propose to remove this cut.

Cost - £38,480 (£76,960 in subsequent years)

### Resources – Community Recycling Operatives

Although the recycling rate in Midlothian has improved greatly over the last few years, it still falls short of target. We cannot accept a reduction to a service which encourages people to recycle. We therefore propose to remove this cut.

Cost - £15,000

### Fees & Charges – Music Tuition

The council is being asked to approve a 5% increase in music tuition charges, resulting in an anticipated increase in revenue of £5,500 and we will oppose this increase. This acts as a disincentive to those whose income is low but who do not qualify for assistance. It is particularly important that the opportunity to learn to play an instrument is available from a young age, and the wider benefits are well documented. One report published in Canada suggested that six year olds learning an instrument had, on average, a seven point IQ increase over the course of a year compared to those not learning.

We value equality of opportunity and seek to phase out music tuition charges in Midlothian over a maximum of five years. In addition to opposing the 5% increase, we therefore propose an immediate cut of 20% in charges as the first step towards that goal. The expected cost of this reduction in Year 1 would be £22,000, resulting in a total cost of £27,500.

Cost - £27,500 (plus £22,000 for 2015/16)

#### Opening up democracy

If confidence in politicians is to be won back, we must begin by making our decision making processes more accessible. When contentious decisions are decided, public attendance at council meetings is high. We therefore propose to introduce webcasting of all meetings currently audio recorded, with recordings made available to the media and the public through the council's web site. The estimated cost for this is £17,000 per annum (including servicing minimal capital costs).

Cost - £17,000

#### Midlothian leading on publicly owned renewable energy

One of the biggest criticisms of wind turbines is that they represent a subsidy for landowners. This criticism is justified. Where turbines are owned by local authorities or communities, they are generally welcomed. Midlothian also has obligations to reduce carbon emissions under Section 44(1)(A) of the Climate Change Act 2009. Carbon emissions in Midlothian will escalate rapidly due to Cauldhall opencast mine.

According to figures obtained from Dumfries and Galloway Council (<http://egenda.dumgal.gov.uk/aksdumgal/images/att26826.pdf>), investment in a single 500KW turbine, at a cost of £1.19 million, would yield £295,000 in a full year, after borrowing costs, bringing in around £6 million over its 20 year life span. It would also save over 800 tonnes of CO<sub>2</sub> equivalent per year.

In the longer term, we would be much more imaginative – if these figures are correct then a dozen such turbines would solve all the financial problems of the council going forward, and would make a big contribution to our carbon reduction commitment. However, we propose a single turbine implemented as quickly as possible as a pilot to allow evaluation and to help a programme to be drawn up for future years.

Although the indicative income is £295,000, this may reduce due to changes in Feed in Tariff (although the option should be considered to invest in turbines outside of Midlothian – perhaps offshore). It is recognised that due the lead-in time required, the full anticipated income and expenditure would not be realised

in 2014/15. This leads to an anticipated shortfall in net income in 2014/15, which can be recovered from Reserves as this would be one-off transfer and would not be replicated in future years.

Due to the uncertainty surrounding Feed in Tariff, a slightly reduced income of £280,000 has been anticipated.

In 2014/15 we would also cost an ambitious programme of Solar PV installation on council buildings – beginning with those with high energy demands, like swimming pools (e.g. the Lasswade Centre). In a climate of ever increasing energy costs, it is anticipated that this would produce a valuable income stream for the council.

Net Income - £75,000 in 2014/15 (£280,000 in subsequent years)

### Energy efficiency

We would seek to implement a major programme of street lantern replacements to reduce both energy costs and CO<sub>2</sub> emissions as well as longer term maintenance costs. We would also bring forward as a high priority a review of heating costs in council buildings, with a target of £65,000 additional savings in 2014/15.

Saving - £65,000

### Midlothian News

Despite a request to the Administration last year, community-led information in Midlothian News has not increased. Whilst it contains useful information on council services, it remains principally a mouthpiece to trumpet achievements and raise the profile of the party or parties in administration.

We would cease production of Midlothian News at an estimated saving of £35,000, with £10,000 being allocated to community groups such as Community Councils to assist with the production and distribution of community newsletters and a further £6,500 used to reallocate resources internally for the production of web site content or specific printed material to promote council events.

Saving - £18,500

### Active and Sustainable Travel

We would seek to review the Council's Transport budget with a view to setting targets for Active and Sustainable Travel for both Capital and Revenue expenditure. Midlothian currently has no such targets and the proportion of the Transport budgets spent on Active and Sustainable Travel is unclear. In

comparison, the City of Edinburgh Council has a 6% target for both Capital and Revenue spending on cycling initiatives alone.

## **Proposed Green Party motion.**

We therefore propose the following motion to Council in respect of item 13 Revenue Budget 2014/15 to 2016/17 and item 14 General Services Capital Plan 2013/14 to 2017/18.

- a) To approve the savings proposals set out in appendix 2 with the exception of:
  - i. Appendix 2C item 1 – Learning Assistants
  - ii. Appendix 2C item 2 – School Crossing Guides
  - iii. Appendix 2C item 3 – Community Recycling
- b) To reduce music tuition fees by 20% with immediate effect and a further 20% reduction from 2015/16 (having opposed the 5% increase recommended in item 11 on the agenda);
- c) To provide £17,000 per annum in the budget for the introduction of webcasting of Council meetings;
- d) To reduce the budget for energy costs by £65,000 per annum to be achieved through a street lantern replacement programme and a review of heating costs in Council buildings. Instructing the Director, Resources to bring forward as a matter of urgency proposals for the street lighting replacement programme and to progress a review of heating in Council buildings;
- e) To immediately cease production of Midlothian News and allocate £10,000 in the budget for Community Councils with further £6,500 to be allocated to enhance web site content and specific material to promote Council events;
- f) Instruct the Director, Resources to review the Council's Transportation budget with a view to setting targets for active and sustainable travel for both capital and revenue expenditure;
- g) Allocate £1.19 million in the General Services Capital Plan for investment in a single 500 kw wind turbine and instruct the Director, Resources to implement as soon as possible, generating a £75,000 net income in 2014/15 rising to £280,000 annually thereafter;
- h) Subject to decisions in respect of item 11, Fees and Charges, approve a one off transfer of £100,109 from reserves in 2014/15;
- i) Receive a final service by service budget statement for 2014/15 on 4 February 2014, reflecting the grant settlement; and
- j) Note that the gap between projected service expenditure and the available income is predicted to rise by a further £4.1 million in 2015/16 and again by a further £8.5 million in 2016/17, a cumulative shortfall of £12.6 million by March 2017.

## Summary

<u>Income</u>	2014/15	2015/16	
Additional Income			
Renewable Energy	75,000	280,000	
Savings			
Energy Efficiency	65,000	65,000	
Midlothian News	18,500	18,500	
Total Income	158,500	363,500	
<u>Expenditure</u>			
Additional Expenditure			
Learning Assistants	204,629	204,629	
School Crossing Guides	38,480	76,960	
Community Recycling Operatives	15,000	15,000	
Music Tuition	27,500	49,500	
Webcasting	17,000	17,000	
Total Expenditure	302,609	363,089	
Net Income over Expenditure	(144,109)	411	
Plus budgeted surplus	44,000	-	
Required transfer from Reserves	100,109	(411)	

This budget requires a one-off transfer of £100,109 from General Reserve in 2014/15. This represents 0.05% of Council net expenditure and 1.32% of current uncommitted General Reserve.