

Edinburgh Labour publish their budget proposals

✘ The council's Budget Meeting takes place next Thursday 9 February 2012. We cannot yet produce a copy of the agenda for you as it is not yet on the Council website.

But in keeping with their actions at this time last year, the Edinburgh Labour Group has published its budget proposals ahead of all the other political groups. So while this document is titled an amendment, it is really a set of counter-proposals to whatever the LibDem/SNP administration, or the Tories or Greens produce over the next few days. When quizzed about it this morning at the full council meeting, the Council Leader, Jenny Dawe, would not say exactly when the administration budget would be published for the other groups to examine, instead saying that it would be published "as soon as possible."

So what do the Labour Group have to say about how roughly £1bn should be spent in the year to come?

Well in spite of the backdrop of the Scottish Government cutting cash available to local government, the Labour Group want to ensure that all council workers and external contract workers receive the minimum wage of £7.20 per hour.

They mention the money spent (or in their view wasted) on the Alternative Business Model proposal, which amounts to £4.25m according to their calculations along with unquantified sums spent in-house. One of the recurring proposals in the Labour Budget is the introduction of a Cooperative Model which aims to set up a Cooperative Development Unit to run a variety of council services on a joint basis, which they think will provide best value.

Writing on the [STV website](#), Councillor Ricky Henderson

explained why they would like to use this model:-“Co-operative models are now being developed to good effect throughout the UK and the time is right to bring together citizens, tax payers, communities and workers to establish new methods of service delivery that empowers people to do what they think is best for their community, with Council support, rather than the Council adopting a “we know best” approach. To that end we will establish a Co-operative Development Unit that will develop and support co-operative models of service delivery.”

Labour have also found £826,000 which they believe needs to be reinstated to ensure that Voluntary Sector Grants are maintained at current levels, £740,000 for Edinburgh Leisure and £550,000 for library services to ensure Sunday opening.

In an effort to ensure that all school leavers are looked after and given a real future, they advocate spending £2million on Employability Services, £3.1m on schools maintenance and £1.2m to Neighbourhood Partnerships which they hope will allow real consultation on local issues.

And how do they propose making savings to ensure they have the money to do all of this? They want to manage absenteeism among employees, and they also intend restructuring Senior Management positions in the council. They also want the whole budget process reexamined to ensure it is the best way to set spending limits.

Finally they generally recommend a new cooperative approach to local government to preserve spending on frontline services.

So what do you think? Would this parcel of proposals work?

The full budget proposals are as follows:-

The City of Edinburgh Council
9th February 2012
REVENUE BUDGET 2012- 2013
CAPITAL INVESTMENT PROGRAMME 2012- 2016

HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME 2012- 2013
LABOUR GROUP AMENDMENT

1. AVAILABLE RESOURCES

Council agrees that the protection of front line services remains an important priority, and acknowledges that every effort should be made to rationalise back-office functions.

Council further agrees that economic regeneration is vital to ensuring Edinburgh's prosperity and future prospects; and recognises the Council's duty to lead on both issues.

Therefore Council notes:

- The current budget position as contained within today's report/s.
- The imbalance in revenue resources over the next 3 years due to the allocation of funding from the Scottish Government.
- That future years will be extremely challenging based on current allocations / forecasts.

2. SERVICE PRIORITIES

Council now agrees:

- That the introduction of the Living Wage of £7.20 per hour for Council workers is necessary to ensure social and economic justice and will also support the local economy.
- To plan for the payment of the Living Wage to be a condition of future contracts with external suppliers.
- That in future the highest paid Council employee shall earn no more than 12 times the salary of the lowest paid Council worker.
- To establish a "PSC / Service Improvement Fund (Spend to Save)" of £11million to develop Council services and achieve efficiency savings; whilst noting that some £4.25million of abortive expenditure, plus extensive internal costs, has been sunk on the abandoned privatisation alternative.

- *To establish a “Co-operative Development Unit” (CDU) with an initial fund of £250,000. This unit will be resourced by the redeployment of senior staff from elements of service restructuring; noting that this restructuring has been called for in the previous 4 Labour Group Budget Amendments.*
- *The CDU will work with Council departments, communities and partner organisations to develop sustainable co-operative models which will deliver excellent public services in a cost effective and cooperative manner. (i.e. childcare, renewable energy production, housing)*
- *That £3.44million funding in 2012/13 will go towards the ‘Change Funds for Health and Social Care and Early Years’, to support the wider alignment of budgets on a preventative basis, with provision of £6.88million by 2014/15.*
- *To reinstate £826,000 of Voluntary Sector funding to ensure that all Voluntary Sector Grants are maintained at current levels, throughout 2012/13.*
- *Funding of £740,000 to Edinburgh Leisure for specified works and services.*
- *To reinstate £550,000 to the Libraries Service, which would secure existing Sunday opening hours.*
- *To allocate £2million towards Employability Services in the city, ensuring that every school-leaver has a positive employment/education destination, and agrees to review the effectiveness and deliverability of these services in view of their importance to jobs and economic success.*
- *To call for an urgent report, within 2-cycles, on all potential solutions to provide long-term stability for the funding of these Employability Services/Programmes.*

- That, recognising the need for ongoing schools maintenance, an additional 'School Fabric Repairs' fund of £3.1million is established.
- That an additional investment fund of £1.2million is allocated to Neighbourhood Partnerships (doubling their existing discretionary spend) and those local communities are thus fully consulted on the best use of these one-off resources for infrastructure or community improvements, and also local co-operative developments, such as:
 1. roads and footways improvements (Right First Time [RFT])
 2. expansion of 'Real Time Information' for local bus services
 3. cycling infrastructure improvements
 4. local Play facilities
 5. local Sports Pavilions
 6. local Community Centre facilities

3. PROPOSED SAVINGS

Council further agrees to the following areas of significant saving:

- a. Restructuring of Senior Management (Heads of Service) Posts
- b. Reduction in the Q.I.O. Teams
- c. Removal of various Council Publications
- d. Absenteeism management

4. CONTINUED INVESTMENT

Council notes this budget allows the following areas of continued investment:

- a. Nursery, Primary, Secondary and Special Schools
- b. Health and Social Care Services for the Old and Vulnerable
- c. Voluntary Sector, and third-party, grant support
- d. Sport and Physical Activity services

- e. Neighbourhood Services and local infrastructure
- f. Libraries

5. FUTURE BUDGET DEVELOPMENT

Council notes that the budget process is an internal exercise which culminates in the setting of the Council's budget in mid-February each year. Spending plans are set for at least 12 months and sometimes up to 3 years.

Council agrees to establish a new Council Budget Committee to improve the scrutiny, and effectiveness, of the budget process. The proposed committee would be made up of Councillors and external groups representing wider civic society in the city. Such a dedicated budget committee could radically improve scrutiny and transparency of the budget setting process.

6. POLITICAL CHOICE

Council thus agrees to develop the concept of a 'Co-operative Council', positively promoting local decision-making, and rejecting the now, failed privatisation alternative.

Council thus acknowledges that this budget has focused on proposed areas of targeted savings to enable both continued investment in essential front line public service priorities, and the achievement of longer-term sustainable savings.

7. ADDITIONAL APPROVALS

Council notes the following:

1. Report no. CEC/86/11-12/PS and CEC/87/11-12/PS by the Director of Corporate Governance, setting out the overall resources available for revenue expenditure.
2. Report no. CEC/??? by the Director of Corporate Governance setting out the proposals for funding services from third parties in 2012/13.
3. Report no. CEC/88/11-12/PS and CEC/??? by the Director of Corporate Governance setting out the overall position on capital resources for the period 2012 – 2016.
4. A further report will be submitted to seek approval of revised charges for Council services, the outcomes of which are contained in Annex 1 to this amendment.

Council approves the following:

1. *The revenue budget set out in the reports, subject to the adjustments set out in Annex 1 to this amendment.*
2. *The 2012 – 2016 capital budget as set out in reports CEC/88/11-12/PS and CEC/??? by the Director of Corporate Governance.*
3. *The Council Tax and Rating Resolutions as set out in Annex 2 to this amendment.*
4. *The recommendations contained in report CEC/??? by the Director of Services for Communities to increase rents by 7.9% in line with the agreed rent strategy in the HRA approved business plan.*

Signature of Proposer

Signature of Seconder