

# Council meet tomorrow to set their budget for the next year



Tomorrow the detail of the budget for next year will be discussed at a full council meeting and the draft outline of ways to save on spending and maximise income will be thrashed out and agreed. The coalition administration have an SNP Councillor Alasdair Rankin as the Finance Convenor, and he is supported by Labour Vice Convenor, Bill Cook. They have set out what they see as a balanced budget and say it is one which will make savings but not cuts.

One of the main restrictions on council spending is that the council have to save £95m over the next five years. This year is a little different from the next four as only £3.8m has to be saved in this current period, owing to the amount of money being contributed by The Scottish Government. In future years the sum which will be received from Holyrood will decrease, so it is against this backdrop that the councillors meet to find a way forward.

The draft budget was published by the Capital Coalition some three months ago and there has been a public consultation on the terms of it over the period since the beginning of December. 366 people put forward comments to the administration on what they considered ought to be the council's spending priorities.

The draft proposal being put before the Council meeting tomorrow morning is included in the Council Papers online [which you will find here.](#) We also reproduce the capital coalition budget motion for you at the very end of this article.

The main points of the proposed spending strategy stressed by the Finance Convenor at a recent briefing were that even in these times of economic austerity the council has to find ways to move forward. The convenor was keen to stress that it is possible to set a balanced budget for this next year, and although the council needs to make savings there are a lot of positive points.

The council will borrow a further £2m for the Revenue budget. By doing so they estimate that they will have an extra £28.5m to spend on infrastructure such as roads, footpaths, repair works to schools and £4m which will be spent on a new 60-bed care home in the north of the city, as well as £2m cash to spend on sports pitches, pavilions, parks and infrastructure. Meadowbank will be inspected to see what can be done with it, hopefully by way of improvement, and £60,000 has been set aside for this inspection. The administration propose to survey their entire property portfolio and some of that might be identified for sale, thus turning them into assets not liabilities.

Money might be raised from these property sales and also by paying closer attention to what is being purchased for use by the council. The 58 councillors have already been provided with iPads as a cost-saving measure instead of money being wasted on providing all council reports on paper.

Part of the attention to procurement has resulted in the council subcontracting analysis of their spending to a consultancy firm which might mean a further saving of as much as £9m. According to Councillor Rankin the consultancy company will only be paid on savings actually being made.

They intend doubling the Transport budget, and hope that by using the 'Right First Time' approach to repairing potholes they will in the long term save money. Some of the potholes and road repairs to be carried out will concentrate on roads and streets in the west of the city where part of the

additional £12m will be used. In addition there are proposals to spend 6% on cycling infrastructure.

The Finance convenors promised that next year they will allow for a longer consultation period which will start in September for the budget being set in 2014. They asserted that while there are risks and challenges they aim to retain as many services and increase them if possible, and claimed that they see this as a real opportunity to do so.

They have calculated that they will have sufficient funds to continue spending on festivals and events “to maintain Edinburgh’s leading position”, and they will have a strategy worked out before the end of this year to get the best out of the huge sum invested in the tramline.

They plan to increase their income by providing more parking hoping that it will generate additional income of £325,000. One risk to council expenditure is the change in the way housing benefit will be paid. This will now be made to the claimant direct, and may result in a shortfall in the council’s income if rent ends up not being paid, but the convenors say they have factored such a risk into their proposals.

Another challenge relates to the old Property Conservation Service which is being replaced by a new one, following apparent malpractice. The convenor was keen to explain that there is money set aside for the potential liability in relation to this and that the final figures ought to be known by Spring 2013.

The council are embracing the ‘spend to save’ principle which will mean an additional £2m will be released for spending on older people in their own homes, and £0.5m on carers.

Carers’ Champion, Councillor Norman Work, said to The Reporter: -“I’m delighted that the Capital Coalition has set aside £500,000 for carers in this year’s budget. They provide

essential, quality care but often without adequate support in place. This can lead to them becoming overwhelmed with their responsibilities and turn into to stress, anxiety or ill health.

"This money will be used to provide extra financial support through a one-off payment and develop both the emergency card scheme and the online network system to connect people in need of support with volunteers.

"It's important to provide carers with the support they need and I am sure there will be widespread support in the caring community for this financial boost."

So far this evening there are two known amendments tabled to the administration budget. The first is from the Conservative Group who have six points which they wish to add to the proposed budget. Councillor Cameron Rose, the Conservative Group Leader agreed that the Tories largely concur with the administration proposals but want to put forward some points of their own too.

Rose said:-" We are suggesting for example that council tax could be reduced by 1% and that 5% of council staff in some areas could be reduced. We believe that about 300 jobs can be reduced in certain areas and this would lead to improved productivity and management efficiencies.

Rose also returned to the rather vexed question of Alternative Business Models, which were abandoned by the new administration.

The Conservatives said:-"Revisiting **the lost £56m** (Council's own figures) which resulted from the Council's abandonment of competitive tendering, Edinburgh Conservatives will **tender for the improvement and most efficient delivery of core services in the area of environmental services and property maintenance and use**. A kick start budget of £1m has been allocated from one of the Council's reserve funds in 2013/14."

The Conservative Group think that the council tax payer is paying £56m more for services because the ABM model was not

adopted, and the savings which would have been made by outsourcing have simply not been made. They estimate that over a 7 year period £8m per year could be saved. The abandoned ABM process also wasted £4m in the costs incurred in running the process alone.

Rose continued:-“If we started again then we could save £56m by tendering out the waste collection services and property maintenance services.”

When The Reporter asked about any redundancy costs and whether these had been factored in, the Conservative leader said a large number would be transferred across to the third party company undertaking the work, although he admitted there would also be a number of job losses. Rose concluded:-“The problem with the waste collection service is that it needs investment in technology which is why there is such a problem in people not having their bins collected.”

The other three points in their written statement to us are:-

*Edinburgh Conservatives will address the **waste and inefficiency in roads maintenance and repairs** by reviewing current working practices and processes and allocating **a further £2.5m** beyond for repairs beyond the Administration's budget.*

*Edinburgh Conservatives will allocate **an extra £1m** for the **improvement and maintenance of Edinburgh's parks, pitches, pavilions and sports facilities**. This would be funded from a special reserve fund.*

*Provide additional £200k revenue funding for Keeping Older People Healthier enabling **more of the elderly care in the community**. (Funded from reducing specific waste and corporate governance projects).*

Councillor Rose also admits that there is one further point to

be raised but would not be drawn on its content.

The Green Group have lodged their own proposals which we reproduce for you below. It is perhaps not surprising that the Greens would like to have more spending on green measures such as insulation.

Scotland's capital should lead the country in investing in jobs, training and protecting the most vulnerable from welfare cuts, according to Green councillors in Edinburgh.

In preparing Green proposals for the City Council's budget tomorrow the Greens say they have identified an accumulated fund of almost £14 million in the city's coffers. This is made up of additional income from council tax on empty and second homes and can only be used for housing. Green councillors want to invest £10 million of that in a Warmer Homes programme targeted on the lowest income households, those most vulnerable to ongoing cuts in welfare budgets.

Green councillors say a programme of this scale would allow the city to take the next step up in improving energy efficiency and tackle fuel poverty, at a time when the lowest income households face loss and cuts to housing benefit. At the same time, the programme would support at least 160 new jobs and 10 new apprenticeships for young people.

Green Group Convenor, Steve Burgess said:-

"The City faces some stark budget choices within a very tight financial straitjacket. The Coalition parties have both signed up nationally to the Council Tax Freeze and locally have rejected innovative income-raising opportunities like the hotel visitor levy.

"That means we need to squeeze every penny of value out of existing funds. That includes the £14 million pot sitting in reserves earmarked for housing projects. I want to see that money put to good use, providing dry warm homes for many of our citizens most at risk of poverty. As benefit cuts bite yet

further from this coming April it is important to do what we can in other areas of cost, such as fuel bills. At the same time the programme will support at least 160 new jobs and around 10 new apprenticeships.”

The Greens’ budget proposals also include:

- A package of measures to assist low income and disabled households at a time of welfare cuts
- Investment in town centres and a pledge to keep city centre toilets free of charge
- New funding to improve access to information and trial better participation in council decisions
- £1.5 million extra for school energy improvements, freeing up day-to-day budgets for books and materials; and a new £500,000 playground transformation fund.
- Switching some of the planned £12 million increase in roads investment to boost cycling infrastructure by £1 million.

To pay for the package the Greens propose reducing budgets for consultants, marketing and internal management costs, and reforming parking charges among others.

[Green Group Budget Motion](#) by

Here is the Capital Coalition budget motion which is to be debated tomorrow:-

[Capital\\_Coalition\\_Budget\\_Motion\\_-\\_Amended\\_Version.pdf](#) by [Phyllis Stephen](#)

Regrettably The Reporter cannot attend the meeting tomorrow but will watch it later online. If you have comments then please add them below.