

Edinburgh Council's finances facing 'greater challenges'



In a report issued today the Accounts Commission which oversees public spending by local authorities said that The City of Edinburgh Council faces substantially greater challenges to cut its spending while meeting increasing demands on services. The report is reproduced for you at the link below.

In May 2013 the Accounts Commission highlighted difficulties the council faced in making additional savings of £17 million to balance its budget in 2017/18. That figure has now risen to £67 million.

A follow-up report published today says the council has made some improvements and has financial plans in place, but savings in some areas have been scaled back. It also faces financial risks over resolving the issue of statutory repairs.

In its findings, the Commission said it had "growing concern" about the increased level of savings required by the council to balance its books.

The council's net annual spend is £950 million.

Total savings required by 2017/18 have now risen to £138 million, including the additional £67 million savings yet to be identified. The council aims to achieve much through a transformation programme (BOLD) but it is too early to say whether the programme will deliver its objective.

The report says Edinburgh has made good progress in developing scrutiny and risk management and made improvements in services. Dealing with long-running issues has absorbed a

considerable amount of senior managers' time and it needs to ensure it has sufficient capacity for the future.

However, the council has still to develop a comprehensive workforce strategy, which the Commission recommended last year. This has a fundamental role in ensuring it can meet the challenges it faces.

Douglas Sinclair, chair of the Accounts Commission, said: "The City of Edinburgh Council has made some progress and that is encouraging. But it still has a long way to go, amid increasing demands and rising levels of required savings, and the continued lack of a workforce strategy is a significant omission."

The Commission has asked for a further report next year by which time it expects to see substantial improvements.

The Council's plans to reform its organisation will be released tomorrow. They would have been released three weeks ago at the last meeting of the full council but were not quite completed.

http://www.theedinburghreporter.co.uk/wp-content/uploads/2014/12/bv2_141204_edinburgh2.pdf