

Council to find another £20m of savings this year



When all 58 councillors gather at the City Chambers next Thursday to discuss setting a balanced budget for next year it is amid a climate of belt tightening and less money.

The administration, run by a coalition of Labour and SNP, has made it clear that they have an even harder job to do this year owing to the UK Government cutting the Scottish Block Grant, as well as the freeze on council tax imposed by Holyrood. They claim that in real terms local government funding across Scotland has been cut by around 7%.

Council Leader Andrew Burns said: "I was first elected in 1999 right at the start of the devolution period and this is my seventeenth year as a councillor. For most of those 17 years I have been in the council administration and there is no question in my mind that this is the most difficult budget settlement we have had in those 17 years.

"Progressive Scottish governments haven't chosen to adjust the way that council funding is constructed. It has got to the stage where it is no longer tenable to continue with the current funding regime. In Scotland local authorities we are only responsible for raising 18% of our revenue That is minuscule in comparison with the 82% we get by block grant. We need a degree of flexibility. Most other local authorities in Europe are responsible for raising about 40% of their revenue. It is entirely within the gift of the Scottish Parliament to legislate for that."

Reform of Local Government finances needed

COSLA reported in December 2015 that the system of council tax should end and there should be a new system of local finance, but this is unlikely to affect council revenue for some time to come no matter what the reform looks like.

This means that The City of Edinburgh Council has to find savings in its revenue budget of £85.4m for the next financial year which begins in April 2016, and at least £147m in the next four years. These figures are increased by just under £20million on those which we have reported since September.

Burns continued: "We have put in a budget framework for the following four years premised first of all on the council tax freeze and then on an indicative 3 per cent rise in council tax in the following years."

Council Savings

The council aims to make savings in several ways including for example the continuation of the council's transformation programme which will reduce the head count among council staff by 2,000 and reducing energy consumption across council buildings. They will reduce the numbers of vehicles the council owns, although say that this will not affect waste collection, and they will continue to reform and streamline procurement to avoid wasting money there.

They hope to achieve the necessary slimming of staff numbers by offering enhanced voluntary redundancy and voluntary severance packages, but have also set up practical help for those who are leaving. Cllr Rankin said: "It may work well for some people to leave the council. Edinburgh is a buoyant employment market anyway but we have also set up a Career Transition Service to help our staff contact new employers about new jobs."

The Finance Convener is also keen to emphasise that regular reports to the Finance Committee will offer the councillors opportunity to scrutinise what is going on. As well as that

senior members of the council meet weekly to keep an eye on the financial position and they have decided to provide for a mid year review process in the administration proposals to be debated next week.

Following the Autumn 2015 consultation on how the council should spend public funds, some changes have been made to the draft budget published by the Finance Convener at that time. More people responded to the budget consultation this year than ever before and changes have been made.

The council will no longer reduce the number of 'lollipop' men or women, they will not reduce or remove the night noise team, will not reduce the size of their in-house home care service, will not redesign day care services for adults with learning disabilities and will not reduce community centre staff.

In addition other areas which will remain untouched are the removal of music tuition in this year and the review of support staff in special schools. The council will no longer review family and pupil support and have limited the council house rent increase to 2%.

The council will invest over £15million in roads, pavements and cycleways to make it easier for us all to get about the city and will spend £540,000 on the Cycling, Walking Safer Street Initiative. As promised they will increase spending on cycling allocating 9% of capital and revenue expenditure in this area.

The council's ruling body also plan to invest in a new state of the art CCTV system, increase investment in council-owned property by £3million, earn a further £1million in income, although there is no detail as yet about how that will be achieved. The Council has just sold Atria, a commercial building on Morrison Street which they developed, for £106m.

Councillor Alasdair Rankin told us how they will use that money: "Some of these funds will be used to help us achieve

our savings, to pay down council borrowing invest it in some areas of council services and to establish our transformation programme.”

The council administration have put forward a 15 page motion for next week’s meeting setting out their stall, and with the majority political position which they hold they will expect to have this passed. This is not to say that the opposition parties will simply roll over, there is bound to be some heated debate over many points. We hope to carry the views of other parties in the council during the next week.

The administration motion can be read in full here:



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