

Labour councillor livens up budget debate

✘ Councillor Gordon Munro is always entertaining when he gets the chance to speak at the City Chambers, but the untimely death of David Bowie last week gave him much fodder for his speech delivered during today's council budget debate.

His main point was that change is needed to the way that local government across Scotland is financed.

We think it is worth publishing it here in full (even if you don't agree with his politics, the poetry is admirable!)

Lord Provost , Fellow Councillors , Citizens ,

Recently I've been listening to a lot of my old Bowie records . Hunky Dory is an old favourite . One lyric had a new meaning but a current context for me when I heard it again .

*"Ch – ch – ch -ch Changes ,
Ch-ch- Changes ,
Where's your shame ,
You've left us up to our necks in it ,
Time may change them ,
But you can't trace time ."*

Very apt for where the City of Edinburgh Council finds itself .

We are up to our necks in it but Changes can make it better .

This is a 'challenging financial settlement for local government' not my words but those of John Swinney and very understated as is his style. The public consultation started off with savings of £68.7m needed in this budget and was made

worse by a further £16.7m being required due to the Scottish Government decision to give less to Edinburgh . £30 million less for Edinburgh to be precise .

Challenging ? Of course but change could make it Ben Nevis rather than Everest .

But this is a 'challenge' which requires real change . Changes which can help the City of Edinburgh and its Council .

We need Changes to the Council Tax which is broken . Now for those who expect and for those who demand my usual tirade against the iniquities of this inadequate tax which only provides 24% of the funding available to Edinburgh I would like to point out a few facts .

A recent paper to the Economy Committee informed us that the average house price in Edinburgh was £226,578. Now Band D which is supposed to represent the ' average 'house 'value in this city is for properties valued between £45,001 to £58,000 in this city.

How many of us in this room have properties of that value ? Factually we have 37,534.

In reality we do not have that many.

Band A of the Council Tax which is for properties under £27,000 in Edinburgh . There are 23,160 properties which are in that band.

In reality we do not. There are garages in Leith which sell for more than that .

Band H – which is the top band in Edinburgh is for homes above £212,000 which is below the average house price of £226,576 and there are only 3,847 properties in this category . Again in reality there are more .

Only a Scottish Government can change this situation where we

have properties backdated to 1991 values. Lothian Valuation Board can provide the true value and range for properties in Edinburgh . But only Holyrood can make this change .

Another change that is needed is the myth that the freeze is fully funded . Since 2007/08 The Scottish Government provides a total of £70m for the whole of Scotland to cover a theoretical 3.2% increase each year in the Council Tax . For Edinburgh this year's share in this budget is £6.994m . In reality if there had been a 3.2% increase each year then Edinburgh would have an additional £56m in this budget . The Council Tax freeze is not fully funded and only Holyrood can make this change .

Now there are some who would grandstand and say we should challenge the Scottish Government and raise the Council Tax. This is irresponsible for three reasons .

Firstly because the banding does not reflect reality . It ignores the fact that the real problem is not tackled . The Council Tax is broken and needs to be fixed .

Secondly it ignores the fact that the Scottish Government retains £9.628m of monies collected by Edinburgh and remitted to Holyrood .

Release of this money , some would say ransom , is conditional on continuing the freeze and other conditions set by the Scottish Government .

It would take a rise of 4% to just recoup this amount and therefore to have additional funding for Edinburgh would require a substantial rise .

Thirdly , it does not take account of the so-called compensation for the Council Tax freeze of £6.994m . Combined with the £9.628m retained money contingent on preset conditions this gives a total of £16.622m that would be lost to Edinburgh for any rise . This makes the Green proposal

fantasy . It will not raise money it will lose money .

Rather than an irresponsible challenge pretending to be change what is needed is real fundamental change that fully funds and empowers local government . Only the Scottish Government can make this change.

Another change in the control of the Scottish Government is the growing underspend in both revenue and capital by the Scottish Government . A total of £357m for 2014/15. This money gets rolled into their next budget. Edinburgh could do with some of that but a choice has been made to retain it but for what ? Not for Edinburgh that's for sure.

If you look closely at the letter from the Scottish Government on the settlement for 2016/17 you will see that half of the capital funding allocated for the year a total of £150m is " re-profiled " for 2017/18 . Why we're not getting it despite having a huge list of Capital projects such as Meadowbank or schools that could benefit from that capital investment is a question for Government that no-one appears to be asking .This is a change for the worse not the better as costs can only rise in the meantime.

Ever the optimist I hope that " time may change them " as you can " trace time " in the £85.4m cuts before us which is part of a package of £147m in this administration budget needed by 2020 and detailed in paragraph 1.3 of the Coalition motion. There is no pleasure in passing this budget . This is not the budget that any of us would want to set . We work within the framework that is set for us by the Scottish Government .

What the Capital needs are the changes asked for and those that empower Edinburgh such as a tourist tax or other forms of levy .As the lyric put it " you've left us up to our necks in it " .Only a Scottish Government can make changes that empower Edinburgh . I say to this one and its successor ' turn and face the strain" we need Ch,Ch, Changes not

challenges .

Cllr. Gordon Munro- Leith Ward , Labour