

Council Leader says local government finances 'now broken'



[tweet_box design="default"]Council Leader Andrew Burns was focussed on delivering one message yesterday afternoon, and was unequivocal about what needs to be changed: "The structure of local government finances is now broken."[/tweet_box]

The Labour councillor, who leads the city's Labour/SNP coalition, said to the assembled journalists: "In my 17 years as a councillor, this is by far the most challenging budget that we have set. It pains me that the local government settlement paid by Holyrood now damages services."



Council Leader –
Andrew Burns

The councillor explained that he has served as a councillor on the administration in its many forms since 1999, a period which exactly mirrors the time since the Scottish Parliament was set up. He claimed that he has never set his sights on Holyrood or Westminster, preferring to be at the forefront of delivering services, but that those services are now at risk.

The Scottish Government and COSLA (Convention of Scottish Local Authorities) delivered a report last month setting out demands for change in the council tax system. The main message was this: "The present Council Tax system must end, with any replacement designed to be fairer, more progressive and locally empowering." It was clear that the Council Leader

agreed with this proposition.

The cross-party Commission explained that there is no one ideal local tax and it set out three different tax arrangements which might be brought in to replace the existing system.

The Deputy Leader of the council, Councillor Sandy Howat said that the current arrangement results in representation with limited taxation. He continued: "While Edinburgh could be said to be singular, the council tax system is basically unfair. There is no local accountability."

In light of the recent announcement by Moray Council that they will increase the council tax charged to their residents, we posed the question that perhaps the council could just raise council tax, but were roundly told that this would result in double digit increases in the city.

The City of Edinburgh Council receives around £7 million from the Scottish Government and it would forego that sum if it opted to increase council tax against the wishes of Holyrood. Just to stand still therefore the council would have to instantly raise the tax by 3% and this would lead to more rises in future years.

The Finance Convener Alasdair Rankin was optimistic about living within the budget this coming year, but agreed that the council tax regime must be changed for future years. The council's budget will be set next week at a meeting of the full council, but they have also set out a framework for the following three years which presumes a rise in council tax of 3 per cent per year.

You can follow the budget meeting online next Thursday 21 January 2016 at 10am. [Click here.](#)