

Council aiming to make ends meet – and you can help

In common with previous years the council is about to consult with you on their budget for the next financial year 2018/19.

At present they are working under a budget set in February of this year following what the then Council Leader, Andrew Burns, said was the worst financial settlement from the UK and Scottish Governments he had witnessed in his time as a councillor.

This year might not be much different. Cumulative savings required by 2022/23 amount to £141.6 million according to papers to be discussed tomorrow.



Although the administration has changed after last May's council elections, the Finance Convener is the same. SNP Councillor Alasdair Rankin has the unenviable task of balancing the council books to ensure that the Revenue budget is not overspent. By revenue budget we mean the money spent by the council on providing all the services you are entitled to in exchange for your council tax.

FINANCE CONVENER'S VIEW

Councillor Rankin said to The Edinburgh Reporter that he was not best pleased about the amount of money available to the council : "This is partly a consequence of UK government policy. It affects all Whitehall departments and it affects the Scottish block grant. The Scottish Government has its own set of priorities which it set out in its manifesto in terms that in the lifetime of this parliament they will make a £500 million real terms increase in the NHS budget and keeping the police budget constant in real terms over the same period.

“They also have a very substantial commitment in terms of housebuilding.

“So those are their commitments and they shape the budget according to those. Local government gets its share in light of those proposals. Obviously in the broader scheme of things we would prefer that the UK government didn’t have the approach it does to public expenditure.

“We may well see something in the budget in November. A few things have been trailed in terms of infrastructure spend for example at the moment. It may be that the UK Government has decided what it will do.

“Some press reports say that they will finally agree to take advantage of record low interest rates and borrow money to support housing for example. At the Conservative Party conference Sajid Javid said that housing policy had been an outrage. It has been a failure of UK governments for decades.

“Any more money that is put into that would obviously help us as an authority and help us in terms of our Local Development Plan. Edinburgh is a growing city. As you know we have a proposal to expand the housing stock in the city, both public and private. Any additional funding to support that obviously would be welcomed.

“At the moment in terms of the Local Development Plan we do have something of a budget gap and it is something that we have pointed out to the Scottish Government.

“They obviously appreciate where we are coming from on that but they have the amount of money they have, and revenue raising options that they have. We might see the Scottish Government do something on income tax for example as it is a new power that the Scottish Government has. You will remember that the First Minister said that the Scottish Government is going to lift the 1% pay cap in the public sector, so we might see some movement there.

“I would like to think that that is fundable by the Scottish Government.

“So I suppose what I am saying is that I don’t like the macroeconomic environment we are in. I don’t think that the macroeconomic policies across the UK are particularly sensible. I never have. Austerity forever can never be a sensible economic policy.

“What we need to deal with is to invest in the economy. If consumers or businesses are not doing it then it only leaves Government. I think that is a proper role for government to support the economy. I don’t see that the UK government policy has been doing that in any reasonable way at all.”

DRAFT BUDGET

The draft budget is already [online](#), and will be discussed at Friday’s [Finance and Resources Committee](#). So what might it mean for the residents of Edinburgh in the period after April 2018? There are proposed savings in the draft papers, but at the same time the council is working hard to ensure that any income available to it does get paid. It has improved its council tax collection rate in 2016/17 to the highest rate ever. And the Tourist Tax and a Workplace Parking Levy also continue to be explored.

First of all council tax might be increased by up to 3% following the model adopted last year when the Scottish Government lifted its council tax freeze.

CONSULTATION

The details of all of this depend on the consultation process which opens on Monday 30 October 2017 when you get to have your say. Councillor Rankin is always keen to point out that the council has reacted to suggestions from the public in the past. Remember the council set out to close public toilets to save £300,000 from their expenditure? Well following comments

from the public who risked being caught short the council changed some of those closures.

The Scottish Budget announcement will be made before the end of this year and that has a direct impact on the council's finances, and the UK annual statement comes before that too. The council will only take a final decision on what it aims to spend, save or cut in February 2018 when it knows how much it has to work with. But at present it is looking for savings of around £23million.

Speaking at the full council meeting earlier Deputy Council Leader Councillor Day (Labour) suggested that if the UK Government can find money for their arrangement with the DUP then they might also find £1 billion for services in Edinburgh. We would suggest that is probably an unlikely outcome, but the Finance Convener did tell us that he feels there are signs that the UK Government may be about to borrow money, and he would like to see that happen in times of record low interest rates.

SOCIAL CARE

In his [Leader's Report](#) presented today the Council Leader Adam McVey admitted that there is a difficulty in running the social care area of the council's obligations. There is an overspend and there are as many as 1044 people waiting for their first assessment and 701 waiting for care after assessment. In addition there are 169 residents awaiting to be discharged from hospital. These figures may well have gone up by the time you read this. Councillor McVey suggested there could be more use of self-directed support for care.

This is where the person requiring care gets paid a fixed sum rather than the council providing the care. One can see that this would allow for easier budgeting, although with the demographic in the capital the sums are still eye-watering. The council leader said that self-directed support is a

feature of other council areas and he thinks it should be looked at in Edinburgh.

GARDEN WASTE

Most political groups picked up on the potential charge which may be imposed on garden waste collection. It is proposed that this will cost £25 a year per household. This is not a statutory obligation that the council have to fulfil. If this is the most important thing that councillors could find in the lengthy documents for tomorrow's meeting then one wonders if they had bothered to read them.

Here is what we found that we are most concerned about :

There are £3million of savings yet to be identified council-wide. Given that under the last administration the council already looked for efficiency savings and that the Transformation Programme (really a voluntary redundancy scheme which has already resulted in a reduction of 1400 jobs) is almost at an end, it is perhaps difficult to see where more savings could be made. But the council is presuming it can make these savings by doing exactly the same again, looking again at efficiency and staff and maximising its income.

There are six headers for savings and increasing income under which there is as yet little detail (we are told these proposals will be fleshed out in the consultation which will be online on Monday).

The headers are : Workforce Management, Service Transformation, Maximising Income, Effective and Efficient Services, Commercial Excellence and Contract Management and Asset Optimisation.

Under these at present you will find suggestions that savings can be made by improving ICT services (£443,000). We were told that the company who will provide ICT backup is moving into the Council's HQ at Waverley Court. They will lease a space there for their staff some of whom will be working on keeping the council online. They will pay around £600,000 for that space, but presumably having moved out of their previous office in the city there may be a loss in business rates to the council too.

By sharing council buildings with other companies the council hopes that there will be a higher income stream available, which is considered an innovative way to maximise income and reduce overheads.

There is a proposal in the draft budget framework that the council uses advertising space on verges and roundabouts such as they do in the US or in the past they have done at the roundabout approaching Edinburgh Airport. This might, they estimate, net around £300,000.

The Chief Executive's department looks as though it can save over £1 million by reviewing what is known as the Strategy and Insight structure. This saving can be ensured by not filling current vacancies apparently. The Strategy and Insight function covers areas such as drawing up the council's business plan.

But some of the same old chestnuts appear to have come back again. There is a proposal to create a *Citywide Equity and Excellence Music Service*. By changing the way this works the council says it can save £363,000. But what does that mean in practice? How do you enhance access and reduce the cost of it at the same time? The city's specialist music school is not specifically mentioned here but it must be in the thoughts of those who calculated this?

Edinburgh Leisure is an arms length not for profit company. It

provides all the leisure centres across the city on behalf of the council. It charges the public for the privilege as many of you will know if you have attended gyms and swimming pools. There has been a great deal of investment in facilities in recent years. With the closure of Meadowbank almost upon us (it closes after the Firework Display on 5 November 2017) there will be a saving to the council. You may recall that just by keeping it open it costs the council [around £300,000 a year](#).

Now there are ongoing discussions with Edinburgh Leisure to the tune of at least £420,000. Whether this includes anything which flies in the face of the recommendations made by the Barclay Review of non-domestic rates conducted for The Scottish Government is not clear to us, but the possibility of removing charitable relief on rates to Edinburgh Leisure and theatres run by the Festival City Theatres Trust does get a special mention.

The Barclay Report recommended that *“Sports club relief should be reviewed to ensure it supports affordable community-based facilities, rather than members clubs with significant assets which do not require relief.”* So if the council now intend to charge Edinburgh Leisure and theatres rates, it might be short-lived, if the Barclay recommendations published in August 2017 are implemented.

Elsewhere, but not specifically mentioned on this draft budget is the question over how much the council pays to Police Scotland. It is in the region of £2.6million which we believe could be one of the highest in Scotland. It would be worthy of further investigation to find out what other authorities pay.

Councillor McVey said at the council meeting today that the administration aims to be open and transparent and he urges everyone to have their say in the consultation. Councillor Gordon Munro welcomed the Leader’s remarks about the Budget consultation in the chamber earlier. He then went on to ask

the Council Leader to make 'robust representations together with the Deputy Leader at the highest levels to make a case for Edinburgh to be fully and properly funded. Councillor Munro also asked that they make representations about a reform of council tax which he considers outdated.

You will find the draft budget framework on the council's [consultation hub](#) here on Monday 30 October 2017 until 15 December 2017.

Any suggestions on how the council could make savings? Do add them below!