

Edinburgh's finances raised at Holyrood

At the virtual session of portfolio questions on Finance today, the first question on the agenda for the Minister for Public Finance and Migration, Ben Macpherson, raised the finances of The City of Edinburgh Council and its Arms Length External Organisations (ALEOs), such as Edinburgh Leisure.

Miles Briggs Conservative Lothians MSP asked the Minister what discussions ministers have had regarding reported concerns relating to the underfunding of The City of Edinburgh Council.

Mr Macpherson replied: "Ministers have been in regular and on-going dialogue with the Convention of Scottish Local Authorities and individual local authorities since the Covid-19 crisis began. My colleagues and I appreciate the range of challenges and pressures that are facing all local authorities at this time, including the City of Edinburgh Council.

"Working in partnership with COSLA, the Scottish Government will continue to press the United Kingdom Government for additional financial support and fiscal flexibilities for both the Scottish Government and local authorities to use in this crisis. We would welcome any support that this Parliament can

provide in that respect.”

In his supplementary question, Mr Briggs asked: “As a fellow Edinburgh MSP, the minister will be aware that the Chief Executive of Edinburgh Leisure has warned that the impact of Covid on its finances will be up to £8 million and that the sector is in crisis. Given the ongoing underfunding of The City of Edinburgh Council via the Scottish Government, will the minister commit to a bail-out fund for arm’s-length external organisations such as Edinburgh Leisure and agree to urgent cross-party talks on the crisis that is facing leisure sectors across Scotland?”

Mr Macpherson replied with details of the actual numbers. He said: “First, on the general position with regard to the City of Edinburgh Council, Mr Briggs will be aware that it receives £878 million to fund local services and that, taken together with the decision to increase council tax by 4.79 per cent, it will have an extra £66.1 million to support day-to-day services in 2020-21. That equates to an additional 8.8 per cent. To date, the council has been allocated an additional £19.3 million to deal with the challenges of Covid-19, and it will receive its fair share of a further £75 million, which is currently undistributed, but will be allocated following an agreement on the distribution methodology with COSLA.

“We are in dialogue with COSLA on the lost income scheme and the pressures that are facing ALEOs. Once we have completed a cost collection exercise, we will look to undertake distribution of that resource and the consequentials received. In that regard, we are in regular contact with The City of Edinburgh Council through COSLA, as we are with local authorities across the country. We are working together to meet the pressures that they are facing.”

After the meeting Mr Briggs said: "The underfunding of Edinburgh City Council will make it difficult for the council to provide a bailout to Edinburgh Leisure.

"People in Edinburgh pay higher council tax than anywhere else in the country, and it is unacceptable Edinburgh Leisure venues are at risk of closure, SNP Ministers need to act now to safeguard the future of these vital local services.

"Edinburgh Leisure is highly valued by residents in Edinburgh and provides services that are central to a healthy lifestyle that is especially important at the moment for peoples rehabilitation."

Six Edinburgh Leisure indoor venues will open on 14 September : Leith Victoria, Gracemount Leisure Centre, the Royal Commonwealth Pool, Drumbrae Leisure Centre, Craiglockhart Leisure Centre and Tennis Centre, and Ainslie Park. The six golf courses and outdoor tennis courts at the Meadows and Craiglockhart are already open.

Rona Mackay, MSP for Strathkelvin and Bearsden posed a subsequent question about the financing for all 32 local authorities in Scotland of matters resulting from the Covid-19 pandemic.

Mr Macpherson replied: "We have committed £330 million of additional support for local authorities. To help with cash flow difficulties, we front-loaded our grant payments by £455 million between May and July. We also increased our general revenue grant by £972 million to reflect the potential loss of that amount of business rates income resulting from our support for businesses. The Scottish Government is also providing an additional £135 million to support the return to school, and up to £100 million through integration authorities to support the social care sector."