

Budget cut kept quiet amid fears over negative press coverage

It has been claimed that a change in funding for Edinburgh's Hogmanay budget was "kept secret" by the council over fears about a "negative story" on festival cuts.

An email sent by a senior official suggested "roughly £150,000" of the event's annual £813,000 budget was reallocated to make savings elsewhere in the council last year – but the change was not reflected in the contract put out to tender to avoid "negative press coverage."

It was hoped the cash could be returned with income usually generated by the Christmas markets and amusements in Princes Street Gardens, according to the internal memo. However, as the festive attractions made no money for the council last winter, a funding gap remains.

The council has denied that the decision not to adjust the amount being offered to companies to run the city's New Year's Eve party to £656,000 in line with the revised budget was motivated by concerns about how it would be reported by the media, and said the primary reason was the 'potential impact on the event'.

Cllr Adam Nols-McVey said he was concerned the budget

overspend was “kept secret” and feared it could lead to local cultural projects losing funding.

Conservative councillor Max Mitchell called it “a concerning example of paying Paul by robbing Peter”.

Councillors were also not told of the decision when they agreed the Hogmanay contract, with a report to the June 2022 Finance and Resources Committee stating: “Edinburgh’s Hogmanay, will be funded from the council’s revenue budget and the maximum budget available per annum is £812,456”.

The local authority faced major problems with delivery of the festival last year after contractors [Angels Event Experience Limited \(AEE\) pulled out two months before it was due to begin](#). Operators UniqueAssembly stepped in at the last minute but were left with limited time to organise everything which had been planned, leading to cancellation of the popular Hogmanay torchlight procession and the world-renowned street party being scaled back.

A report to the council’s Culture and Communities Committee said that a projected £400,000 Winter Festivals budget pressure this year was due to the “expected level of Winter Market rental income and the expected cost of the Hogmanay Festival”.

In the email seen by the Local Democracy Reporting Service (LDRS), senior culture and events officer David Waddell told councillors the previous Hogmanay operator only took around £656,000 out of a total £813,000 budgeted by the council for the celebration, with the “roughly £150k” leftover sum typically spent elsewhere in the Place directorate, such as on keeping museums open for seven days and to fund Scott Monument repair works.



Scott Monument. Photo: Martin P. McAdam www.martinmccadam.com
However last year this £150,000 was “removed” as part of a “budget re-alignment exercise” prior to a new operator being secured, and the amount being offered to successful contract bidders was kept at £813,000 “rather than the negative story of a festival having its funding cut,” Mr Waddell’s email read.

“The plan was to use the first £150,000 from the Christmas income to close this gap and return the [council] budget from £656k to £813k and balance out the pressure. With no income from Christmas last year, the gap remains,” the email added.

Raising the matter at the Culture and Communities Committee earlier this month SNP councillor Finlay McFarlane said: “It looks to me like there was £150,000 identified as a saving in Hogmanay that then wasn’t put out to tender as that for fear apparently of a negative press story.”

Executive Director of Place Paul Lawrence replied: “I don’t think it was about negative press. My understanding is

effectively as members know generally there is a budget for Hogmanay but we expect Christmas to be an unsubsidised event.

“Historically I think the amount of money required for Hogmanay had gone down...there was an adjustment made to kind of reflect the actual level, rather than the budgeted level, so there was a mismatch between what went out in the public domain and what was sitting in the budget.

“That was the cause of the problem, we were therefore attempting to try and achieve what had historically been achieved but we were unable to do so.

“The outcomes we’re trying to achieve for Christmas are not primarily financial, they are social, community, cultural and so on.”

Mr Lawrence added a range of options were being looked at to close the gap but could not say for certain if Christmas market income would return this year.

Cllr Nols-McVey told the LDRS it was clear the council had “blown the winter festivals budget”.

Opposition councillors had also been “completely cut out of the decision making process,” he said.

Cllr Nols-McVey added: “It’s concerning that the budget overspend was kept secret but we are now extremely worried that the spiralling costs will mean local community-based cultural projects will lose funding as Labour and their allies try to cover the increase in costs.

“Ultimately it’s the people of Edinburgh who for the second time in a row have to pick up the bill for Labour’s incompetent handling of Edinburgh Christmas.”

Responding to the situation, Cllr Max Mitchell said: “With council budgets already under so much pressure, this is a concerning example of paying Paul by robbing Peter.

“Despite some creative accounting, the council has ultimately been left with a sizeable financial blackhole to fill.”

The council was approached for comment and responded after seven days. Culture and Communities Convener, Cllr Val Walker said: “There is no reduction planned in funding for Edinburgh’s Winter Festival contract.

“Rather, we are reviewing the Winter Festivals budget to address wider budget pressures.”

Cllr Walker later added: “Edinburgh’s Winter Festivals are a key highlight in our cultural calendar and provide our residents and visitors with a world-renowned programme of events every Christmas and Hogmanay. I’m absolutely committed to maintaining this international recognition and acclaim for many more years to come.

“The projected spend for this year is unchanged and we’re in the process of tendering the contract for Edinburgh’s Winter Festivals to the full value of £813,000. This contract will cover the next three years, with the option of two one year extensions.

“Staying true to the feedback received from our citywide consultation back in 2021, a core value of the contract specification will be that celebrations are spread out across the city, giving all of Edinburgh’s communities the chance to enjoy and benefit from these festivities.”

by Donald Turvill Local Democracy Reporter



Edinburgh's Hogmanay to see in the New Year included fabulous entertainment from The Pet Shop Boys PHOTO ©2023 The Edinburgh Reporter