

Cash strapped Edinburgh council overpay staff by £2.4 million

EXCLUSIVE

Edinburgh council employees have been overpaid salaries by a staggering £2.4 million The Edinburgh Reporter can reveal.

At a time when proposed budget cuts are set to cause havoc on vital services, £1.6 million remains outstanding and the situation has worsened over the last 12 months.

Over a five year period since April 2019, 1,533 staff – a mix of local government and learning and teaching staff – have received more wages into their bank account than they were entitled to.

The shocking figures up to March 2024 reveal overpayments totalled £2,424,000 – with the number of staff overpaid and financial loss to the local authority increasing year on year.

In the period April 2019 to March 2020, a total of 132 council employees received £227,000 in overpayments but in the year April 2023 to March 2024 that had more than trebled to £786,000 being overpaid to 611 staff.

In the last 12 months the overpayments have continued to grow – 625 staff received £788,000 more than they should have – and in that same period the council have only managed to recover

£580,000 – of which £173,000 was from former employees who have left the council.

Between April 2022 and March 2023 – the worst period of overpayment – 456 staff were over compensated to the tune of £797,000, an average of £1,746 per person. Eighty learning and teaching staff received a total of £244,244, while 376 local government employees raked in an additional £551,373.

A Freedom of Information request revealed that just under 10% of the city council's 19,355 payroll had received more money than provided for in their contracts. The statistics show that currently 1,872 staff are due £1,637,324 to the cash strapped council – 293 learning and teaching staff being overpaid £431,488 and local government employees wrongly receiving £1,205,875.

April 2019 - March 2020	Number	Value
Learning & Teaching	35	£87,216.98
Local Government	97	£140,233.92
Chief Officers	0	-
April 2020 - March 2021	Number	Value
Learning & Teaching	26	£71,847.33
Local Government	86	£178,329.54
Chief Officers	0	-
April 2021 - March 2022	Number	Value
Learning & Teaching	24	£39,170.56
Local Government	218	£324,325.60
Chief Officers	0	-
April 2022 - March 2023	Number	Value
Learning & Teaching	80	£245,244.12
Local Government	376	£551,373.20
Chief Officers	0	-
April 2023 - March 2024	Number	Value
Learning & Teaching	68	£229,460.37
Local Government	543	£556,401.35
Chief Officers	0	-

The shocking catalogue of overpayments made to council staff over the last five years.

In June it was revealed that in a bid to plug a £110 million budget black hole, Edinburgh's health and social care funding was to be slashed by £33 million, impacting on many of the city's most vulnerable residents.

Among the cuts was the closure of "The Works", an employability programme which assisted individuals with mental illnesses such as schizophrenia and bipolar disorder into work and which was expected to save £430,000 – £358,000 less than the £788,000 overpaid to council staff in the last year.

The city's education budget is to be reduced by £22.4 million, which includes a £4 million reduction of inclusion spending which supports children with additional support needs, while a £2 million cut to contract spending for external services, including the provision of "holiday hubs" for children with a disability, has caused uproar.

Another option to slash £12 million of education spending from 2025/26, is to reduce the number of children in more expensive care placements outside of the city, and limiting the number of funded nursery placements in private settings, while selling additional hours in council-run nurseries to generate income.

The overpayment revelations will be an embarrassment for recently appointed city council chief executive Paul Lawrence, who said recently that one of his priorities was to empower middle and front line managers to "get the job done".



Paul Lawrence CEO of The City of Edinburgh Council
Speaking on the challenge of maintaining services against budget cuts, he added: “You can only focus on the basics if front-line staff are empowered to fix them and I want to do a lot on that” while he promised not to sugar coat some “pretty unpalatable” options which were being considered.

The City of Edinburgh Council blamed the overpayments on a number of factors, including annualised contracts, staff turnover and a lack of timely reporting of payroll information. A spokesperson said a new HR/Payroll would help address the issue and that there had been targeted interventions where overpayment had increased.

Council Leader, Cammy Day, said: “Our payroll salary and wage payments are around £620 million annually and on average 99.5% of our payments are accurate every month. However, it is important that any errors are addressed so reducing and seeking to recover all overpayments is a key focus for us.

“We’ve specifically brought measures in place to help us

strengthen procedures and reduce overpayments, including detailed monitoring and increased training. This will be reinforced by the roll out of our new HR/Payroll system in October.”



Council Leader, Cllr Cammy Day – photo The Edinburgh Reporter.