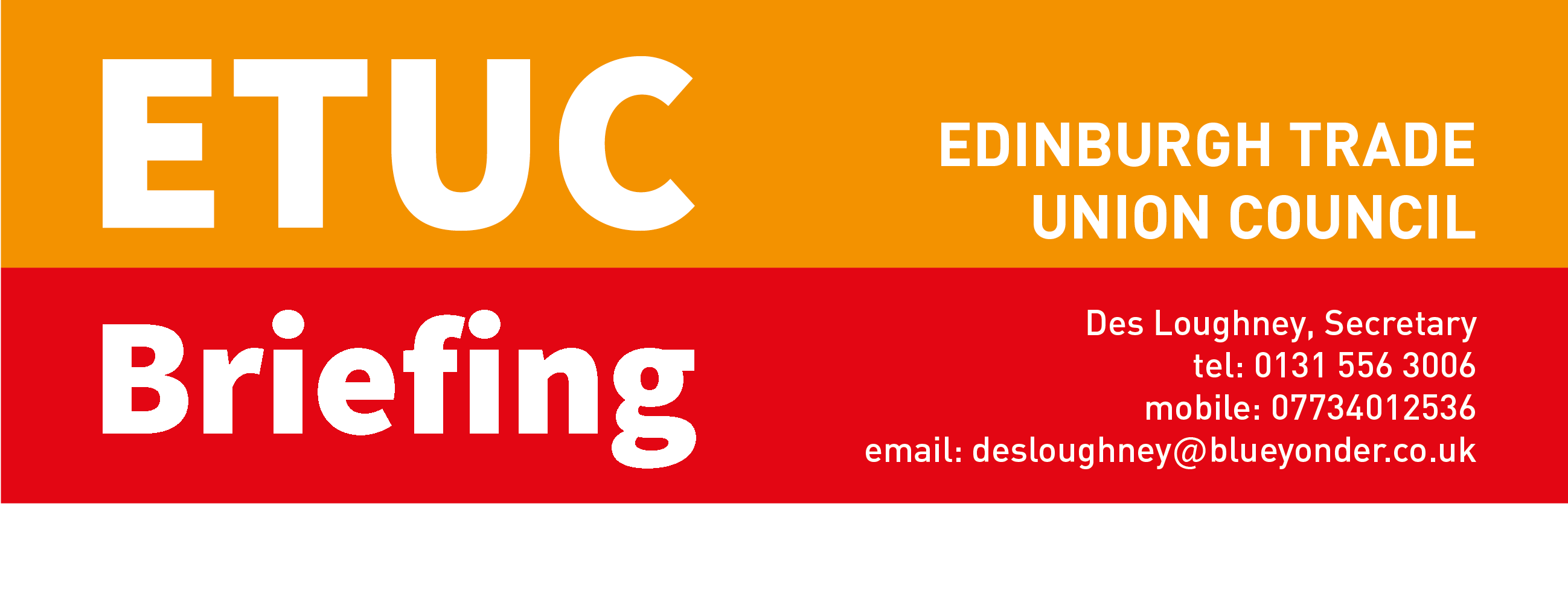
**Edinburgh Trade Union Council**

**A Briefing on the City of Edinburgh Council’s budget issues 2018/2019- February 2018**

**Council’s Financial situation?**

This is getting worse. In 2008 the Council received about £1b for revenue expenditure. In 2017 the sum received was £938m. It is estimated that to purchase the same services as on 2008 the Council would require an additional £200m to what it received in 2017.

UNISON City of Edinburgh Council Branch has produced a briefing note entitled: ‘Council Budget Cuts 2018/2019’ which can be seen on its website.

It is reported that Edinburgh will have a ‘standstill budget’ for 2018/2019. This is despite planning to levy a 3% council tax. This tax is not allowing the development of services but is lessening Scottish Government cuts. There would not be a standstill budget without the tax increase.

It is only a ‘standstill budget’ if you assume that the projected inflation increase is around 1.4%. It is known that many Council costs will increase at more than 2%. These costs include projected wage increases and those arising from demographic changes: that is population growth.

**What is the Council getting from the Scottish Government?**

In the autumn of 2017 the Council was expecting to have to make cuts next year (2018/2019) of about £60m (this was on top of cuts of previous years). The Scottish Government (SG) then agreed to give the Council an additional £10m which reduced the savings target to £50m. Within the last week the Greens have negotiated a further £200m for Scottish local authorities. It seems that Edinburgh will receive a further £12.4m. The coalition will have to decide how this will be used to amend their budget. There is scope for lobbying on how this sum should be spent.

The Scottish Trades Union Congress produced a briefing on the SG budget for the whole of Scotland. This states that the SG can raise an additional £800m in tax “whilst seeing no tax increases for anyone earning below the median income, and still seeing modest and affordable impacts on those higher up the income spectrum”. The STUC condemned the SGs intention to provide tax cuts for business. This tax cut will have no positive effect on the economy or jobs.

A very disturbing report on local authority finances has been published by Audit Scotland. The report is called “Local government in Scotland:Financial Overview 2016/17”. It was published on 28/11/17.

“A major element of this operating environment for councils is the continuing pressure on finances. There was a real terms reduction in councils’ main source of funding from the Scottish Government for 2016/17. This year has seen a further real terms funding reduction, with that trend forecast to continue into future years.”

**How to improve the Council’s financial position?**

1. **Lobby the Scottish Government to raise more money through general taxation.**

**2. Lobby the Scottish Government to increase the income from business rates.**

**3. Tourist Tax**

**4. Debt relief**

**5. Other forms of local authority income generation**

**6. Ending the use of PFI and transnationals such as Carillon and Capita.**

**7. Lobby the Scottish Parliament.**

**8. Up to date valuation of Edinburgh properties (last valuation 1991).**

**Some Examples of the effects of the City’s financial problems?**

1. **Social Care:** the Council has 8576 hours per week of assessed care (as at 27/12/17) (covering 981 people) which it cannot provide. The level of unmet care per week on 29/5/17 was 5534 hours. The level of unmet care has grown by 3000 hours per week in six months. The Council has about 1900 people who are waiting on assessments for Social Care. Some of been waiting for over two years and many for over a year. Edinburgh TUC intends, under the Freedom of Information Act, to ask the Council how many people with disabilities are waiting for assessed care and how many are waiting on assessments. We will also ask how many people have died during the last year and ask if the deaths are linked to the failure to get a service. There is already evidence that people have died waiting for care.

The Edinburgh Joint Integration Board stated (26/1/18):

“Current levels and patterns of support to enable people to leave hospital are not sufficient to bring about the reduction required in the level of delay. There are major challenges in terms of the capacity of the care system and of affordability”.

**2.** **Jobs:** the so called ‘Transformation’ process continues. Labour has said that it will not support compulsory redundancies. The trade union response to this is that there are compulsory redundancies in the voluntary sector, following local authority commissioning, due to cuts in funding. In addition redundancies of directly employed Council employees are all but being made compulsory redundant now. People are leaving because the changes in job descriptions are unacceptable, because of grading changes or because of sharply increasing job loads as staff numbers go down. There are still a thousand jobs at risk. In some departments everyone over 60 has gone and there is nobody under 30 (because there no openly advertised vacancies).

Local authority trade unions and Not For Profit trade unions are reporting that funding cuts and job changes are resulting in high levels of stress at work which is leading to increased sickness absence. The stress is worse for people with disabilities.

**3. Sports facilities:**

The proposed budget for 2018/2019 will have a serious impact on the maintenance of sports pitches and facilities. The level of maintenance will now be below what is recommended for the long term preservation of facilities.

**4. Libraries**

Libraries are an essential community resource including a resource for people for whom it is the only access to the internet. They are in danger of closing. Keep libraries open and properly staffed is a major equality issue for the City of Edinburgh.

**5. Nurseries**

The Council and the Scottish Government have identified that Edinburgh needs an additional 30 nurseries by the year 2020 if policy commitments are to be met. The capital funding for these nurseries have not yet been allocated all though that should have been done if the nurseries are to be there when needed.There should be no consideration to the build being tied up in a PFI arrangement. This would be a bad deal for the community. The staff needed for the 30 nurseries do not exist. They will have to be trained and there are no current arrangements to train them

At the moment the Council has a policy to replace nursery nurses by grade 3 assistants who have not be trained to the right level.

**6. Janitors and industrial action**

Janitors are having a ballot on industrial action. Their main concern is not about wages but is about the service level. They fear that the functional safety and security of their buildings will be put into the inexperienced hands of people who may not work for the Council. This will pose risks for pupils, teachers and other staff.

**7. Other issues**

* 1400 children in care in Edinburgh. The service to these children should not be cut.
* the Council housing stock its less than the Council housing waiting list. The Council is not meeting the needs of homeless people. ‘Sofa Surfing’ is at an unacceptable level.
* asylum children need to be properly supported.
* the Council says it cannot set an illegal budget but at the same time can set a budget that arguably fails to meet its statutory duties. The breaches of statutory duties needs to be drawn to the attention of the public not brushed aside because of vague official definitions of a statutory duty.

**Councillor’s and political leadership?**

Councillors and the coalition need to do more to explain to the public the impact of austerity on services and jobs.

**They have to say that they cannot manage the proposed budget for next year while still meeting reasonable public and workforce expectations.**

Explaining to the public can take many forms. One method could be Councillors leading on the use of public/parliamentary petitions e.g. the City Council asking all the citizens to sign a petition condemning the cuts aimed at the Scottish Government. A 38 degrees petition could be created.

Councillors should create a practical people’s budget for 2018/2019 indicating the resources that would be needed to avoid further cuts and to make a start on reversing austerity.

**Councillors need to say loud and clear to the public that “enough is enough’.**

**Councillor’s and Equality/ Poverty Impact Assessments**

As we understand it the Council has a statutory duty to consider the impact of budget decisions on

equality issues. It has a duty to consider whether the budget will affect poverty in the City. It is our view that the Council has failed in its statutory duty to carry out impact assessments to the level of detail that would be informative to staff or the public. It is our view that if a proper impact assessment was done on social care finances there would be a finding that the Council systematically discriminated against people with disabilities. The Council has yet to do an informative impact assessment of waiting list for social care or social care assessments. The coalition should ensure that these assessments are done and made public.

**Councils and Local Democracy**

It seems that the Scottish Government has a deliberate strategy to undermine local democracy. This is illustrated by:

* *the failure to provide proper funding;*
* *the failure to give additional local fund raising powers;*
* *the failure to make Joint Integration Boards properly accountable;*
* *the allocation (from the Scottish Government) of finance for schools directly to headteachers.*

**The Fate of English Councils**

It is sometimes said that what happens in England to local authorities shows what will eventually happen to Scottish Local authorities in a few years time. Recent media reports are saying that many if not most English local authorities are on the verge of bankruptcy. The Scottish Government seem to be proceeding in the same way. The SG should come clean with the public and state their strategy. Is their policy all about replacing democratic local authorities with less accountable Boards and Commissions?

Des Loughney

Edinburgh TUC 15/2/18