

# The Highland Council

25 February 2016

Agenda Item	3
Report No	HC/5/16

## Revenue Budget and Council Tax 2016/17

### Report by Director of Finance

#### Summary

This report sets out information relating to the revenue budget for 2016/17, to allow the Council to formally agree the revenue budget and council tax for the forthcoming financial year.

The following booklets accompany this report:

A – Summary of savings proposals

B – Detailed templates for individual savings proposals

#### 1. Background

1.1 On 18 December 2014 the Council agreed a budget for financial year 2015/16, a savings package of £17.4m was required to balance the budget. Despite the lack of firm grant settlements beyond 2015/16, the Council continued with its multi-year budget approach and prepared high level budgets for a further 3 years to 2018/19. As part of the financial assumptions flat cash settlements were anticipated in line with the previous year, and for financial year 2016/17 the forecast gap was £14.668m with agreed savings of £10.185m, leaving a residual budget gap of £4.483m at that time.

1.2 A report to Council on 25 June 2015 identified pressures in the 2015/16 budget and it was agreed to meet these pressures on a one off basis from the 2014/15 surplus. The full year effect for 2016/17, for which budget provision now requires to be made, is an increase in the budget gap of **£4.533m**, as follows:

	£m
Pay Award	1.841
Teachers Pensions	2.172
Holiday Pay	0.400
Winter Maintenance	0.120

1.3 Then the report on 25 June 2015 alerted Members, for the first time, to the possibility of a real cash reduction in the Local Government settlement. External advice commissioned by Directors of Finance indicated this could be around 1.6%, equating to a potential reduction in funding for Highland of £7.309m. It also became clear that proposals to end the “contracting out” status, and thus the rebate for the Local Government Pension Scheme was not going to be funded by either the UK or Scottish Governments. The impact on Highland from this was originally estimated at £5.450m.

- 1.4 The projected Budget Gap for 2016/17 at June was therefore revised to £21.622m to incorporate the above pressures and a minor income adjustment of £0.153m.
- 1.5 A further budget update was then provided to the December Committee, the day after the first version of Local Government Finance Settlement was issued by the Scottish Government. Annex F to the letter suggested that Highland Council's grant cut was 4.31%. The Director of Finance explained that when combined with "Further Additional Budget Pressures" outlined in the report a budget gap approaching £40m required to be closed in 2016/17.
- 1.6 Section 93 of the Local Government Finance Act 1992 requires Local Authorities to set a balanced budget each financial year.

## **2. Local Government Finance Settlement 2016-17**

- 2.1 Local Government Finance circular No 7/2015 was issued on 16 December 2015, with a revised version issued on 24 December. The circular provides details of the provisional revenue and capital funding allocations for 2016/17 although the final allocations will not be confirmed until February 2016. The Circular established that the Council would see a significant reduction in funding of £18.334m which is in fact just over 4% less than the previous year.
- 2.2 The final details of the Local Government Finance settlement and funding package for 2016/17 were confirmed in a letter dated 27<sup>th</sup> January 2016 from the Deputy First Minister (attached at Annex 3). The letter stated that "any council that does not sign up to the complete package will not receive their share of the Integration Funding (Health Budget) £250m, support for Teachers £88m and council tax freeze £70m". Refusal to accept the complete package would represent a potential loss in the region of £18m to Highland Council.
- 2.3 The Deputy First Minister required a response to the offer from Leaders by the 9<sup>th</sup> February. The Highland Council accepted the complete package, subject to homologation at this meeting, in a letter dated the 5<sup>th</sup> February 2016 from the Leader (attached at Annex 4).
- 2.4 Funding to Highland Council per the above circular amounts to £436.592m with two funding streams yet to be distributed.
- 2.5 Assumptions have been made, based on the previous year allocations and individual announcements, to calculate the overall funding position for the Council. The financial settlement for 2016/17 is calculated to total £439.404m as follows:

	2016/17 £m
Revenue Grant Funding from Scottish Government per FC 2/2015	436.592
Add: Free School Meals	2.536
Discretionary Housing Payments	0.276
<b>Total Funding Package</b>	<b>439.404</b>

The final allocations will not be announced until later, but it is not anticipated that there will be any material changes.

- 2.6 The Finance Circular provisionally sets the Non Domestic Rate poundage for 2016/17 at 48.4p in the £ (48.0p in 2015/16) and the Large Business Supplement at 2.6p (1.3p in 2015/16). Details of the Business Rates Incentivisation Scheme targets for 2015/16 (revised) and 2016/17 (provisional) will be confirmed shortly.

### 3. Budget Funding for 2016/17

- 3.1 Based upon the grant settlement notified for 2016/17 (section 2), with the assumption of a freeze on council tax, the total funding assumed for the revenue budget is as follows.

	2016/17 £m
General Revenue Grant	310.782
Ring-fenced Revenue Grants (Gaelic)	0.940
Non Domestic Rates Income	127.682
<b>Total Scottish Government Grant Support (see section 2)</b>	<b>439.404</b>
Council Tax Income	115.024
Planned Use of Balances	0.000
<b>Total Revenue Funding</b>	<b>554.428</b>

- 3.2 There is an increase in council tax income which relates to growth in the council tax base as a result of actual and projected increases in the number of properties which will be subject to the tax. The assumed collection rate is 98%
- 3.3 There are no planned use of balances for the 2016/17 revenue budget. However balances will be required for the upfront costs of the Voluntary Redundancy Scheme (VRS) detailed later in the report. Given the significant planned use of balances, and the non recurring nature of these, no use of balances to address the 2016/17 revenue budget is recommended.
- 3.4 In the event of any subsequent additions or changes to grant funding, these will be reported to Members during the course of the financial year and incorporated into the budget.

#### 4. Roll Forward Budget 2016/17

4.1 For each year's budget, consideration needs to be given to any changes or adjustments necessary in the base budget, to meet expected costs and demands in the forthcoming financial year.

4.2 Listed below are the main budget assumptions relating to the 2016/17 proposed roll forward budget:-

- Pay awards – a provision of 1.0% was assumed across all pay categories in accordance with pay award agreed with the Trade Unions.
- Expenditure inflation – continued cash freeze on all budgets, with any exceptions (e.g. inflation pressures or contract indices) to be considered as budget pressures. Pressures are discussed later within this report.
- Income inflation – an exercise has been carried out to identify appropriate percentage increases across the Council's income headings. The detailed increases are contained within Booklet B at proposal Corp/2. An assumption of 2% across all headings was the initial assumption but the detailed exercise has increased the total additional income projected for 2016/17.
- Pay increments – provision for estimated cost of staff pay increments.
- Pensions – provision for employer contribution increases for Local Government pension scheme members resulting from the statutory triennial actuarial valuation. Provision for employer contributions in respect of the Teachers scheme has been made in accordance with the notification received from Scottish Public Pensions Agency
- Loan charges – The 10 year Capital Programme agreed at the Council in December sees significant investment in the Council's infrastructure. Borrowing is required to fund that investment and an increase in the Loan Charges budget of £2.5m per annum is required to repay principal and interest. £4.5m was originally provided in 2016/17 as a result of the decision for the 2015/16 budget to defer £2m. However this pressure and the £2.5m annual increase for 2016/17 has been further deferred to later years due to continued programme slippage and a lower than anticipated opening debt position. To take account of the prolonged low interest rate environment the loan charge budget has been permanently reduced by £0.778m in 2016/17 (15/16 £1.123m).
- Joint Boards – the requisition from the Valuation Joint Board represents a pressure of £0.170m, having been agreed by the Joint Board in January.

4.3 Information on the roll forward budget adjustments is set out on **Annex 1**.

## 5. Administration Savings Proposals

5.1 The package of savings proposed for 2016/17 is a combination of savings agreed at December 2014 amounting to £10.185m and proposals from the Administration of £29.671m. A total savings package for 2016/17 of **£39.856m**

5.2 Overall, the package of savings proposals can be summarised as follows.

	2016/17 £m	% reduction to Budget
Care and Learning	8.420	2.1%
Chief Executive's Office	0.893	15.9%
Corporate Development	0.970	5.4%
Community Services	2.415	4.2%
Development & Infrastructure	2.011	16.7%
Finance	2.450	9.1%
<b>Total Service Savings</b>	<b>17.159</b>	
Corporate Savings	7.912	
Use of Preventative Spend	2.000	
Use of Second Homes Council Tax	2.600	
<b>Total Savings</b>	<b>29.671</b>	

5.3 Detail on these savings proposals are provided in summary form in **Booklet A** attached to this report.

5.4 The use of income generated from Council Tax on Second Homes is outlined in a letter from the Scottish Government dated 21<sup>st</sup> May 2013 and is in general restricted to funding affordable housing. The Council Leader, in the letter to the Deputy First Minister provisionally accepting the Finance Settlement, included a request for a one off relaxation of the conditions which will allow the additional income to assist with the Council's statutory homelessness functions. There will be no impact on the Council's new build programme should the relaxation be granted.

5.5 It is proposed to use a proportion of the additional funding for preventative spend to assist in closing the funding gap and prevent additional cuts to services, rather than being allocated for new funding initiatives.

5.6 Templates detailing the individual savings proposals are attached to this report in **Booklet B**.

5.7 A summary of the Service savings totals approved at the December 2014 meeting are attached at Annex 5

## 6. Voluntary Redundancy Scheme

6.1 A Voluntary Redundancy Scheme (VRS) was launched on 21 December 2015 with a closing date of 29 January 2016. At the Council Meeting on 17

December the Chief Executive and the Director of Finance were given delegated authority to approve or refuse straightforward applications with the more complicated applications being presented to the Employment Release Sub Committee (ERSC).

- 6.2 Staff were asked to consider applying for voluntary redundancy or reducing their working hours. It was made clear that not all applications would be accepted and that decisions would be made on the basis of service continuity and potential savings to the Council.
- 6.3 At the closing date 801 applications had been received. The Services have reviewed their applications and 341 applications have been accepted. The total annual saving in 2016/17 to the Council from the early release of approved applications is £9.95m. The upfront cost to the Council is £12.458m. Additionally 7 Teachers posts have been accepted, subject to final pension detail being received, and these are included in the above total.
- 6.4 The VRS is necessary in the short time available to deliver the necessary budget savings in a managed way that reduces the impact on services. The 341 posts cover all services in the Council and have been accepted on the basis that deleting the posts will result in reduced service capacity, but will still allow for the provision of safe and effective services within available resources.

A full report on the impact and outcomes from VRS will be reported to a future Resources Committee.

341 posts equates to 275 full time equivalent (FTE).

- 6.5 The cost of allowing a large number of staff to depart the Council is significant, but the level of revenue savings arising means the overall costs can be recovered in just over one year, providing a substantial and necessary recurring financial saving to the Council. The full year saving is £10.527m.
- 6.6 The delegated authority to the Chief Executive and Director of Finance has allowed scrutiny and challenge of Service proposals in order to ensure that the policies and procedures have been applied as consistently as possible.
- 6.7 In only five instances does it take more than three years (but under four) to recover the initial cost. However these are outweighed by the significant proportion which repay in under one year. These applications will be reported to ERSC for approval.
- 6.8 For planning purposes a net revenue saving of £5.9m was associated with the VRS. This took account of several factors:
- (a) savings agreed in December 2014, but applying to 2016/17;
  - (b) savings proposals current being considered by the Council;
  - (c) a number of applicants are part time, therefore the full time equivalent (FTE) of the VRS applications is substantially lower;
  - (d) the number of posts currently held vacant to deliver future years' savings;

(e) the chosen departure dates of staff applying for the VRS. Some have opted for 30 April, and some staff have had their application accepted but deferred until later in the year for service requirements.

6.9 The basic planning assumption used an average salary of £30,000 (including oncost). The actual average salary saving is £34,000 for 2016/17 rising to £38,000 for 2017/18 when the full year impact is included.

6.10 A number of applications have been received from Pupil Support Assistants, but these posts are supporting children in schools and can not be accepted without a more strategic plan in place. It is planned to reassess the allocation model and to realign resources based on need. The VRS applications received will assist in this process and will allow for a saving to be achieved, whilst ensuring that all necessary arrangements are in place to ensure service continuation. This will be the subject of a future report to Education, Children's and Adult Services Committee.

6.11 The table below shows the original model and actual outturn from the VRS.

	Estimate	Actual
Total approved number of applications (FTE)	333	275
Average Salary	£30,000	£34,000
Revenue Saving	£9.99m	£9.35m
Add Pupil Support Assistants		£0.60m
Total Revenue Savings	£9.99m	£9.95m
Less Savings proposals (double counting)	£4.09m	£4.05m
Net Revenue Saving	£5.90m	£5.90m

The outcome indicates that the number of staff applying (and the associated FTE) is very much in line with the planning assumption. Whilst this is a positive outcome in terms of the financial model, it does mean that there is no scope to make any further adjustment to the VRS component of the Budget being considered by Council today.

6.12 Further details of applications and approvals resulting from the VRS are attached at Annex 6.

## 7. Senior Management Savings

7.1 Over the past 8 years Highland Council has made significant savings in senior management costs, reducing some 46 posts at a recurring saving of £3.6m

7.2 The current scale of budget savings required to achieve a balanced budget for 2016/17 means that the number of senior management posts within the Council requires to be reviewed again. Given the impact on front line service delivery it is appropriate that the level of managers is reviewed on a proportionate basis.

7.3 The specific savings in front of members today contain a number of proposals

to achieve senior management savings across the Council. In addition there are a number of applications through the voluntary redundancy scheme across all services that add significantly to this total.

- 7.4 It is therefore important to highlight to Council, the impact of these changes on the levels of senior managers across all services from all savings proposals. The impact is significant, but in the circumstances is considered necessary.
- 7.5 There will undoubtedly be a loss of expertise and experience as a result, but the reductions are considered to be manageable although not without impact on performance, responsiveness and staff morale. In some instances there will be development opportunities for remaining staff.
- 7.6 The table summarises the anticipated and proposed reductions in senior management. For this purpose senior management has been defined as Heads of Service, third tier manager posts, and all posts that report directly to Director or Head of Service. Normally these are graded HC11 and above. Full details of the posts affected are attached as at Annex 9 to this report.

Service	Number of posts (FTE)	Financial Saving £m
Care & Learning	9	0.506
Community Services	9	0.587
Development & Infrastructure	5	0.340
Corporate Development	7	0.486
Finance	4	0.353
Chief Executive's Office	3	0.150
Total	37	2.422

## 8. Budget Pressures

- 8.1 Provision is required for unavoidable pressures and in 2016/17 this provision amounts to £15.955m. These pressures have been referred to in previous budget update reports with the exception of the final two on the list below. In respect of Winter Maintenance and Horticulture the Administration is proposing withdrawing these previously approved savings. An explanation of each one is provided below:



Heading	Paragraph	2016/17 £m
Removal of NI “contracting out” rebate	(8.2)	5.040
Contract Inflation	(8.3)	1.466
Funding Direct to Services	(8.4)	1.448
Preventative Spending Investment	(8.5)	2.000
School PPP – savings not realisable	(8.6)	1.700
NHS Highland Adult Care (3 year funding)	(8.7)	1.400
Auto Enrolment	(8.8)	0.750
Waste Management – increase in waste arisings	(8.9)	0.700
Living Wage increase	(8.10)	0.380
Schools Facility Management	(8.11)	0.100
Wick Schools – additional costs	(8.12)	0.331
Car Park – income not realisable	(8.13)	0.250
Winter Maintenance – saving withdrawn	(8.14)	0.240
Horticulture - saving not fully realised	(8.15)	0.150
<b>Total</b>		<b>15.955</b>

- 8.2 The introduction of the Pensions Act 2014 will see the end of the “contracted out” rate of National Insurance. Contracting out employers such as Local Government and Teachers Pension Schemes will lose a rebate of 3.4% on relevant insurable earnings.
- 8.3 Provision is required for Council contracts where an inflation indexation applies, for example PPP, ICT Managed Services, School and Public transport, Out of Authority placements etc.
- 8.4 The Funding direct to Services represents additional Scottish Government funding for specific initiatives for example the Children and Young People Act, Teacher numbers, Discretionary Housing Payments and the Council Tax Reduction Scheme.
- 8.5 Initiative to support preventative measures designed to reduce future costs.
- 8.6 The Scottish Government has confirmed that the Council will not be allowed to borrow to refinance the Councils two PPP contracts. This formed the major element of this savings proposal, which must now be withdrawn.
- 8.7 The Council approved a 3 year funding package with NHS Highland in March 2014 and 2016/17 is the final year of the arrangement. Further reference is made to this in Section 10 of the report.
- 8.8 At 3 yearly intervals employers have to auto enrol employees in their pension scheme. April 2016 is the 2<sup>nd</sup> time the exercise will be undertaken by the Council, and provision has to be made for an assumed additional cost based on previous experience.
- 8.9 Waste arisings are on the increase after a lengthy period of decline and provision requires to be made for actual costs.

- 8.10 There are additional costs arising from the increase in the hourly Living Wage rate.
- 8.11 A new model for the delivery of Facilities Management in schools was agreed by the Education, Children and Adult Services Committee.
- 8.12 Delays in reaching financial close and escalating costs for the new Wick campus and new primary schools.
- 8.13 Budgeted levels of income for Car Parking charges from previous years have not been achieved, though the new charges applicable in 2015/16 to Rose Street Multi-Storey Car Park are on target.
- 8.14 Re-instated budget savings proposal in respect of Winter Maintenance.
- 8.15 Partially re-instated budget savings from Horticulture as these have not been fully realised (original saving was £0.367m and £0.217m has been achieved).

## **9. Budget Consultation**

- 9.1 A report on the feedback from the Budget Consultation was presented to the special Council Meeting on the 21<sup>st</sup> January 2016. At that meeting Members debated the views gathered from the public from a survey of the Citizens' Panel, those selecting to complete the survey on-line and through several web chat events.
- 9.2 Members were advised that the responses from the Citizens' Panel can be generalised to the adult population of Highland as a whole. As such they can help Members with their budget decisions. The survey focused on the impact that certain savings proposals would have to individuals, their families and to the wider community. Of those proposals included in the consultation, the majority of panel members responded that the savings proposal would make no difference to them, but in several proposals they felt at least some difficulty would be faced by the wider community.

## **10. NHS Highland**

- 10.1 For 2016/17 the Scottish Government has provided £250m to maintain and grow Adult Care Services as part of the initiative towards integrating adult care and health care services. This funding is coming directly from the NHS block grant and is being paid directly to health boards. Clearly this is directed at the new legislative requirements placed on Health Boards and Councils from 1 April 2016. The situation in Highland is however quite different from the rest of Scotland as the Council and NHS Highland prepare to enter the fifth year of the "lead agency" model for commissioned adult care services.
- 10.2 In March 2014 Highland Council agreed a three year funding package for Adult Care Services. This involved additional funding from the Council, whilst at the same time required NHS Highland to achieve a number of savings in order to meet the growing demand for services and increasing costs of care.
- 10.3 Since the agreement was made NHS Highland has also invested significant

additional resources from health budgets into Adult Social Care, partly in response to new unforeseen cost pressures and partly to mitigate the potential service impact of some of the savings that were agreed in principle at the time the funding package was agreed.

- 10.4 The principles of this agreement were based around the grant funding settlement for local government, and predicated on a “flat cash” grant settlement over this three year period. The Council’s base budget for 2016/17 assumes a cash uplift of £1.4m in line with the agreement reached two years ago.
- 10.5 Clearly, from the Council’s perspective, the significant change in the Council’s financial position and a cut in grant of over 4%, means that the funding to NHS Highland needs to be reconsidered, but also needs to reflect the additional funding provided by the Scottish Government directly to NHS Highland. The Health Board’s share of the £250m is £10.7m for the Highland Council area.
- 10.6 The Scottish Government has placed a number of conditions around this funding, relating to the payment of the Living Wage to all providers of care services, expansion of services to reflect demographic changes and increasing demand for services. However it also recognises the need for councils to reflect the wider cost pressures in core services, and makes some allowance for councils to be able to use part of the funding to help budget pressures. Failure to meet these conditions would see the Council lose the £10.7m funding (although this funding is not being paid to the Council). It is understood that the fine detail of these conditions is still being finalised.
- 10.7 Whilst there cannot be absolute clarity on all of these issues, this budget report contains a proposal to reduce the Council’s funding by £4.1m from the level previously agreed, and in line with the reduction in the Council’s Grant Settlement. This still allows the Council to offer some protection to adult care services, given the scale of services reductions proposed elsewhere, but NHS Highland is confident that it can deliver the outcomes required by both the Scottish Government, and the Partnership Agreement, without a material adverse impact on frontline services, and avoids some significant cuts to services that may otherwise have had to be considered. The position is recommended by officers as a reasonable settlement.
- 10.8 With this proposal the overall funding for Adult Care Services (ACS), in cash terms, will increase by £8m in 2016/17. This consists of the following:-

	£m
Highland Council (base budget uplift)	1.4
Scottish Government grant	<u>10.7</u>
	12.1
Less Highland Council savings proposal	<u>4.1</u>
<b>Net Cash uplift</b>	<b><u>8.0</u></b>

- 10.9 It is understood from colleagues in NHS Highland that there are significant cost pressures facing ACS in 2016/17 (the most significant being the requirement to

introduce the Living Wage across the in house, third sector and independent sectors) and these are likely to exceed the £8m available. It is therefore likely that efficiencies will still be required in ACS in order to reach a balanced position. However, as noted above, it is hoped that this can be achieved without a material adverse impact on frontline services. It should also be noted that the cost of the Living Wage has been estimated based on a commencement date of 1 October 2016, per Scottish Government guidance. This means that there will be a significant full year effect impact of this running into 2017/18. This issue will therefore need to form part of the discussions for 2017/18.

## 11. Proposed Budget 2016/17

11.1 Based upon the information set out within this report, the proposed budget for 2016/17 would be as follows:

	£m
Base budget for 2016/17	573.239
Add: Roll Forward Pressures (Annex 1)	5.090
Add: Pressures 16/17 Provision (section 8)	15.955
Less: Budget Savings (section 5)	29.671
Less :Savings agreed December 2014 (Annex 5)	10.185
<b>Proposed Budget for 2016/17</b>	<b>554.428</b>

11.2 The budget would be funded as set out in section 3.1. Two savings proposals from the Finance Service contained in the booklets savings relate to increased Council Tax collections for debt previously provided for and therefore the final presentation of the Service budgets will see an amount of £1.303m being added to the income collection total with the resulting Service budget totalling **£555.731m** as shown below

11.3 The budget analysed by Service, would be as follows:-

	2016/17 Proposed Budget £m
Care and Learning	392.802
Chief Executives Office	4.804
Corporate Development	17.182
Community Services	55.523
Development and Infrastructure	10.297
Finance Service (incl. Welfare)	26.071
<b>Service Total</b>	<b>506.679</b>
Joint Boards –Valuation	2.550
Loan Charges	56.217
Interest on Revenue Balances	(0.180)
Non Domestic Rate Reliefs	0.701
Agreed pressures and savings held centrally pending allocation to Services (per 11.4 below)	(10.236)
<b>Total Proposed Budget 2016/17</b>	<b>555.731</b>

11.4 The amounts currently unallocated to Service Budget targets are:

	£m	£m	£m
<b>Provisions</b>			
Holiday Pay		0.400	
Auto enrolment		<u>0.750</u>	
<b>Savings</b>			
Transformational Savings 16/17		(3.961)	
Corporate Savings	7.912		
Excluding Fees and Charges	<u>0.487</u>		
		<u>(7.425)</u>	
<b>Total</b>			<b>10.236</b>

11.5 The proposed budget would represent a balanced budget for the year, and would provide for the conditions related to the grant settlement, set out in section 2.2, to be met.

## 12. Council Tax 2016/17

12.1 As stated earlier, the proposed budget is based upon an assumed further year of council tax freeze. As a result, the council tax assumed for 2016/17 band D remains at £1,163. If agreed, this would be the 9th year council tax has been frozen at 2007/08 levels.

12.2 The proposed tax for each council tax band is as shown below.

Band	Tax	Band	Tax
Band A	£775.33	Band E	£1,421.44
Band B	£904.56	Band F	£1,679.89
Band C	£1,033.78	Band G	£1,938.33
Band D	£1,163.00	Band H	£2,326.00

12.3 As stated earlier within this report, overall council tax income has been assumed to increase as a result of the actual and projected increase in council tax base. A collection rate of 98% is assumed.

## 13. Risks and Assumptions

13.1 The setting of the budget involves a range of assumptions being made, and inevitably there will be a number of risks and factors that need to be considered in the context of the budget. The following section sets out the keys risks and assumptions to be highlighted to Members. As highlighted in the next section, the Council has a reserves and balances strategy to help mitigate the adverse effect of any budget issues that may arise during the course of the year.

- Non pay inflation – The proposed budget will represent the 7<sup>th</sup> year the Council has held a cash freeze on non staff expenditure budgets. While certain budgets have been provided pressure funding where a significant inflationary impact or contract indices have been identified, the majority of budgets will have remained frozen over that time.

- Although there is no further information at this stage, future years grants settlements are anticipated to reduce by 2% per annum., A further percentage reduction will provide an extremely challenging environment for the Council, and there is significant uncertainty over this planning assumption
- The package provided by the Scottish Government with the requirement to maintain a national pupil teacher ratio represents a risk to Highland if this is not maintained. A number of factors are out with the Council's control e.g. teacher recruitment, absolute pupil numbers, and actions by other councils
- Delivering Savings – The implementation and delivery of a package of savings totalling £39.856m for 2016/17 represents a significant challenge for the Council both in scale and timing. This includes the timing of delivery of the VRS savings, and the impact of the loss of a large number of staff. Regular monitoring reports will be provided to each Resources Committee to update members on progress.
- It is anticipated that the Apprenticeship Levy will be implemented in Scotland from 1st April 2017. A sum of £1.1m has been provided for financial year 2017/18
- The changing demographics of the Highlands, in particular the increasing age profile of the population will provide additional financial challenges for the Council and its partner NHS Highland in future years

## 14. Reserves and Balances Strategy

- 14.1 In setting its budget for the year, the Council must give consideration to its reserves and balances strategy, and the adequacy of the sums held, particularly in relation to providing a contingency against unplanned events.
- 14.2 **Annex 2** sets out details of all reserves and balances held by the Council, their purpose, and projected balance as at 31 March 2016, the end of the current financial year.
- 14.3 Included within this annex are a range of earmarked and statutory reserves and balances, the stated purposes of which are as set out.
- 14.4 The General Fund Non-Earmarked Revenue Balance, which represents the Council's contingency balance against unplanned events, is forecast to stand at **£13.944m** as at 31/3/2016 excluding the current predicted surplus. This is equivalent to 2.51% of the Council's revenue budget. The statutory requirement to make "payment in lieu of notice" for those staff terminating employment with the Council at the end of March will have an impact on the balances held at the year end.
- 14.5 Funding will be required for the upfront costs of £12.458m resulting from the VRS announced in December. Inevitably these upfront costs will require to be met from both non earmarked reserves and earmarked reserves. The reduction

in reserves is regrettable but it is important that the Council gets a clean start for future budgets and the replenishment of these reserves will be considered in future budget reports.

14.6 A change in policy to retain £10m (1.8% of the Council's revenue budget in Non Earmarked reserves would release £3.944m) to meet some of the upfront VRS costs. In the current financial situation a change of policy is recommended.

14.7 Annex 7 further analyses the current Earmarked Reserves and proposes the re-classification of the following earmarked reserves. The reclassification will remove the current earmarking and make the balance available to meet the upfront costs of approved VRS applications

	£m
• Predicted Surplus for 2015/16	2.948
• Business Rates Incentive Scheme	0.812
• Community Challenge Fund	0.475
• Strategic Change And Development	1.489
• Early Years Investment Fund	1.126
• Winter Maintenance Fund	1.003
• ICT Investment Fund	0.150
• Non Allocated DSM	0.500

**Total** **8.503**

14.8 The total amount of reserves, based on the above policy change, will release £12.447m to meet the upfront VRS costs. The balance will be met from retaining all other surpluses from financial year 2015/16 and channelling into this re-classified reserve. Earmarking will only be undertaken with the express permission of the Director of Finance.

## 15. Budget Planning for 2017/18 and 2018/19

15.1 Firm grant settlements for the years 2017/18 and 2018/19 are not available but it is assumed in this paper that grant reductions will continue and for planning purposes the reduction has been assumed at 2% per annum

15.2 Grant reductions represent further years of significant real-term decline in the Council's funding. It is therefore essential that Service re-design takes place over the next 9 months. The Chief Executive intends to present a report to the next Council meeting on 10<sup>th</sup> March outlining a process for undertaking this re-design work.

15.3 The Council has a multi-year budget approach but this approach is severely constrained by the lack of settlement information beyond the current year. A summary of the current position for the next two years is shown below with more detail of the savings proposals provided in **Booklet A**.

	2017/18 £m	2018/19 £m
Estimated Roll Forward Budget	575.731	561.448
Agreed savings December 2014	(6.113)	(9.112)
Savings Proposals	(1.673)	(0.407)
<b>Estimated Budget Total</b>	<b>567.945</b>	<b>551.929</b>
Estimated Total Resources	546.675	538.656
<b>Estimated Budget Gap</b>	<b>21.270</b>	<b>13.273</b>

- 15.4 The assumption currently built into the estimates is that the Council Tax freeze will continue. The Scottish Government has indicated a wish to review the current tax system with a view to bringing forward proposals. However it is assumed any new tax system is at least two years away.
- 15.5 No formal budget decisions are required for 2017/18 and beyond at this stage. However some budget proposals for 2016/17 have a full year effect in 2017/18 and these are reflected in this report. No additional proposals are being made at this stage, and this information is purely for noting. It will however form the basis for future financial planning reports.

## 16. Implications

- 16.1 Resource Implications – are detailed in this report. In total the revenue budget for 2016/17 would be set at £555.731m
- 16.2 Staffing Implications – Estimated staff reductions as a result of the savings proposals are detailed in the Booklets and total 361.5 for 2016/17. The process of managing this staffing reduction will be in line with the Council's Redundancy and Redeployment Policy. The Council is currently proactively managing its vacancies to ensure that posts, which become vacant through the natural turnover of staff and are suitable for redeployment, are identified and held for that purpose in the first instance.
- 16.3 Legal Implications - no specific legal implications are identified in relation to the proposals within this report.
- 16.4 Climate Change/Carbon Clever Implications – Budget proposals can have positive or negative impacts in relation to climate change. Clearly a reduction in the number of staff employed in the Council will lead to a reduction in associated energy use and thus a reduction in the carbon footprint. Other proposals could impact negatively, e.g. the proposal in the Chief Executive's Office to reduce funding on promotional activity but this is non-statutory and other ways of promoting low carbon living can be used. Any other impacts found will be reported as part of the Carbon Management Plan annual report.
- 16.5 Equality Implications – The Council is committed to equal opportunities in all our activities. Under the Equality Act 2010, public authorities are required to show due regard to the elimination of discrimination, the advancement of equality of opportunity and the fostering of good relations (the general duty) on the grounds of age, disability, gender reassignment, pregnancy and maternity,



race, religion and belief, sex, and sexual orientation. The protected characteristic of marriage and civil partnership is covered by the elimination of discrimination duty only. Equality Impact Assessments (EQIA) have been carried out where screening showed they were necessary, to ensure that equalities have been considered in all budget decision making. This is detailed below.

- 16.6 An Impact Assessment is a pro-active step to ensure wherever possible preventative measures are taken to avoid discrimination or unfairness on any equality grounds before it occurs. As part of the budget process a screening assessment was undertaken to identify if any of the proposed savings could result in less favourable treatment of equality groups, and whether a full EQIA should be carried out on any proposal. A summary of the impacts is attached at Annex 8 and information on the impacts for each savings proposal is included in the Booklet B. Where a full EQIA was carried out, full detail is published on the Council's website.
- 16.7 Rural Implications – Full consideration was given to Rural implications when savings proposals were being assessed and where applicable Rural impacts are identified at Annex 8. Rural implications were considered too as part of the process for considering Voluntary Redundancy. The location of applications accepted is shown in Annex 6 and this highlights that all areas are affected, but rural areas are not disproportionately affected by the decisions made.
- 16.8 Risk Implications – The Council must set a balanced budget and the recommendations from this report will achieve that in 2016/17. The main risks and assumptions are set out in paragraph 13.1.
- 16.9 Gaelic implications – Proposals to reduce expenditure on Gaelic are included for Members to consider. These do not affect Gaelic education in schools or the Council's statutory duties.

## 11. Recommendations

Members are asked to consider this report and:-

- (a) agree to accept the Scottish Governments funding package
- (b) agree a council tax freeze for 2016/17, with the council tax at band D for the year being **£1,163**;
- (c) agree the saving proposals in booklet A
- (d) agree the revenue budget for 2016/17 of **£555.731m**
- (e) note the initial budget outlook for years 2017/18 and 2018/19.
- (f) agree to the revised strategy for the non earmarked general fund balances and to reclassify earmarked balances as detailed in section 14 thus allowing £12.447m of the upfront costs of £12.458m arising from the Voluntary Redundancy Scheme to be met immediately.
- (g) note that the small balance of upfront costs will be met by retaining other surpluses from 2015/16 and that earmarking will only be undertaken with the express permission of the Director of Finance
- (h) agree to change the policy regarding Non Earmarked Reserves from 2.5% of the Net Revenue Budget to a minimum sum of £10m, equivalent to 1.8%.

Designation: Director of Finance

Date: 13th February 2016

Author: David Robertson, Head of Corporate Finance

Background Papers: Local Government Finance Circular

## Roll Forward Budget Pressures

		2016/17	
<i>Inflation, Increments &amp; Pensions:</i>			
Pay Awards	Teachers	1.212	
	Other Staff	1.982	3.194
Inflation	Costs	Nil	
	Income – Fees, Charges and Recharges	-1.327	-1.327
Increments	Teachers	0.765	
	Other Staff	0.738	1.503
Pension Increases	Teachers	0.947	
	Other Staff	0.603	
			1.550
Requisition Increases/Decreases: Valuation Joint Board		0.170	0.170
<b>Total Roll Forward Budget Pressures</b>			<b>5.090</b>

## Reserves and Balances Strategy

	<b>Projected Balance as at 31/03/2016 £m</b>
<b>General Fund</b>	
<b>Non-earmarked balances (includes projected surplus)</b>	<b>16.892</b>
<b>Earmarked Balances</b>	
Devolved School Management	2.593
Developers Contributions	1.880
ICT Investment Fund	1.368
Central Energy Efficiency Fund	0.677
Winter Maintenance	1.003
IRA Gaelic Extension	0.152
Business Rates Incentivisation Scheme	1.312
Community Challenge Fund	0.499
Strategic Change and Development Fund	1.408
Strategic Change and Development Fund – CIP	0.081
Welfare Issues	0.608
Discretionary Housing Payments	0.172
Pathfinder North/SWAN	0.363
Badaguish Outdoor Centre	0.454
Early Years Investment Fund	1.126
ECS Take Pride, Take Part	0.100
Sensory Impairment	0.008
H&SC Commissioned Child Health	0.500
Developing the Young Work force	0.685
Employability Services	0.233
Highland Core Paths Implementation Project	0.061
Redevelopment of 30 Princes Street, Thurso	0.055
Walks to Water	0.124
Low Carbon Street Lighting	0.104
	<b>15.566</b>
<b>Total General Fund</b>	<b>32.458</b>
<b>Housing Revenue Account (HRA)</b>	<b>7.328</b>

## Fund Balances

Renewal & Repair Fund	1.700
Capital Fund	33.500
Insurance Fund	2.900
Usable Capital Receipts Reserve	2.300
<b>Total</b>	<b>40.400</b>

## Purpose of Balances

- **General Fund Revenue Balances – Non Earmarked**

- A general contingency held by the Council to provide balances to deal with unforeseen and unplanned events e.g. pay or inflationary pressures, interest rate rises, demand led service pressures, extreme weather events, or other unplanned expenditure. The policy position is that a sum equivalent to 2.5% of the Council's revenue budget is the target level to be held to provide a general contingency.

- **General Fund Revenue Balances – Earmarked**

- **Devolved School Management:** An earmarked balance held by schools to provide year end budget flexibility and carry forward between years. The scheme is in line with National requirements for devolved school budgets. Decisions on use of earmarked DSM balances are delegated to Head Teachers.
- **Strategic Change and Development Fund:** An earmarked balance to provide funding for meeting costs associated with implementing change within the Council.
- **Central Energy Efficiency Fund:** The earmarked balance represents a 'revolving' fund which was originally established from Scottish Executive grant. In line with grant terms and conditions, savings from energy investment projects have been fed back to allow the funding to continue year on year. The fund supports projects to deliver on Council and Scottish Government targets relating to energy efficiency and carbon reduction.
- **Business Rates Incentivisation Scheme:** By exceeding the target set by Scottish Government for Non Domestic Rates Collection in 2012/13 an earmarked balance has been created from the surplus retained in accordance with the scheme.
- **IT Investment:** The purpose of the ICT investment earmarked balance is to provide funding for essential corporate ICT infrastructure improvements. The sources of funds are both internal and external, and include Scottish Executive Modernising Government Fund.
- **IRA Gaelic extension:** An earmarked balance to provide investment in the provision of Gaelic at the IRA.
- **Winter Maintenance Fund:** An earmarked balance to provide a contingency for extreme weather events.
- **Welfare Issues and DHPs:** An earmarked balance to mitigate the adverse impact on welfare budgets as a result of their demand led nature.
- **Community Challenge Fund:** An earmarked balance to help fund Community Groups to deliver Council services in their area

- **Pathfinder /Swan:** to assist in the transition to SWAN
  - **Badaguish Outdoor Centre:** To provide alternative services to those previously provided at Badaguish
  - **Early Years Investment:** To support future pressures in Early Years from prior years underspend
  - **Grant and Match Funding:** The remainder of the earmarked balances provide match funding for projects in receipt of external funding or manage the timing differences over financial years when projects don't complete within one fiscal year
- **Housing Revenue Account (HRA)**
    - The Council decides annually the application of HRA balances to housing activities.
- **Repair & Renewal Fund**
    - This statutory fund holds commuted sums received from developers, representing payment to the Council for the Council to adopt land and undertake responsibility for ground maintenance. Interest earned on the fund balance is credited to the revenue account each year to support ground maintenance expenditure. The fund is held to meet the Council's adopted land responsibilities, and relates also to legal agreements entered into with developers. As such, the fund is not available to utilise for other purposes.
- **Capital Fund**
    - **Capital Fund (a) Developer Contributions:** This statutory fund holds contributions received from developers, under Section 75 or other planning agreements. Funds held are used to fulfil infrastructure or community enhancements in line with the developer contribution.
    - **Capital Fund (b) Landbanking Fund:** This statutory fund is used to support affordable housing investment within the Highlands. The fund is used to acquire land, provide infrastructure investment, and provide loans to partner housing organisations including housing associations and The Highland Housing Alliance. Income from repayment of loans and sale of land to housing associations is used to replenish the fund. The only use of the fund is for affordable housing support.
- **Insurance Fund**
    - This statutory reserve is used to meet insurance costs and risks.
- **Usable Capital Receipts Reserve**
    - This reserve represents capital receipts generated from the sale of assets but not yet applied to support the funding of capital projects.

Deputy First Minister and Cabinet Secretary for Finance, Constitution and  
Economy  
John Swinney MSP



T: 0300 244 4000  
E: [dfm@gov.scot](mailto:dfm@gov.scot)

Councillor David O'Neill  
President  
COSLA  
Verity House  
19 Haymarket Yards  
Edinburgh  
EH12 5BH



Copy to: The Leaders of all Scottish local authorities

27 January 2016

Dear David

I write now to confirm the final details of the Local Government Finance settlement for 2016-17, following the conclusion of our partnership discussions to consider the package of measures contained in my initial letter of 16 December 2015.

This funding package is focussed on delivery of our joint priorities to deliver sustainable economic growth, protect front-line services and support the most vulnerable in our society.

I have considered the representations made to me by COSLA and this is reflected in the detail of the settlement and the package of measures included in this letter. My aim throughout our extensive discussions has been to reach an agreement with councils around the implementation of these commitments. I invite local authorities to agree the terms of the settlement.

The measures set out in the settlement offer must be viewed as a package to protect shared priorities and intensify a journey of reform. In order to access all of the funding involved, of £408 million, local authorities must agree to deliver all of the measures set out below and will not be able to select elements of the package.

#### Integration Fund

The offer being made is that £250 million will be provided from the Health budget to integration authorities in 2016-17 for social care:

That of the £250 million, £125 million is provided to support additional spend on expanding social care to support the objectives of integration, including through making progress on charging thresholds for all non-residential services to address poverty. This additionality reflects the need to expand capacity to accommodate growth in demand for services as a consequence of demographic change.

That of the £250 million, £125 million is provided to help meet a range of existing costs faced by local authorities in the delivery of effective and high quality health and social care services in the context of reducing budgets. This includes our joint aspiration to deliver the Living Wage for all social care workers as a key step in improving the quality of social care. The allocation of this resource will enable councils to ensure that all social care workers including in the independent and third sectors are paid £8.25 an hour. This assumes that private and third sector providers will meet their share of the costs. The Government would prefer implementation on the 1 April but we accept COSLA's point that preparatory work will be required to ensure effective implementation. We therefore agree to an implementation date of 1 October. In 2016-17, Councils can allocate up to £125 million of their 2015-16 costs of providing social care services to Integrated Joint Boards including the uprating of staff to the Living Wage. This will ensure an overall benefit to the provision of health and social care of £250 million. To ensure transparency for the flow of funding support for local authorities and delivery of the Living Wage commitment the arrangements will be signed off at a local level by the appropriate Integration Authority Section 95 Officer.

### Teacher Numbers

The Scottish Government has been consistent that the protection of teacher numbers is a central part of our priority to raise attainment. Following our discussions and the further representations COSLA has made, the Scottish Government have agreed that the measure for the implementation of that target, against a forecast that pupil numbers will increase over the coming academic year, will be the maintenance at a national level of the pupil teacher ratio.

The objective will be to maintain the pupil teacher ratio nationally at a value of 13.7 (the same level as in 2015) in local authority schools as shown in the Teacher and Pupil Census published in December 2016 and the teacher and probationer commitments in 2016-17. In order to support delivery, the Scottish Government will continue to monitor these commitments throughout the year.

### Council Tax Freeze

The Scottish Government was elected on a commitment to freeze the council tax for the entirety of this Parliamentary session and is committed to delivering this policy. Many local authorities have a commitment to freeze the Council Tax over a similar timescale. Against the questions of the wider revenue-raising challenges raised in the Budget the Scottish Government believes that it is important to provide protection for household incomes in what has been a very financially challenging period for many households.

The Scottish Government has now received the report from the Commission on Local Tax Reform and the Government believes now is not the time to dispense with the protection the freeze offers. Looking ahead we will be bringing forward plans for reform of the present Council Tax, reflecting the principles of the report, and we are committed to working in partnership with local government on the implementation of that.

For 2016-17 individual local authorities will again require to agree to work with the Scottish Government to deliver a council tax freeze for the ninth consecutive year.

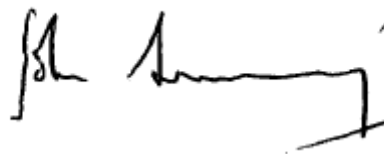


Any council that does not sign up to the complete package will not receive their share of the Integration Funding (£250 million), support for teachers (£88 million) and the council tax freeze support (£70 million). Should that be the case, steps will be taken to recover the latter two elements that have been distributed from the individual council's allocations in the local government finance settlement in-year.

If in the event, however, a council that does sign up then does not deliver any of the remaining specific commitments on council tax freeze, social care spend, including delivery of the £8.25 per hour Living Wage or national teacher targets then the Scottish Government reserves its position to take action to remove access to or recover that element of the additional funding support earmarked to deliver each of the remaining specific measures. In the case of pupil teacher ratio not being maintained nationally then the Scottish Government reserves its position to recover monies allocated to individual authorities whose pupil teacher ratio rises. This action will be proportionate and apply only to that element of the funding for a specific measure that a local authority subsequently does not deliver as set out in the paragraph above.

I will require those Council Leaders who intend to take up the offer and agree the full package of measures to write to me to set out their position, including on the council tax. Given that I am setting out changes to the proposals we previously discussed, I want to give local authorities every opportunity to consider these issues in full. Leaders should therefore provide their response to me by no later than Tuesday 9 February 2016.

I fully understand the pressures on budgets, which is being felt across the whole of the public sector, but I firmly believe that the funding proposals I have set out for local government protects our shared priorities and delivers practical financial support to intensify the pace of reform. I hope you and your fellow Council Leaders can agree that in the circumstances the proposals deliver a strong but challenging financial settlement. The key to addressing this challenge is reform and local government is a key partner in our programme to reform and improve public services.

A handwritten signature in black ink, appearing to read 'John Swinney', written in a cursive style.

**JOHN SWINNEY**



MD/GM  
5 February, 2016

John Swinney MSP  
Deputy First Minister and Cabinet Secretary for Finance, Constitution & Economy  
Scottish Government  
St. Andrew's House  
Regent Road  
Edinburgh  
EH1 3DG

Dear John

### **Local Government Finance Settlement**

I refer to your letter dated 27 January, 2016 clarifying the final conditions regarding the package of proposals associated with the Settlement, and the penalties that will be imposed should the Council not agree to comply with this final offer.

I am disappointed that it has not been possible to reach any agreement with COSLA to lessen the conditions applying to the Settlement. In view of the penalties that would be imposed on the Council, I can confirm that the Highland Council will accept the Local Government Finance Settlement as detailed in your letter of 27 January, 2016, subject to the Highland Council meeting on 25 February, 2016 where the Council will discuss and agree a budget for 2016/17 and consequently make a formal decision regarding the offer.

The Council faces a very significant challenge in delivering a balanced budget for 2016/17 and will have to find savings of around £38m. The Council will have to take very difficult and painful decisions, which will mean reducing staff and budgets which will lead to cuts in services.

It is estimated that we will lose around 500 posts and as you know the cumulative effect will see approximately 15,000 jobs being lost in local government across Scotland.

You may also be interested to know that following a recent public consultation on proposals for the Council's budget, the public highlighted their concern at the potential impact of the Council's proposals on the wider community. They also indicated a preference for increasing the Council Tax, with 61% indicating that they would be willing to accept a 5% increase in Council Tax.

In view of this we had been exploring the possibility of a moderate increase in the Council Tax in order to protect vital local services; however this option is now on longer possible. We also have been looking at the Council Tax on second homes and whether there was flexibility in how this money was allocated.

**Councillor Margaret Davidson**  
Leader of The Highland Council

The Highland Council, Glenurquhart Road, Inverness, IV3 5NX  
tel no: (01463) 702832 fax: (01463) 702830  
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The Council is seeking some flexibility in the interpretation of the use of Council Tax income on second and holiday homes for 2016/17 as part of its overall budget considerations.

We would like your agreement to use Council Tax income from second & holiday homes in 2016/17 to fund revenue costs associated with our statutory homelessness functions which has been identified as a significant budget pressure for the Council.

The Council's use of its unique housing land bank fund is supplemented by income from second & holiday homes, which has enabled the Council to deliver or part fund over 2200 new affordable homes over the past 10 years including almost 1000 new council homes. The land bank fund currently has available reserves (net of agreed commitments) of almost £3.4 million to invest in new council and other affordable homes. This will be sufficient to deliver our agreed programme with the Scottish Government and Registered Social Landlords partners.

This relaxation would be for 2016/17. The Council will continue to deliver an ambitious new Council build programme and work with Housing association partners to assist the Scottish Government in meeting its target of 50,000 new affordable homes by 2020.

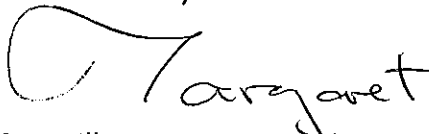
We are committed to redesigning how the Council operates and to sharing services and are currently in active discussions with neighbouring councils in the north of Scotland to develop specific proposals. However unless local government has adequate resources and greater flexibility in how it uses those resources, it is difficult to see how local government can continue to deliver the services it currently provides.

On a positive note, I very much welcome your support as we seek to negotiate a city/region deal for Inverness and the Highlands and I am grateful for the help and support of Scottish Government Ministers and officials as we seek to reach agreement.

I also very much appreciate your active engagement in securing improved digital connectivity across the Highlands, which is a key priority for the Council.

I am sorry that our meeting on 9 February, 2016 had to be cancelled due to Parliamentary business, however I would be grateful if you could give me an early indication of your view regarding flexibility in the interpretation of the use of Council Tax income on second and holiday homes for 2016/17.

Yours sincerely



**Councillor Margaret Davidson**  
**Leader of The Highland Council**

**Councillor Margaret Davidson**  
Leader of The Highland Council

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Service	Savings				Staff Impact			
	2016/17 £m	2017/18 £m	2018/19 £m	3 Year Total £m	2016/17 FTE	2017/18 FTE	2018/19 FTE	3 Year Total FTE
Care and Learning	3.869	1.836	0.859	6.564	41.5	14.6	0.0	56.1
Chief Executive's Office	0.047	0.047	0.042	0.136	0.0	0.0	0.0	0.0
Corporate Development	0.143	0.143	0.143	0.429	5.0	5.0	4.0	14.0
Community Services	1.166	0.618	0.652	2.436	16.5	0.5	0.5	17.5
Development and Infrastructure	0.281	0.232	0.227	0.740	2.8	2.8	2.8	8.4
Finance	0.626	0.178	0.110	0.914	10.0	5.0	0.0	15.0
<b>Total Service Savings</b>	<b>6.132</b>	<b>3.054</b>	<b>2.033</b>	<b>11.219</b>	<b>75.8</b>	<b>27.9</b>	<b>7.3</b>	<b>111.0</b>
Add : Transformation Proposals	4.053	3.059	7.079	14.191	39.0	18.0	24.0	81.0
<b>Total Savings</b>	<b>10.185</b>	<b>6.113</b>	<b>9.112</b>	<b>25.410</b>	<b>114.8</b>	<b>45.9</b>	<b>31.3</b>	<b>192.0</b>

## VR Applications Analysis

### 1. Applications by Service

Service	Applicants	Yes	Deferred	No	% Yes
Care and Learning	355	91	36	228	26%
Community Services	204	66	48	90	32%
Development and Infrastructure	78	56	1	21	72%
Corporate Development	41	26	3	12	63%
Finance	111	95	0	16	86%
Chief Executive's Office	9	7	1	1	78%
<b>Totals</b>	<b>798</b>	<b>341</b>	<b>89*</b>	<b>368</b>	<b>43%</b>
C&L Notes of Interest	145	0	0	0	0

\* includes 22 on teaching conditions

### 2. Summary of potential savings

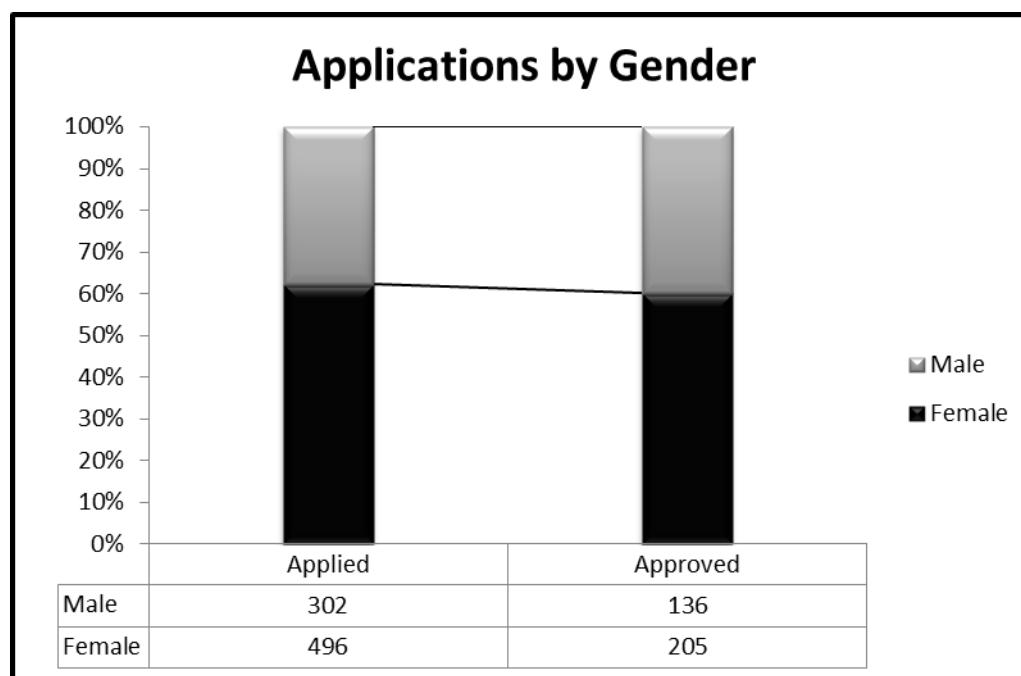
Potential Savings		
Decision	Applications	On-going Salary Savings
Deferred	89	£2,849,037.24
No	368	£9,066,620.64
Yes	341	£10,526,758.91
<b>Total</b>	<b>798</b>	<b>£22,442,416.79</b>

**Note – salary savings relate to full year savings. The Budget Report at section 6 uses the estimated cost for 2016/17 of £9.95m**

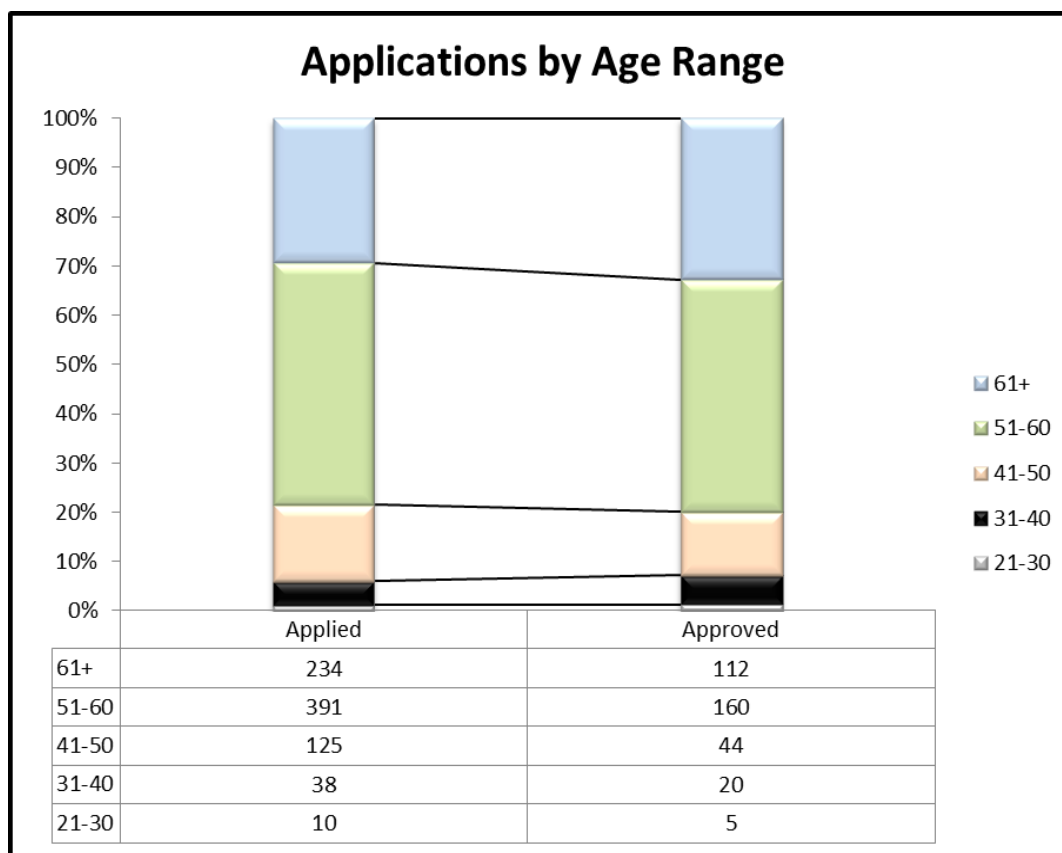
### 3. Applications by grade

	Applied	%	Approved	%
HC01	31	3.88%	15	4.40%
HC02	37	4.64%	17	4.99%
HC03	88	11.03%	33	9.68%
HC04	169	21.18%	31	9.09%
HC05	113	14.16%	43	12.61%
HC06	83	10.40%	52	15.25%
HC07	56	7.02%	33	9.68%
HC08	24	3.01%	15	4.40%
HC09	61	7.64%	30	8.80%
HC10	42	5.26%	31	9.09%
HC11	37	4.64%	19	5.57%
HC12	8	1.00%	6	1.76%
HC13	4	0.50%	2	0.59%
HC14	8	1.00%	7	2.05%
HC15	1	0.13%	1	0.29%
Teaching	36	4.51%	6	1.76%
<b>Total</b>	<b>798</b>		<b>341</b>	

### 4. Applications by gender



## 5. Applications by age range



## 6. Applications accepted by geography

	Number	%
Inverness	193 (101 in HQ)	57%
Ross and Cromarty	50	15%
Caithness	29	9%
Lochaber	21	6%
Skye and Lochalsh	17	5%
Sutherland	13	4%
Nairn	12	4%
Badenoch and Strathspey	6	2%
	341	

**Earmarked Balances**

Annex 7

	Balance as at 31 Mar 2015 £	2015/16 Increase in Earmarked Balances £	2015/16 Expenditure/ Drawdowns from Earmarked Balances £	Current Balance £	Commitments £	Spend Required in Later Years £	Balance after Commitments & Later Years Spend £
Education DSM Balances	2,593,118			2,593,118		-2,093,118	500,000
Developers Contributions	2,017,676		-137,155	1,880,521		-1,880,521	0
ICT Investment Fund	2,599,212		-1,231,552	1,367,660		-1,217,660	150,000
Central Energy Efficiency Fund	676,790			676,790			676,790
Winter Maintenance	1,003,355			1,003,355			1,003,355
IRA Gaelic Extension	152,216			152,216			152,216
Business Rates Incentivisation Scheme	1,311,596			1,311,596	-500,000		811,596
Community Challenge Fund	508,361			508,361	-33,000		475,361
Strategic Change & Development Fund	5,671,112	641,000	-515,650	5,796,462	-4,388,905		1,407,557
SCDF - CIP	101,989	300,000	-85,935	316,054	-235,201		80,854
Welfare Issues	1,138,615		-508,780	629,835	-21,375		608,460
Discretionary Housing Payments	172,000			172,000			172,000
Pathfinder North/SWAN	530,272		-167,000	363,272		-363,272	0
Badaguish Outdoor Centre	454,039			454,039			454,039
Early Years Investment Fund	1,126,000			1,126,000			1,126,000
Grants & Match Funding							
Carbon Clever Highlands	55,000		-55,000	0			0
Commonwealth Games Legacy Fund	125,000		-125,000	0			0
ECS Take Pride, Take Part	100,000			100,000			100,000
Sensory Impairment	69,657		-62,000	7,657			7,657
H&SC Commissioned Child Health	500,000			500,000			500,000
Developing the Young Workforce	362,484	323,447		685,931		-685,931	0
Employability Services	233,000			233,000			233,000
Highland Core Paths Implementation Project	61,000			61,000			61,000
Redevelopment of 30 Princes St, Thurso	250,000		-195,000	55,000			55,000
Walks to Water	124,000			124,000			124,000
Low Carbon Street Lighting	104,000			104,000			104,000
<b>Total Earmarked Balances</b>	<b>22,040,490</b>	<b>1,264,447</b>	<b>-3,083,072</b>	<b>20,221,865</b>	<b>-5,178,481</b>	<b>-6,240,502</b>	<b>8,802,883</b>



## Assessment of Equalities and Rural Impact

### 1. Approach to equality and rural impact assessments

- 1.1 A cross-service group, including some partner organisations undertook analysis to screen and challenge the equality and rural impact of each proposal. Their findings have informed the budget templates.
- 1.2 Services have completed a section in each template on customer impact including equality and rural.
- 1.3 The templates identify where a full equality impact assessment has been undertaken and any potential mitigation. Where a full equality impact assessment has been undertaken this will be published on the Council website
- 1.4 The process has been supported by the Policy and Reform team and service representatives on the Council's Equalities Working Group.

### 2. Summary of key areas of potential equality and rural impact and identified mitigation

#### 2.1 Chief Executive's Office

##### 2.1.1 CEO/7 Policy, Reform and Ward Management: Reduction in Ward Discretionary Grant

- Screening undertaken, full EQIA required. EQIA complete, mitigation identified.  
**Equality:** Some potential negative equality impact identified as some grant could support groups with protected characteristics e.g. young people, older people.  
**Rural:** In rural communities where there is no alternative funding for community projects (e.g. Common Good Fund or Community Benefit from renewable energy generation) the impact is likely to be greater as there is more reliance on the Council's discretionary grants.  
**Mitigation:** Some funding still exists so continuing support is available, but at a lower level. Members could consider an alternative apportionment of the remaining grant, rather than it being allocated on a flat rate per Ward. For example factors such as rurality and deprivation could be factored in.

##### 2.1.2 CEO/12 Policy, Reform and Ward Management: Policy team staff reduction and reduce discretionary spending on mental health events

- Screening undertaken, no rural impact, full EQIA required on reduction to mental health spending. EQIA completed and potential mitigation identified.  
**Equality:** The reduced funding for mental health events could have a negative impact on those affected by mental ill health  
**Mitigation:** The mental health arts and film festival could still be run without Council support, but scaled back if no other funding is available. A programme of suicide awareness raising and prevention should still be run by NHH as the Council's contribution only covered

some costs. We can discuss with the Samaritans how they may support the awareness raising events through the grant we provide.

## 2.2 Corporate Development

2.2.1 Proposals from Corporate Development aim to achieve efficiencies via better procurement, re-organisation of services and the use of targeted Voluntary Severance and/or Early Retirement, wherever possible, with some reductions also achieved through vacancy management. Some income generation is proposed through a review and increase of wedding charges. Functions primarily support internal customers and some external bodies (such as High life Highland) and no specific equality or rural impact was identified.

## 2.3 Finance

2.3.1 Savings are proposed from efficiencies arising from the introduction of new systems, and through managing staff reductions. There are proposals for improvements to debt collection through a more targeted approach. Income maximisation and money advice services will be promoted to support people in debt to ensure that they are maximising benefits available to them. There are risks that arise from the wider impact of welfare reforms and an increase in the number of people struggling to manage their finances.

### 2.3.2 **FIN/7 Money Advice: Review provision of internal & external services**

- Screening undertaken, potential equality impact identified. This service provides support for the most disadvantaged and those experiencing debt. This proposal is about achieving the same (or better) outcomes wherever practicable at less cost. It will include exploring links with Community Services (Housing) and a reduced in-house provision, overall. The council's advice and information contracts with external providers provide mitigation for this proposal. The review will take account of the equality duty and specific mitigation identified where appropriate.

## 2.4 Development and Infrastructure

2.4.1 Savings proposals in the Development and Infrastructure Service include income generation through increased fees, reductions in promotional support to Visit Scotland, a review of the Council's provision for business support and advice, reduction in ranger services, employability and restructures to services.

### 2.4.2 **D&I/5 Visit Scotland**

- Screening undertaken, no equality impact identified. Full impact assessment not required. The proposal is to reduce the grant payment made to Visit Scotland for the delivery of the tourism services in Highland. Grant supports regional marketing activity in Highland only and the VIC network including in strategic centres in Inverness, Fort William, Aviemore, Portree, Thurso, Ullapool and Fort Augustus.  
**Equality:** There is no equality impact identified.  
**Rural:** Changing focus of tourism promotion may result in the reduced need for TICs in some areas. Not yet defined however any reduction is more likely to be in rural locations with lower footfall.  
**Mitigation:** Focus agreement with VS on more modern means of promoting tourism in the Highlands and where demand for TICs remains greatest.

### 2.4.3 **D&I/14 Employability**

- Screening undertaken, negative impact noted and mitigation identified.

The saving proposal seeks to reduce the core Employability budget by an additional £250k in 16/17 (already £50k agreed in 16/17). The additional saving includes a further reduction in the budget available for support services and a restructuring of the Employability Team in preparation for the new EU funded Employability Programme. As EU funding is anticipated this, together with remaining Employability funding, mitigate against Service reduction.

**Equality:** There will be a reduced level of service for customers across Highland and which may impact upon particular vulnerable groups e.g. young people and disabled people.

**Rural:** There may be some variable impact in rural areas.

**Mitigation:** Employability Services are delivered across Highland to a range of targeted individuals and geographies. The proposed saving will not change this. There will be impact on vulnerable groups however other activities such as the youth trainee scheme and the employment grant scheme will provide additional support where required, for example for disabled people. Future activities to be provided through the new European Funding Programme, will require to be more targeted in order to support those most vulnerable. Core service delivery to be monitored and reviewed to ensure clients from disadvantaged backgrounds, including geography, are supported to progress towards and into sustained employment.

#### 2.4.4 D&I/15 Deprived Area Fund

- Screening undertaken, negative impact identified. Full EQIA completed.

The Deprived Area Fund (DAF) currently disburses grant to third sector and other providers to provide additional local added value services in Highland's most deprived areas. The saving proposal seeks to remove the DAF grant fund, leaving no funding for activity specifically focused across the existing deprived areas from 2016/17.

**Equality:** The distribution of the DAF is based on the 15% of the "most deprived" datazones in Highland (SIMD 2012). DAF works alongside the core Employability team and services offered seeking to deliver local area focused added value services. The removal of the fund will impact upon vulnerable groups such as young people, disabled people and individuals from the lower socio-economic groups. The proposed saving removes the ability to provide added value services in deprived areas

**Rural:** There may be some variable impact in rural areas.

**Mitigation:** Core service delivery to be monitored and reviewed to ensure clients from disadvantaged backgrounds, including geography, are supported to progress towards and into sustained employment.

For a number of organisations receiving this funding, they have client activity which crosses financial years and hence the proposed budget reduction will require to be managed carefully to ensure clients are not disadvantaged beyond April 2016.

### 2.5 Community Services

2.5.1 Community Services savings include reviews of management structures, rationalisation of recycling centres and changes to opening hours, changes to 'out of hours' call handling service.

#### 2.5.2 CS/2 Review of Provision of Public Conveniences

- Screening undertaken. EQIA completed and mitigation identified. The proposal is to close a number of public conveniences, as an

alternative to full closure. Those retained will be higher use or strategic tourism sites with no local alternative. Those due to close may transfer to community groups or businesses with no HCS contribution. EQIA completed, mitigation identified.

**Equality:** Closure of some sites will remove disabled and baby changing facilities which would have a potential adverse impact on these user groups

**Rural:** There would be fewer across Highland however the potential impact in rural areas given the lack of alternative facilities would be greater.

**Mitigation:** The Highland Comfort Scheme will be promoted in place of closed facilities. Focus on retaining higher use or strategic tourism sites with no local alternative.

### 2.5.3 **CS/11 Grounds Maintenance: Play areas**

- Screening undertaken, mitigation identified. Full EQIA not required at this stage but will be undertaken when facilities are identified. This is a non-statutory function. The savings proposal is for the Council to cease maintaining some of the Play Areas by either transferring them to Community Groups or closure.

**Equality:** There is a potential for impact on families and young people in some communities.

**Rural:** There is a potential rural impact as closure may affect the only facility in the community.

**Mitigation:** An assessment to determine which play facilities may close or transfer to communities will be based on the availability of alternative provision. Play Facilities may be available in local primary school / Academy. The same criteria will be used across Highland therefore limiting the potential impact on rural areas. Communities will be encouraged to take over play areas where appropriate thereby further mitigating the potential impact upon a community. Local consultation will be undertaken with the communities affected.

### 2.5.4 **CS/12 Interments: Interments to take place within 7 days unless there are traditional or religious reasons for not doing so**

- Screening undertaken, mitigation identified. Full EQIA not required. The proposal is to increase the time taken to inter the deceased from 3 to 4 days to 7 days unless there are traditional or religious reasons for doing so.

**Equality:** The proposal could impact on religious grounds however mitigation is identified.

**Rural:** The proposal could be sensitive in rural Highland but mitigation is identified.

**Mitigation:** A shorter period would be facilitated where traditional or religious reasons apply.

### 2.5.5 **CS/24 Supporting People: Reduce budget for homelessness housing support services**

- Screening undertaken. Potential negative impact noted, mitigation identified, including a full EQIA of the policy review. This will involve commissioning fewer hours of housing support each week under existing housing support contracts with 7 external housing support providers.

**Equality:** There will be fewer hours of housing support delivered to homeless clients, this may include young women, men, and people affected by disability and health issues including mental health

conditions.

**Mitigation:** This proposal will result in a reduction in service. This can be partly mitigated by prioritising available support to those clients in greatest need. To support this a review on the service is being undertaken which will:

- a) Consider our statutory duty to assess housing support needs and provide access to housing support for all homeless and potentially homeless people in need of it;
- b) Develop a housing support service tailored to meet the individual needs of homeless people;
- c) Implement greater focus on outcomes and monitoring the success of housing support interventions;
- d) Provide access to Housing Support across all areas of the Highlands including rural communities.

#### 2.5.6 **CS/27 Community Transport: Review funding to community groups**

- Screening undertaken. Full impact assessment undertaken. Mitigation identified.

**Equality:** The annual level of available funding is lower which may put pressure on some project proposal delivery intentions where groups have not been awarded the full amount they sought. An equality assessment identified the potential for impact because of: age; disability; race and socioeconomic status. More positively, grant awards have been approved for five new applicants enabling better financial security for their activities to benefit their communities.

**Mitigation:** Awards were decided by Community Services Committee on [4 February 2016](#). Rural and equality impact assessments informed the grant process which included specific assessment criteria, including:

- Benefit to the community or specific group within the community.
- Promoting a fairer, more inclusive Highland.

Twenty-four applicants (two more than currently supported) have been awarded some level of funding, although in some cases this may be lower than previously. Only 5 previous applicants did not apply, all but one was anticipated.

## 2.6 **Care and Learning**

2.6.1 The Care and Learning Service is the largest of the Council's Services. It incorporates Education, Children's Services, Criminal Justice and commissions Adult Care Services from NHS Highland. The service is also responsible for arrangements with 'arms-length' organisations such as High Life Highland, Inverness Leisure and Eden Court.

2.6.2 The priority is, wherever possible, to seek further efficiencies through revised structures, reductions in training and staff related savings. However, a number of the proposed savings will reduce, and in some instances remove, grant and in-kind support. It is recognised that certain protected groups may be adversely affected and where possible mitigation is identified. In particular, there are a number of proposals affecting ASN services, however, these are planned proposals where mitigation is considered to minimise impact.

#### 2.6.3 **C&L/AD3 Supported employment for blind and visually impaired people: Blindcraft – reduce funding**

- Screening undertaken, and impact identified, but the amount of reduction is not considered to be a significant risk for the organisation

- 2.6.4 **C&L/AD/5&6 Preventative Health Services: Community Health Co coordinators and Community Food and Health Practitioners**
- Screening undertaken, full EQIA required in partnership with NHS Highland.  
Funding was provided to NHS Highland to employ Community Health Co coordinators in Wick, Alness, Merkinch and Fort William. The staff are not employed by the Council but the reduction of funding will mean less capacity in local communities in these areas.  
**Equality/rural:** In the identified geographical areas, and with people who experience deprivation
- 2.6.5 **C&L/AD/13 Violence Against Women: Women's Aid**
- Screening undertaken, impact identified, EQIA undertaken.  
The council currently funds the 4 Women's Aid groups in Highland to provide refuge and outreach support services for women and children across Highland. The funding helps run the refuges and to provide support to women to live safely in Highland communities. The saving proposal is a 6% reduction in this funding.  
**Equality:** Women and children subjected to violence against women  
**Mitigation:** It should be possible for the 4 Women's Aid groups to adapt services in line with the budget cut. This is dependent on other funders not looking for savings.
- 2.6.6 **C&L/ED/3 6% reduction in the non-staffing DSM budgets**
- Screening undertaken, no equality impact identified. Full impact assessment not required.  
This proposal will remove 6% from non-staffing devolved budgets. These fund equipment, utilities, furniture and other core services and supplies.  
**Equality:** There is no equality impact identified.  
**Rural:** This will have a greater impact on small to medium schools, particularly in rural areas, as they already have less flexibility in their ability to manage their budgets.
- 2.6.7 **C&L/CS/1 Residential care: Cease use of all spot purchased beds with external contractor**
- Screening undertaken, mitigation identified.  
There will be fewer placement resources open to young people, particularly when a placement is required in a crisis situation. There could be an impact on the commitment to reduce young people placed outwith Highland, with some risk that placements will be required out of area. However, it is also likely that fewer young people may be placed in residential care.  
**Equality:** screening identified a likely negative impact on boys, young people and disabled young people but recognised that there were mitigating factors in that there is already a programme in place to develop alternative services  
**Mitigation:** Work is already in hand to free up resources by creating positive choices for young people able to move on into supported accommodation, freeing up residential placements.
- 2.6.8 **C&L/CS/2 Commissioned services: Commissioned services**
- Screening undertaken, some impact identified. Full impact assessment not required.  
Reduction of 10% across commissioned 3<sup>rd</sup> sector children's services, except those that support placements of Looked After Children, and contribution of £0.092m from funds no longer allocated for these

services.

**Impact:** The impact will be across a number of different providers of services, and across a wide range of types of service provision. Most SLAs purchase a direct service for children and families, some provide information, advice and support or advocacy. The organisations range in size from small local groups to national voluntary organisations. Some smaller organisations may be more reliant on Highland Council funding therefore each organisation will be impacted differently by this proposal

**Mitigation:** Notice period of 13 weeks is required. Services for Looked After Children are mainly not affected. Organisations likely to be impacted have been advised of this proposal.

#### 2.6.9 **C&L/CS/9 Child & Adolescent Mental Health Social Workers: Deletion of posts**

- Screening undertaken, full equality impact assessment undertaken. This proposal recommends the deletion of two posts from the Children's Services social work establishment. They are specialist posts attached to the Child and Adolescent Mental Health Service, which is managed by NHS Highland.

**Equality:** The posts offer direct support to some children as part of the CAMHS service

**Mitigation:** The posts are part of a team of mental health specialist posts. Indications are that the workload would be reviewed across the team, but that some services may be reduced, based on risk-assessment.

#### 2.6.10 **C&L/RES/2 School Transport: ASN Transport review**

- Screening undertaken, mitigation identified  
The 6% saving will be achieved through reviewing current arrangements and considering a range of options, which would include looking at more cost effective transport options and looking at service levels.

**Equality:** The proposal relates only to ASN transport, and will therefore impact only on ASN pupils. Previous school transport saving proposals have excluded ASN, and therefore this proposal now brings this budget into scope for savings.

**Mitigation:** Transport requirements will continue to be focused on the needs of the child. It is envisaged that an integrated approach to planning for educational and transport needs, will enable a more joined up approach, thereby achieving the saving.

#### 2.6.11 **C&L/ASN/3 Additional Support Needs: Closure of Black Isle Education Centre**

- Screening undertaken, no significant equality or rural impact identified. There should be no significant impact on the service provided to children and young people as the redesign of this service has already begun and the outreach model has already been shown to be effective.

#### 2.6.12 **C&L/ASN/4 Additional Support Needs: Savings from specialist services – ASL Legislation**

- Screening undertaken, no rural impact, mitigation identified for equality impact

**Equality:** This is a budget established with the new ASL Legislation, to provide contingency following legal challenges from parents.

**Mitigation:** The ASL Coordinator will continue to manage all challenges regarding educational provision for pupils with ASN, in

collaboration with Legal Service where required, to find solutions to parental concerns at an early stage. By continuing to manage the risk of legal challenge effectively at an earlier stage, it is expected that we can reduce this budget, with no negative impact on service delivery.

**2.6.13 C&L/ASN/5 ASN Specialist Services: Savings from specialist services – Autism Outreach Education Service**

- Screening undertaken, no rural impact, mitigation identified for equality impact.

Redesign support for pupils with autism. Rather than providing a central Autism Outreach Education Service, support will be more local, with an increase in the level of awareness and understanding of Autism Spectrum Disorder through a systematic training strategy delivered at an Area level.

**Equality:** Initially this will cause some concern as the current specialism within Highland will be diminished. However, a number of staff have already embarked on the distance learning course in Autism and the service redesign will enable this expertise to be available more locally. The expectation is that this budget saving can be accommodated within a wider service redesign that will provide a better service in the medium and longer term.

**Mitigation:** A more locally based support structure will enable advice and consultation to be more readily available to school staff. Teaching staff and PSAs from each Area have been identified to undertake the Distance Learning ASD course at Birmingham University, as the first cohort accessing this training through the ASN training strategy. This will enhance the knowledge base at a local level. Awareness raising training can be delivered to school staff as required, more locally in areas, and higher level multi-agency training will continue to be delivered centrally to support practitioners.

**2.6.14 C&L/ASN/6 Additional Support Needs: Savings from Service Level Agreement with Glachbeg Farm, to elaborate the curriculum for pupils with ASN.**

- Screening undertaken, potential negative impact but mitigation identified.

Glachbeg makes provision for outdoor learning for a small number of pupils and while this saving will reduce the availability of this resource, there remains two days within the SLA that will continue to be offered for those children with the highest priority

**Equality:** Potential small, negative impact on commitment 16 regarding children and young people, to 'enhance services for children who need additional support.'

**Mitigation:** Other provision and supports are available, focused much more on maintaining children and young people in school. This is a reduction in availability and there will still be other slots available should a pupil require to attend this provision. This reduction in the SLA is planned and the provider has been informed that the reduction will be made in the SLA for 2016-17. There are no concerns about the possibility of delivering this saving.



## **2.7 Cumulative impact**

- 2.7.1 It is recognised that the range of service and corporate proposals will have a cumulative impact. In particular impact is noted on the basis of age and disability; to a lesser extent gender and race/ethnicity. For some protected characteristics, evidence is not available to inform likely impact.
- 2.7.2 Additionally, the cumulative impact of the Council's savings proposals on people with protected characteristics should be considered alongside the risks that arise from the wider impact of Welfare Reform and a period of long-term austerity.

## **2.8 Staffing and equality impact**

- 2.8.1 It has been noted in certain proposals that there will be impact in some predominantly male/female teams.
- 2.8.2 It is recognised that implementation of a Voluntary Redundancy Scheme, along with restructuring of a number of teams will result in a significant reduction in staffing numbers. The application of the Council's Voluntary Redundancy Scheme aims to ensure that the decision making process does not adversely impact or unlawfully discriminate against any protected groups and is compliant with legal requirements and the relevant pension regulations. Equality monitoring of applications will be carried out as part of the process.
- 2.8.3 Any deletion of posts will be undertaken in line with the Council's policies and procedures and will include the usual consultation processes with trade unions and staff. Staffing changes will be managed through HR policies and procedures and steps will be taken to mitigate impact, for example, through redeployment, and to monitor the impact of changes.

## List of Reduction in Senior Management Posts

### Care & Learning

QIO (Early Years)  
Curriculum Liaison Manager  
Disability Services Coordinator  
Health Improvement Policy Manager  
16+ Lead Officer  
Resource Manager (Residential Childcare)  
Support for Learning Co-ordinator  
Professional Development Officer  
Facilities Services Manager

### Community Services

4 Senior Managers out of 8 (part of service restructuring to create 4 new Heads of Service posts)  
Lighting Manager  
3 Assistant Area Managers  
Building Maintenance Manager

### Development & Infrastructure

Head of Environment & Economic Development  
Trading Standards Manager  
Chief Engineer (Structures)  
Planning Team Leader  
Building Standards Team Leader

### Corporate Development

Head of People & Performance  
Corporate ICT Manager (includes “bumped redundancy” from Programme Manager)  
Learning & Development Manager  
Programme Manager  
Legal Manager (Regulatory Services)  
Legal Manager (Projects)  
Elections Manager (includes “bumped redundancy” from Assistant Ward Manager)

### Finance

Head of Procurement  
2 Finance Managers (includes “bumped redundancy” from Head of Corporate Finance)  
Audit Manager (“bumped redundancy” from Head of Audit & Risk Management)

### Chief Executive’s Office

3 Ward Managers