

Agenda Item	4
Report No	HC/1/21

## THE HIGHLAND COUNCIL

**Committee:** Highland Council

**Date:** 4<sup>th</sup> March 2021

**Report Title:** Revenue budget 2021/22 to 2023/24

**Report By:** Executive Chief Officer- Resources and Finance

### 1. Purpose/Executive Summary

- 1.1 The Council is required by law to set a balanced budget and agree Council Tax rates for the coming financial year. This report provides details of the Council's expected budget gap for the period 2021/22 to 2023/24 and proposals for closing the gap.
- 1.2 The budget reflects the requirement of the CIPFA Financial Management Code where senior officers have involved Members to deliver a budget that works towards ensuring the long-term financial sustainability of the Council.
- 1.3 This budget is being set in a highly uncertain context with the impact of Covid creating significant challenges and regular budget review is planned. Despite these challenges the budget put before Members today presents a balanced budget for 2021/22 that encompasses significant investment across Highland.
- 1.4 **Appendix 1** to this report presents 'Ambitious Highland- Health and Prosperity Strategy 2021/22'. The strategy has three strands covering:
- Investment in people, infrastructure, places and business across the Highland region;
  - Recovery, Improvement and Transformation;
  - Key savings themes for delivering a balanced budget.
- 1.5 Due to additional funding provided by the Scottish Government the Council is proposing no increase in Council Tax rates for financial year 2021/22- rates will remain at the 2020/21 level.
- 1.6 The medium to long term financial outlook for the Council still remains challenging and there is a residual budget gap of £20.3m over the period 2022/23 to 2023/24. Meeting a budget gap of this size will require substantial transformative activity.

## 2. Recommendations

- 2.1 Members are asked to:
- i) Accept the Scottish Government's offer of £4.231m and freeze Council Tax rates at 2020/21 levels as outlined in section 13 of this report;
  - ii) Agree the investment of £9.81m in a Visitor Management Strategy, Economic Prosperity Fund, Place Based Investment and Ward Discretionary Budget top-up as detailed in section 19 and **Appendix 1** of this report;
  - iii) Agree to progress the 9 key transformation projects as detailed in section 19 and **Appendix 1** of this report;
  - iv) Agree the savings plans as detailed in sections 16 and 19 and **Appendix 1** of this report;
  - v) Approve the funding of budget pressures and budget uplifts as detailed in sections 10 and 11 and **Appendices 3 and 4** of this report;
  - vi) Agree to the reprofiling of previously agreed savings as outlined in section 15 and **Appendix 7** of this report;
  - vii) Agree to maintain general fund non-earmarked reserves at a minimum of £24.7m as outlined in section 17 of this report and that anything in excess of this amount can be deployed within future phases of the Investment Plan as detailed in the Health and Prosperity Strategy at **Appendix 1**;
  - viii) Agree that the impact of any changes in Government funding that may come as part of a final budget settlement is considered as part of the budget review and development of a medium-term financial plan over the coming months;
  - ix) Agree to lobby as a matter of urgency to secure as much funding as possible from the Shared Prosperity Fund.

## 3. Implications

- 3.1 Resource implications are as noted in this report.
- 3.2 Risk Implications - The Council must set a balanced budget and the recommendations from this report will achieve that for financial year 2021/22. The development of the proposed Revenue Budget involves the identification of areas of risk and uncertainty. To mitigate this, officers are actively involved at a national level to ensure that they are aware of, and have assessed, all identifiable potential risks.

Nevertheless, it is not possible to eliminate all risk. Some estimates, particularly around budget pressures, are subject to wider economic variables. Uncertainty over the Scottish Government and UK budgets and ensuing local government grant settlement could also have a significant impact on the assumptions made. Other risks are due to factors outwith the Council's control, such as Covid-related risks, Brexit, severe adverse weather events or interest rate increases. This emphasises the importance of maintaining reserves at a level sufficient to cope with any emergent situation and this is fully covered in sections 17 and 18 of this report.

The medium to long term outlook for the Council's finances continues to look challenging with a budget gap in excess of £20m still showing for years 2022/23 and 2023/24. The Council need to ensure a focus on the transformational activity as described in **Appendix 1- 'Ambitious Highland - Health and Prosperity Strategy 2021/22'** to ensure its longer-term sustainability.

- 3.3 Legal- Councils are legally required to set a balanced budget for each financial year. Council tax rates for the new financial year must be decided by the 11th March of the

previous financial year. By agreeing the budget today, the Council will meet both of those legal requirements.

- 3.4 Community Impacts – Assessing for impact is an integral part of the budget process. This is to help understand the potential impacts of the proposals:
- on groups protected under the Equality Act 2010 and under the Public Sector Equality Duty;
  - any specific impacts upon rural and island communities; and
  - socio-economic impacts, including impacts upon individuals, upon their opportunity to access services/employment or upon particular vulnerable communities.

A summary of impacts, including where mitigation has been identified, is contained within the accompanying detailed savings templates. Following screening, none of the savings proposed have required a full Equality Impact Assessment. A number of proposals highlight where reviews are due to take place and assessment for impact will be undertaken as part of the review process and reported as part of the outcomes for those reviews.

The Health and Prosperity Strategy at **Appendix 1** outlines a series of priorities for both investment and for transformation. As with all projects or programmes, an essential element of these strands will be assessment for impact.

- 3.5 Climate Change/Carbon Clever Implications – The Health and Prosperity Strategy at **Appendix 1** proposes additional investment through the Change, Improvement and Transformation Fund to deliver a programme of work to identify key financial and non-financial opportunities around the low carbon agenda for the whole Highland region to demonstrate leadership and market Highland as a truly low carbon region. There is also proposed investment in the Council's Food Growing Strategy and development of a net zero action plan for the Council, hydrogen and low heat strategies, and partnership approaches. In addition, a reduction in the amount of staff travel undertaken, the number of properties the Council maintains and clear plans to reduce energy use set out in a range of other budget proposals should all result in a reduction in the Council's carbon footprint.
- 3.6 Gaelic implications: There are no direct implications on the approach to the promotion of Gaelic through this budget report.

#### **4. Budget setting context- Covid 19**

- 4.1 The changes and uncertainty brought about by Covid 19 have made financial planning and monitoring incredibly challenging over the past year and this is expected to continue into 2021/22 and beyond. Members will see from section 6 of this report and the link to the corporate revenue monitoring report for 2020/21 quarter 3 that the financial impact of Covid has been significant across a number of service areas and across both expenditure and income headings. Substantial additional funding received from government and local management action to control spend is expected to fully mitigate that impact this year.
- 4.2 As we move towards a phase when the recovery from the Covid pandemic may begin it is challenging to forecast with any accuracy how that recovery may play out. As such, and as explained later in this report, regular review of the budget during the course of 2021/22 will be required as the year progresses. Regular financial and budget updates will continue to be a key part of Council meetings in financial year 2021/2022.
- 4.3 The UK and Scottish Government responses to Covid have resulted in large amounts of funding being made available to local authorities to address the resulting financial challenges. Details of the funding receivable in 2020/21 are provided in **Appendix 5**. This funding landscape is also changing regularly, as outlined in section 6, which again will add complexity to forecasting.
- 4.4 Mindful of the volatile picture, a plan for regular budget review, as described in section 20, should enable budgets to be responsive and actions to be taken to ensure robust financial management over the short term.

#### **5. Budget setting context- CIPFA Financial Management Code**

- 5.1 The CIPFA Financial Management Code is a new code designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.
- 5.2 It is for all the senior management team to work with elected members in ensuring compliance with the FM Code and so demonstrate the standard of financial management to be expected of a local authority. The code has underlying principles of leadership, accountability, transparency, adherence to professional standards, assurance and long-term sustainability.
- 5.3 The FM Code has seven sections covering the following key areas (with sections 3 and 4 being of greatest relevance to this paper):
1. Responsibilities of the chief financial officer and leadership team
  2. Governance and financial management style
  3. Long to medium-term financial management
  4. The annual budget
  5. Stakeholder engagement and business plans
  6. Monitoring financial performance
  7. External financial reporting

- 5.4 With regard to long to medium term financial management the Code requires that the authority has carried out a credible and transparent financial resilience assessment and understands its prospects for financial sustainability in the longer term and has reported this clearly to members. The authority is also required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities as well as have a rolling multi-year medium-term financial plan consistent with sustainable service plans.
- 5.5 In respect of the annual budget the Code requires authorities to comply with its statutory obligations in respect of the budget setting process. The budget report is also to include a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.

## 6. Budget setting context- current year (2020/21) financial position

- 6.1 A key part to setting a budget for future years is to understand the Council's current financial position. This is particularly important from two perspectives, the first of which is understanding the Council's overall position in relation to its reserves and balances and associated investment context as set out in **Appendix 1** of this report, the Health and Prosperity Strategy for Highland.
- 6.2 As the Council uses an incremental budgeting approach, i.e. using the current budget as a basis for next year's budget, it is also important to understand any issues with that current year budget.
- 6.3 A link is provided in the background papers section of this report to the corporate revenue monitoring report for the Corporate Resources committee of the 25<sup>th</sup> February. Overall for financial year 2020/21 a year end surplus of £3.1m is forecast, the impact of which would increase non-earmarked general fund balances to £26.3m at financial year end.
- 6.4 Since the quarter three monitoring position was finalised two very significant factors have arisen which could impact favourably on the outturn position, both of which relate to additional government funding that is being made available to local authorities. Whilst formal confirmation of the distribution and allocation of these funds is still to be received it is expected that substantial additional funds will flow to the Council as a result.
- 6.5 When announcing the budget on the 28<sup>th</sup> January the Scottish Government's Cabinet Secretary for Finance announced that the value of the income recompense scheme to local authorities would increase from £90m to £200m. Highland was anticipating receiving £3.1m of the initial £90m allocation and may expect an equivalent proportion of the increased funding estimated at around £3.8m thus the expectation from the recent announcement is that the Highland Council is now expecting an additional investment of £6.9m in total.
- 6.6 On the 16<sup>th</sup> February the Finance Secretary announced to Parliament "£275 million to support Covid pressures including for lost income in Local Government. Councils will have the freedom and flexibility to decide how it is deployed to support the range of COVID pressures they are facing, ensuring continuity for the critical services they provide." This funding is expected to pass through to local authorities during the 2020/21 financial year.

- 6.7 Whilst full details of this funding, both in terms of the actual sum applicable to Highland and also whether any specific associated spend is required, still needs to emerge, it is expected that both streams will further increase the level of non-earmarked general fund reserves held at year end.
- 6.8 The corporate revenue monitoring report also provides a high level overview of the impact of Covid on service budgets in the current year. Many of these impacts are expected to continue into financial year 2020/21 and are reflected as budget pressures in section 10 of this report.
- 6.9 It has been assumed that any Covid response that has been specifically funded by Government in 2020/21 will continue to be subject to specific additional government funding in 2021/22 if the response activity is to continue.
- 6.10 The near-final 2020/21 outturn position will be reported to the May 2021 Corporate Resources committee and the actual outturn position will be incorporated into the budget review paper brought to full Council in June 2021. More information on the plan for budget review is included in section 20 of this report.

## **7. The budget gap- 2021/22 to 2023/24**

- 7.1 As outlined in section 5 the CIPFA Financial Management code is clear that medium to long term financial management must be a key consideration of all those responsible for a local authority's finances. In that regard this paper looks to set out the anticipated budget gap over the next three years to ensure that sufficient focus is put on the longer-term changes needed to secure the Council's financial sustainability.
- 7.2 A number of key assumptions have to be made in estimating that gap and given the uncertain wider economic context those assumptions will need to be regularly revisited as part of the Council's budget review process, more details of which can be found in section 20 of this report.
- 7.3 As the table below shows, the Council is forecasting a budget gap of £51.209m over the coming three-year period. This gap arises as a result of expected increases in costs, dealing with the ongoing impact of Covid 19, addressing existing pressures on the budget, ensuring funds are available to mitigate one-off issues requiring resolution, and forecast changes in core and exceptional funding from Government. More details on these factors are provided in the subsequent sections of this report.

	2021/22 £m	2022/23 £m	2023/24 £m	Three year total
<i>Cost increases:</i>				
Pay and pension increases	9.639	7.109	7.307	
Budget pressures- Covid	11.173	-8.673	-2.500	
Budget pressures- non-Covid	6.342	7.500	5.000	
Budget uplifts- one off 21/22	5.200	-5.200		
<i>Funding changes:</i>				
Increase in Government funding- core	-2.533			
Increase in Government funding- offset Council Tax increase	-4.231			
Increase in Government funding- one-off Covid monies	-10.360	10.360		
Reduction in Government funding	0.000	7.596	7.480	
<b>BUDGET GAP BEFORE MITIGATION FROM COUNCIL TAX INCREASE, OFFSETTING ITEMS AND SAVINGS</b>	<b>15.230</b>	<b>18.692</b>	<b>17.287</b>	<b>51.209</b>

7.4 The budget gap can be closed by increasing the income generated from council tax, increasing income generated by other means (e.g. fees and charges) or by reducing expenditure on the provision of services through efficiencies or changes to the levels of service provision. Details of how the budget gap will be closed are provided in sections 12 to 16 of this report.

## 8. Scottish Government Funding settlement

8.1 The Cabinet Secretary for Finance presented the Scottish Government's draft budget to the Scottish Parliament on the 28<sup>th</sup> January. A link to the budget document is provided below:

<https://www.gov.scot/publications/scottish-budget-2021-22/>

8.2 The timeline for the budget's passage through Parliament is outlined below:

- 28<sup>th</sup> January- Budget announcement
- 25<sup>th</sup> February- Stage 1 debate
- 8<sup>th</sup> March- Stage 2 debate
- 9<sup>th</sup> March- Stage 3 debate

8.3 At the time of writing this report there has been no indication as to whether the budget as currently proposed will receive majority parliamentary approval. In recent years there have been adjustments to elements of the budget, including the elements relating to local government, as the parliamentary process has progressed.

8.4 In order for the Council to set its budget it must use the best information currently available and as such the figures included in this report reflect those presented to Parliament on the 28<sup>th</sup> January. Should any changes be made to the local government funding settlement it is proposed that the implications of these are included as part of the budget review exercise outlined in section 20.

- 8.5 A copy of the correspondence from the Cabinet Secretary for Finance to local authorities can be seen at **Appendix 2** to this report. The key elements of the proposed local government settlement, and the specific impacts for the Highland Council are covered below.
- 8.6 In overall cash terms Highland is anticipating receiving £23.584m of additional revenue funding for 2021/22 when compared to 2020/21. This funding uplift is broken down into four elements described in more detail in sections 8.7 onwards:
- £10.360m- Highland's estimated share of a national £259m pot of one-off Covid 19 response funding
  - £6.460m- Funding associated with the delivery of key government policies
  - £4.231m- Share of additional funding the Council will receive if Council Tax rates are frozen at 2020/21 levels
  - £2.533m- A core funding increase available to address local pressures and priorities.
- 8.7 Given the impact of Covid 19 the draft budget makes available to local authorities one-off funding for 2021/22 of £259m. At present full details of the exact funding allocations to individual authorities and whether any specific response activity is required to be funded from it are still awaited. The Council understands that this funding is primarily to be used to offset the general impact of Covid 19 although there is a suggestion that some of the funding will need to be used to offset the impact of increased costs in relation to Council Tax reduction. For the purposes of the budget gap it has been assumed that 4% of this funding will be available to the Council to use to offset its budget gap. This sum will offset the vast majority of specific Covid 19 budgetary impacts described in section 10 of this report.
- 8.8 Additional funding of £6.460m will flow to the Council to deliver key government policies. The Council will incur additional expenditure equivalent to this income and so for the purposes of the budget gap workings neither income nor expenditure elements are included. The key policy delivery elements are:
- £3.203m in relation to Health and Social Care policies including continued delivery of the real living wage, uprating of free personal and nursing care payments and continued implementation of the Carers Act. Under the terms of the settlement letter the Council is obliged to pass this funding in full to NHS Highland in its capacity as lead agency for the delivery of adult social care as *'Local Authority adult social care budgets for allocation to Integration Authorities must be £72.6 million greater than 2020-21 recurring budgets.'*
  - £2.712m representing the final tranche of funding for the complete roll-out of 1140 hours of Early Years provision across all early learning settings.
- Other aspects of this funding element relate to Community Justice, Council Tax Reduction, Scottish Assessors- Barclay review, the Scottish Welfare Fund and Environmental Health officers.
- 8.9 The Government is also making a national £90m available to be distributed amongst those authorities who agree to maintain Council tax rates at 2020/21 levels. If Highland chooses to maintain rates at 2020/21 levels then an assumed £4.231m of additional funding will be received from Government. Council Tax is covered in section 13 of this report.



- 8.10 A core funding increase of £2.533m is also included in the anticipated settlement. This funding is not contingent on the Council taking specific action and as such this cash uplift can be used to partially mitigate the budget gap.
- 8.11 Two other aspects of the proposed Government budget will also impact on the Council's anticipated gap. The first, public sector pay policy is covered in more detail in section 9 of this report. The second, a reduction in the poundage rate for non-domestic rates, will enable a reduction in the Council's budget for non-domestic rates in respect of its own properties.
- 8.12 As things stand the local government revenue budget settlement covers 2021/22 only and so estimates have to be made around what funding changes there may be in 2022/23 and 2023/24. For the purposes of estimating the budget gap shown in the table at 7.3 core funding reductions estimated at 1.5% of total funding are included. It is incredibly hard to forecast what the actual settlement will be with any accuracy given the much wider economic variables that will influence future settlements. Overall, officers maintain a cautious view on the medium-term outlook for public sector finances given the incredibly high and rapidly increasing levels of government borrowing. The potential for significant changes in this assumption will influence the budget gap forecast for 2022/23 and 2023/24.

## **9. Pay and pensions cost adjustments**

- 9.1 As outlined in section 8.11 the Government's budget included its public sector pay policy.  
<https://www.gov.scot/publications/scottish-public-sector-pay-policy-2021-2022/>
- 9.2 The public sector pay policy applies to devolved public bodies only and therefore not local government. The local government pay settlement is agreed in separate negotiations between COSLA and the trades unions which, as yet, have not come to a conclusion.
- 9.3 For the purposes of setting the Council's budget an overall pressure in respect of pay equal to 2% of the overall salaries budget has been included. It is anticipated that this sum would be sufficient to allow a pay award equivalent to the public sector pay policy to be funded.
- 9.4 For 2021/22 the Council has also included a budget pressure in relation to incremental progression along the salary scale for all eligible staff. This is the first time in a number of years the Council has undertaken this approach which will help maintain the integrity of staffing budgets and prevent the creation of negative 'budget holding codes'. This approach should ensure budgets remain on a sound footing for 2021/22.
- 9.5 2020 marked a triennial actuarial valuation year for the Highland Pension Fund. As part of this actuarial valuation employer pensions contribution rates for the subsequent three years are set. Due to the positive performance of the Fund it is expected that the Council will see a 0.5% reduction in contribution rates from April 2021 compared with those currently paid.
- 9.6 For years 2022/23 and 2023/24 it has been assumed that a similar level of pay and pension pressure will manifest, albeit the overall cost of funding pay increments will diminish over time.

## 10. Budget pressures

- 10.1 The figures in the table at 7.3 described as 'budget pressures' contain a variety of items for which additional funding is required to be added to the budget. These figures can be categorised under a number of key headings, to which this year two new categories have been added in relation to the financial impact of Covid 19. The table below provides a summary of the non-Covid 19 items by service area and by type, with the full details seen in **Appendix 3**.

	Contractual cost increases	Existing cost pressures	Legislative change	New expenditure commitments	Undeliverable & unmitigated 20/21 savings	Total
C&P	0.207	0.103	0.238	0	0	<b>0.548</b>
E&L	0.500	0.300	0	0	0	<b>0.800</b>
I&E&E	0.137	0	0.173	0.300	0.720	<b>1.330</b>
P&G	0.025	0.360	0	0	0.135	<b>0.520</b>
H&P	1.012	0.050	0	0	0	<b>1.062</b>
R&F	0.095	0.538	0	0.058	0	<b>0.691</b>
H&SC	0.482	0	0.700	0	0	<b>1.182</b>
Corporate	0.064	0.100	0	0.045	0	<b>0.209</b>
<b>Total</b>	<b>2.522</b>	<b>1.451</b>	<b>1.111</b>	<b>0.403</b>	<b>0.855</b>	<b>6.342</b>

- 10.2 The nature of the budget pressures in the table above is that they generally reflect structural issues in the budget that need to be resolved on a long-term basis by the permanent adjustment of budgets.
- 10.3 Budget pressures in relation to Covid 19 are highlighted separately from those detailed in 10.1 and 10.2 as it is anticipated that the budget pressures caused by Covid 19 will be temporary and not require long-term structural adjustments to budgets. As the table at 7.3 highlights it is anticipated that budget pressures of this nature will reverse out over years 2022/23 and 2023/24. The additional funding provided by Government as outlined in sections 8.6 and 8.7 will go a long way to mitigating these anticipated pressures in 2021/22.
- 10.4 The Covid 19 pressures are also highlighted as a separate category as they are much more prone to risk and uncertainty. These pressures have been estimated based on the level of impact seen during financial year 2020/21 but a more limited impact is expected as some degree of normality resumes over the course of the financial year. As a general rule the impact of these items for half the year is expected, with any prolonged impacts needing to be considered as risks and mitigated appropriately. The table below provides a summary of the Covid budget pressures by service, with more detail provided in **Appendix 4**.

	Covid-impact expenditure	Covid- service income impact	Covid- Total impact
C&P	0.200	0.484	0.684
E&L	0.550	0	0.550
I&E&E	2.028	2.529	4.557
P&G	0	0.110	0.110
H&P	1.412	0.500	1.912
R&F	0.025	0	0.025
H&SC	2.600	0	2.600
Corporate	0	0.735	0.735
<b>Total</b>	<b>6.815</b>	<b>4.358</b>	<b>11.173</b>

- 10.5 The budget pressures forecast in relation to Covid reflect those for which general, as opposed to specific, government funding was received in 2020/21. Details of 2020/21 Covid funding from government can be seen in **Appendix 5**. If there is no continuation of specific government funding into 2021/22 but still a requirement for spend this would add pressure to the budget. The key risk areas around non-continuation of specific funding streams relate to education (in academic year 2021/22 onwards), free school meals and welfare.
- 10.6 Indicative figures for budget pressures for 2022/23 and 2023/24 have been included in the table at 7.3. These figures of £7.5m and £5m respectively are based on historic budget pressure requirements, with the higher value in 2022/23 to reflect the increased potential for structural budget increases as a result of the current uncertain context. As part of the planned ongoing budget review these items will be fleshed out and amended as required.

## **11. Budget uplifts- one-off 2021/22**

- 11.1 A further factor that contributes to the budget gap as shown in the table at 7.3 is budget uplifts- one-off 2021/22. Where the items described in section 10 as budget pressures require long-term, structural adjustments to the budget the items described as 'budget uplifts' require just a one-off funding uplift in financial year 2021/22 which will not be needed in subsequent years.
- 11.2 To reflect the one-off nature of these items the table in 7.3 shows the reversal of the £5.2m of budget uplifts in 2022/23, helping close the budget gap in that year. The items that fall into this category are to address known issues or support operational changes and more detail on the elements is provided below. It is intended that these funds will be retained solely for the purposes outlined and if not fully spent in 2021/22 any residual element will be carried forward as an earmarked balance into 2022/23.
- 11.3 At £2.85m the largest element of the budget uplifts reflects a significant budget provision to address a number of issues across the Council's property estate. This funding will address issues related to health and safety, compliance matters, building condition and matters requiring attention as a condition of our insurance arrangements. This substantial investment in our asset base should allow all key installations to be brought up to the required standard.
- 11.4 A further £1.5m of budget uplifts relates to rebuilding the Council's insurance fund. The Council has had a number of significant claims recently, including the fire at Park Primary School, flooding at Lochaber High School and fire/flood at Nairn Leisure centre. Given the high level of insurance excess the Council carries all of these items have impacted on the Council's insurance fund. At 2019/20 year end the value of the insurance fund stood at £1.9m and an uplift of the proposed level would bring the level of the fund up towards the suggested target of £4m- the target reflecting the Council's maximum annual exposure to significant claims through the stop-loss elements of the policy.
- 11.5 One of the many impacts of Covid 19 has been a significant shift in the way staff work- in particular those who are fully or partly office based. A budget uplift of £0.5m is proposed in relation to new ways of working, a flexible fund to be used to permanently support staff to find better and more flexible ways to work.

- 11.6 The Council's contract for its current HR/Payroll system is nearing its conclusion and a budget uplift of £0.2m is required to support the reprocurement and implementation of a new system. One of the key strands of the Council's recovery programme is around workforce planning and one of the key aspects of the HR/payroll system reprocurement is to ensure the quality of data to support that workforce planning is much improved.
- 11.7 The final budget uplift is for £0.150m and is to provide a dedicated resource to develop the Council's capital strategy and subsequently support the development of a new, long-term, innovative and best practice informed capital plan. This investment will also enable us to explore the full range of options available to fund capital projects. The resource will also help support the regular reporting of capital matters to the Council and its committees.
- 11.8 All of these budget uplifts will be incorporated into the relevant service budgets and spend against them will be reported to Members through the usual committee reporting arrangements, primarily through the Housing and Property and Corporate Resources committees.

## **12. Closing the budget gap**

- 12.1 The Council has a number of means of closing the budget gap but which can be grouped into two main categories- either increasing income or reducing expenditure. Income can be increased from changes to Council Tax or fee and charge income relating to services provided by the Council. Expenditure can be reduced by making changes to services, either by delivering efficiencies in spend or by changing service levels. Transformation activity may encompass both income and expenditure adjustments and reflects more substantial change.
- 12.2 The table below outlines the mix of items used to fully close the budget gap identified for financial year 2021/22 and close the gap in the subsequent years.

	2021/22 £m	2022/23 £m	2023/24 £m	Three year total
<b>BUDGET GAP BEFORE MITIGATION FROM COUNCIL TAX INCREASE, OFFSETTING ITEMS AND SAVINGS</b>	<b>15.230</b>	<b>18.692</b>	<b>17.287</b>	<b>51.209</b>
Change in council tax base estimates	-0.350	-0.536	-0.597	
Council tax rate increase	0.000	-3.945	-4.120	
Reversal of 2020/21 one-off items and other roll forward changes	-4.366	0.000	0.000	
Previously agreed savings	-5.207	-4.540	-0.470	
New savings proposals - Theme 1	-2.145	0.051	0.000	
New savings proposals - Theme 2	-1.318	-0.763	-0.802	
New savings proposals - Theme 3	-1.844	0.000	0.000	
<b>RESIDUAL GAP</b>	<b>0.000</b>	<b>8.959</b>	<b>11.298</b>	<b>20.258</b>

- 12.3 Whilst the table at 12.2 shows a fully closed gap for 2021/22 there remains a significant residual gap in both 2022/23 and 2023/24. As outlined in **Appendix 1**, 'Ambitious Highland- Health and Prosperity Strategy 2021/22' identifies the key transformation projects that are intended to help bring about changes and improvements to the way the Council provides its services and deliver cost savings as a result. As part of the budget review outlined in section 20 the development of the transformation programme will give a clearer understanding of the level of savings deliverable and help mitigate this residual budget gap.
- 12.4 Sections 13 to 16 of this report provide additional detail on each of the elements required to close the budget gap. Members are asked to agree on Council Tax Levels for 2021/22, note the reversal of items from 2020/21, agree the rephased delivery profile of the previously agreed savings and approve the new package of savings proposals.
- 12.5 The Council must continue to explore and maximise all opportunities for closing future year budget challenges through income generation and all forms of approved commercialisation approaches.

### 13. Council Tax

- 13.1 Council Tax income reflects the single largest source of income over which the Council has full local control. It is a legal requirement that Members agree the rates for Council Tax for the coming year before the 11<sup>th</sup> March of each year.

- 13.2 As described in sections 8.6 and 8.9 of this report the local government financial settlement proposed by Government for the coming year includes £90m of funding available to local authorities who agree to maintain their 2021/22 Council Tax rates at 2020/21 levels.
- 13.3 If Highland Council were to decide to maintain rates at the current level then £4.231m of that national funding pot would be added to the Council's financial settlement. That sum represents the equivalent of increasing Council Tax rates locally by around 3.25%.
- 13.4 It is not clear whether there is any limit to the maximum increase in Council Tax that Councils may apply if they so wish, however it is clear that if the Council raise rates by less than the 3.25% figure referenced above it would receive less income overall than if it maintained rates at 2020/21 levels.
- 13.5 It seems reasonable in light of the subsidy from the Scottish Government that no increase in Council Tax rates should be proposed and that rates remain at 2020/21 levels in order that Highland receives its £4.231m share of the national funding pot. The current (and proposed rate for 2021/22) is provided in **Appendix 6**.

#### **14. Offsetting items- including reversal of items from previous years**

- 14.1 In the same way as the items described in section 11 are one-off and reverse out in the following financial year there are a number of items approved as part of the 2020/21 budget which need to reverse out in the 2021/22 budget. The overall impact of these items is to reduce the budget gap in 2021/22 by £4.366m.
- 14.2 The largest element of the reversing items relates to funding set aside to rebuild reserves in 2020/21. £3.7m of this funding will be reversed out in 21/22 with the remainder reversing out in 2022/23. Section 17 of this report provides more details on the Council's proposed reserves strategy.
- 14.3 As part of the 2020/21 budget process three additional one-off investment funds were agreed. As the funds are now created and set aside there is no need for a recurring budget for these items so a total of £1.6m can be used to offset the budget gap on a recurring basis. The funds are still being held centrally as earmarked funds and are available for release as part of the Council's overall approach to investment and transformation. These three funds are:
- £1m- Highland Deal for a Sustainable Future
  - £0.5m- Rural Transport projects
  - £0.1m- Play parks

The investment strategy set out in Section 3 of **Appendix 1** now incorporates investment in these areas through the Economic Prosperity Fund and the Place Based funding.

- 14.4 A budget pressure was built in to the 20/21 budget in relation to anticipated increases in the business rates poundage rate. As the Covid pandemic hit, the Scottish Government decided to offer relief from this planned increase for all rate payers and, as outlined in section 8.11, a reduction in the poundage rate to 2019/20 levels is now planned for 2021/22. As such the 2020/21 budgetary provision for a rates increase of £0.161m can be reversed out of the budget.

- 14.5 The reversal of a one-off saving incorporated in the 2020/21 budget workings needs to be offset against the items listed above. Saving 2.17 from the 2020/21 budget related to £1.095m of additional income to be received through the Business Rates Incentivisation Scheme (BRIS). This scheme relates to historic growth in the local tax base for business rates where authorities receive a share of growth above a target. It is not anticipated that any BRIS income will be receivable in 2021/22 and so this saving needs to be reversed out.

## 15. Budget savings previously agreed

- 15.1 When the Council set its budget in March 2020 a number of savings proposals were agreed which had elements of savings deliverable in 2021/22 and later. These savings were either ones agreed in February 2019 or new proposals tabled in March 2020. As part of the current budget process a review of all of those savings has taken place to ensure all the savings are fully deliverable as intended. The impact of Covid on the Council's budget, in particular on fee and charge income streams, means that a number of savings that had been planned to be delivered no longer can be.
- 15.2 The table below provides a summary of the previously agreed savings by delivery year as agreed in March 2020, along with a revised profile for delivery spanning the next three year period. Overall £3.395m of savings are now no longer considered as sufficiently confident of delivery over the next three year period, or have been superseded by new savings proposals as outlined in section 16 of this report, and have been removed from the budget gap workings at this time. Those plans for savings will not be completely discounted however and may be reintroduced into future budget workings if greater confidence of delivery is reached.

	2021/22 Savings £m	2022/23 Savings £m	2023/24 Savings £m	Total Savings £m
Savings profile as approved March 2020	12.040	1.572	0.000	13.612
Revised profile March 2021	5.207	4.540	0.470	10.217
<b>Overall change</b>	<b>-6.833</b>	<b>2.968</b>	<b>0.470</b>	<b>-3.395</b>

- 15.3 **Appendix 7** provides the detail of the savings where either the delivery profile, or total amount deliverable has changed.

## 16. New budget savings proposals

- 16.1 In order to close the residual budget gap for 2021/22 a suite of new savings proposals have been developed and there are covered in greater detail in **Appendix 1**- 'Ambitious Highland- Health and Prosperity Strategy 2021/22'. The savings are grouped into three key themes, more detail on each is provided below.

### Theme 1: Making the Council More Efficient

- 16.2 Efficiency is one of the strong themes the public have said they want the Council to focus on - people want to see less waste and more efficiency in every part of the Council. Savings can be made by examining how the Council currently does things and finding better ways to provide services which deliver improved outcomes, recognising that the Council has achieved efficiency savings over many years. These will require no change in Council policy.

## **Theme 2: Commercialisation and Income Generation**

- 16.3 Increasing income needs to be a fundamental part of the Council's budget strategy in order to be able to fund the cost of services, protect jobs and reduce the need for cuts. Feedback from public engagement has shown that most people would be prepared to pay a bit more to protect people, services and the local economy. There is also potential to use money raised locally to reinvest in local services and infrastructure thereby helping to sustain local communities and protect jobs and services.

## **Theme 3: Redesign and Improvement**

- 16.4 Improving the Council's performance is a major focus for the Budget Strategy over the next 3-5 years. The Council needs to adapt to change and do things differently to get improved results. Managing within reduced resources and identifying opportunities to address under-performance will require a transformational approach to the way in which the Council delivers some key services. Public and staff feedback has highlighted opportunities to simplify and streamline processes, learning from recognised best practice and successful processes elsewhere. The Change and Transformation Strategy will be an integral part of this approach.
- 16.5 Overall £6.821m of new savings proposals are being brought forward for approval, £5.307m of which is to be delivered in 2021/22. Further elements of the savings run into 2022/23 and 2023/24. A pack of templates detailing the individual savings proposals can be seen at **Appendix 9**.

## **17. Reserves Strategy**

- 17.1 As part of the budget paper it is appropriate to articulate the Council's strategy for its reserves in order to ensure that they sit an appropriate level for the current circumstances. Historically authorities have been advised by Audit Scotland that a non-earmarked general fund reserve (i.e. funds held for general rather than specific purposes) should sit within the range of 2-4% of a council's annual revenue budget.
- 17.2 In February 2019 Highland Council agreed a target for this reserve of 3% of its annual revenue budget and took steps as part of the 2019/20 and 2020/21 budgets to recover reserves to this level.
- 17.3 As articulated in section 6 of this report the Council's non-earmarked general fund reserve is anticipated to be significantly in excess of this 3% target at year end which reflects positive progress made by the Council in its overall financial management.
- 17.4 In light of the current financial climate and Covid context it is an appropriate time to review the target level for reserves to ensure that sufficient funds are held to mitigate any risk, whilst at the same time ensuring that the Council does not hold too high a level of reserve, funding which could otherwise be spent supporting the people and economy of the Highland region.
- 17.5 Section 18 of this report covers risk, and it is considered appropriate that the Council aims to hold a target level of reserve that is at least equivalent to the value of those risks. As such it is proposed that for 2021/22 the Council looks to begin the year with a general fund non-earmarked reserve of a minimum of £24.7m.



- 17.6 Whilst a reserve of this level reflects around 4% of the Council's annual revenue budget and therefore sits at the top end of the range recommended by Audit Scotland this is considered appropriate in light of the heightened risk environment currently faced by the Council. As with all aspects of the proposed budget for 2021/22, reserves will be a key consideration as part of the ongoing Budget Review exercise detailed in section 20.
- 17.7 The Council also holds a number of earmarked reserves- i.e. funds held for a specific purpose. Whilst these funds will not be for the most part be available for general use it is important that Members are aware of these funds as they form part of the Council's overall financial position. **Appendix 8** provides details of the Council's earmarked funds.

## 18. Risk

- 18.1 When considering risk it is important that Members think about the two different types of financial impact that may occur if risks crystallise. Some risks relate to one-off events that have an immediate financial impact that requires to be addressed. Once that risk is addressed there may be no further financial impact.
- 18.2 Other risks may have longer term financial impacts- i.e. they may have a recurring impact on the budget. Items of this nature can be mitigated through reserves in the year they occur but recurring and lasting impacts will need to be factored in to future years' budget processes as a budget pressure.
- 18.3 The holding of reserves to mitigate any risks therefore can only really offset the initial impact of a risk crystallising with long term impacts needing to be managed through making equivalent savings elsewhere in the budget. Once reserves are depleted they too may need to be recovered, depending on residual risk levels.
- 18.4 For 2021/22 a review of the Council's corporate risk register has taken place with the key risks with a potential financial impact including the following items (the corporate risk register does include further risks not included in the list below):
- Financial sustainability
  - Security and resilience
  - Brexit
  - Climate Change
  - Demographic change
  - Safe and Effective Property
  - Condition of our roads
  - Residual waste project
  - NHS Highland Partnership Agreement Renewal
  - Covid 19

Some of the potential financial risks of the items detailed above may be longer term risks to the Council's financial sustainability whereas others represent risks that may crystallise in the near term. Those with the more immediate short-term impact need to be better provided for in the Council's reserves.

- 18.5 A number of other risks, specific to the budget setting process and the financial situation more generally, also need to be considered. Chief amongst these risks is the high level of assumptions about the future that need to be made in order to set the budget. Should any of the assumptions be wrong they may impact positively or negative on the overall budget gap.
- 18.6 In terms of quantifying risk in order to determine an appropriate level for reserves the table below outlines the key risk areas with the suggested value of reserve to be held in respect of each item. More detail on each item is provided later in this section.

<b>GENERAL FUND RISKS 2021/22</b>	<b>£m</b>
Covid risk (specific items linked to extension of Covid budget pressures)	8.4
General contingency (1% of revenue budget)	6.1
Brexit (estimated at 1% of non-staffing budget)	3.8
HighLife Highland	3.4
General contractual risk	1.9
Risk of non delivery of approved budget savings (10% of total savings value)	1.1
<b>Suggested level of general fund reserves based on risks</b>	<b>24.7</b>

- 18.7 As part of the work done in assessing budget pressures in relation to Covid work was also undertaken to estimate the financial impact if Covid pressures continued longer than anticipated. A value of £8.4m has been attributed to Covid risks including costs associated with schools return, out of authority placements and prolonged adverse effects on fee and charge income streams. As outlined in section 10.5 if there is a need to continue with certain elements of the Covid response but no specific funding is received from government (where in 2020/21 specific funding was received) this will add pressure to the Council's budget during 2021/22 and may need to be funded from reserves.
- 18.8 A general contingency of £6.1m, equivalent to 1% of the Council's revenue budget is proposed. Given the specific other risks identified this lower level of general contingency is considered appropriate to manage any wider risks such as the agreed pay award being higher than provided for, increased demand for services or unforeseen events occurring.
- 18.9 A Brexit risk of £3.8m has been identified, calculated on 1% of the Council's non-staffing budget. This figure is only a high-level estimate at this stage as it is unclear exactly what, if any, cost and income pressures may arise as a result of Brexit. It is anticipated that the impacts of Brexit will emerge gradually over time and may result in increased contractual costs for goods and services or adverse impacts on certain income streams. In response to this risk the Council must act as a matter of urgency to secure as much funding as possible from the Shared Prosperity Fund.

- 18.10 A risk of £3.4m has been identified in relation to HighLife Highland, whose business model has been severely impacted by the Covid pandemic. HighLife continue to actively manage their budget to mitigate the financial impacts of Covid but are expecting substantially reduced levels of income in financial year 2021/22 due to lockdown restrictions. The Council is committed to supporting HighLife during the coming year and will look to underwrite any year-end deficit the charity may return, providing the charity with a letter of comfort to that effect if required. Based on current forecasts HighLife are projecting a £3.4m reasonable worst-case deficit which will be closely monitored over the course of the year ahead.
- 18.11 A general contractual risk of £1.9m has been identified, calculated at half a percent of the Council's non-staffing budget. This sum is intended to capture the risk of contractual increases due to the currently challenging economic climate. Whilst specific risks in relation to Covid and Brexit have already been captured this risk is intended to cover any emergent pressures from contractors, whether linked to cost price inflation or any other factor.
- 18.12 A final risk in relation to the non-delivery of approved budget savings has been identified and quantified at £1.1m- 10% of the value of savings due to be delivered in 2021/22. Whilst efforts will be focussed on the full delivery of all approved savings there is a very clear risk that external factors, such as the pandemic, may prevent the full delivery of all savings.

## 19. Investment and Transformation

- 19.1 When bringing together the 2020/21 financial context (section 6) with the risk and reserves proposals (sections 17 and 18) it is expected that at the start of financial year 2021/22 the Council will hold reserves in excess of its target level.
- 19.2 Given the challenging wider economic and social context brought about by the Covid pandemic it is considered highly appropriate that the Council should look to invest any surplus reserves in the recovery from Covid and the health and prosperity of people and businesses across Highland.
- 19.3 **Appendix 1-** 'Ambitious Highland- Health and Prosperity Strategy 2021/22' presents to Members an ambitious investment plan, providing one-off injections of funding to projects aimed at enhancing the Highland infrastructure, economy and wellbeing.
- 19.4 A phased approach to investment over the course of 2021/22 will allow for plans to be dynamic and responsive to wider circumstances for investment demand and the Council's evolving financial position. The four areas targeted for initial investment are:
- Visitor Management Strategy- up to £1.5m of investment
  - The creation of an Economic Prosperity Fund- up to £6.0m of investment
  - Place Based Investment of up to £2.1m
  - Ward Discretionary Budget- top-up of £0.21m or £0.01m per ward

The exact amount allocated to the initial, and any subsequent investment streams will be determined by the 2020/21 financial outturn as well as ongoing budget review activity.

- 19.5 Given the levels of investment proposed appropriate governance arrangements will be put in place to ensure Best Value is derived from all of the investment made. Clear objectives and success criteria for the investment need to be determined in advance and appropriate monitoring put in place to ensure benefits are being derived as intended.
- 19.6 Alongside the investment plan 'Ambitious Highland- Health and Prosperity Strategy 2021/22' also covers a second key strand of activity around recovery, improvement and transformation. This strand of activity will be supported by the Council's change fund and has identified 9 key projects to help deliver approved and proposed budget savings, deliver wider cashable benefits, and support the identification of medium-term financial savings to close the budget gap from 2022/23 onwards.
- 19.7 The 9 key projects are as follows:
1. Economy (including Growth Investment and Planning)
  2. Asset Rationalisation and new ways of working
  3. Service Redesign
  4. Digital Transformation (including Connecting Customers, Digitising records, and Microsoft Cloud Navigator)
  5. Social Care (including NHS Partnership Review, Adult Social Care, and Placement Services)
  6. Climate Change
  7. Waste (including Waste Strategy and Route Optimisation)
  8. Roads & Transport
  9. Procurement and Contracts Management
- 19.8 The third strand of 'Ambitious Highland- Health and Prosperity Strategy 2021/22' reflects the key themes for the delivery of a balanced budget as outlined in section 16 of this report.

## **20. Budget review**

- 20.1 As suggested by the CIPFA Financial Management Code work on the budget should be an ongoing year-round activity, focussed on the medium-term financial outlook. Aligned to this the planned budget for 2021/22 will need regular review and refinement to ensure any changes in the wider context can be responded to. In addition, the affordability of planned investment will need to be considered as time progresses.
- 20.2 Normal budget monitoring, focussing on spend and income against the 2021/22 budget, will continue through the Corporate Resources committee in the remainder of the calendar year. The May meeting of the committee will see the provision of the near final 2020/21 revenue budget outturn, with the August and November meetings respectively receiving the 2021/22 quarter 1 and quarter 2 monitoring statements.
- 20.3 It is proposed that as part of the budget review update papers will be provided to meetings of the full Council in June, September and December. The papers will focus on the medium-term financial context and provide relevant updates on any of the key items contained in this paper- in particular any funding changes arising from UK or Scottish Government budget settlements. The magnitude of funds available for investment will also be included in the update papers, with the June meeting receiving the unaudited accounts for 2020/21 and details of balances available.

- 20.4 To support robust medium-term financial planning the Council will develop plans to address any budget lines with significant variances as part of the ongoing review of financial governance, scrutiny and process improvement within the next 2 years.

## **21. Statement by the Chief Financial Officer**

- 21.1 A requirement of the CIPFA Financial Management Code is that the budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves. That statement by the Council's Section 95 Officer, the Executive Chief Officer- Resources and Finance, is provided below.

- 21.2 It is my opinion that the estimates are robust, and that planned savings can be delivered. However due to the uncertainties of the ongoing financial impact of Covid as well as Brexit it is prudent that sufficient reserves are maintained during the year to deal with unexpected pressures. The value of reserves should therefore be increased as outlined to reflect a provision for both known and unknown uncertainties.

Further work needs to be carried out during the 2021/22 financial year to ensure we have a balanced, sustainable medium-term financial plan and the identification and delivery of additional transformation savings will be critical in enabling this.

I believe the approach taken in developing the 2020/21 budget meets the requirements contained in the CIPFA Financial Management Code to ensure the robustness of the estimates and the adequacy of the reserves.

Designation: Executive Chief Officer- Resources and Finance

Date: 18<sup>th</sup> February 2021

Authors: Liz Denovan, Executive Chief Officer- Resources and Finance; Edward Foster- Head of Corporate Finance; Kate Lackie- Executive Chief Officer- Performance and Governance; Allan Gunn- Executive Chief Officer- Transformation

Background Papers:

[https://www.highland.gov.uk/download/meetings/id/76543/item\\_3\\_revenue\\_budget\\_202021\\_to\\_202223](https://www.highland.gov.uk/download/meetings/id/76543/item_3_revenue_budget_202021_to_202223)

[https://www.highland.gov.uk/download/meetings/id/77824/4\\_corporate\\_revenue\\_monitoring\\_report\\_to\\_31\\_december\\_2020](https://www.highland.gov.uk/download/meetings/id/77824/4_corporate_revenue_monitoring_report_to_31_december_2020)

# Ambitious Highland Gàidhealtachd Àrd-Amasach

Ambitious

Sustainable

Connected

Health and Prosperity Strategy  
Ro-innleachd Slàinte is Soirbheis

2021-22

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## A strategic approach

This strategy sits alongside the suite of reports already considered and approved by Members over the course of the last 24 months which, taken together, provide a framework for the Council's strategies, plans and approaches. "Ambitious Highland – Health and Prosperity Strategy for Highland" builds on the success of 'Sustainable Highland' presented last year, whilst also reflecting the unprecedented challenges that the Highlands has faced and continues to face in terms of the national Covid pandemic and the UK's exit from the EU. It provides a focus for what needs to be done in the immediate term to enhance the Highland economy and community wellbeing from recovery into full health, whilst also delivering improved performance and medium to long term financial planning and sustainability.

## An agile and responsive Council

The past year has shown that the Council is an agile organisation, capable of responding effectively to a fast changing operating context. Many new services have been put in place in direct response to the pandemic, often at the request of the Scottish Government or NHS, from Humanitarian assistance, to the delivery of business support grants and welfare support, vaccination centres, virtual learning and childcare hubs for some of our most vulnerable children and young people. Resources have been moved to wherever they have been needed most, whilst many of the Council's core "business as usual" functions have continued to be delivered alongside. Staff and Members have shown they are flexible, responsive and care deeply about the communities they serve. Effective relationships have been strengthened with our key resilience partners, particularly NHS Highland.

## Managing the financial impacts

The impact of the pandemic on public resources has been unprecedented. All levels of the public sector have had to learn fast and react quickly. In terms of the financial impact, the Council's efforts have been focused outwardly on community and business support and internally on business continuity and curtailing all discretionary activity not directly associated with the Covid response in order to protect the Council's resources as much as possible. Over time, sources of funding have come through at various stages to offset many of these pressures, however the Council still needs to operate within significant uncertainty and risk. Nevertheless, the combination of external support and internal budgetary prudence has meant that the Council is now in a position to invest in one-off initiatives to directly mitigate the worst effects of the pandemic and support sustained recovery and growth in the Highlands. This Investment Strategy is set out in Section 3.

## Investing in Recovery

Investing in recovery will need to address the four Covid harms. These are direct health harms, indirect health harms, societal harms and economic harms.

The Health and Prosperity Strategy builds on the work of the Recovery Programme using a threefold approach:

- 1) an ambitious investment plan, providing one-off injections of funding to projects aimed at enhancing the Highland infrastructure, economy and wellbeing;
- 2) a transformation programme, aimed at delivering improved performance, business improvement and sustainable budget reductions, whilst also maximising efficiency of internal processes and functions to deliver medium term financial sustainability; and
- 3) a range of recurring savings across a number of themes, which will close the Council's budget gap and protect jobs.



## 2 Drivers for change

### Ambition

The 2021/22 Budget Strategy is about having ambition for the Highlands: identifying opportunities to invest in the health and prosperity of the region to support the Highland population and grow the Highland economy to support a longer term recovery; fulfilling the Council's commitment to tackle climate change; looking for ways to transform the organisation to deliver improved services; creating a positive working environment for our staff to underpin a high performing organisation; and delivering a medium term financial plan.

The Council's Investment Strategy and Improvement and Transformation Programme will be at the centre of this ambitious approach, and significant resource is being provided to take forward the initiatives set out under these workstreams.

Performance improvement remains a priority and the last 18 months have shown the Council has been successful in addressing some of the areas that were a particular focus of the BVAR and CIPFA assessments – educational attainment has seen a significant improvement, and the Council's Reserves strategy has delivered a strong financial position that provides a platform for investment in 2021/22. This shows the Council has the capability to deliver quality improvement at pace even whilst dealing with a national pandemic.

There is still work to be done to improve our national benchmarking position across a range of service areas and this can be achieved by investing in core functions, based upon learning from the highest performing Councils in Scotland. Having fit for purpose systems and digital infrastructure are likewise essential for ensuring the Council can maximise resources. The Redesign Board's focus on workforce planning, including improvements in workforce data and growing our own talent will play an essential part in this too.

The **Guiding Principles** set out in last year's budget strategy still hold true:

- i Investment in change must deliver improvement.
- ii Performance improvement and financial sustainability are inextricably linked.
- iii Sustainable change takes time and a strategic approach must be taken to plan over the short, medium and long term.
- iv Most resource should be focused on where improvement is most needed.
- v The whole organisation needs to be supported to deliver high performing services.
- vi Investment in staff welfare and development is central to success.
- vii Organisations require the right systems to underpin and support their operation.
- viii Investment must reflect the priorities established through the Council Programme.
- ix Prevention is key to managing scarce resource and increasing demands
- x The status quo is not an option.

## Recovery from Covid

The 4 harms of Covid have been stated as being the direct health impact of the virus; other health impacts; societal impacts; and economic impacts. All continue to pose a significant risk to the Council's overarching strategic objectives; to the delivery of core services; and to the health and wellbeing of our staff and the wider public. The Council has endeavoured to mitigate the 4 harms through action, targeted intervention and prioritisation of the ongoing delivery of key Council services; monitored, scrutinised and governed through the Council's Recovery Board and associated Recovery Action Plan. Good progress continues to be made against the Plan, and it will be important that this Programme continues to support the recovery from Covid. The new Programme aims to evolve the workstreams further under transformation, to best protect vulnerable communities, support the growth of the local economy and help sustain employment and skills acquisition as well as deliver modernised services for Highland residents.

## The Highland Economy

The impacts of the pandemic continue to prove extremely challenging for the Highland economy. Economic recovery is a key strand in the Health and Prosperity Strategy and is both a focus for the Investment Fund and considered in more detail under Recovery and Transformation Section at Section 3.

Over the last 12 months the Council has focussed on prioritising support to businesses through the processing of the various new grants and dealing with the immediate labour market challenges. In tandem, an economic recovery strategy is being developed and support has been given to economic development initiatives, through engagement with partners, communities and Members. The changing context following Brexit has provided further challenges to economic recovery work and the opportunities for the region from the Shared Prosperity Fund will be an important part of work set out in the Economic Recovery Strategy.

Capital expenditure also has a positive effect on the Highland economy. Investment has continued

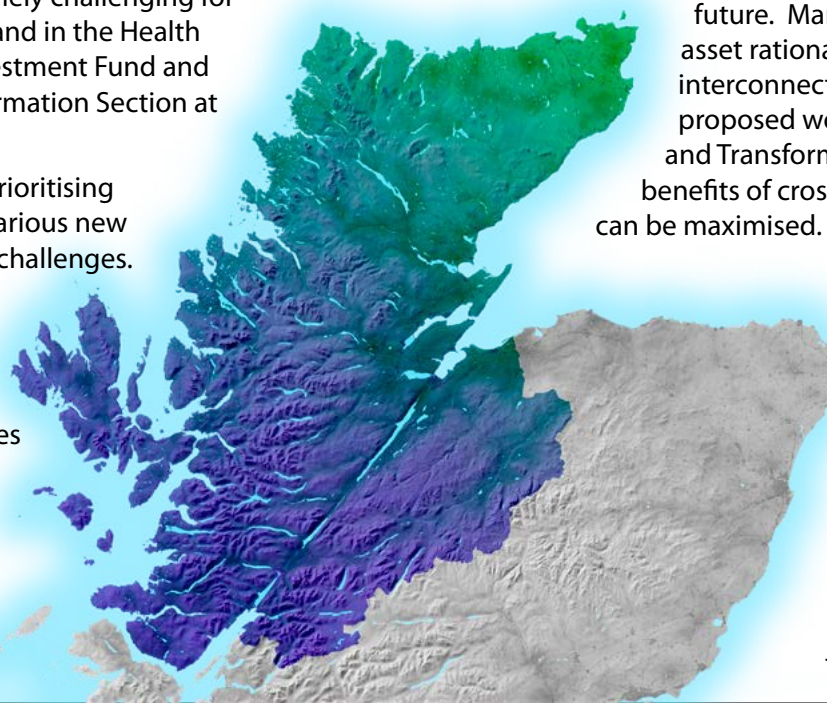
even through the Covid period, including examples like the Inverness West Link, Storr toilets and car park and many housing developments across the area, and the Council needs to take a prudent but positive approach to the future capital programme.

## Climate Change

On 9<sup>th</sup> May 2019, The Highland Council declared a climate and ecological emergency and recommitted to achieving a carbon neutral Highlands by 2025. In addition, the Scottish Government has committed to ending Scotland's contribution to climate change by 2045, and from 2022/23, will require the Council to set out its own corporate target date for achieving net zero direct emissions, as well as how the Council will align its spending plans and use of resources to contribute to national emissions reduction targets.

There is a need to identify new green solutions through transformative planning, projects and initiatives that will not only deliver carbon reduction but also cost avoidance, revenue from energy production and a more self-sufficient estate, whilst ensuring that these interventions align with the principles of a Just Transition to a net zero carbon future. Many projects such as climate change, asset rationalisation and digital transformation are interconnected and so Climate Change is one of the proposed workstreams in the Recovery, Improvement and Transformation Programme to ensure that the benefits of cross-Service expertise and collaboration can be maximised.

It is recognised that surface transport is one of the key sectors which can be decarbonised quickest, and the Scottish Government has set a target for councils to decarbonise light commercial fleets by 2025, and heavy fleets by 2030. This will require dedicated resources and a coordinated programme of work to help unlock external funding opportunities to support and enable this transition.



## Community focused/place-based strategy

The Council's Organisational Framework (Figure 1) established the Place Based Strategy as one of the Council's key strategic approaches. Covid has demonstrated how important communities have been in delivering core services and protecting the vulnerable and that co-production and collaboration are critical. Investing in community support and volunteer coordination as agreed by the Council in July 2020 can now be resourced by Covid grant and as agreed by the Council in January 2021 any unspent Covid Ward Budgets can be carried forward into 2021/22. New and additional place-based investment to be distributed through Area Committees and Wards is referenced further in the Investment Strategy section of the Report at Section 3 below.

There are locally based approaches underway, for example Fort William 2040; Caithness mental health and wellbeing pathfinder and place planning initiative; Badenoch & Strathspey Heritage Horizons; Skye and Raasay Investment Strategy, City of Inverness and Area Development Strategy - driven forward by ECOs in their area remit. The Investment Fund provides potential for place-based approaches in action to have project-based support. This will be a focus for Phase 2 and 3 to provide time for schemes to be developed.

By building socio-economic profiles of our areas the Council will have better evidence and real life data to identify local priorities. These profiles include various national and local data sets, community views and practitioner and Member feedback.

During 2021 our programme of Community Asset Transfers will be supported, linked to our asset management strategy, and any participation requests responded to. Progress also needs to be made across Services to develop our approach to Participatory Budgeting. The requirement to disburse 1% of the Council's budget by this method, initially by 1<sup>st</sup> May this year has been postponed by a year where required. In addition to continuing joint work with our community planning partners regionally on resilience and recovery, we will continue to participate in our 9 community partnerships and fulfil our legal requirement to develop and deliver Locality Plans for our most disadvantaged communities. This includes the new work required of the Council to lead the development of the outstanding locality plans for Inverness for 2021/22.



## Financial Context

Over the last two years the Council has taken significant steps towards shoring up its financial position with substantial increases in reserves over the course of 2019/20 and projected for 2020/21. At 20/21 year end those reserves are anticipated to be above the Council's previously agreed target level of 3% of core revenue budget and at the top of the range recommended by Audit Scotland. The positive actions taken have been recognised by the Council's external auditor in its annual audit report.

As highlighted in the main budget report presented to the Council on 4<sup>th</sup> March 2021, the current wider economic context has led the Council to revise its approach to risk with an increased level of general reserve requiring to be held in 2021/22.

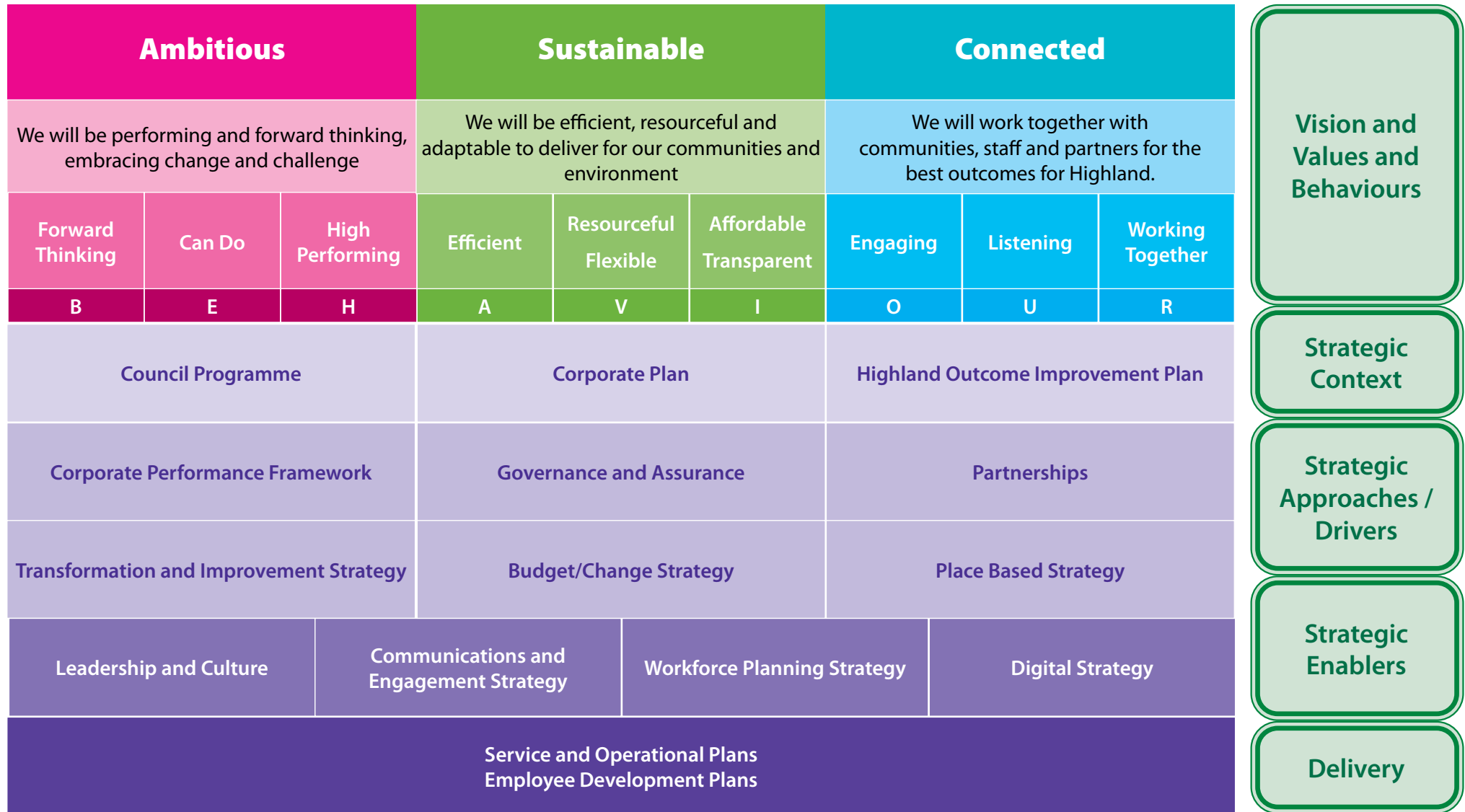
Despite the need to hold an increased level of reserves, using 2021/22 excess reserves will allow for a significant programme of one-off investment as detailed later in this report. This investment needs to be phased to ensure a flexible and responsive budget can be amended to meet any challenges that arise and ongoing budget review throughout financial year 2021/22 will be vital.

In accordance with the CIPFA Financial Management Code, Members and officers must be mindful of ensuring the Council's medium to long term financial sustainability. A residual budget gap of over £20M is forecast for 2022/23 and 2023/24 as inflationary pressures will need to be addressed and future reductions in government funding settlements are anticipated.

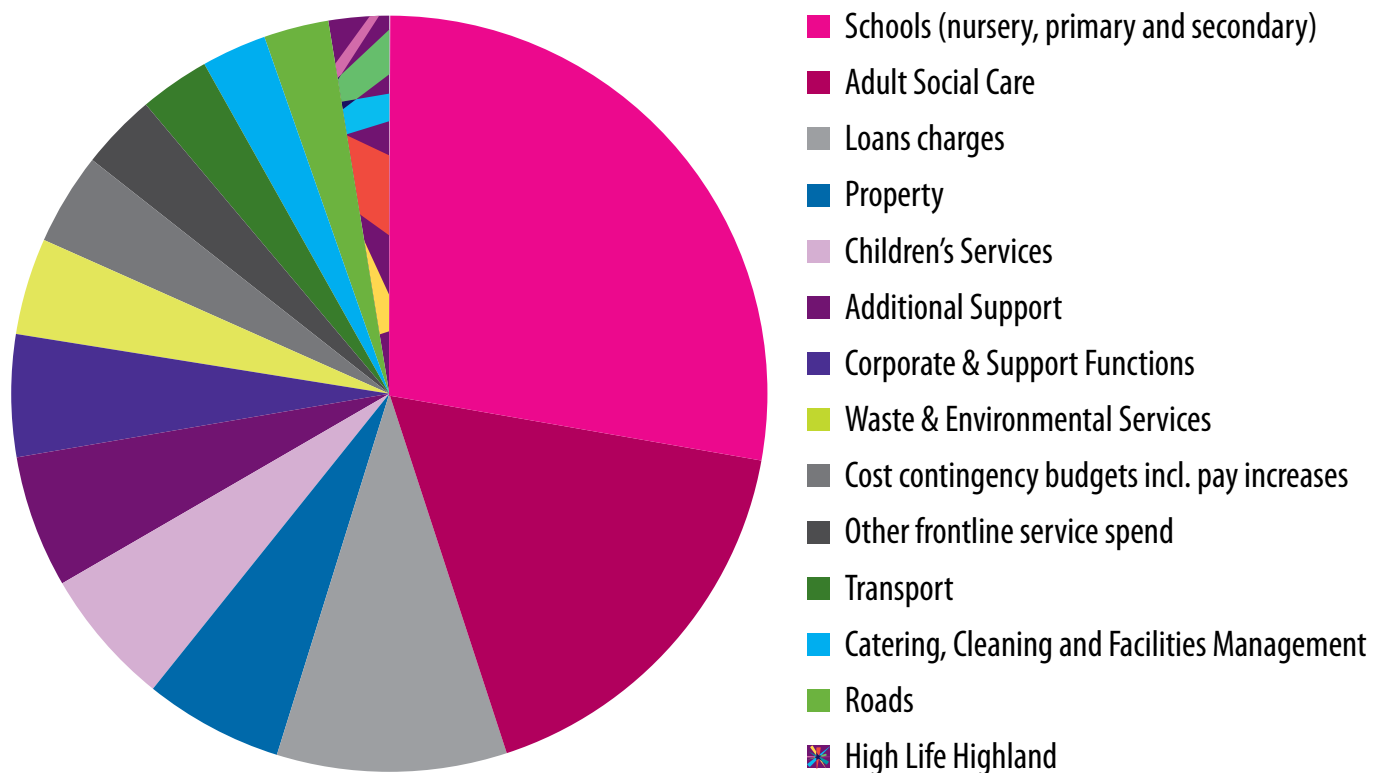
As a result of that challenging outlook any investment made now must look to help ensure medium term financial sustainability and look to reduce costs in the future, rather than creating additional spending burdens over the medium term.

Despite the challenges that lie ahead, the Council has a real opportunity to improve outcomes for the people of the Highlands through its core revenue budget; reprofiled capital programme (which contains over £260M of scheduled investment over the next two years); Investment Strategy for Health and Prosperity; and the Recovery, Improvement and Transformation programme.

**Figure 1 Highland Council Organisational Framework**



## Figure 2 How the Council Budget is spent



### Governance

The three elements of the budget strategy will include robust officer and political governance arrangements. The new Investment Strategy and the Change, Improvement and Transformation Fund will be overseen by Members using the programme management approach for high level monitoring through the Recovery Board which in turn is reported to Council. In addition, the individual projects will report to Strategic Committees to enable elected Members to have more detailed oversight and scrutiny. A detailed explanation of the operation of the governance arrangements is set out at the end of the next section.

## 3 Strand 1 An Investment Strategy for Health and Prosperity

The drivers for change provide the context for delivering an ambitious and expansive investment programme, whilst sound financial and budgetary management, during the last financial year, has provided the means. These elements, combined, enable the Council to deliver a 3 phase approach for Highland health and prosperity.

The progress of the virus, the impact of Brexit and the unclear path to recovery, all present significant uncertainty ahead and it is not possible to predict precisely how these might impact the Council's own financial position. Nevertheless, the Strategy for Health and Prosperity focuses on opportunity and having confidence in the capacity for the Highlands to recover and grow with the right investment stimuli. Phasing enables the Council to make decisions at key points in the year about whether and where to invest, depending the extent to which risks materialise or, indeed, if new funding streams come through. If the outlook remains positive, more investment can be released. If progress slows or stalls, finances can be protected. Just as importantly, there may be some initiatives that need to take longer to develop because they are more complex and so these would need to come to one of the later investment phases.

To make the most of the resource that is available, it will be essential to apply clear principles and criteria to identify the initiatives with the greatest potential impact.

**The following investment principles have been applied:**

- ▶ Clear aims
- ▶ Outcome focused
- ▶ Time limited
- ▶ Non-recurring
- ▶ Member governance, scrutiny and oversight

### Phase 1

March 2021 - agree initiatives and initial tranche of investment of **£9.81M**;

### Phase 2

June 2021 Budget Review. A report will be taken to the Council which will consider the final outturns for 2020/21 and provide an assessment of the UK settlement, risks around Covid and Brexit and an update on the medium-term financial plan. There will also be an update on the investment initiatives agreed in Phase 1 and options for further investment brought forward, if there is scope in the budget to do so.

### Phase 3

September/October 2021 Budget Review. A report will be taken to the Council which will provide a further update on the investment initiatives agreed in Phase 1 and options for further investment brought forward, if there is scope in the budget to do so.

The following section sets out proposed areas for targeted one-off investment, combining both strategic and local elements, and including the aims agreed last year around the Highland Deal and Rural Transport, to provide benefits across the Highlands. In addition, addressing some historic under-investment in core operations will present the opportunity to manage risk downwards and avoid significant failure costs in later years.

## Phase 1 - Proposed areas for investment

The proposed areas for investment in Phase 1 are:

### £1.5M Visitor Management Strategy

A draft Visitor Management Plan and a Tourism Infrastructure Plan have been developed by a cross-service officer working group which, taken together, provide a longer-term Highland Visitor Management Strategy. Projects are broken down into three categories:

- i. **delivered within current resources;**
- ii. **extra funding required;** and
- iii. **extra staff required.**

A range of investment opportunities are identified in roads; parking management; visitor management; additional comfort schemes to increase public convenience provision; enhanced litter and waste collection services; provision for motorhomes; and public transport.

Governance for this strategy will be overseen by The Council utilising the Recovery Board for monitoring and evaluating progress. Potentially 3 Committees will have an involvement both in terms of policy and implementation of actions. Two of these are strategic committees: Economy and Infrastructure and Communities and Place; and there is also the Tourism Committee. Corporate Resources Committee will be accountable for the overall budget.

Further information about the Strategy is provided in **Appendix A** at the end of this report.

### £6M Economic Prosperity Fund

Targeted support for business recovery and to address the lost job opportunities for all adults, especially our: young and vulnerable; school leavers without qualifications; school leavers without employment opportunities; graduates without careers; adults facing unemployment for the first time; and those aged 50+ with work experience who are vulnerable to the collapse of key business sectors. Our 10-point plan of key activities will focus on the following:

- 1** Grow the Highland Employer Recruitment Offer (HERO) to provide wage incentives to private sector businesses to support the initial employment of targeted out of work people creating jobs for a 12-month period.
- 2** Grow support for new business start-ups with new grants and loans managed through the Council's Business Gateway service and the Council's Enterprise Trust, Highland Opportunity Investments Limited (HOIL).
- 3** Develop the Modern Apprenticeship (MA) scheme for 16-65 years olds at all levels to support all sectors in Highland, including upskilling and vocational qualifications post COVID-19.
- 4** Strengthen support for mentoring young people and upskilling mentors.
- 5** Develop opportunities for supported businesses (providing jobs for individuals with disabilities).
- 6** Expand training skills and learning opportunities and development in partnership with UHI and SDS, including vocational and formal qualifications.
- 7** Provide targeted support for social enterprises, recognising the huge potential of the third sector to stimulate economic activity.
- 8** Enhance and supporting the Council's supply chain businesses through procurement practice.
- 9** Collaborate with the advice sector to promote the new opportunities created by economic growth, inclusion and prosperity, and to match the broad range of individuals aged 16-65 with renewed and new prospects.
- 10** Strengthen our Regional Economic Development capacity by providing greater resilience within the Council to programme manage and deliver the Highland City Region Deal.

Governance: All Strategic Committees will have an involvement in achieving the outcomes expected from this intervention - both in terms of policy and implementation of actions. The Corporate Resources Committee will allocate the budget for each of the strands and determine the Strategic Committees that will be accountable for overseeing spend and progress. The Recovery Board will provide overall evaluation and monitoring and recommendations to Council.

Further information about the Strategy is provided in **Appendix B** at the end of this report.

## £2.1M Place-based Investment

For distribution through Area Committees to support local priorities. The calculation has been based on an award of £100,000 per Ward within the area. Feedback from Members during the many Covid briefings and discussions highlights that there are a range of very different local responses required to address the harms of Covid from additional localised welfare supports such as fuel and food poverty; wellbeing investments in areas such as paths, playparks and spaces for people; and very targeted responses to matters such as loneliness, or drug and alcohol addiction. There are also key recovery investments that Members wish to support to bring in match funding and enable local income generation.

## £0.210m to top up Ward Discretionary Budgets

This enables an additional £10,000 per Ward. This will provide a Ward Budget of £26,000 per Ward in 2021/22 and would be administered as part of the Discretionary Ward Budget for which criteria and a process are in place.

Wards will also have flexibility to carry forward any of the Covid Ward Discretionary Grant (of £0.776M) unspent at the end of 2020/21 as agreed at Council in January 2021.

## Governance

The Council in January 2021 noted that Ward Members need to identify and agree through Area Committees what proportion of their Covid Ward Discretionary Fund, if any, they want to set aside for projects to assist children and adults post Covid, such as contributing to Play Park equipment alongside funding for food and humanitarian assistance so that Ward Managers can administer the fund, with decisions on awards of £10k and over made at Area Committees in keeping with the Scheme of Delegation. This governance route would apply to decisions to be made on the new £2.1M of Place-Based investment.

Decision-making on addressing the harms of Covid will therefore be made locally through Area Committees. Guidance on the four harms of Covid to identify eligible projects along with relevant legal duties to comply with will be provided to Members to guide decision-making on the fund from April 2021. Given the scale of this new investment and to learn from approaches made across Area Committees, reports of the approach and use of place-based investment and any learning and/or adjustments required will be made to each meeting of the Communities and Place Committee in 2021/22.



## 3 Strand 2 Recovery, Improvement and Transformation Fund

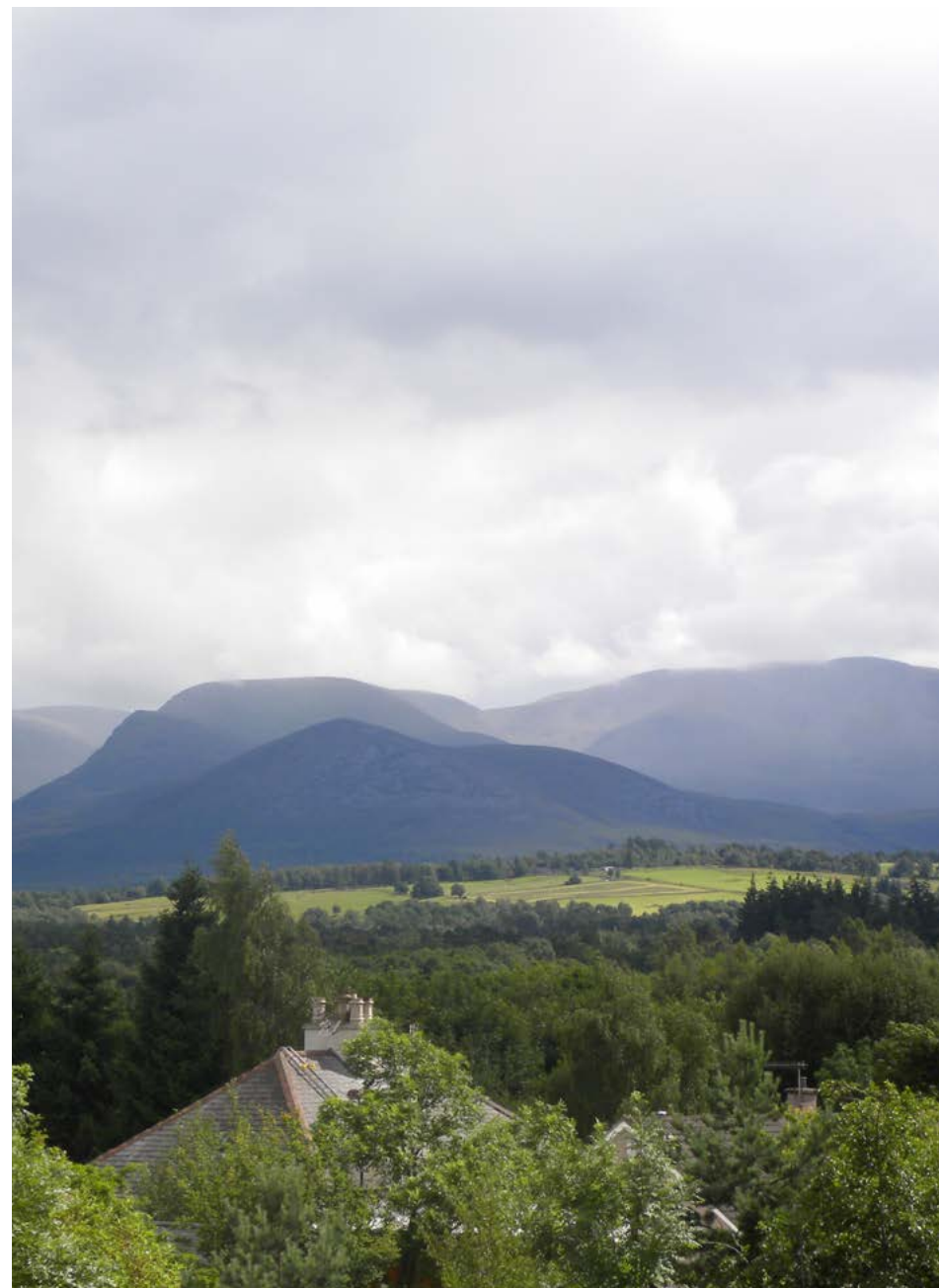
In 2019/20 the Council introduced a programme management approach to the Change Fund to provide the resources, capacity and expertise to deliver the Council's Change Programme. In 2020/21 the Programme Office expanded to include oversight for the Council's Recovery Action Plan, supporting the Recovery Board in the delivery of 11 workstreams aimed at mitigating the impact of Covid.

It is proposed that the same approach is adopted for the monitoring of the both the transformation and the investment strands of the Health and Prosperity Strategy, with the Recovery Board becoming the Recovery, Improvement and Transformation Board.

Reporting in the "Audit Scotland Local Government in Scotland: challenges and performance 2019", the Accounts Commission emphasised that:










"effectively led councils recognise that the financial and demand pressures mean that planning and implementing changes to find efficiencies alone is no longer enough, and that redesigning service delivery is needed and there is clear recognition of the need for more radical change. Members, officers, partners and communities clearly have a fundamental role in driving this transformational change forward."

Transformational change and medium to long term financial sustainability are therefore inseparable: the more the Council strives to be a high performing organisation, the greater capacity there is to reduce excess spend, and the more resources will be targeted towards delivering desired outcomes for citizens. For consistency with the overall Programme it is consequently proposed to change the name of the Change Fund to the Recovery, Improvement and Transformation Fund.



## The Improvement and Transformation Programme

The Improvement and Transformation Programme for 2021-22 will consist of the following:

1. Economy 
2. Asset Rationalisation & New Ways of Working 
3. Service Redesign 
4. Digital Transformation 
5. Social Care 
6. Climate Change 
7. Waste 
8. Roads & Transport 
9. Procurement and Contracts Management 

Detailed descriptions of each of these projects follow later in this report. The projects have been identified as a result of extensive work undertaken to:

- address the challenges and drivers for change as discussed earlier in this report
- ensure alignment with, and support the delivery of, the Council's Programme and Corporate Plan
- support the Council's medium-term financial strategy including delivery of cashable benefits for 21/22 and beyond
- build on the Council's Change and Improvement Strategy and the Recovery Action Plan.

The annual recurring Change Fund budget is £2.25M. The portfolio of projects identified to take forward the transformational change will support the delivery of existing savings and the Council's approach to medium term financial planning. Against a predicted spend in 21/22 of £2.25M, and an overall predicted spend of £3.69M over two years, (some projects will be up to 24 months in duration), the forecasted cashable benefits from this programme are expected to exceed £18.7M.

The forecasted cashable benefits of £18.7M excludes the identification of further medium-term savings from 22/23 that the proposed programme is expected to identify and other likely benefits such as capital receipts as a result of the disposal of some offices as part of the Asset Rationalisation/New Ways of Working project; funding streams that may be secured as a result of the programme investment, such as those addressing Climate Change; and income from renewable energy initiatives, e.g. identification and development of energy and fleet projects with partners which can secure external funding through Scottish Cities Alliance, COSLA, Sustainable Scotland Network, Salix funding and the Scottish National Investment Bank. There are also numerous non-financial benefits that will be delivered alongside the financial return.

## Programme Governance

Governance is about the structures and processes for decision making accountability, controls and behaviour throughout the Council to get the work done and the projects delivered. The positive progress made in respect of the Council's Recovery Action Plan is a good example of the effectiveness of the Programme Management Office (PMO) approach and the intention therefore is to adopt the PMO approach for the Improvement and Transformation Programme. The effective governance of this significant Improvement and Transformation Programme is critical to ensuring benefits are realised, savings are delivered, and projects meet their objectives. It is proposed that the Recovery Board is retitled the Recovery, Improvement & Transformation Board. This Board is well established with Terms of Reference and has cross-party, Trade Union and senior officer representation.

A single Recovery, Improvement and Transformation Programme using a Programme Management Office approach will ensure Members are regularly appraised on key elements of good project governance: Time, Cost, Quality, Risks, Scope, and that relevant benefits are delivered.

A further layer of governance is being introduced in relation to the Investment Strategy and the Recovery, Improvement and Transformation Programme which will have each project reporting to the appropriate Strategic Committee to enable Members to track progress and scrutinise delivery whilst maintaining the helicopter view provided by the Recovery, Improvement and Transformation Board. The Recovery, Improvement and Transformation Board will ensure activity is being carried out, monitored, evaluated and reported to Council. The Strategic Committees will be responsible for the delivery.

Each project has a dedicated Sponsor and Lead. Each of the sponsors is a member of the Executive Leadership Team with overall accountability for the project or programme. They will be joined by an ECO peer reviewer who will provide additional support and impetus to each project, whilst also benefitting from broadening their understanding of service delivery areas outside of their formal remit.

Project Sponsors ensure the delivery of agreed business benefits and act as the representative of the organisation, playing a vital leadership role to:

- Provide business context, expertise, and guidance to the project manager and the team;

- Champion the project/programme, throughout the organisation to ensure capacity, funding, and priority for the project;
- Act as an escalation point for decisions and issues that are beyond the authority of the project manager;
- Act as an additional line of communication and observation with team members, customers, and other stakeholders; and
- Act as the link between the project/programme, business as usual, The Board, strategic committees and Council.

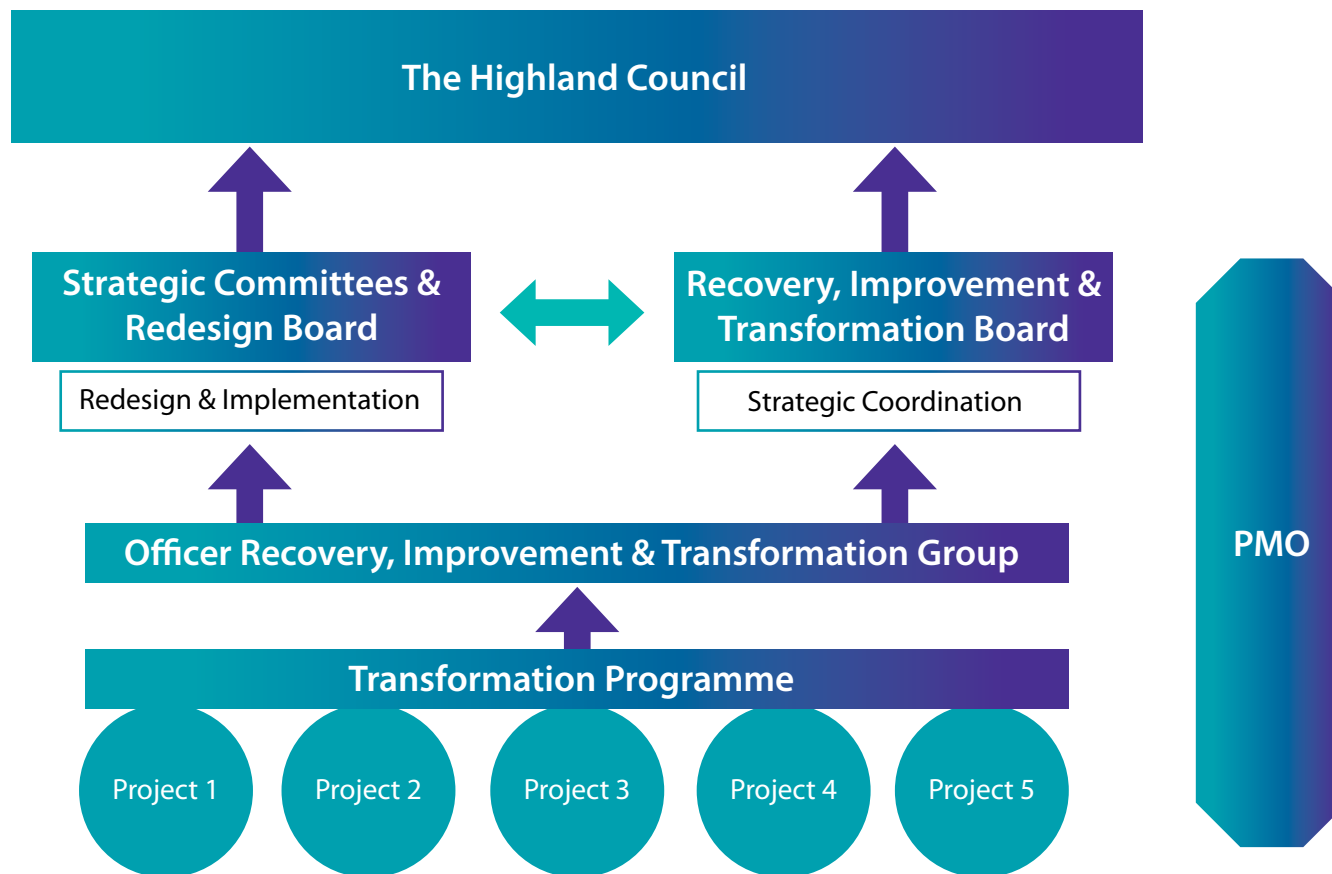
In the same way as the Council's Recovery Action Plan, The Recovery, Improvement and Transformation Board will provide the overall strategic coordination of the Transformation Programme to include monitoring, evaluation and reporting to Council. The Strategic Committees and Redesign Board, supported by designated Member/Officer working groups will undertake the lead role for the delivery and implementation of their respective projects.

### The Board will:

- Provide a strategic oversight and co-ordination for the Transformation Programme & Recovery Action Plan in order to lead recovery from the consequences of COVID-19;
- Provide a single point of co-ordination for internal and external recovery efforts;
- Lead the facilitation of external and internal collaborative partnerships required to deliver Recovery;
- Consider and assess the implications of national decisions on the pandemic response as they impact on the Programme;
- Identify strategic risks to the Programme including implications from the COVID-19 emergency response, and develop mitigations; and
- Report and make recommendations for the Highland Council to ensure effective delivery of the Recovery, Improvement and Transformation Programme; Investment Fund initiatives; and the Recovery Action Plan.

Within the Improvement and Transformation Programme, the ECOs will meet on a fortnightly basis (or more frequently as required) as the Officer Recovery, Improvement and Transformation Group chaired by the Chief Executive. This group will undertake monitoring and tracking of progress to deliver programme assurance and to drive the programme forward at pace.

An overview of the Council governance organisation is shown below.



## Recovery, Improvement and Transformation Fund Project Sponsors and Strategic Committees

Project	Sponsor(s)	Governance
Economy	ECO Infrastructure & Environment ECO Performance & Governance	Economy & Infrastructure Committee
Asset Rationalisation & New Ways of Working	ECO Property & Housing ECO Education & Learning	Redesign Board and Strategic Committees where appropriate
Service Redesign	ECO Transformation ECO Resources & Finance	Respective Strategic Committee Full Council
Roads & Transport	ECO Property & Housing ECO Transformation	Economy & Infrastructure Committee
Social Care	ECO Health & Social Care ECO Property & Housing	Health Social Care & Wellbeing Committee
Waste	ECO Communities & Place ECO Infrastructure & Environment	Communities & Place Committee
Climate Change	ECO Infrastructure & Environment ECO Communities & Place	Economy & Infrastructure Committee
Digital Transformation	ECO Transformation ECO Performance & Governance	Corporate Resources Committee
Procurement & Contracts Management	ECO Resources & Finance ECO Health & Social Care	Corporate Resources Committee

The following section sets out the projects in more detail whilst the table at the end provides a simple financial assessment of the investment and returns.

## 1. Economy



This project aims to address the challenges of dealing with economic recovery and the opportunities that will come from the investment into the Economic Prosperity Fund set out above, further transformation in the Council's economic development teams will bring significant benefits.

This project has 2 workstreams: **Growth Investment** and **Planning**.

### Growth Investment

The proposal is to create a new post, for up to 24 months, of Growth Investment Manager to identify and attract additional public and private sector investment to the Highlands. Historically in the Highlands this role has been mainly seen as a function for HIE and the Council has focused on providing economic strategies, planning policy and strategy and also been the delivery vehicle for various employment initiatives and more recently supporting small businesses through Business Gateway. The local authorities with the highest success rates for attracting inward investment in England and Scotland have taken a more pro-active role in promoting their areas working in partnership with the local economic agencies, national government and private sector to maximise investment levels in their area. An increase in external investment to the Highland area will be a key outcome of this work.

Supporting the Highland economy is key to post-Covid recovery. In order to take a lead role the Council requires a resource to work with partners to ensure that the Highlands maximise the opportunities available particularly zero carbon and other green economy initiatives which we anticipate will be the focus of future government and private investment.

This post will work closely with HIE in order to enhance the partnership approach and joint working and discussions will take place as soon as practical.

### Planning

This project will provide a dedicated point of contact for developers to support economic recovery and development. For time critical "major" projects it is necessary for a developer to discharge/purify planning conditions either prior to the development commencing or prior to the site becoming operational. In both cases these are significant developments with critical timelines and large financial outlays where any delays can be costly. The value for the applicant /developers is that they would have a dedicated point of contact to coordinate, review and discharge the relevant conditions. This would provide greater certainty and confidence to applicants and developers alike.

The appointment of a dedicated officer, for up to 24 months, is to provide a post-planning determination that would offer a value-added service and generate income for the Council. It will also ensure the effective delivery of significant investment in the Highland economy related to sectors such as employment, industrial developments or renewable energy provision and ensure compliance with planning permissions and the timeous delivery of developer contributions and other infrastructure benefits. The post will ensure compliance with planning permission condition, implementation and ensure that new applications are sought to regularise changes. The provision of a dedicated post-delivery officer to addressing monitoring is a logical extension of the award-winning major pre-application service that we currently provide. Once proof of concept has been demonstrated there should be the opportunity to mainstream the post on a full cost recovery basis.

## 2. Asset Rationalisation & New Ways of Working



The project aims to design and deliver a revised office accommodation estate for the Council, including HLH, reflecting and harnessing new ways of working and improvements in technology.

The benefits that can be delivered from this project include: improvements to the working environment

for our staff, including flexible approaches to the working environment; contributing to a more agile workforce; reduced operational costs supporting the Council's ongoing budget process, including delivery of savings; the release of capital value and also reduction in/removal of significant future year revenue budget liabilities; the creation of a more effective estate which can help deliver better and more streamlined business outcomes; reduced carbon emissions and greater energy efficiency; modernised information management and data security.

In their report "COVID-19: Workforce Strategies for Post-Covid Recovery" Deloitte reported that "a typical crisis plays out over three time frames:

1. Respond, in which an organisation deals with the present situation and manages continuity;
2. Recovery during which an organisation learns and emerges stronger; and
3. Thrive, where the organisation prepares for and shapes the next normal."

They further advise, that the pandemic offers opportunities to Rethink work, workforces and workplaces, using the experiences we have gained in response and recovery to accelerate the future of how we work.

Effective and adequately resourced internal, external and partner communications and engagement will also be essential to help shape the future. This will require additional resource within the communications team.

The Council will work in partnership with High Life Highland to deliver a joint approach to Asset Rationalisation, new ways of working and other related projects such as Digital Transformation and Climate Change (e.g. decarbonisation). In addition to learning from other public sector organisations that have rationalised their estate, we will also look for opportunities to work and collaborate or co-locate with partners within Highland, particularly those that have more recently invested in their estate and, as a result of Covid, under occupation may likely feature.

Discussions will also take place with other public sector organisations about the opportunities for co-location and the potential for joint development of key public sector service delivery office hubs. Support from other organisations will also be considered such as the Improvement Service and Scottish Futures Trust (SFT).

The Council already has a positive record in its approach to sharing public sector buildings such as its award-winning approach at Caithness House and Charles Kennedy Building with the DWP.

This project will provide an up to date assessment of the current school estate, to identify further improvements to the condition and suitability of our school estate and better understand how it can help to meet future educational requirements to support overall improvements to educational attainment and positive destinations.

The project will provide an opportunity to review how Members are supported in using new ways of working, including new virtual platforms for internal and external meetings; accessing information and reports; and support with constituent queries and complaints.

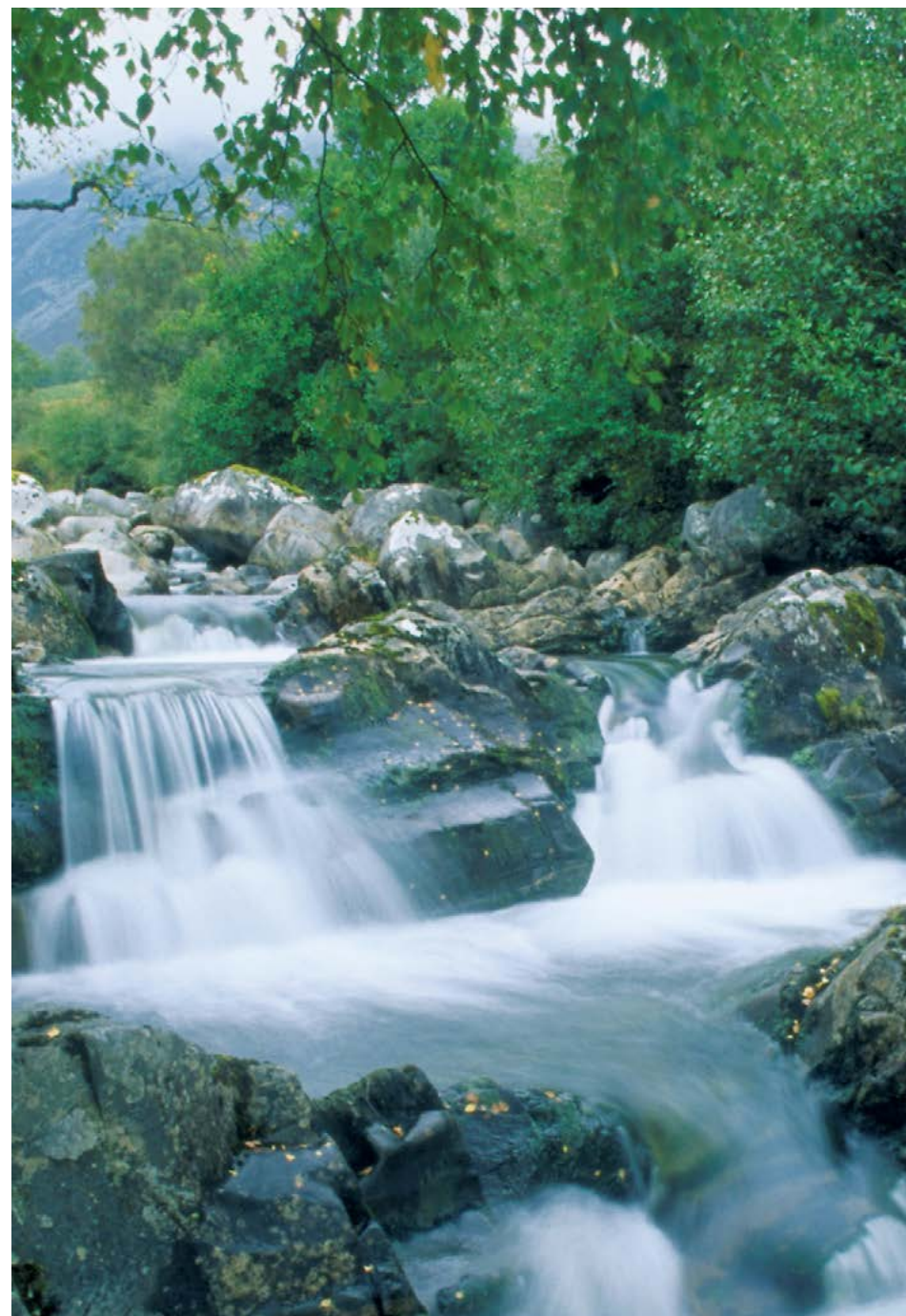
### 3. Service Redesign



This project aims to support the transition to the Council's new management structure and re-designed services which will be key to delivering efficiencies, value for money and transformation to adapt to the drivers for change and move forward in a post pandemic environment.

Underpinning all of the structural change must be an enhanced focus on the internal support mechanisms of the Council; to implement linear line management arrangements, promote staff wellbeing, deliver high quality learning and development opportunities, and create a culture of value and pride in high performance throughout the organisation. Intrinsicly linked to this attention to the internal workings and structures of the Council is the ambition to deliver high quality, locally accountable and responsive services across the Highlands.

Large organisational changes require essential HR support to ensure project delivery and implementation adheres to HR legislative requirements. Support includes specialist advice; guidance including job design; job profiles; HR impact assessments; job evaluation & recruitment processes; and leading discussions with Trade Unions throughout the implementation process in 2021/22. Effective communication and staff engagement is fundamental to any organisational change and this requires to be adequately resourced.





## 4. Digital Transformation



This project aims to accelerate the digital transformation of public services and the development of the Council's digital strategy. There are 3 projects proposed in this project: Connected Customers; Digitising Records and Microsoft Navigator

### Connected Customers

The Council utilises a number of different business applications that represent the 'front door' through which citizens and businesses access many of the Council Services. There is an opportunity to develop these applications and the interconnecting processes collectively, in order to identify improvements to customer journeys and to enhance and develop the Council's digital offering. This can drive efficiencies in managing customer demand, improve our ability to collect income and make interacting with the Council more straightforward for our customers.

### Digitise Records

Making best use of the knowledge and expertise within Services, this project will digitise records, where appropriate, to enable electronic access and processing. By doing so, the Council's reliance on paper-based systems will be reduced and a range of benefits will be created including the opportunities to support new ways of working such as secure record accessibility. This also supports home/remote working and is central to capitalising on the opportunities presented by Asset Rationalisation. Some areas of the Council have already demonstrated how effective and efficient this approach can be such as in Revenues & Benefits, Payroll and Planning & Building Standards.

### Microsoft Cloud Navigator

Although some ICT investments have had Council-wide impacts, much of the process automation and modernisation has been targeted and driven by specific Service priorities. Initial engagement with Microsoft, via their Cloud Navigator programme, has indicated that there may be greater benefits to be achieved by looking at a Council-wide programme of ICT Transformation rather than continuing just with Service-led projects. Further in-depth work is now required with Microsoft consultants to define ambitious corporate ICT Transformation projects built around a robust business case. This work will involve identification of opportunities based on best practice seen elsewhere and detailed analysis of the work needed, investment required and benefits to be obtained. It is critical that this work is undertaken so that resources can be prioritised on the areas that can deliver the greatest benefits.

The immediate priority for the ICT Team is to deliver the significant changes for Project Dochas. Although the ambition for the new ICT Team from 22/23 includes strong capability to undertake this sort of strategic work, this project will enable the delivery of this research, options etc. to be undertaken in 21/22 rather than wait until 22/23. Proactive engagement with, and support from, Microsoft on this project can ultimately help the delivery of future savings whilst the significant work required to deliver Project Dochas can continue simultaneously.



## 5. Social Care



This project aims to support the review of the NHS partnership and respond to the challenges facing adult social Care, and placement services.

There are 3 workstreams within this project:

**NHS Partnership Review; Adult Social Care; and Placement Services.**

### NHS Partnership Review

This requires a dedicated resource to lead on the review of the partnership and to provide capacity and expertise at a critical time for the Council assisting to deliver best value through the new Agreement and subsequently in order to implement the terms of that agreement.

### Adult Social Care

Following approval at the Health, Social Care and Wellbeing Committee in August 2020, this project in partnership with NHS Highland is to help take forward an approved programme with a view to delivering transformation and efficiencies supporting the mitigation of increasing service demand in the future which is likely given the ageing population and also the increase in numbers of complex cases. In addition to the organisations providing project funding, Highland Council and NHS Highland are committed to the efficient delivery of service to achieve the best possible outcomes to support Highland's Population. Such delivery will be governed by a revised integration scheme to be put in place between the Council and NHS and will be overseen by a Project Management Board. That Board has been established and recognises the need for transformation in terms of the future delivery of Adult Social Care. The workstreams provisionally identified have been set out below. The Board are also sighted on the terms of the Feeley report in terms of the future delivery of Adult Social Care and welcome the opportunities it is likely to bring in terms of a human rights focus and recognises the key role of Self Directed Support and the role played by (unpaid) carers. It is recognised also that there will be a need going forward to look to reduce residential care and make improved use of community led support and technological advances to support independent community living.

Notwithstanding the proposed governance of the Council's overall Transformation Programme as described at section 8, the Adult Social Care project board/team will provide regular updates to the Joint Monitoring Committee as the principal governance body for the Partnership and has as a principal role the continuing implementation of the Integration Scheme and the financial commitments in relation to that arrangement.

The Project will initially focus on the following workstreams in terms of the future delivery of adult social care: Care Homes; Care at Home with a focus on Community Led support, and those transitions cases which in terms of adult social care become younger adults with complex needs. The Project will also consider if there are further opportunities which might have arisen as a result of the work carried out by the partner organisations in terms of the response to the pandemic.

### Placement Services

This project looks to continue the review of the delivery of children's services - particularly fostering/adoption and Out of Authority (OOA), significantly reducing the end to end process for people applying to be foster carers and increasing the number of foster carers and adoptive parents in Highland. The primary purpose of this project is to improve outcomes for young people in Highland.

As reported within the Health & Social Care's Service Budget Revenue Monitoring, the costs arising from OOA are significant as well as that, outcomes for young people are often best achieved through staying within their respective areas. In addition, the project will review the additional related-education costs for the Council. Members may be aware OOA authority placements overall currently cost between £3,500 and £8,500 per week, or £200k-£250k per child per year. The current education element of the current OOA placements is estimated to be in excess of £1m per annum.

The project will include working with staff across Education and Health & Social Care to ensure Looked After Children and Young People receive the resource and support they need at the right time and that the views and needs of children and young people are at the centre of decision making. The Council and partners have stated their commitment to The Promise report - to work toward keeping children with their families (when safe to do so), and to keep children and families voices central to the decision making process.

## 6. Climate Change



This project aims to deliver the transformation required meet the Council's commitments to Climate Change.

The Scottish Government has pledged to end Scotland's contribution to climate change no later than 2045. All public bodies have a duty to support and work towards this target under the Climate Change (Scotland) Act 2009, as amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. At a meeting of The Highland Council on 9<sup>th</sup> May 2019, Members agreed that the Council declare a climate and ecological emergency, whilst recommitting to achieving a carbon neutral Highland by 2025.

The transformation required now is to shape the Council's programme, key internal policies & capital programme to ensure a best-fit with the Programme for Government, specifically around the climate change agenda, to support the Council's ambition to secure maximum levels of external funding for climate change action. It is also essential that the Council sets out how it can maximise the benefit of its land holdings to support national climate change targets, for example through afforestation, and identify any funding streams or internal policy changes which could support this. The programme of work will identify key financial and non-financial opportunities around the low carbon agenda for the whole Highland region, especially in relation to how the Council can best support and promote the public goods the region can deliver, sequestration of carbon through forestry, peatland preservation and restoration etc, with a view to being in a better position to demonstrate leadership and market Highland as a truly low carbon region.

**This programme of work will specifically deliver the following:**

- / A dedicated Food Growing/Community Engagement Officer to lead on taking forward the Council's obligations in the Council's food growing strategy, Growing Our Future. This will include the identification of suitable land for food growing / allotments opportunities; opportunities through the Council's amenities review to reduce budget pressures whilst supporting increased community growing/wildflower planting schemes; liaison with Highland food growing groups to support expansion of schemes and increase community involvement; and development of a Highland Food Growing Network to support Highland access to knowledge, equipment and land.
- / Development of a net zero action plan for the Council, identifying key areas of focus across services with a view to developing outline project plans and funding bids. Work to develop service-level carbon budgets to assist in meeting net zero targets. Development of strategic control plans (SCP) for key service functions directly related to climate change agenda, in collaboration with service leads e.g. property, fleet, waste, energy etc. Based on outcomes of the Programme Alignment work and SCP process, setting of objectives, horizon scanning and development of projects and funding bids to assist in decarbonisation opportunities across services – working closely with the Growth Investment Manager post referenced above.
- / Development of corporately agreed hydrogen & low carbon heat strategies to ensure the Council benefits from the energy-systems transformation that these technologies will bring to the region. Ensuring that opportunities within the capital programme are maximised in respect of delivering carbon reduction for both the Council and wider region.
- / Identification and development of energy and fleet projects with partners which can secure external funding e.g. through Scottish Cities Alliance, COSLA, Sustainable Scotland Network etc. Provide a focus on the decarbonisation of the fleet (Greening the Fleet) i.e. electric and hydrogen alternatives, to ensure we work towards the Scottish Government target and Highland Council's ambition to decarbonise local government fleet by 2025.

## 7. Waste



This project aims to respond to the legal requirements to no longer landfill biodegradable municipal waste from 1<sup>st</sup> January 2026, develop a circular economy and to continue to adjust our waste collection approaches.

The project has two workstreams, **Waste Strategy** and **Route optimisation**.

### Waste Strategy

The first workstream is to support the alternative to landfilling waste and conclude the options appraisal into the feasibility of an Energy from Waste Plant including a review of the associated wider socio-economic and environmental benefits. The option chosen will affect how we use the new and planned infrastructure of waste transfer stations in three areas and our future relationship with the market in waste transfer, haulage and disposal. It will support the Council's wider climate change work. On-going Project Management support through the Transformation Programme will ensure timescales are met. This project is overseen by a Member Waste Strategy Working Group and reports to each meeting of the Communities and Place Committee.

### Route optimisation

The second workstream is to conclude one aspect of change in our collection of waste. It is to design optimised collection routes to make sure the Council collects both household and commercial waste in the most efficient way. This is needed as the number of customers grows by around 1000 each year which could otherwise bring new vehicle and staff costs. Route optimisation will also support how we plan for any changes arising from the Scottish Government's Household Recycling Charter which aims to make waste services more consistent across the country. This is expected to place new requirements on the type and volume of household waste we collect and what we are permitted to charge for. It brings challenges particularly for our rural service delivery. Route optimisation is underway and uses a software solution. It requires an ongoing analytical resource to conclude the project and begin communication of the changed routes with staff, members, customers and communities. However, its successful introduction has the potential to bring wider benefits in terms of winter gritting and school transport routes. Again, significant communication and public engagement support are essential to these workstreams.



## 8. Roads and Transport



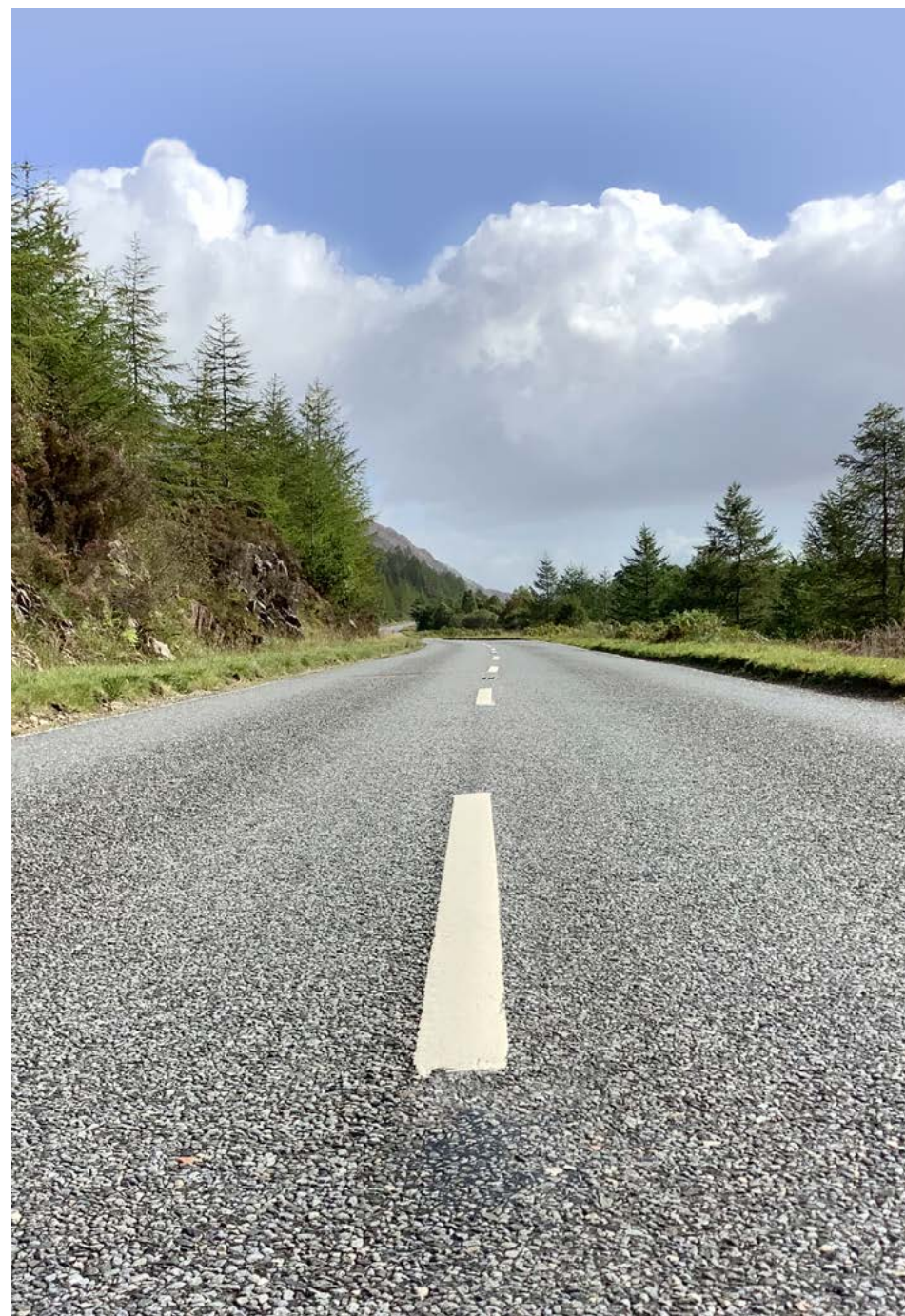
services, improve performance and demonstrate value for money.

This project aims to support the existing transport planning and strategy, design and construction management and area operational and maintenance

teams to more effectively deliver

Arising from a cross-Council redesign review into engineering services, and recognising the significant £20M of additional investment agreed by the Council to the roads maintenance capital programme for 2021/2022 and 2022/23, the transformation project will focus on ensuring that the existing transport planning and strategy, design and construction management and area operational and maintenance teams in the Infrastructure and Environment Service will be strengthened and redesigned to more effectively deliver services, improve performance and demonstrate value for money. Local community engagement will also play an important role in this. Critical to the transformation will be a review to establish the further localised Strategies for the delivery of co-ordinated action by the Council, working with partners such as Transport Scotland, BEAR Scotland and the private sector across the Council area. The review will also identify future resource requirements to effectively and efficiently deliver Council-wide transport strategies.

The benefits of resourcing this review are that the opportunities for contributions by renewable energy and other large-scale project developers as well as medium and small-scale developments to carry out mitigation works required for their development will be maximised. This will build on the success of delivering key road improvements through the use of developer contributions from renewable energy developers in South Loch Ness and allow other areas in Caithness and Sutherland to be targeted. Opportunities for potential match funding partners and budget streams will also be realised and pressures on the area road maintenance budget to address deficiencies and substandard nature of the road network in all Council areas could be reduced.



## 9. Procurement and Contracts Management



This project aims to deliver efficiency in both procurement and contract management.

The Council spends in excess of £380M per annum on non-staff costs; this is higher than the total spent on staff costs.

### Procurement

This is the process of finding and agreeing to terms, and acquiring goods, services, or works from an external source, often via a tendering or competitive bidding process. This process, for contracts over £50,000, is delivered by the shared service with Aberdeen City, Aberdeenshire Council and Highland Council, known as the Commercial and Procurement Shared Service (CPSS). Approved in August 2016 at Resources Committee, this arrangement took effect from January 2017. The CPSS has responsibility for the provision of strategic procurement services, namely:

- Procurement strategy, legislation, policy and advice.
- Category Management (for all strategic categories of spend).
- Strategic Commercial Management.

As part of the Council's Recovery Action Plan within the "Financial Recovery Strategy" key priority, a high-level financial review was recently undertaken of the service. This work indicates opportunities for improvement which will deliver procurement savings. Such is the nature and lead-in time for changes pertaining to Procurement matters, including contract timelines, it is anticipated that further savings will be deliverable from 22/23 onwards.

The CPSS have expressed a strong commitment to deliver improvements and will also provide resource to support the delivery of further savings as quickly as possible. This project will include the formal design and implementation of an Improvement Plan, progress of which will be reported to the Corporate Resources Committee.

### Contracts Management

The process of systematically and efficiently managing contract execution, including ongoing monitoring for the purpose of maximising financial and operational performance and minimising risk. Responsibility and ownership of this process sits with the Council therefore it lies out-with the scope of CPSS as does procurement activities for contracts less than £50,000. Managing contracts is an important responsibility for Managers and needs appropriate skill sets such as challenging suppliers where performance falls below contract standards and negotiating improved terms where the contract permits. Supporting managers to do this effectively requires effective training and access to accurate & timeous contract data/information. A review of all contracts (including SLAs) will also be undertaken to review the services currently being procured /commissioned.



## Resourcing the Recovery, Improvement and Transformation Programme

### Programme Management Office

The PMO is the single structure to assist the delivery of the Recovery, Improvement and Transformation Programme, this includes resource allocation to assist the delivery of the change, initiatives and transformation. Acting as the centre of expertise for programme and project management for this programme. In addition, it will be the information hub of the programme, all information, monitoring and control activities for the programme are coordinated through the PMO.

The PMO will set, maintain and ensure standards for project management across that Council, promoting best practice, for project status and direction — all in one place.

The PMO will provide:

- Programme Board support
- Resource allocation
- Programme management
- Managing the dependencies and the interfaces between projects
- Programme assurance
- Programme coordination
- Programme administration
- Project Manager mentoring
- Project Management methodology
- Project meeting support
- Project and Programme governance
- Project and Programme Management support
- PMO metrics and reporting
- Business Case validation

### Communications

Effective communication with all stakeholders across this whole programme is essential, including engagement with staff and the Trade Unions.

Communications resource is required to continue to support the ongoing resilience and pandemic communications as well as enhanced staff, Trade Union, partners and communities engagement and public relations.

In addition, key areas of new work will include significant communication support for local and regional economic recovery work and publicising, the investment programme; large transformation projects such as asset rationalisation and service redesign, where staff engagement and public communication will be key; and public communications where behavioural change and broader understanding will be required to maximise success – as with climate change and waste management.

Other areas include supporting area initiatives, assisting with ongoing digital transformation, and public and staff engagement with additional and ongoing development of our effective digital/video communications solutions and resource to support this. Additional posts are required to supplement the capacity of existing limited communications resource.

## Programme – next steps

On approval, the next immediate steps for the projects building on the outline business cases will be as follows:

1. Complete full Business Case
2. Agree the success criteria/project objectives
3. Agree project roles & responsibilities
4. Establish Project Boards (as required)
5. Assemble Project teams
6. Produce Project Initiation Document set
7. Produce detailed Project Plans including key milestones
8. Produce Initial Risk Register
9. Provisional benefits plan
10. Conduct initial Board meetings
11. Prepare reports for Recovery, Improvement and Transformation Board

These steps will be undertaken with the aim of taking reports to the Recovery, Improvement and Transformation Board in March 2021 and May 2021 will be carried out before end April 2021 to commence the project life cycle as below:





## Proposed Recovery, Improvement and Transformation Programme

Portfolio	Duration	Resource	Cost 21/22 £M	Total Cost £M	Total Cashable Benefits (Revenue) £M
<b>Economy</b>	24 Months	Growth Management Planning	0.114	0.228	*Note 1
<b>Asset Rationalisation &amp; New Ways of Working</b>	24 Months	Property Asset Management (THC) Property Asset Management (HLH) Subject Matter Expert (Education) Project Management Business Analysis HR advice & support	0.424	0.848	1.050 *Note 2
<b>Service Redesign</b>	12 Months	HR advice & support	0.097	0.097	4.800
<b>Roads &amp; Transport</b>	18 Months	Transport specialist advice Project Management Business Analysis	0.130	0.180	2.220
<b>Social Care</b>	24 Months	Strategic leadership Programme & Project Management Subject Matter Expert advice & support	0.379	0.541	9.500 *Note 3
<b>Waste</b>	18 Months	Project Management Business Analysis	0.075	0.098	0.385

Portfolio	Duration	Resource	Cost 21/22 £M	Total Cost £M	Total Cashable Benefits (Revenue) £M
<b>Climate Change</b>	24 Months	Project Management Subject Matter Expert advice & support	0.240	0.480	*Note 4
<b>Digital Transformation</b>	12 Months	Project Management Business Analysis	0.198	0.198	0.254
<b>Procurement &amp; Contracts Management</b>	12 Months	Project Management Subject Matter Expert advice & support Business Analysis	0.171	0.171	0.450
<b>PMO</b>	24 Months	Programme Management, Assurance & Coordination	0.263	0.527	0.000
<b>Communications (Various projects)</b>	24 Months	Communications expertise and support across the Programme	0.160	0.320	0.000
<b>Total</b>			<b>2.250</b>	<b>3.686</b>	<b>18.659</b>

**\*Note 1** The new posts will have a significant focus on bringing external funding in to support the Council's Economic Development Strategy. Opportunities to deliver the maximum share for Highland from funds such as the Infrastructure Investment Fund or the Shared Prosperity Fund requires dedicated resource and close collaboration with local partners, the Scottish Government and UK Government.

**\*Note 2** Excludes the release of capital value and also reduction in/removal of significant future year revenue budget liabilities including repairs & maintenance, insurance and non-domestic rates; the creation of a more effective estate which can help deliver better and more streamlined business outcomes; reduced carbon emissions and greater energy efficiency; modernised information management and data security.

**\*Note 3** Cost avoidance.

**\*Note 4** The new posts will have a significant focus on bringing external funding in to support low carbon and cost saving projects (principally around fleet decarbonisation) whilst the remaining balance can be utilised to put us on a firm footing for other funding opportunities.

## 3 Strand 3 Key themes for delivering the Budget

The Grant settlement for 2021/22 represents a £23.6M cash increase in Council funding which includes a significant increase in resources for adult health and social care and for the roll out of Early Years. There has also been funding provided to offset the need to raise Council Tax for the coming year and one off funding to manage Covid related pressures. This has all assisted in reducing the amount the Council needs to find to manage recurring budget pressures, the majority of which relate to the national pay settlement and associated salary increments and contractual increases. Nevertheless, there is still a requirement to find £5.3M of new savings and increased income to balance the budget for 2021/22. Further savings of £20.3M are required to be found to deliver a balanced medium-term financial plan over the next 3 years.

How the Council intends to address the 2021/22 budget gap is set out under three themes. Each proposal has been assessed for equality, community and island impacts and these are set out in the detailed savings templates on the following pages.

### Theme 1: Making the Council More Efficient

Efficiency is one of the strong themes the public have said they want the Council to focus on - people want to see less waste and more efficiency in every part of the Council. Savings can be made by examining how the Council currently does things and finding better ways to provide services which deliver improved outcomes, recognising that the Council has achieved efficiency savings over many years. These will require no change in Council policy.

### Theme 2: Commercialisation and Income Generation

Increasing income needs to be a fundamental part of the Council's budget strategy in order to be able to fund the cost of services, protect jobs and reduce the need for cuts. Feedback from public engagement has shown that most people would be prepared to pay a bit more to protect people, services and the local economy. There is also potential to use money raised locally to reinvest in local services and infrastructure thereby helping to sustain local communities and protect jobs and services.

### Theme 3: Redesign and Improvement

Improving the Council's performance is a major focus for the Budget Strategy over the next 3-5 years. The Council needs to adapt to change and do things differently to get improved results. Managing within reduced resources and identifying opportunities to address under-performance will require a transformational approach to the way in which the Council delivers some key services. Public and staff feedback has highlighted opportunities to simplify and streamline processes, learning from recognised best practice and successful processes elsewhere. The Improvement and Transformation Strategy will be an integral part of this approach.

## Savings Proposals 2021 - 2023

### Theme 1: Making the Council more efficient

Theme Ref	Service Ref	Budget Area	Savings Description	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
1.01	C&P/10	Waste Management	HWRC - maintain current adjusted opening hours and return to pre-Covid staffing levels	0.032			0.032
1.02	C&P/15	Waste Management	Delete 3 vacant operational posts 2 x HC3 & 1 x HC4	0.080			0.080
1.04	C&P/24	Logistics & Fleet	Reduce car club administration	0.025			0.025
1.06	E&L/4	ELC	One off savings from Phasing of 1140 Implementation	0.500	-0.500		0.000
1.07	E&L/5	ELC	ELC phase 1 into phase 2 Implementation	1.237	0.449		1.686
1.13	HW&SC/6	Service Staffing Budget	Reduce relief staffing budget based on underspend	0.011			0.011
1.14	I&E&E/4	Roads & Transport	Cromarty - Nigg Ferry Contract (Non Statutory Tourist Service)	0.010			0.010
1.15	I&E&E/9	Development & Regeneration	Private Sector Housing Grant - Reduction in Grant	0.050			0.050
1.16	P&G/4	Members	Travel	0.020			0.020
1.16	P&G/5	Members	Catering	0.007			0.007
1.16	P&G/6	Members	Mobile telephony	0.015			0.015
1.16	P&G/7	Members	Members Subsistence	0.011			0.011
1.17	R&F/8	People	People Health and Safety - range of savings from various budgets headings	0.012			0.012
1.18	T/2	Transformation Non-Staffing Budget	Review and removal of discretionary spend	0.019			0.019
1.19	P&H/4	Non- HRA Housing	Temporary Housing Accommodation Saving	0.116			0.116
				<b>2.145</b>	<b>-0.051</b>	<b>0.000</b>	<b>2.094</b>

## Savings Proposals 2021 - 2023

### Theme 2: Commercialisation and Income Generation

Theme Ref	Service Ref	Budget Area	Savings Description	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
2.01	C&P/3	Environmental Health	Bereavement services - develop a wider range of services for remembrance	0.012	0.012	0.012	0.036
2.02	C&P/5	Environmental Health	New cost recovery for EH licensing	0.003	0.003	0.003	0.009
2.03	C&P/7	Community Support	Review administrative funding to NHS to co-ordinate and organisation statutory and non-statutory health and wellbeing training programmes for Council staff	0.020			0.020
2.04	C&P/9	Waste Management	Additional Saving from Compaction within HWRC's, saving on haulage and contractor costs	0.025			0.025
2.05	C&P/12	Waste Management	Reduction in Residual Waste from the introduction of Deposit Return Scheme			0.280	0.280
2.06	C&P/13	Waste Management	Reduction in Glass contract cost from the introduction of Deposit Return Scheme			0.100	0.100
2.07	C&P/17-19	Registrar Service	Income Increase fee charges	0.061			0.061
2.10	C&P/20	Grounds Maintenance	Income Work with Services to reduce external spend on arbor work, carry out work using internal team	0.030			0.030
2.11	C&P/22	Logistics & Fleet	Reduce contract requirements for plant hire	0.022			0.022
2.12	E&L/8	ICTI Development Team / Virtual Academy	Income Generation ICT Consultancy / Virtual Academy / Advertising on Chromebooks	0.150			0.150
2.13	E&L/14	DSM	Job Sizing Review Promoted Teaching Posts	0.288	0.728	0.257	1.273
2.15	HW&SC/2	Third Sector Contracts	Review of priorities and delivery and reduction in payment - subject to negotiation and member agreement		0.150	0.150	0.300

## Savings Proposals 2021 - 2023

### Theme 2: Commercialisation and Income Generation

Theme Ref	Service Ref	Budget Area	Savings Description	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
2.17	I&E&E/10	Roads & Transport	Corran Ferry - Fares Income	0.100			0.100
2.18	P&G/8	Licensing	PLR Income	0.045			0.045
2.18	P&G/9	Licensing	PLR agency costs	0.002			0.002
2.19	P&H/2	Property (Corporate Business Rates)	Reduction in Business Rates Payments for 2021/22	0.100			0.100
2.20	R&F/3	ICT	Negotiated price reduction on SWAN contracts	0.080			0.080
2.21	R&F/4	ICT	One-off saving on SWAN contracts prior to 22/23 contract reprourement	0.130	-0.130		0.000
2.22	R&F/12	Corporate Finance	Removal of budget overprovision for procurement service	0.100			0.100
2.23	E&L/7	Procurement	Software ICT Licensing Best Value Review	0.150			0.150
				<b>1.318</b>	<b>0.763</b>	<b>0.802</b>	<b>2.883</b>

## Savings Proposals 2021 - 2023

### Theme 3: Redesign and Improvement

Theme Ref	Service Ref	Budget Area	Savings Description	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
3.01	C&P/1	Service Leadership Review	Delete vacant management post (net saving following JE of remaining posts)	0.050			0.050
3.04	C&P/11	Waste Management	Review of sites and management of the skip servicing vehicle	0.020			0.020
3.09	E&L/13	School General	Review of Probationer Allocations	0.168			0.168
3.11	E&L/18	Learning & Teaching	Non-Staff costs review	0.130			0.130
3.14	HW&SC/3	Family Teams	Redesign of family teams	0.483			0.483
3.15	HW&SC/4	Infant Feeding Support	Cessation of Council funding to NHS Highland for this Service	0.060			0.060
3.16	HW&SC/5	Play Strategy Budget	Removal of budget which has not been spent in recent times (non statutory function)	0.012			0.012
3.17	I&E&E/1	Roads & Transport	Existing Vacancies	0.102			0.102
3.18	I&E&E/2	Planning & Environment	Existing Vacancies	0.259			0.259
3.19	I&E&E/3	Development & Regeneration	Existing Vacancies	0.040			0.040
3.20	I&E&E/6	Planning & Environment	Remove £20k from the Access budget for works	0.020			0.020
3.21	I&E&E/7	Planning & Environment	Remove £0.012m from consultancy budget (£0.052m used for feasibility work, support for economic development etc)	0.012			0.012
3.23	P&G/1	Audit & Performance	Performance: reductions across a range of budget headings	0.005			0.005
3.23	P&G/2	Audit & Performance	Audit: reductions across a range of budget headings	0.002			0.002

## Savings Proposals 2021 - 2023

### Theme 3: Redesign and Improvement

Theme Ref	Service Ref	Budget Area	Savings Description	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
3.23	P&G/3	Audit & Performance	ICT	0.002			0.002
3.24	P&G/10	Legal	Reduction in contract cost (time based system)	0.005			0.005
3.24	P&G/11	Democratic Services	Reductions across a range of headings	0.003			0.003
3.24	P&G/12	Trading Standards	Technical equipment	0.005			0.005
3.24	P&G/13	Elections	Reductions across a range of headings	0.004			0.004
3.26	P&H/3	Property	Reduction in Staff Travel Costs	0.005			0.005
3.27	R&F/1	Revenues & Business Support	Deletion of 7.73 FTE vacant posts across the service	0.254			0.254
3.28	R&F/5	ICT	Cyber Security	0.050			0.050
3.29	R&F/6	ICT	Third Party	0.050			0.050
3.30	R&F/9	People	Training & Development - range of savings from various budgets headings	0.016			0.016
3.31	R&F/10	People	HR - range of savings from various budgets headings	0.011			0.011
3.32	R&F/13	Occupational Health	Reduce the Occupational Health budget by reducing the promotional spend	0.009			0.009
3.33	R&F/14	Learning & Development	Reduction in Learning and Development Chargeable Training Budget	0.009			0.009
3.34	T/1	Transformation Staffing Budget	Delete 1fte vacant HC10 Project Manager post	0.059			0.059
				<b>1.845</b>	<b>0.000</b>	<b>0.000</b>	<b>1.845</b>



## Visitor Management Strategy

A cross-service working group is co-operating in producing a Visitor Management Plan for The Highland Council services for 2021 and extending beyond. This Plan will focus on service delivery rather than tourism infrastructure. Infrastructure needing capital funds may take place over a longer term. A separate Tourism Infrastructure Plan is also being developed and together both will provide a longer-term Highland Visitor Management Strategy.

### Background

The summer of 2020 was unprecedented in terms of tourism within the Highlands. Tourism in the Highland Council area has always been essential for the local economy and it has been notably increasing over the past 10 years. Whilst businesses and marketing have developed to encourage this increase, the infrastructure and council services have not, and in fact often have decreased due to budgetary constraints. This is most notable on the North Coast 500 but also Skye, Loch Ness, Badenoch & Strathspey and parts of Lochaber.

In addition to the above the emergence of the pandemic had a direct impact on our communities/services and infrastructure. The Highlands was a popular destination not only for the usual and obvious reasons of dramatic scenery, culture & wildlife, but the perception that there is plenty of space and a low incidence of the disease. As result many people may have been first time or infrequent visitors to the area and often unfamiliar with the Scottish Outdoor Access Code (SOAC).

### Issues

As a result of COVID-19 many businesses stayed closed, particularly campsites, B&Bs and hotels. With a desire to be self-contained as a result of the virus, there was a huge increase in motorhome use and informal camping. When confronted with closed campsites people used whatever site they felt was appropriate. If people had little knowledge of the SOAC and the 'leave no trace' principle, other than a vague awareness that 'wild camping was allowed in Scotland', there were inevitable problems. Many locations were inappropriate and not true wild camping which is defined as no more than 3 nights, well away from buildings, roads, historic structure and not in enclosed fields. There was over-crowding in popular spots leading to noise, litter, fires, vegetation damage, outdoor toileting, bad parking and other anti-social behaviour. Even away from popular camping spots there were insufficient parking areas, damage to roadsides, litter bins overflowed, toileting at roadsides and fire sites in many lay-bys. Unfortunately, the Countryside Ranger Team, having been transferred to Highlife Highland, were furloughed and not able to patrol, monitor and advise the public on appropriate and responsible countryside behaviour.

A number of communities and land managers were understandably upset and frustrated with some taking actions both positive and negative:

Positive actions	Negative actions
Formed action group and lobbied Councillors and Ministers	Locked gates
Regular litter patrols	Blocked car parking areas
Provide trowels in laybys	No camping signs

## Actions in 2020

Unfortunately, the Council was fairly limited in the actions it could undertake due in part to some Covid restrictions remaining in place. However;

- Each service contributed to a Community & Business Guide
- Amenity Services were able to work quickly to open all public toilets.
- Waste management were able to increase collections and provide additional & larger bins in some locations. Support was given to some community litter patrols
- Access team provided SOAC advice when requested.
- Roads attempted temporary 'No parking' measures.
- Parking regulation signs and officer engagement. New car parks partially opened.

A bid to the Scottish Government was submitted in July 2020, at the request of the Minister, for funds to specifically deal with some of the issues but did not prove successful.

## Planning for 2021

The cross-service group quickly realised that a plan for summer 2021 and beyond was needed. Information was gathered from each service on where improvements could be made/delivered.

Projects are broken down into three categories:

- i. **delivered within current resources;**
- ii. **extra funding required;** and
- iii. **extra staff required.**

If all improvement projects were to be delivered, the strategic interventions set out below would be required for the coming year. Quick mobilisation is required to allow for service changes and recruitment to be put in place.

A report on implementation will be prepared for the Tourism Committee, which reports into Highland Council, and regular monitoring reports will also be presented throughout the year.

	2021/22
<b>Roads</b> Improved passing places and lay-bys, road signs, road verge protection, road traffic orders.	£280,000
<b>Parking Management</b> Install charging at tourist dominated car parks (not enforced until TRO in place). Improved signs & regulation, more officers for fee collection & enforcement.	£170,000 charging infrastructure £75,000 additional parking enforcement resource
<b>Ten seasonal access rangers</b> 10 x seasonal ranger posts to promote responsible behaviour and possible enforcement (litter, parking, fires, dogs). Improve & maintain countryside sites & paths. These posts will focus on visitor management issues and work weekends and evenings. This team will work in co-operation & co-ordinate with other organisations, such as Highlife Highland, NatureScot, Forestry & Land Scotland, National Trust for Scotland and Nevis Landscape Partnership.	£300,000
<b>Public Toilets</b> Increase & improve comfort scheme, investment in all WC improvements	£60,000
<b>Waste Management</b> Increase service, frequency and capacity	£180,000

	2021/22
<p><b>Motorhomes</b> To increase campsite and waste servicing guidance, and provision of sites (expedite Council project design and implementation).</p> <p>In addition, a small bid in grant scheme for commercial caravan campsites will assist a temporary solution. Commercial operators can bid for funding towards additional costs whether this is for additional emptying of tanks, changes to circulation areas to accommodate non-resident vehicles etc. and in return for a the (£1k) agreement will be sought for them to be published on a list of locations that will be advertised through tourism groups, motorhome owner groups etc. This will give a network of maybe 40 – 50 locations across Highland (total cost £25k).</p> <p>The development of a Highland “brand” for motorhome waste facilities and the communication and marketing of this provision will also be a key element of this investment.</p>	£200,000
<p><b>Public Transport</b> Park &amp; ride bus service to visitor sites on Skye.</p>	£60,000 for 3 months less fare income
<p><b>Cairngorms National Park</b> Work with CNPA on the visitor management improvements in the Aviemore-Glenmore Corridor area.</p>	£175,000
<b>Total</b>	<b>£1.5M</b>

In addition to the above, The Council is working to make it easier for communities and landowners to set up small scale motorhome sites similar to the continental “aires”. Guidance will be published with an emphasis on minimising regulation and licensing provision, and creating the potential for commercial sites to be set up quickly. The Council will look at branding and communicating this network of sites under a common name, perhaps “Airidh”, the rough Gaelic equivalent of “Aire”. Support has been provided to develop facilities through the Rural Tourism Infrastructure Fund (RTIF) to improve car parks and visitor experience. There are National Visitor Management Strategy Working Groups on which The Highland Council has representation.

A completed Visitor Management Plan will be produced for the Tourism Committee on 17<sup>th</sup> March. Funding for the improvements in service delivery will be prioritised and sought from the relevant committees and outside sources where possible.

### Other Projects & Funding

At present the RTIF has provided £3,527,928 towards Highland projects with one round 3 project funding still to be confirmed. For the upcoming visitor season, it is anticipated all 6 Round 1 projects will be available for visitors, 5 out of 7 Round 2 projects will be ready and 2 out of a possible 10 Round 3 projects (includes waitlisted projects awaiting funding) could be available to locals and visitors for this summer. A number of tourism focused projects where submitted to the Highland Coastal Communities Fund in its first round of funding (Deadline for applications was 31<sup>st</sup> January). Funding decisions will be made by local Area Committees taking place over the next few months. Some projects are shovel ready if match funding is confirmed and will be able to go ahead for this season.

### Governance

Governance for this strategy will be overseen by The Council utilising the Recovery Board for monitoring and evaluating progress. Potentially 3 Committees will have an involvement both in terms of policy and implementation of actions. Two of these are strategic committees: Economy and Infrastructure and Communities and Place; and there is also the Tourism Committee. Corporate Resources Committee will be accountable for the overall budget.

A working group is to look at increasing rural car park charging opportunities. Any increased income could be used to fund improvements and enforcement work.

North Highland Initiative have set up a small-scale funding scheme for communities to support infrastructure.

Naturescot are rolling out green recovery funds currently for communities to consider local visitor management plans.

HIE has approached a number of communities with funding for COVID-19 Community-led Tourism Infrastructure projects, e.g. benches, and motorhome facilities at Falls of Shin.

Future replacement of EU funds e.g ERDF/ LEADER etc may provide future funding opportunities.

The Bus Service Improvement Fund could assist in implementing park and ride schemes.

## Economic Prosperity Fund

### Economic Growth, Inclusion and Prosperity for 16 to 65 year olds

#### 1. Purpose/Executive Summary

- 1.1 This Fund will provide a targeted response to the needs arising during the pandemic impacting upon individual, family, community and business wealth and prosperity. Job opportunity, sustainability and creation are essential across The Highlands as we have witnessed the highest increase in levels of unemployment and business collapse within our Communities.
- 1.2 In the 8-month period to November 2020, an additional 8,500 local people claimed Universal Credit, a 75.2% increase in the number of people claiming this vital support, and around 6,000 Highland pensioners are claiming Pension Credit to top-up their incomes. More detailed data is provided in the appendices. Our response must be immediate, rapid and targeted to support business recovery and to address the lost job opportunities for people of all ages ranging from 16 to 65 years. This encompasses our young and vulnerable, school leavers without qualifications, graduates without careers, adults facing unemployment for the first time, and our vulnerable adults affected by the collapse of key business sectors.
- 1.3 This paper describes approaches to invest over £6M in economic growth, inclusion and prosperity, beginning in 2021/22. This funding should lever resources from other partners and prevent costs arising for them, particularly in welfare and health budgets.

#### 2. Background

- 2.1 Our communities will recognise the survival challenges facing many businesses, in respect of stalled economic growth and rising unemployment. The anticipation is that these challenges will significantly increase over the coming months with unemployment forecast in the Highlands likely to rise to up 10,000, which includes over 900 young people under the age of 20. Unemployment in Highland, measured by the number of people aged 16-64 seeking work, is currently estimated to be 6,567. This is an increase of 3,245 (97.68%) since March 2020 and is slightly ahead of the Scottish rate (97%). This reinforces the urgent need to implement support across all age ranges and to rebuild the infrastructure necessary for job creation and sustainment.
- 2.2 The increase already in Universal Credit claims across different localities between March and November 2020 is shown in Appendix 1 with all areas in Highland experiencing an unprecedented reliance on this support. Take up of new COVID-19 related grants has been high. Since 12<sup>th</sup> November, 109 self-isolation support grant payments (of £500) have been made to support employed people whose income is disrupted by the requirement to self-isolate, indicating pressure on household budgets. The Council's fuel support grant is now over-subscribed with 4,905 grants paid since 18<sup>th</sup> January. There are an increasing number of families entitled to free school meals, based on low income, with more than 4,700 pupils receiving this support, demonstrating the pressures on family finances. For those who are self-employed in Highland, 5,700 claimed the third Self Employment Income Support Scheme as a result of reduced business activity, capacity, demand or an inability to trade due to the pandemic during 1<sup>st</sup> November 2020 to 29<sup>th</sup> January 2021, and they reasonably believe there will be a significant reduction in their trading profits. Self-employment makes a valuable contribution to Highland's economy which benefits from a self-employment rate of 12% compared with 8.4% nationally.

- 2.3 Qualitative feedback from community bodies involved in responding to COVID-19 highlights concerns about furlough ending and the mental health and wellbeing impacts evident in communities. At December 2020, there was an estimated 14,300 employments furloughed in Highland and therefore at risk of unemployment, which is the equivalent of 13% of eligible employments compared with 11% nationally. Concerns about the stigma associated with seeking help, particularly in rural communities, are reported and highlights the importance of enabling people to achieve their potential by accessing employment, self-employment, business start-up, and learning and development opportunities. The strength of the community response along with strong local networks in many places and our network of community partnerships will help to identify local solutions for local places.
- 2.4 In order to rapidly and effectively address this issue and achieve best outcomes the Highland Council must continue to collaborate with employers to ensure that job creation and sustainability is recognised as a key priority for the economic prosperity of the Highlands. Key to the success will be an inclusive approach and on-going engagement with a variety of partners including schools and colleges, chambers of commerce and other business representative bodies, UHI, HIE, SDS, DWP, the private and third sectors to stimulate the economy, address skill shortages and create direct and indirect employment opportunities. Supporting every business sector in Highland must be a focus, recognising the difficulties being encountered and the need for the economy to come back stronger in our existing core sectors but also looking ahead to future opportunities in the emerging sectors around low carbon, renewables, space and health sciences.
- 2.5 Although undertaken prior to COVID-19, independent research commissioned by the Council (Rocket Science, 2017) usefully identified supply and demand issues facing the Highland economy:
- The nature of the problem – and appropriate responses in terms of the balance of supply and demand responses – varies across Highland. For example, in the Inverness area there is a tight labour market and the issue is about helping those seeking work to gain the skills and behaviours they need to thrive in work and offer the skills that employers need: in other words, the issue is about supply. In many other areas, there is a shortage of

jobs and the issue is about helping create additional jobs through business growth (or through joint public sector workforce development plans): in other words, the issue is about demand.

It is clear that the challenge faced is not just one of supply (the skills and behaviours of people) but also critically of demand (the creation and provision of jobs).

- 2.6 Data collected during the pandemic and on-going engagement in key economic forums and recovery partnerships have identified a broad range of potential targeted groupings.

**Targeted Support** for young people and adults aged 16-65 years

<b>Young Highland adults aged 16-26 years</b>	<b>Adults falling into unemployment</b>	<b>Work experienced and older adults (50 years+) falling into unemployment</b>
<ul style="list-style-type: none"> <li>• Vulnerable young people facing barriers because of their circumstances – e.g. young carer, disabilities, without qualifications and/or place-based barriers (our locality plans that demonstrate need).</li> <li>• School leavers with no recognised positive destination and very few recognised qualifications.</li> <li>• School leavers with qualifications but with limited job opportunities because of the current market.</li> <li>• Graduates (College/ University) without job opportunities</li> <li>• Young people who have lost their employment.</li> </ul>	<ul style="list-style-type: none"> <li>• Includes people affected by the ending of furlough arrangements.</li> <li>• Unemployment as a result of the 4 harms of COVID-19.</li> <li>• Empowering service users who are being supported by the Council and the wider public sector.</li> </ul>	<ul style="list-style-type: none"> <li>• High likelihood to progress into long term unemployment and then never to return to the labour market.</li> <li>• Are at risk of under-employment.</li> <li>• Enhancing opportunities for reskilling and training to adapt to new and refreshed opportunities for employment, self-employment and business start-ups.</li> </ul>

## 2.7 Outcomes to be monitored and scrutinised:

- Evidence of economic recovery across the region through new business investment, growth or expansion.
- To develop and enhance skills and qualifications of those seeking new and permanent job opportunities
- Evidence of job creation linked directly to the investment funds and strategies
- Plan an exit for sustainability and long-term recovery resulting in a reduction in unemployment levels

## 2.8 Policy Linkages:

- To demonstrate the Council's place-based approach
- To demonstrate the Council's commitment to economic recovery and development of the green economy
- To work with partners, lever funding and find mutual benefit – using community planning partnerships and business / economic / welfare forums
- To improve positive and sustained destinations for our most vulnerable young people, including in the council's national performance indicators
- To support unemployed adults (long-term and newly unemployed) to gain new skills and to move into sustained employment, including self-employment and new business start-ups, while also seeking to protect those at risk of unemployment
- Promoting welfare rights and targeting benefits and welfare support to help rebuild the social and economic fabric of the Highlands
- To reduce the risk of becoming homeless and to provide rapid support for those experiencing homelessness
- To make best use of business intelligence, including access for welfare and other services, to target investment and support.

## 3. Strategic Approach

3.1 The Council has already identified and established various initiatives to support and grow the Highland economy. Some will be ready to implement before others and are listed below in rank order of readiness. All initiatives will need discussion with and commitment from partners. Some discussions will be regional, and others will be local and based around the 9 Community Planning Partnerships.

1. **Grow the Highland Employer Recruitment Offer (HERO)** wage incentives for private sector businesses to support the initial employment of targeted out of work people creating jobs for a 12-month period.

This will be additional to the 150 posts which will be supported through the Scot Govt Young Person Guarantee and European Structural Fund (ESF) funding and will be important to grow opportunities for rural communities. As it will not be constrained by grant conditions, it offers the opportunity to be more flexible and reach out to more employers, particularly to deal with the challenges in more rural areas of Highland thus helping to reverse out-ward migration. Currently, 20 individuals a year are supported through the HERO scheme, and this additional funding will allow significant expansion.

2. **Grow support for new business start-ups with new grants and loans** managed through the Council's Business Gateway service and our Enterprise Trust, Highland Opportunity Investments Limited (HOIL). Due to COVID-19 we have seen a significant drop in start-up businesses and growth businesses seeking support from the Council's Business Gateway service and HOIL.

- Start-up rates have slowed significantly, and this time last year we had supported 242 businesses to start-up, the number for the same period this financial year is 147. However, interest in starting up a business with the numbers accessing our start-up support remains steady. Hence interest remains high but actual start-up is low, possibly down to the lack of targeted support to allow people to make that "first step".
- The number of growing businesses seeking specialist support has reduced even more significantly, with 69 securing support from the Council at this time last year, while this financial year it is 14 to date.

Businesses are clearly in survival mode at current time and need to have confidence built to plan ahead in the post Covid business environment.

- A business growth fund (to provide grant support to sit alongside and be promoted as part of an investment package together with existing HOIL loan investment) will be developed. The details of grant value per business will be determined as part of that process (estimated cost £1.5M – 150 businesses supported to start up or expand).

- 3. Nurture the Modern Apprenticeship (MA) scheme for all levels aged 16-65 years** to support all sectors in Highland. The scheme offers MA places for approx. 18 months and costs at £20k per annum per MA. A flexible approach to the level of support for individual organisations would need to be agreed depending on their ability to contribute towards the cost of the apprentices. It would complement and add value to the current Youth Trainee scheme in the Council. We would also seek to expand the MA scheme offer to the private sector subject to legislation. The MA programme (with an 18 month training programme) can be targeted to ensure the delivery of the capital and revenue investment programme by growing in-house teams and ensuring that MAs will have the basic skills, qualifications, confidence and experience to either grow a career within the Council or be a valuable asset to the wider public sector or private sector. The welcome addition of £20m to deliver roads maintenance capital schemes is an excellent example of where value can be added by ensuring effective use of in-house staff, whilst building resilience and longer-term sustainability of the workforce throughout the area. The programme will also allow jobs that support the green recovery of the Highlands to be targeted. (estimated cost £1.5M – 100 modern apprentices between Council and partners).

To ensure the MA scheme attracts a diverse age-range and reaches those who will benefit the most, our approach will be three-fold.

- An action plan focused on an MA programme directly linked to the targeted young adult group and will include reporting of progress to the Education Committee.
- Empowering service users who are being supported by the public

sector to access and succeed within the MA programme will be important for their individual prosperity and social mobility.

Adults falling into unemployment and those aged 50+ with experience will be provided with opportunities to learn new skills and gain valuable experience, providing steppingstones to employment, self-employment and business start-ups.

- 4. Additional support for mentoring young people and upskilling mentors.** The vision is for every Young Person to progress to a post school positive destination, (whether this is further education, training, volunteering or a job) and is able to prosper in the world of work. Every young person has the potential but does not necessarily have the access to the networks to unlock it. The support here would also align and integrate with current post school support services.

The mentoring programme would inspire young people, reveal their potential and guide them through their career journey, through regular meetings with an identified mentor (public sector/ business) which focuses on the Young Person's education and career journey. A mentor can transform lives, provide the mentee with the skills, confidence and attitude to reach their potential. An element of resourcing to this programme will include a strategic lead who will co-ordinate, deliver and report on the mentor and mentee programme and take the lead for delivering the national career ready programme for future prosperity and community wealth. The strategic lead would be responsible for the co-ordination of partnership work and delivery.

- 5. Developing opportunities for supported businesses (providing jobs for individuals of all ages with disabilities).** There is real shortages of supported businesses in Highland. The proposal is to research and develop principles and sustainable business models, including how this can be embedded within future Council procurement activity. This programme will have a 6/12-month timeline, with the costs to be determined.
- 6. Training skills and learning opportunities and development** Work in partnership with UHI and SDS to respond to identified need for re-skilling and learning opportunities based on labour market force data, and other data, post COVID-19. Connect into the council's aspiration for the Highland Council Virtual Academy including digital

training and a range of core qualifications and skills and development opportunities. Identify strategies to work with businesses wishing to relocate to The Highlands, ensuring sufficient learning and skills development is readily available. This will also allow a focus on specific sectoral challenges, for example, reskilling retail workers and linking with job opportunities in hospitality. We require the ability to access funding quickly within the Council when training programmes are identified but no funding available from other sources. Costs will be determined.

7. **Targeted support for social enterprises** will recognise the huge potential of the third sector to stimulate economic activity. This will require further discussion with partners around potential and plans, including employment, training and mentoring programmes, with a clear focus on Community Wealth Building. The input of young people, staff and newly unemployed adults and those aged 50+ with experience, will be critical to stimulate ideas and develop creative opportunities. Costs to be determined.
8. **Enhance and support the Council's supply chain businesses through Procurement practice.** We will seek and support further employment opportunities from our suppliers via the procurement process, whether for capital or revenue spend. This will involve a close linkage with the shared procurement service for developing the feasibility and scope of services and with Council Services for direct liaison with contractors and sub-contractors. Costs to be determined.
9. **Collaborate with the advice sector** to promote the new opportunities created by economic growth, inclusion and prosperity, and to match the broad range of individuals aged 16-65 with renewed and new prospects.
10. **Strengthen our Regional Economic Development capacity** by providing greater resilience within the Council to programme manage and deliver the Highland City Region Deal, and plan for further opportunities that might emerge over the coming months and years as part of the economic recovery plan.

#### 4. Governance

If the proposal is approved in principle this paper will be further developed to ensure key risks are identified and managed. This will include engagement with partners and through the Community Planning Framework.

All Strategic Committees will have an involvement in achieving the outcomes expected from this intervention - both in terms of policy and implementation of actions. The Corporate Resources Committee will allocate the budget for each of the strands and determine the Strategic Committees that will be accountable for overseeing spend and progress. The Recovery Board will provide overall evaluation and monitoring and recommendations to Council.

Reports will also be presented to the Community Planning Board.



Universal Credit take-up Rates	Mar-20	Nov-20	% change since March
Inverness Westhill	214	400	86.92%
Conon	176	283	60.80%
Inverness Culloden and Balloch	149	291	95.30%
Sutherland South	207	376	81.64%
Inverness Lochardil and Holm Mains	150	281	87.33%
Ross and Cromarty Central	123	225	82.93%
Inverness Crown and Haugh	143	270	88.81%
Inverness Smithton	162	324	100.00%
Skye North East	148	346	133.78%
Inverness Scorguie	98	197	101.02%
Wick South	318	441	38.68%
Inverness Muirtown	378	605	60.05%
Caithness North East	95	191	101.05%
Inverness Ballifeary and Dalneigh	435	663	52.41%
Ross and Cromarty East	82	184	124.39%
Inverness Hilton	299	481	60.87%
Inverness Slackbuie	93	211	126.88%
Thurso West	285	401	40.70%
Inverness West Rural	274	459	67.52%
Lochaber East and North	173	346	100.00%
Sutherland East	192	319	66.15%
Badenoch and Strathspey Central	195	427	118.97%
Nairn Rural	127	236	85.83%
Inverness Drummond	222	381	71.62%
Caithness North West	172	254	47.67%
Fort William South	313	634	102.56%
Lochaber West	136	335	146.32%
Badenoch and Strathspey North	137	315	129.93%
Inverness Kinmylies and South West	264	409	54.92%

Universal Credit take-up Rates	Mar-20	Nov-20	% change since March
Muir of Ord	176	278	57.95%
Inverness Inshes	230	392	70.43%
Alness	490	762	55.51%
Black Isle North	89	171	92.13%
Ross and Cromarty South West	80	183	128.75%
Nairn West	154	275	78.57%
Inverness Drakies	62	125	101.61%
Thurso East	157	239	52.23%
Loch Ness	140	309	120.71%
Inverness Central, Raigmore and Longman	413	608	47.22%
Skye South	105	249	137.14%
Wick North	189	270	42.86%
Inverness East Rural	167	360	115.57%
Lochalsh	108	253	134.26%
Tain	255	402	57.65%
Dingwall	356	562	57.87%
Skye North West	64	192	200.00%
Inverness Merkinch	627	857	36.68%
Caithness South	94	139	47.87%
Nairn East	270	435	61.11%
Invergordon	400	636	59.00%
Ross and Cromarty North West	100	238	138.00%
Badenoch and Strathspey South	118	266	125.42%
Black Isle South	198	340	71.72%
Sutherland North and West	96	251	161.46%
Seaboard	245	410	67.35%
Fort William North	198	362	82.83%
<b>Total</b>	<b>11,318</b>	<b>19,827</b>	<b>75.18%</b>

Highland – Pension Credit take-up	May-20
Aird and Loch Ness	263
Badenoch and Strathspey	347
Black Isle	189
Caol and Mallaig	261
Cromarty Firth	433
Culloden and Ardersier	173
Dingwall and Seaforth	351
East Sutherland and Edderton	295
Eilean a'Cheo	310
Fort William and Ardnamurchan	303
Inverness Central	416
Inverness Millburn	164
Inverness Ness-side	158
Inverness South	114
Inverness West	245
Nairn and Cawdor	325
North, West and Central Sutherland	224
Tain and Easter Ross	299
Thurso and Northwest Caithness	286
Wester Ross, Strathpeffer and Lochalsh	298
Wick and East Caithness	423
<b>Total</b>	<b>5,885</b>

# Ambitious Highland Gàidhealtachd Àrd-Amasach

Health and Prosperity Strategy  
Ro-innleachd Slàinte is Soirbheis **2021-22**

Rùnaire a' Chaibineit airson Ionmhas  
Ceit Fhoirbheis BPA  
Cabinet Secretary for Finance  
Kate Forbes MSP



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Councillor Alison Evison  
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Copy to: The Leaders of all Scottish local authorities

28 January 2021

Dear Alison,

Today I set out the Scottish Government's proposed Budget, including tax and public sector pay policies for 2021-22 and introduced the associated Budget Bill to Parliament. Further to the announcement I write now to confirm the details of the local government finance settlement.

The intention is that details of the indicative allocations to individual local authorities for 2021-22 will be published on Monday 1 February in a Local Government Finance Circular which will begin the statutory consultation period on the settlement.

COVID-19 has taken a heavy toll on our society, communities and lives. While the local impacts have undoubtedly been severe in many areas, our communities have also shown an enduring resolve in a time of great crisis. I am indebted to local authorities in continuing to support their communities and to deliver vital public services and for the central role in administering financial support to our businesses under the most significant of pressures.

The physical and mental ill-health caused by COVID-19, together with the economic impacts, including loss of businesses and jobs, have in turn impacted people's standards of living and put many more on the cusp of financial insecurity, with the risks of poverty and homelessness that brings. There have been significant consequences for education and our communities have felt the economic impacts sharply in how we travel, live, work, and shop. Our Budget responds to those challenges.

The total non-COVID-19 revenue funding to be provided through the settlement for 2021-22 will be £11,003.4 million, which includes distributable non-domestic rates incomes of £2,631 million.

The Capital settlement has been set at £617 million.

The total funding which the Scottish Government will provide to local government in 2021 -22 through the settlement is therefore £11,620.4 million, and includes;

- £59 million revenue to support the final tranche of increased funding for the expansion in funded Early Learning and Childcare entitlement to 1,140 hours;
- In addition to the £100 million available in 2020-21, a further £72.6 million to be transferred from the health portfolio to the Local Authorities in-year for investment in adult health and social care and mental health services that are delegated to Integration Authorities under the Public Bodies (Joint Working) (Scotland) Act 2014. This brings the total transferred from the health portfolio to support health and social care integration to £883.6 million in 2021-22. The additional £72.6 million for local government includes a contribution to continued delivery of the real Living Wage (£34 million), uprating of free personal and nursing care payments (£10.1 million), continued implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£28.5 million);
- The ongoing £88 million to maintain the pupil:teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme;
- Continued provision in support of Teachers Pay (£156 million) and Pensions (£97 million);
- An increase of £7.7 million in the specific grant support for Inter-Island Ferries bringing the total to £19.2 million;
- £5.3 million for Barclay implementation costs; and
- The capital settlement includes an uplift in provision for flood risk schemes of £10 million.

In recognition of the unique pressures created by the pandemic the settlement also includes an additional £90 million available to compensate councils who choose to freeze their council tax at 2020-21 levels, helping to protect household incomes. This additional allocation provides compensation to support services and equates to an increase in council tax of around 3%.

Including the additional funding to compensate for a council tax freeze the revenue allocation delivers an increase for local government for 2021-22 compared to 2020-21 of £335.6 million or 3.1% to support services.

I can also confirm local government will be allocated a further £259 million of non-recurring COVID-19 funding for 2021-22. The distribution of this funding, which will be provided as general revenue grant, will be discussed and agreed with COSLA.

Local authorities will again, in return for this settlement, be expected to deliver further certain specific commitments.

This year, we will again work with local government to agree a small number of deliverable outcomes to help ensure Integration Authorities use total resources to focus on delivery of key areas for improvement, including: reducing delayed discharges; improving availability of, and access to, community-based health and social care services; and ensuring more people are

supported to stay at home. We will also wish to ensure that the social care workforce is supported and sustained during and following the challenges of the Covid pandemic. We will provide support and challenge by working with local government to agree a shared national and local approach to accountability for delivery, building upon existing shared mechanisms for routine reporting of expenditure, activity and outcomes across Scotland.

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2020-21 recurring budgets for adult social care services that are delegated. This means that, when taken together, Local Authority adult social care budgets for allocation to Integration Authorities must be £72.6 million greater than 2020-21 recurring budgets.

The Scottish Government, in partnership with local authorities, retains the ambition of empowering schools to make key decisions over areas such as the curriculum, budgets and staffing while continuing to deepen collaboration across the education sector. In recognising that teachers are central to achieving our ambition of delivering excellence and equity in Scottish education we will continue to commit an overall funding package of £88 million in the local government finance settlement to support both maintaining the pupil teacher ratio at a national level and ensuring that places are provided for all probationers who require one under the teacher induction scheme.

We will continue to invest in the Attainment Scotland Fund to deliver the Scottish Attainment Challenge. This will see each local authority area continue to benefit from over £120 million in Pupil Equity Funding (PEF), which will go directly to headteachers to provide additional support to help close the poverty-related attainment gap and overcome barriers to learning linked to poverty. This is in addition to the £62 million in Attainment Scotland Funding allocated to LAs outwith the local government finance settlement. This funding will continue to provide authorities and schools with additional means to provide targeted literacy, numeracy and health and wellbeing support for children and young people most impacted by poverty.

On non-domestic rates, the Scottish Budget commits, within the fiscal limitations of the devolved settlement, to extending the 100% Retail, Hospitality and Leisure (RHL) and aviation relief for at least three months. We hope that this interim measure will provide a degree of certainty in the absence of any clarity from UK Government over both the future of their equivalent RHL relief and other macroeconomic support measures such as the furlough scheme. Should the UK Government bring forward an extension to their equivalent RHL relief that generates consequential funding, Ministers will match the extension period as part of a tailored package of business support measures. In addition, our decision to reduce the Basic Property Rate ('poundage') to 49 pence, the same as in 2019-20, will deliver savings for Scottish businesses compared with previously published plans. Notwithstanding the limitations of the devolved settlement we are fully committed to doing all we can to prioritise support for businesses and this unprecedented step will ensure that properties' gross rates liabilities are no higher than they were prior to the pandemic, all else being equal.

In coming to the decisions announced in the Scottish Budget I have listened carefully to the representations that COSLA made on behalf of local government over the unprecedented pressures and challenges they are facing and this is recognised in the decisions taken on the level of funding to be delivered through the local government finance settlement.

The Scottish Government and COSLA worked together to agree the details of a lost income scheme to compensate councils for the loss of income from sales, fees and charges due to the pandemic in 2020-21. The scheme was worth an estimated £90 million for 2020-21 but was subject to confirmation of the consequentials from the UK Government. While that confirmation is still awaited, I can also confirm that I am increasing the allocation to £200

million, which when added to the previously committed £49 million of consequential that could also be used to support lost income for council Arm's Length Organisations will provide an extra £249 million of allocated funding to support councils losses due to the pandemic. While I appreciate that confirmation of this additional funding is coming late in the financial year it will allow councils to manage the costs of COVID-19 and subsequently support continued financial sustainability. I can reaffirm my commitment that if there are any further consequential that accrue to the Scottish Budget for this purpose in 2021-22, I will pass these on in full to Scottish local authorities.



**KATE FORBES**

Service	Activity/Budget Area	Description	2021/22 £m
<b>Undeliverable and unmitigated 2020/21 Budget Savings</b>			
I&E&E	Car parking	Car Parking Income	0.500
I&E&E	Economy and regeneration	Economy & Regeneration - Efficiencies in annual programmes and services	0.085
I&E&E	Estates	Efficiencies in the management of the Industrial and Investment Portfolio	0.058
I&E&E	Estates	Reduction in Commitment and Increase in Income	0.057
I&E&E	Estates	Estates Team - Income generation from submitting NDR appeals on behalf of local authorities	0.020
P&G	Corporate Governance	Approved Trader Scheme	0.095
P&G	Corporate Governance	Corporate Governance Income related activity	0.040
<b>Sub-total</b>			<b>0.855</b>
<b>Existing Cost Pressures (excluding Covid19 Pressures)</b>			
C&P	FOI	Performance improvement on FOI and MSP/MP enquiries and complaints- additional workforce cost pressure.	0.016
C&P	Burial Grounds	Workforce cost for managing a new programme of burial ground extensions	0.067
C&P	War memorials	Ongoing maintenance of war memorials and memorial safety in burial grounds.	0.020
E&L	Schools	Demographic Change- increasing pupils numbers	0.300
P&G	Performance	Additional resources to enhance performance, business intelligence and self-assessment, as well as to manage risk.	0.230
P&G	Elections	Additional permanent resource for the elections team	0.130
H&P	Estates	Provision of housing asset valuations for accounts purposes and rolling property valuation programme for insurance	0.050
R&F	HR	HR service - additional staffing.	0.288
R&F	HR	Council Service Redesign- HR support	0.126
R&F	HR	Health and Safety to comply with statutory requirements	0.087
R&F	HR	Fire Safety Officer post	0.038
Corporate	Landbanking	Increasing contribution to landbanking fund	0.100
<b>Sub-total</b>			<b>1.451</b>
<b>Contractual Cost Increases</b>			
C&P	Waste	Renegotiated Lease of Seater landfill Access Road	0.020
C&P	Waste	New lease cost for the site for the Longman Transfer Station	0.040
C&P	Waste	Waste Contracts increases	0.147
E&L	Highlife Highland	HighLife Highland- application of contractual indexation for 2020/21 and 2021/22	0.500
H&SC	Looked after children	Purchased placements- contractual cost increases	0.370
H&SC	Fostering and adoption	Increase in charges for Independent placements 21/22	0.112
I&E&E	Roads	Increase on Salt and Road Surfacing Materials	0.137
P&G	Corporate Governance	Cosla Subscription increase	0.005
P&G	Corporate Governance	Committee Services - loss of partnership agreements for secretarial services	0.020
H&P	Property Maintenance	Anticipated contractual increases resulting from engineering contract procurements- Air Handling Units,	0.361
H&P	PPP/NPD	PPP1 Schools- contractual indexation	0.067
H&P	PPP/NPD	PPP2 Schools- contractual indexation	0.492
H&P	PPP/NPD	Wick Campus- contractual indexation	0.092
R&F	Corporate Finance	Increase in external audit fee	0.030
R&F	Corporate Finance	Rising insurance premiums	0.065
Corporate	Valuation Board	Valuation Joint Board funding change	0.064
<b>Sub-total</b>			<b>2.522</b>
<b>Legislative Change</b>			
C&P	Waste	Inflationary Increase on Landfill tax	0.238



<b>Service</b>	<b>Activity/Budget Area</b>	<b>Description</b>	<b>2021/22 £m</b>
H&SC	Looked after children	Increased costs linked to new Legislation providing that young people have the right to remain in their placement until age 21 and a right to services until they are 26.	0.500
H&SC	Health and Social Care	Ongoing admin and social work support which will be required to support the Historic Child Sex Abuse enquiry	0.200
I&E&E	Roads and Transport	Reduced income in relation to road construction consents	0.173
<b>Sub-total</b>			<b>1.111</b>
<b>New Expenditure Commitments</b>			
I&E&E	Roads and Transport	Wick Airport PSO	0.300
R&F	ICT	Support for Project Dochas	0.058
Corporate	ICT	RCGP digital connectivity	0.045
<b>Sub-total</b>			<b>0.403</b>
<b>TOTAL</b>			<b>6.342</b>

Service	Activity/Budget Area	Description	2021/22 £m
<b>Covid19 - Expenditure Impact</b>			
C&P	Fleet	Additional fleet costs - driver +1 for waste and amenities	0.118
C&P	Welfare support	Costs of providing ongoing support for food distribution to individuals and groups (mostly fleet and some food costs).	0.080
C&P	Environmental health	New standby costs associated with on call requirements in the Environmental Health Team	0.002
E&L	Schools	Additional PPE requirements	0.300
E&L	Schools	Increased costs Heating/Ventilation	0.250
H&SC	Placements and out of authority	Increased numbers of out of authority placements as increasing numbers of children go into these placement and delays in returning children to alternative local settings	2.200
H&SC	Fostering and adoption	Increased demand for foster placements	0.400
I&E&E	School and public transport	Increased Passenger transport costs to comply with social distancing	0.226
I&E&E	School and public transport	School and Passenger transport contractual price increases arising as a direct result of Covid	1.802
H&P	Cleaning	Cleaning, FM and Support Staff requirement for essential enhanced daytime and evening School Cleaning and FM duties in line with Scottish Government recommendations.	1.362
H&P	Cleaning	Enhanced Cleaning to Offices	0.050
R&F	ICT	Ongoing revenue costs of MiFi devices and mobile phones	0.025
<b>Sub-total</b>			<b>6.815</b>
<b>Covid19 - Income Impact</b>			
C&P	Waste	Commercial waste: unachieved income forecast because of business lockdown requirements and economic	0.484
I&E&E	Harbours	Reduced Income from Harbour dues	1.000
I&E&E	Car Parking	Loss of Parking Related Income, car parks, permits, rentals, contract parking etc	0.454
I&E&E	Planning and building warrants	Planning & Building Warrant Fee Income target will not be achieved	0.850
I&E&E	Estates	Reduced income from commercial portfolio rents	0.225
P&G	Licensing	Licensing - loss of income	0.110
H&P	Catering	Catering Services - projected loss of food sales income in schools	0.100
H&P	Catering	Reduced Snack Bar Sales in HQ and no income from Catering Units on construction sites	0.100
H&P	Catering	Loss in Private Function Catering, Training Course Catering and Members Catering	0.100
H&P	School Lets	Reduction in income from School Lets	0.200
Corporate	Council Tax	Negative impact of Covid on Council Tax collection rates	0.735
<b>Sub-total</b>			<b>4.358</b>
<b>TOTAL</b>			<b>11.173</b>

## Additional Covid-related funding from Government

## APPENDIX 5

Description	For Funding of Business Grants	Scotland			Highland			Formal Confirmation of Allocation from SG?	How funding is being spent
		2020/21 £m	2021/22 £m	Total £m	2020/21 £m	2021/22 £m	Total £m		
Support for Businesses - Initial	Yes	950.200		950.200	75.724		75.724	Y	Business Grants
Support for Businesses - Top-up	Yes	238.000		238.000	0.000		0.000	N	Business Grants
Newly Self Employed Hardship Fund - Tranche 1	Yes	20.400		20.400	0.812		0.812	Y	Business Grants
Newly Self Employed Hardship Fund - Top-up	Yes	13.600		13.600	0.380		0.380	Y	Business Grants
Covid Restrictions Fund - Business Closure & Business Hardship	Yes	48.000		48.000	1.230		1.230	Y	Business Grants
Covid Restrictions Fund - Contingency Fund - Nightclubs & Soft Play	Yes	n/a		0.000	0.305		0.305	Y	Business Grants
Local Authority Discretionary Fund (original)	Yes	30.000		30.000	1.526		1.526	Y	Business Grants
Newly Self Employed Hardship Fund - Tranche 2	Yes	15.000		15.000	tbc		0.000	N	Business Grants
Strategic Framework Business Fund	Yes	n/a		0.000	40.970		40.970	Y	Business Grants
Taxi and Private Hire Driver Support Fund	Yes	57.000		57.000	1.701		1.701	Y	Business Grants
Strategic Framework Business Fund - Hospitality, Retail, Leisure Sector Top-up	Yes	237.700		237.700	14.540		14.540	Y	Business Grants
Business Support Grants - Large Self Catering Premises, Exclusive Use Venues, B&Bs paying Council Tax	Yes	7.000		7.000	2.058		2.058	Y	Business Grants
Local Authority Discretionary Fund (additional)	Yes	90.000		90.000	5.493		5.493	N	Business Grants
Hardship Fund		50.000		50.000	2.373		2.373	Y	Covid Ward Discretionary Grant for distributing to community groups to help with resilience including food support. Amount of Covid WDG was increased by £240k following Council decision in January 2021. Area Committees to decide if they want to use the funding for other Covid harm reduction e.g. play areas. Flexibility to carry forward unspent WDG into 2021/22 agreed. Balance of this funding being used to offset cross-Council covid 19 pressures
Scottish Welfare Fund Additional Funding		22.000		22.000	0.738		0.738	Y	Ongoing provision of crisis and community care grants. This is a core Grant administered by local authorities since 2013. Additional funding received to respond to Covid-related demands.
Food Fund		30.000		30.000	1.199		1.199	Y	For provision of food for humanitarian support and to offset ongoing budget pressure arising from FSM voucher payments during school holidays and educational restrictions.
Additional Funding Support Associated with Covid 19		155.000		155.000	7.356		7.356	Y	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood.
Discretionary Housing Payments Additional Funding		5.000		5.000	0.135		0.135	Y	For provision of Discretionary Housing Payments to bridge all or some of the gap between benefit available to help with rent and the actual amount of rent due. Local authorities have been administering this scheme since 2001.
Death Registration Service		0.600		0.600	0.026		0.026	Y	To cover moving to a seven day a week service for Registrars for death registration in 2020.
Community Justice Co-ordinators		0.400		0.400	0.013		0.013	Y	Allocated to Community Justice budget
Digital Inclusion - Revenue		5.000		5.000	0.205		0.205	Y	Increase Network Capacity £49k, Digital Support 2.00 fte temp posts £70k, G-Suite Enterprise £73k & Software Subscription £13k

Provision of Additional Teachers & Support Staff		33.333	16.667	50.000	1.470	0.735	2.205	Y	£0.3m 6fte Virtual Academy, £1.1m 32fte ASG Recovery Posts, £0.8m 14fte Targeted Support
Provision of Additional Teachers		20.000	10.000	30.000	0.882	0.441	1.323	Y	£0.3m PT Guidance, £0.7m COVID related Supply Cover & £0.3m Secondary increased stay on rates
Provision of Additional Teachers & Support Staff (funding for 2021/22 but paid 2020/21)		26.667	-26.667	0.000	1.176	-1.176	0.000	Y	N/A- covered by above two lines
Transitional Support Fund for Childcare Providers		11.200		11.200	0.318		0.318	Y	This is a national SG grant support scheme which Council's are administering on behalf of SG. To provide fixed one-off grants linked to registered setting capacity, to support childcare settings during Covid-19. Criteria and eligibility set nationally, and no Council discretion. Funding therefore essentially a pass through, from Council to eligible settings. There is a small element of funding which was an administration fee to support the Council's processing of applications. This scheme has been administered within existing staff resource.
Consequential		49.000		49.000	2.326		2.326	Y	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood.
Safe Re-opening of Schools		20.000		20.000	1.162		1.162	Y	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood. This particular funding is linked to specific budget pressures around school transport and school property, cleaning and FM costs.
Safe Re-opening of Schools - Additional		30.000		30.000	1.838		1.838	N	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood. This particular funding is linked to specific budget pressures around school transport and school property, cleaning and FM costs.
Support for People at Risk including those Isolating		15.000		15.000	0.651		0.651	Y	This is actioned according to helpline calls for support and outbound calls made to those self-isolating through Test and Protect. It includes food support and fuel support.
Free School Meals during Summer 2020 Holidays		12.600		12.600	0.462		0.462	Y	Provision of FSM vouchers for eligible pupils from 1 July - 18 August. Total funding received £462,095. No budget pressure arising from this spend.
Council Tax Reduction Scheme (CTRS)		25.000		25.000	1.180		1.180	Y	Specifically to award Council Tax Reduction to help reduce Council Tax bills for homeowners and those in the social/private rented sectors.
Free School Meals during October 2020, Christmas 2020 & February 2021 Holidays		6.950		6.950	0.255		0.255	Y	Provision of FSM vouchers for eligible pupils during Oct 2020 to Feb 2021 school holiday periods. Funding received £0.255m. Voucher spend £0.314m.
Free School Meals during Easter 2021 Holidays		4.290		4.290	0.140		0.140	Y	Provision of FSM vouchers - funding allocation £0.140m.
Financial Insecurities / Support for Individuals at Financial Risk		20.000		20.000	0.700		0.700	Y	£0.150m to offset budget pressure for school clothing grants. £0.550m allocated to local Fuel Support Fund - provides for £60 per household in Feb. Approval being sought via Corporate Resources Committee 25 Feb, to extend the scheme to March and April. This will be a total investment of around £1m and will be supplemented by funding from the support for people funding.
Discretionary Housing Payments Additional Funding		3.000		3.000	0.093		0.093	Y	For provision of Discretionary Housing Payments to bridge all or some of the gap between benefit available to help with rent and the actual amount of rent due. Local authorities have been administering this scheme since 2001.
Additional Environmental Health Officers		1.200	1.700	2.900	0.090	0.128	0.218	Y	Support staff posts recruited to assist Environmental Health Officers (EHO), plus temporary EHO to deal with Covid business compliance and related public health referrals.

Test and Protect Funds - Support for People		0.597	0.597	0.026	0.026	Y	Ongoing humanitarian assistance, including fuel support and with flexibility to use in 2021/22	
Test and Protect Funds - Local Self-Isolation Assistance		2.275	2.275	0.098	0.098	Y	Ongoing humanitarian assistance, including fuel support and with flexibility to use in 2021/22	
Loss of Income (original)		90.000	90.000	3.108	3.108	N	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood.	
Mental Health Services for Children & Young People - Pandemic Response		11.250	11.250	0.534	0.534	Y	As agreed at H+SC committee 2020 and the Caithness Special Committee - Grant to be used to support the Caithness Pathfinder project and potential future whole system approaches	
Mental Health Services for Children & Young People - CYPMHW Framework Grant		3.750	3.750	0.178	0.178	Y	Initial funding to be used for wellbeing Community Projects (final allocations tbc at meeting on 22nd of Feb)	
Young People's Guarantee - Additional Grant		?	?	1.166	1.166	Y	Provision of work placements (Council Youth Trainee and Graduate Interns) and wage incentive grant scheme to encourage employers to provide permanent jobs.	
£100 Winter Hardship Payments - Initial Allocation (excluding Admin)		12.480	12.480	0.408	0.408	Y	£100 voucher paid to all pupils eligible for FSM based on low incomes. P1-3 receiving universal provision of FSMs were not eligible. Full cost recovery.	
£100 Winter Hardship Payments - Admin		0.400	0.400	0.013	0.013	Y	Administration costs, including transaction costs paid to voucher pay out providers in respect of this scheme. Full cost recovery.	
£100 Winter Hardship Payments - Top-up Based on Actual Payments		?	?	0.042	0.042	N	£100 voucher paid to all pupils eligible for FSM based on low incomes. P1-3 receiving universal provision of FSMs were not eligible. This top-up provided for pupils newly entitled to FSMs based on low incomes after the initial cut-off date. Full cost recovery.	
Winter Plan for Social Protection - Funding for Vulnerable Children & Young People		22.000	22.000	1.065	1.065	Y	Funding used for retrospective costs occurred during covid (placements); to support those living at home with parents or carers; 25% carried over into 21/22 budget	
Flexible Funding for Protection Level 4 Areas		30.000	30.000	1.424	1.424	N	Ongoing humanitarian assistance, including fuel support. To use flexibly in 2021/22 to implement the Community Support Coordination model agreed by Council in July 2020.	
Administration of Self Isolation Support Grants		0.907	0.907	0.031	0.031	Y	Administration costs, including transaction costs paid to voucher pay out providers.	
Administration of Business Grant Payments		12.000	12.000	0.960	0.960	Y	Funding being held centrally to offset costs associated with business grants administration incurred across Council services. Business grant administration primarily done through reprioritising existing Council staff, supplemented or backfilled where necessary.	
Rapid Rehousing Transition Plans Additional Funding		5.000	5.000	0.187	0.187	Y	3 x Rapid Rehousing Transition Officers plus joint funding with NHSH on a Housing First project and expanding a Shared Accommodation pilot project	
Support for Schools - Teachers		25.000	25.000	1.086	1.086	Y	New money - plan to be developed once schools have returned fully	
Support for Schools - Digital Inclusion		10.000	10.000	0.562	0.562	Y	New money - plan to develop rollout of p6 chromebooks	
Support for Schools - Home Learning Support Fund		10.000	10.000	0.400	0.400	Y	New money - plan to develop support for vulnerable c+yp	
Support for Schools - Additional Staff (funding for 2021/22 but paid 2020/21)		25.000	25.000	1.086	1.086	Y	identify the need for ASGs based on return to school phased approaches	
Free School Meals during 5-29 January 2021		7.057	7.057	0.231	0.231	Y	FSM vouchers for eligible pupils, based on low income. Expenditure of £0.276m with funding of £0.231m giving rise to a budget pressure.	
Free School Meals during 2-26 February 2021		5.841	5.841	0.191	0.191	Y	Excludes 3 day holiday period 15-17 Feb inclusive as that funding is included in the Oct, Christmas and Feb funding allocation. For 2-26 Feb, all eligible FSM pupils based on low income received vouchers up to 17 Feb. From 18 Feb, all eligible P4-S6 pupils received vouchers as P1-3 returned to school on 18 Feb and can access in-school provision of FSMs.	
Loss of Income (increase)		110.000	110.000	3.784	3.784	N	Funding allocation not yet confirmed. Expected that any funding received will be added to general fund, offsetting Covid costs as required. Not reflected in Q3 monitoring position	
Covid Funding for 2021/22			259.000	259.000	tbc	0.000	N	Assumed allocation for Highland being factored in to closing the 21/22 budget gap.

Childcare Temporary Restrictions Fund		3.810		3.810	0.105		0.105	Y	This is a national SG grant support scheme which Councils are administering on behalf of SG. To provide grant support on a 4 weekly cycle to eligible childcare settings, for those who remain open but are operating at reduced capacity (and therefore reduced private income) due to current restrictions and provision only allowed for vulnerable children and critical worker childcare. Criteria and eligibility set nationally, and no Council discretion. Funding therefore essentially a pass through, from Council to eligible settings. There is a small element of funding which was an administration fee to support the Council's processing of applications. This scheme has been administered within existing staff resource.
Financial Insecurities / Support for Individuals at Financial Risk (uplift)		20.000		20.000	tbc		0.000	N	Newly announced funding- details to be confirmed
£100 Spring Hardship Payments (excluding Admin)		16.800		16.800	tbc		0.000	N	Newly announced funding- details to be confirmed
£100 Spring Hardship Payments - Admin		0.400		0.400	tbc		0.000	N	Newly announced funding- details to be confirmed
Covid Pressures including for Lost Income		275.000		275.000	tbc		0.000	N	Newly announced funding- details to be confirmed
Education Recover - Safety Mitigations in Schools		40.000		40.000	tbc		0.000	N	Newly announced funding- details to be confirmed
Missed Education Catch-up Programme			60.000	60.000		tbc	0.000	N	Newly announced funding- details to be confirmed
<b>TOTAL COVID-19 REVENUE FUNDING</b>		<b>2,992.707</b>	<b>320.700</b>	<b>3,313.407</b>	<b>186.211</b>	<b>0.128</b>	<b>186.339</b>		

## 2021/22 Council Tax Rates Proposals

## APPENDIX 6

<b>Band</b>	<b>Multiplier Factor</b>	<b>2020/21 Council Tax £</b>	<b>2021/22 Proposed change £</b>	<b>2021/22 proposed Council Tax £</b>
DBR	5/9	740.18	0.00	740.18
A	6/9	888.22	0.00	888.22
B	7/9	1,036.26	0.00	1,036.26
C	8/9	1,184.29	0.00	1,184.29
D	9/9	1,332.33	0.00	1,332.33
E	473/360	1,750.53	0.00	1,750.53
F	585/360	2,165.04	0.00	2,165.04
G	705/360	2,609.15	0.00	2,609.15
H	882/360	3,264.21	0.00	3,264.21

## Savings Proposals 2021/22 - 2023/24

## Review of Already Agreed Savings (HC 14/02/19 &amp; HC 05/03/20)

Date	Theme Ref	Service - New Structure	Budget Area	Savings Description	Savings Agreed - HC 14/02/19 & HC 05/03/20				Revised Savings Following Review				Status
					2021/22 Savings £m	2022/23 Savings £m	2023/24 Savings £m	Total Savings £m	2021/22 Savings £m	2022/23 Savings £m	2023/24 Savings £m	Total Savings £m	
HC 050320	2.13	P&G	Trading Standards	Trusted Trader Scheme (income)	0.005	0.005		0.010	0.000		0.005	0.005	Reduced
HC 140219	2.9a	C&P	Waste Management Services - Increase all other charges-	Re-profile on-going increase in charges for garden waste collections -	0.233			0.233	0.168			0.168	Reduced
HC 050320	1.17	E&L	Resources	HLH - Annual reduction based upon national settlement % reduction	0.300	0.300		0.600	0.000	0.000		0.000	Removed
HC 140219	1.18	C&P	Waste Management - Increase Recycling	Reduce waste arising from internal practices (especially schools, harbours, workshops)	0.135			0.135	0.000			0.000	Removed
HC 140219	1.21	C&P	Recycling Centres - Opening Hours	Review of opening hours	0.020			0.020	0.000			0.000	Removed
HC 140219	1.3	I&E&E	Development & Regeneration	Economy & Regeneration - Efficiencies in annual programmes and services	0.059			0.059	0.000			0.000	Removed
HC 140219	1.5	F&R	Corporate Finance	Efficiency savings	0.095			0.095	0.000			0.000	Removed
HC 140219	1.6	F&R	Revenues & Customer Services	Efficiency Savings of 3%	0.249			0.249	0.000			0.000	Removed
HC 140219	1.7	E&L / F&R	Council wide	Efficiency savings through review of corporate HR/recruitment/workforce planning process	0.200			0.200	0.000			0.000	Removed
HC 140219	1.9	C&P	Waste Management - Route Optimisation	Full implementation of Route Optimisation based on reducing the fleet by one vehicle and crew in each of years 2 and 3	0.134			0.134	0.000			0.000	Removed
HC 050320	2.11	P&G	Corporate Governance - Legal	Increase income from review of current charges and extension of charges	0.005			0.005	0.000			0.000	Removed
HC 050320	2.11	P&G	Corporate Governance - Democratic Services	Increase income from charge out to ALEOs, ICGF and NHS Highland	0.015			0.015	0.000			0.000	Removed
HC 050320	2.14	I&E&E	Development & Regeneration	Increase in estates income	0.075			0.075	0.000			0.000	Removed
HC 140219	2.23	E&L	Eden Court	Revise funding to Eden Court programmes with focus on income generation	0.030			0.030	0.000			0.000	Removed
HC 140219	2.5	C&P	Income from targeting commercial waste customers	Development of business case to maximise income generation opportunities	0.020			0.020	0.000			0.000	Removed
HC 140219	2.7	I&E&E	Development & Regeneration	Efficiencies in the management of the Industrial and Investment Portfolio	0.040			0.040	0.000			0.000	Removed
HC 140219	3.11	H&SC	Placement Services	Reducing costs of out of authority placements over a three year period.	1.000			1.000	0.000			0.000	Removed
HC 140219	4.3	C&P	Flexible Working (as part of Workforce Planning)	Review of T&C across the manual workforce	0.100			0.100	0.000			0.000	Removed
HC 050320	4.6	F&R	Service-wide	Corporate services staffing restructure	0.125			0.125	0.000			0.000	Removed
HC 140219	2.9b	C&P	Community Services Increase all other charges - Public Health & Bereavement Services	Graduated % increases in fees and charges within the CS service - Burial and cremation fees, sale of lairs and foundations and export health certificates.	0.097			0.097	0.000			0.000	Removed
HC 140219	2.9c	I&E&E	Community Services Increase all other charges - Trading Operations	Graduated % increases in fees and charges within the CS service - Ferry dues, Corran Ferry and Pier/Harbour Dues	0.160			0.160	0.000			0.000	Removed
HC 140219	2.9d	C&P / I&E&E	Community Services Increase all other charges - to be split	Graduated % increases in fees and charges within the CS service - Miscellaneous income	0.166			0.166	0.000			0.000	Removed
HC 140219	1.1	I&E&E	Transport - Review Subsidies	Reduce the cost of the public bus services tender per annum	0.114			0.114		0.114		0.114	Reprofiled
HC 050320	1.14	I&E&E	Transport Section	Review of school transport contracts and arrangements - Gaelic medium	0.245			0.245		0.245		0.245	Reprofiled
HC 050320	1.14	I&E&E	Transport Section	Review of school transport contracts and arrangements - nursery, primary, secondary and special schools	0.175			0.175		0.175		0.175	Reprofiled



Date	Theme Ref	Service - New Structure	Budget Area	Savings Description	2021/22 Savings £m	2022/23 Savings £m	2023/24 Savings £m	Total Savings £m	2021/22 Savings £m	2022/23 Savings £m	2023/24 Savings £m	Total Savings £m	Status
HC 050320	1.15	Service-wide	Energy	Increased focus on reducing energy consumption-saving split between HLH (£200k) and HC (£100k)	0.300			0.300	0.075	0.225		0.300	Reprofiled
HC 050320	1.15	Service-wide	Energy	Becoming more energy efficient by meeting ISO5001 energy standard across entire property estate	0.200			0.200	0.050	0.150		0.200	Reprofiled
HC 050320	1.16	E&L	Resources	HLH - Reduce energy costs	0.186	0.186		0.372	0.093	0.279		0.372	Reprofiled
HC 050320	2.15	I&E&E	Planning & Environment	Planning & Building Warrant Fee Income - Increase income target	0.300			0.300		0.300		0.300	Reprofiled
HC 050320	2.16	I&E&E	Car Parks	Roll out of car parking charges	0.411			0.411	0.000	0.411		0.411	Reprofiled
HC 140219	2.17	I&E&E	Planning & Environment	Planning & Building Warrant Fee Income - Increase income target	0.240			0.240	0.000	0.240		0.240	Reprofiled
HC 140219	2.2	P&H	Property	Catering Service - Redesign School Meals	0.075			0.075		0.075		0.075	Reprofiled
HC 140219	2.24	E&L	Funding for external sports culture and leisure organisations	Revised funding for Sports, Leisure, Culture and Community organisations	0.100			0.100	0.000	0.100		0.100	Reprofiled
HC 050320	3.1	Corporate	Stores	Review of stores function	0.300			0.300	0.000	0.150	0.150	0.300	Reprofiled
HC 140219	3.12	Service-wide	Property	Property Asset Management - Further review the occupation of all operational assets (both leased and owned) including offices, schools and HLH premises to establish where effective rationalisation can be deployed to allow us to reduce the number of operational buildings across the Council estate.	0.500			0.500	0.250	0.250		0.500	Reprofiled
HC 140219	3.14	E&L / F&R	Council wide	Review of business support to create an integrated service, reduce duplication and achieve efficiencies.	0.025			0.025	0.000	0.025		0.025	Reprofiled
HC 140219	3.15	I&E&E	Transport - Home/ School Provision	Review provision - better route planning; introduce collections hubs for children and renegotiate with individual operators for revised pricing	0.060			0.060		0.060		0.060	Reprofiled
HC 140219	3.2	P&H	Property	Efficiencies in future delivery of property maintenance works. Develop an in-house property/engineering service contracts team, with less reliance on external contractors.	0.630			0.630		0.315	0.315	0.630	Reprofiled
HC 140219	3.4	Service-wide	Council wide	Efficiency savings through ICT corporatisation	0.230			0.230	0.000	0.230		0.230	Reprofiled
HC 050320	3.6	P&H	Property	Catering Review	0.050			0.050		0.050		0.050	Reprofiled
HC 140219	3.9	I&E&E	Transport - Lean Review	Lean Review of transport processes	0.015			0.015		0.015		0.015	Reprofiled
HC 050320	4.4	P&H	Property	Review of letting policies and FM provision	0.050			0.050		0.050		0.050	Reprofiled
<b>TOTALS</b>					<b>7.469</b>	<b>0.491</b>	<b>0.000</b>	<b>7.960</b>	<b>0.636</b>	<b>3.459</b>	<b>0.470</b>	<b>4.565</b>	

## Details of earmarked balances

## APPENDIX 8

	2020/21 to end Q3			Current balance £000	Purpose of earmarked fund
	Balance at 31/03/20 £000	Transfers out £000	Transfers in £000		
Badaguish Outdoor Centre	460			460	Lottery funding originally for Badaguish outdoor centre to be repurposed for other, similar activity
Business Rates Incentivisation Scheme (BRIS)	1,095	-1,095		0	Funding received in 2019/20 approved for use to balance 2020/21 revenue budget
Change Fund	1,317			1,317	Fund held to support delivery of performance improvement and Service business change into 21/22 as the recovery from the pandemic continues.
Commercial Investment Fund	89			89	Fund held to support business case development for commercial opportunities
Covid19 Response	185			185	2019/20 Covid funding centrally held to be drawn down to offset costs as required
Developers' Contributions	6,547	-34		6,513	Developer contributions are received from developers following the grant of planning permission, and the use to which these can be put to is specified within legal agreements. The money is held within a number of project specific "pots" and the money allocated to the spending services when required to be used as per agreements in place.
Developing the Young Workforce	70			70	Historic SG funding - 70k left over next two years
Devolved School Management	2,889	-2,889		0	Balances arising from DSM scheme. Balances will be updated to reflect 2020/21 year end position
Environmental Development (formerly known as Walks on Water)	126			126	This is being held to support the bid for the Flow Country World Heritage Site, through the part-resourcing of a partnership funded post as well as support other environmental initiatives that come forward.
Grants and Match Funding	2,155	-1,433		722	Specific government and European grant funding streams requiring to be spent on specific projects.
Highland Deal	0		1,000	1,000	Funding agreed as part of 2020/21 budget to be incorporated into planned 2021/22 'Ambitious Highland' investment strategy
IT Investment Fund	519			519	Funds held for specific ICT projects (including project Dochas)
Local Elections	170		85	255	Fund built up annually to ensure sufficient funds available to support local government elections
Playparks	0		100	100	Funding agreed as part of 2020/21 budget to be incorporated into planned 2021/22 'Ambitious Highland' investment strategy
Rural Transport	0		500	500	Funding agreed as part of 2020/21 budget to be incorporated into planned 2021/22 'Ambitious Highland' investment strategy
Salix Recycling Fund	1,370	-13		1,357	Fund held as a condition of Salix funding whereby a proportion of savings delivered must be reinvested into energy savings projects
Scottish Crown Estate	1,292		1,742	3,034	As per the Council report of 10 September 2020, the Crown Estates Revenue is being disbursed to projects throughout the Highlands. Once agreement is given to individual projects through the agreed Governance route, the money will be drawn down and disbursed.
Skye Airstrip	187			187	Carried forward amount from SSE for storage of windfarm parts at Broadford Aerodrome. This is earmarked against any future development potential for the aerodrome.
SCDF- office reviews and holiday pay	1,420			1,420	Funding held to support office reviews/rationalisations and holiday pay backpay
Welfare Issues	364			364	Match funding for ESF Poverty and Social Inclusion intervention and Scottish Welfare Fund contingency
<b>Total</b>	<b>20,255</b>	<b>-5,464</b>	<b>3,427</b>	<b>18,218</b>	

**Appendix 9 : Budget Savings Proposals**

<b>Theme 1: Making the Council More Efficient</b>	<b>2 - 17</b>
<b>Theme 2: Commercialisation and Income Generation</b>	<b>18 - 43</b>
<b>Theme 3: Redesign and Improvement</b>	<b>44 - 73</b>

**Making the Council More Efficient 1.01**

<b>Budget Heading</b>	Waste Management		
<b>Savings Name</b>	Recycling Centre Opening Hours		
<b>Current Budget (£m)</b>	0.368	<b>Current Staffing (FTE)</b>	n/a

Ref. **C&P/10**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.032	
2022/23		
2023/24		
<b>Total</b>	0.032	

**Detailed Description of Savings Proposal**

Maintain the existing opening hours established in November 2020 within Household Waste Recycling Centres and with the current restrictions whilst continuing the online booking system at our busiest sites.

**Actions, Investment, Cost and Timescale for Delivery**

There are no new associated actions, investment or cost. The timescale for delivery is immediate as the proposal will maintain the status quo.

**What is the Anticipated Impact?***Staffing:*

There are no staffing impacts arising from this budget saving.

*The Service:*

Maintain reduced opening hours to the public. Improved controls over waste inputs to sites and with the previously agreed restrictions on construction and demolition waste at Household Waste Recycling Centres.

*Equality Groups:*

There are no equality impacts arising from this budget saving.

*Rural:*

There are no rural impacts arising from this budget saving.

*Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

**Making the Council More Efficient 1.02**

<b>Budget Heading</b>	Waste Management		
<b>Savings Name</b>	Delete 3 vacant operational posts 2 x HC3 & 1 X HC4		
<b>Current Budget (£m)</b>	3.764	<b>Current Staffing (FTE)</b>	140

Ref. **C&P/15**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.080	3
2022/23		
2023/24		
<b>Total</b>	0.080	3

**Detailed Description of Savings Proposal**

Delete vacant posts that are no longer required.

2 x Full Time Equivalent vacant posts in Inverness (1 x HC3 post and 1 x HC4 post)

1 x Full Time Equivalent post in Nairn, Badenoch & Strathspey. This will be achieved by deleting 2 vacant seasonal posts at HC3.

**Actions, Investment, Cost and Timescale for Delivery**

There are no associated actions, investment or costs. This budget saving will be removed from the budget and implemented on 1 April 2021.

**What is the Anticipated Impact?***Staffing:*

A reduction of 3 Full Time Equivalent posts within the overall Service's establishment.

*The Service:*

There are no service impacts arising from this budget saving. A management review has established these duties are currently absorbed by the permanent workforce.

*Equality Groups:*

There are no equality impacts arising from this budget saving.

*Rural:*

There are no rural impacts arising from this budget saving.

*Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

**Making the Council More Efficient 1.04**

<b>Budget Heading</b>	Staff Travel		
<b>Savings Name</b>	Reduce Car Club administration		
<b>Current Budget (£m)</b>	0.025	<b>Current Staffing (FTE)</b>	1

Ref. **C&P/24**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.025	1
2022/23		
2023/24		
<b>Total</b>	0.025	1

**Detailed Description of Savings Proposal**

As we review staff travel and delivering services in a different way, staff travel will remain reduced post Covid-19. The car club will continue but it will be reduced in size and will need less administration. This will enable a reduction of one post within the current team and a consequential saving.

**Actions, Investment, Cost and Timescale for Delivery**

This budget saving will be removed from the budget and implemented on 1 April 2021.

**What is the Anticipated Impact?***Staffing:*

The car club activities will be carried out within the fleet, hire and travel desk. There will be a review of the desk activities post Covid-19 and there will a review of duties across the team. This can be achieved by deleting a vacancy or re-deployment of staff.

*The Service:*

No negative impact. Reductions in staff travel will reduce carbon emissions from travel, supporting the Council's Climate Change agenda.

*Equality Groups:*

There are no equality impacts arising from this budget saving.

*Rural:*

There are no rural impacts arising from this budget saving.

*Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

**Making the Council More Efficient 1.06**

<b>Budget Heading</b>	Early Years-phasing due to impact of Covid-19 lockdown measures		
<b>Savings Name</b>	Rephasing of rollout for a small number of settings of Early Learning and Childcare 1140 hours		
<b>Current Budget (£m)</b>	<b>8.3</b>	<b>Current Staffing (FTE)</b>	<b>502</b>

Ref. **E&L/4**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.500	0.00
2022/23	-0.500	0.00
2023/24		
Total	0.000	0.00

**Detailed Description of Savings Proposal**

Due to the impact of Covid-19 on delays to capital programme works, a small number of settings are not due to deliver 1140 hours until August 2021 – delivering a one-off in year underspend in 2021/22.

This is not a reduction on overall investment in Early Learning and Childcare. It is a realignment and re-phasing between years, as reported to the Education Committee on 2 July 2020, 6 August 2020, 30 September 2020 and 18 November 2020.

The Council remains committed to making positive progress with the rollout of Early Learning and Childcare 1140 hours expansion where possible.

In relation to benchmarking, the Council's current and planned delivery exceeds the current Statutory Duty to deliver 600 hours. August 2021 is the expected date for Scottish Government proposing a new Statutory Duty for 1140 hours. Nationally, the Council was one of 14 Councils that were working to August 2021 to complete the 1140 expansion.

**Actions, Investment, Cost and Timescale for Delivery**

Between April and August 2021, the final settings in Highland will deliver 1140 hours.

The associated capital investment is within the approved capital programme.

The actions relating to 1140 expansion have been detailed in recent reports to Education Committee.

While every effort is being made to complete the rollout of 1140 hours, for these particular settings, there is expected to be some one-off saving based on the expansion being part year in 2021.

**What is the Anticipated Impact?***Staffing:*

None. This saving is a by-product of the phasing of the 1140 expansion programme. Overall the rollout of 1140 hours will see an increase in the level of staffing required to operate our Early Learning and Childcare settings. This one off saving only reflects the impact of the phasing during 2021. As the expansion required the recruitment of additional staffing, there will be no negative staff impact.

*The Service:*

None. Every effort is being made to conclude the 1140 rollout at the earliest opportunity. This saving is a by-product of the updated programme reported to the Education Committee and the expectation that some settings will not be in a position to deliver 1140 hours until April-August 2021 due to the Covid-19 impact on capital works

and in turn, the lead time to put in place suitable interim or contingency arrangements. These are all connected to lockdown restrictions and national directives /guidance as set out by the Scottish Government.

For context, the current outcomes achieved or programmed in relation to Early Learning and Childcare are as follows and are not impacted by the re-phasing:

189 settings (83%) delivering 1140 hours as at January 2021.

- A further 20 settings preparing to move to 1140 by April (92%) and the final 19 to deliver by August 2021.
- Most parents have access to 1140 hours albeit that they may need to split provision between 2 settings. This is supporting parents to access 1140 hours, in addition to supporting business sustainability for partner providers.
- An additional 70 Full Time Equivalent Highland Council Early Learning and Childcare staff have been employed, or existing staff have hours increased, (from August 2019 to Jan 21) to meet demand for increased delivery. A further 43 Full Time Equivalents are required by August 2021, funded through the Early Learning and Childcare budget.
- Partners' commissioned hours have increased, alongside an uplift in the hourly rate (around 15% in 2020/21 previously agreed and already implemented). This amounts to an increase from circa £3m in 2018/19 to £4.7m in 2019/20 and £7.5m in 2020/21 supporting Early Learning and Childcare partners and commissioned childminders for provision of 1140 hours for funded 2-year olds, 3-5 year olds and including a funded meal.

*Equality Groups:*

Once completed, the rollout of 1140 hours across Highland will be of benefit to families in relation to accessing funded Early Learning and Childcare provision.

*Rural:*

Early Learning and Childcare expansion is Highland-wide and includes rural settings. As has been reported to the Education Committee, the Council is now well placed to conclude the rollout of its 1140 hours expansion programme. There are however some settings where despite all reasonable efforts, it will be into the April-August 2021 window before 1140 hours can be delivered.

*Socio-economic:*

The provision of funded 1140 hours Early Learning and Childcare is an important provision to support families into employment or education, and hence the priority the Council is placing on its 1140 hours expansion programme.

*Island Impacts:*

There are no Island impacts beyond those rural impacts arising from this budget saving.



## Making the Council More Efficient 1.07

<b>Budget Heading</b>	Early Years		
<b>Savings Name</b>	Early Learning and Childcare Phase 1 into phase 2 reduction in project management costs		
<b>Current Budget (£m)</b>	8.3	<b>Current Staffing (FTE)</b>	n/a

Ref. **E&L**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	1.237	10.9
2022/23	0.449	
2023/24		
<b>Total</b>	<b>1.686</b>	<b>10.9</b>

### Detailed Description of Savings Proposal

#### **Phase 1 into Phase 2 implementation**

Many of the project costs associated with planning and evaluating the implementation process will no longer be required from August 2021. This will allow deployment of posts through vacancy management.

**Phase 1** – Successful roll out of 1140 hours in line with other Local Authorities and Scottish Government's expectations. The aim of Phase 1 was to make available high-quality, flexible Early Learning and Childcare that is accessible and affordable for all families in the transition of entitlement from 600 free hours of Early Learning and Childcare to 1140 annual hours. This will be completed by August 2021.

**Phase 2** - A strategic review of early years' services to improve current provision, provide equity across Highland and improve impact and outcomes across the following themes:

- Equity across children to staff ratios
- Management/administration time
- Procurement of contracts

**Phase 2 – ratios:** make sure that all Early Learning and Childcare provisions are working on the national staff ratios as set out by the Care Inspectorate or the Highland Early Learning and Childcare provision will continue to be overstaffed which is not fair across all settings nor is it a long term best value approach for the Council. The Council in phase 2 will aim to ensure staff efficiency and consistency. In phase 2 school year 2021-2020, an efficiency of approximately £150k is available in urban settings where there is opportunity to use more than one room in larger nurseries. This efficiency does not affect the sustainability of any Early Learning and Childcare setting or parental choice.

Review Out of School Care provision in areas where income does not cover costs to bring it in line with the Scottish average, which is £12.47. The Highland Council charge is £11.66. Increase costs of Early Learning and Childcare to parents/carers in line with Scottish average.

**Phase 2 – management structure/admin time** – in the initial implementation of Early Learning and Childcare phase 1, the Highland Council provided schools with additional management and administration time allocations to support the implementation of the additional hours; this management time is in addition to Devolved School Management allocation. This saving will bring management time to schools in line with national practice and the review will create equity across Highland for head teachers.

In phase 2, the Council remains committed to best value. Continuous monitoring, support and improvement will continue to ensure quality remains high and the staffing levels are appropriate.

**Phase 2 – commissioning of services of contracts** to apply a standardised consistent approach to contract setting and management to all partner providers to bring ELC in line with standard Council processes and taking into account national legislation.

A fully compliant process will be undertaken to adopt funded providers to deliver Early Learning and Childcare within the Highlands. Alongside this, a contract management process will be developed to ensure funded providers achieve and continue to meet the criteria outlined in the National Standard.

### **Actions, Investment, Cost and Timescale for Delivery**

The review and actions will include:

- Best Value review of ratio and provision in settings based on Care Inspectorate recommendations
- Revised management and Early Years staff restructure
- Review of all contracts to ensure equity and best value
- Equity of provision pan-Highland using the national staff bank to encourage employment opportunities locally
- Review partner centre payment processes
- Review income potential from charging partner settings rent/utilities for use of Highland Council premises
- Out of School Care review has income potential and possible efficiencies in the number of settings operating

### **What is the Anticipated Impact?**

#### *Staffing:*

Given overall there will be expansion in Early Years and natural turnover in staffing, it is anticipated this will give flexibility in terms of implementing this proposal. The Education Service considers this flexibility will potentially enable a reduction of 10.09 Full Time Equivalents by using deployment opportunities.

#### *The Service:*

This would realise a consistent and equitable process and provision across Highland.

#### *Equality Groups:*

As this budget saving relates to project management costs and the programme will deliver 1140 hours by August 2021, there are no direct equalities impacts.

#### *Rural:*

There are no rural impacts arising from this budget saving.

#### *Socio-economic:*

This budget saving would increase costs for partners and decrease some income streams albeit ensuring a consistent and equitable approach will be in place. Potentially some small communities would have a change in Early Learning and Childcare provision which could impact working families. The increase in charges for out of school care will represent an increase in cost for some families. However, the 7% increase required to align with Scottish averages is not considered as materially impacting on the ability to access out of school childcare, which is a discretionary opt-in service for parents.

#### *Island Impacts:*

There are no Island impacts arising from this budget saving.

**Making the Council More Efficient 1.13**

<b>Budget Heading</b>	Service Staffing Budget		
<b>Savings Name</b>	Relief Staffing Budget		
<b>Current Budget (£m)</b>	0.023	<b>Current Staffing (FTE)</b>	0

Ref. **HW&SC/6**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.011	0
2022/23		
2023/24		
<b>Total</b>	0.011	0

**Detailed Description of Savings Proposal**

As a result of successful recruitment to posts, the use of this relief staff budget has reduced and has enabled this budget saving.

**Actions, Investment, Cost and Timescale for Delivery**

This budget saving will be removed from the budget and implemented on 1 April 2021.

**What is the Anticipated Impact?***Staffing:*

There are no staffing impacts arising from this budget saving. This budget has been underspent over the course of the past year. Current staffing levels mean there is a reduce need for relief staff and therefore reducing the relief budget.

*The Service:*

It is expected that service performance and outcomes will not be impacted by this proposal.

*Equality Groups:*

This is not expected to have a negative impact on service delivery and as a result no equality implications are expected.

*Rural:*

There are no rural impacts arising from this budget saving.

*Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

**Making the Council More Efficient 1.14**

<b>Budget Heading</b>	Roads & Transport		
<b>Savings Name</b>	Cromarty – Nigg Ferry		
<b>Current Budget (£m)</b>	0.70	<b>Current Staffing (FTE)</b>	0

Ref. **I&E&E/4**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.010	0
2022/23		
2023/24		
<b>Total</b>	0.010	0

**Detailed Description of Savings Proposal**

The savings proposal is to re-negotiate the contract with the ferry operator to put in place increased fares that will reduce the overall ferry contract price by £10k. This will be recouped by the ferry operator by these increased fare prices. This is a seasonal service, used largely by tourists. The ferry contract costs £50,000 p.a. and there is reimbursement for concessionary fares totalling c. £20,000.

**Actions, Investment, Cost and Timescale for Delivery**

Renegotiate a fare scale with the contractor to increase fares revenue and allow a reduction in contract cost. This is likely to include increasing the vehicle fares and/or removing the discounted return fare.

**What is the Anticipated Impact?***Staffing:*

There are no staffing impacts arising from this budget saving.

*The Service:*

A reduction of the scale proposed should not impact the service, due to the anticipated increased fares revenue.

*Equality Groups:*

This is not expected to be significant for most users as it is not an all-year lifeline route, but some care homes in the vicinity use the route as part of an excursion for their residents. A possible mitigation could be to arrange a special fare for such trips.

*Rural:*

This is not a lifeline ferry service. This ferry forms a link (summer only) between rural communities in the Black Isle and Easter Ross.

A community-led project, funded from the Rural Tourism Infrastructure Fund, has recently completed improvement works on the slipways to avoid the risk of structural failure and to be able to accommodate a larger vessel.

*Socio-economic:*

It is not considered that there will be significant socio-economic impacts – the main custom from the ferry is from seasonal tourist usage, and it is not intended to completely remove the subsidy given, meaning that a modest increase in fares will be expected. The ferry is mostly used by tourists and day trippers and contributes to the tourist economy of Cromarty and other places in the Black Isle. It also forms part of the National Cycle Route.

This approach aligns with fare increases on the main Council run service at Corran and equates well to

comparable Calmac ferry fees. It is not a life-line service and therefore should not impact upon low income households.

Capacity, and therefore revenue earning potential, is restricted by the size of the vessel used, and if the operator could acquire a slightly larger vessel, the revenue would be enhanced. As noted above (under "Rural"), public money has been spent this year on upgrading the slipways.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

**Making the Council More Efficient 1.15**

<b>Budget Heading</b>	Development & Regeneration (Housing Development)		
<b>Savings Name</b>	Private Sector Housing Grant - Reduction in Grant		
<b>Current Budget (£m)</b>	1.589	<b>Current Staffing (FTE)</b>	0

Ref. **I&E&E/9**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.050	0
2022/23		
2023/24		
<b>Total</b>	0.050	0

**Detailed Description of Savings Proposal**

Private Sector Housing Grant - Reduction in Grant to care & repair agents' fees by seeking efficiencies in the delivery of services for home adaptations for elderly and disabled. This will be achieved by making changes to the current service level agreements with third party organisations.

Currently care and repair agents charge an annual fee for assisting vulnerable people through a Community approach needed for the Care and Repair and Handyperson schemes (targeted assistance for clients aged 65+ or any age with a disability e.g ramps, walk in showers, disabled adaptations). The Agents work closely with the Council and NHS to identify the needs of vulnerable individuals. Environmental Services manage the grant process.

The Council's Agents have jointly developed a single management model to capture savings and efficiencies. These Agents are Members of the National Care and Repair forum and each have attained the Forum's Quality Mark which the Council requires as a minimum standard. From initial discussions with Agents, the Council is confident that the saving can be made with no impact on the quality of service provided.

**Actions, Investment, Cost and Timescale for Delivery**

This budget saving will be removed from the budget and implemented on 1 April 2021.

**What is the Anticipated Impact?***Staffing:*

There are no staffing impacts arising from this budget saving.

*The Service:*

There are no service impacts arising from this budget saving.

*Equality Groups:*

There are no equality impacts arising from this saving as the quality and nature of service for citizens will not be impacted.

*Rural:*

There are no rural impacts arising from this saving.

*Socio-economic:*

There are no socio-economic impacts arising from this saving.

*Island Impacts:*

There are no Island impacts arising from this saving.

**Making the Council More Efficient 1.16**

<b>Budget Heading</b>	Members		
<b>Savings Name</b>	Reduction in Various Budget Headings		
<b>Current Budget (£m)</b>	0.204	<b>Current Staffing (FTE)</b>	3

Ref. **P&G/4-7**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.053	0
2022/23		
2023/24		
<b>Total</b>	0.053	0

**Detailed Description of Savings Proposal**

It is proposed to remove the following amounts from the members budget :

- £0.020m from the members travel budget (current budget £0.106m) in anticipation that members will incur less travel as they choose to attend meetings remotely through the enhanced technology now available. This also has the benefit of contributing to the Council's ambition for net zero direct carbon emissions.
- £0.007m from the members catering budget (current budget £0.027m) in anticipation that there will be fewer members needing to take meals away from home as they choose to attend meetings remotely through the enhanced technology now available.
- £0.015m from the members mobile telephony budget (current budget £0.033m) which has been underspent for the past couple of years. This saving will remove that underspend but will have no impact on service provision.
- £0.011m from the members subsistence budget (current budget £0.038m) in anticipation that there will be fewer members requiring overnight accommodation as they choose to attend meetings remotely through the enhanced technology now available.

**Actions, Investment, Cost and Timescale for Delivery**

The saving will be removed from the budget and implemented from 1 April 2021.

**What is the Anticipated Impact?***Staffing:*

There are no staffing impacts arising from this budget saving.

*The Service:*

There are no service impacts arising from this budget saving.

*Equality Groups:*

There are no equality impacts arising from this budget saving.

*Rural:*

There are no rural impacts arising from this budget saving.

*Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

*Island Impacts:*

There are no Island impacts arising from this budget saving.



**Making the Council More Efficient 1.17**

<b>Budget Heading</b>	People		
<b>Savings Name</b>	Health & Safety Budget Savings		
<b>Current Budget (£m)</b>	0.027	<b>Current Staffing (FTE)</b>	

Ref. **R&F/8**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.012	0
2022/23		
2023/24		
<b>Total</b>	0.012	0

**Detailed Description of Savings Proposal**

Health and Safety - range of savings from various budgets headings including training, materials, consumables subsistence.

This budget saving will not have an adverse impact on Health & Safety activities such as investigations and visits to sites.

**Actions, Investment, Cost and Timescale for Delivery**

This budget saving will be removed from the budget and implemented on 1 April 2021.

**What is the Anticipated Impact?***Staffing:*

There are no staffing impacts arising from this saving.

*The Service:*

There are no service impacts arising from this saving.

*Equality Groups:*

This savings is largely made up of purchasing supplies and therefore does not impact equality groups. While there will be a small reduction in the training budget, this will not reduce core and mandatory training provision.

*Rural:*

There is an increased provision of online training enabling employees to access training from any location and reducing the need for travel to training centres.

*Socio-economic:*

There are no socio-economic impacts arising from this saving.

*Island Impacts:*

There are no Island impacts arising from this saving.

**Making the Council More Efficient 1.18**

<b>Budget Heading</b>	Transformation		
<b>Savings Name</b>	Review of non-staff costs		
<b>Current Budget (£m)</b>	0.6	<b>Current Staffing (FTE)</b>	9

Ref. T/2

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.019	0
2022/23		
2023/24		
<b>Total</b>	0.019	0

**Detailed Description of Savings Proposal**

Following a critical review of non-staff cost spend, savings can be made on areas including travel & accommodation utilising Microsoft Teams and training, books etc. by improved use of on-line resources.

**Actions, Investment, Cost and Timescale for Delivery**

This action has already been implemented and is supporting the delivery of revenue underspend in 2020/21 against these respective expense heads.

**What is the Anticipated Impact?***Staffing:*

There are no staffing impacts arising from this budget saving.

*The Service:*

There are no service impacts arising from this budget saving.

*Equality Groups:*

There are no equality impacts arising from this budget saving.

*Rural:*

There are no rural impacts arising from this budget saving.

*Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

**Making the Council More Efficient 1.19**

<b>Budget Heading</b>	Housing & Property Services		
<b>Savings Name</b>	Temporary Housing Accommodation Saving		
<b>Current Budget (£m)</b>	2.352	<b>Current Staffing (FTE)</b>	N/A

Ref. **P&H/4**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.116	0
2022/23		
2023/24		
<b>Total</b>	0.116	0

**Detailed Description of Savings Proposal**

Reduction in the use of private sector rented accommodation, an increased number of Housing Revenue Account properties will be used to provide suitable temporary accommodation.

**Actions, Investment, Cost and Timescale for Delivery**

Less private sector temporary accommodation will be used by Housing Services. This budget saving will be removed from the budget and implemented on 1 April 2021.

**What is the Anticipated Impact?***Staffing:*

There are no staffing impacts arising from this budget saving.

*The Service:*

Access to local temporary accommodation will continue to be made available.

*Equality Groups:*

Housing Revenue Account temporary accommodation will have to be suitable for the needs of future tenants/people requiring immediate support.

*Rural:*

There are no rural impacts arising from this budget saving.

*Socio-economic:*

Suitable Housing Revenue Account accommodation will be available across Highland to provide temporary tenant support.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

## Commercialism and Income Generation 2.01

<b>Budget Heading</b>	Communities & Place: Environmental Health		
<b>Savings Name</b>	Bereavement services – remembrance options		
<b>Current Budget (£m)</b>	0.007	<b>Current Staffing (FTE)</b>	0

Ref. **C&P/3**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.012	0
2022/23	0.012	0
2023/24	0.012	0
Total	0.036	0

### Detailed Description of Savings Proposal

Bereavement services - develop and promote wider range of services for remembrance. The Council currently provides a small range of remembrance options available for families using Inverness Crematorium including inscription in the Book of Remembrance, rose bushes, and trees. There is potential to improve promotion of these services and, as previously suggested by members, develop further options such as memorial plaque wall, and other products to hold cremation urns. This will provide further options for families. Many other crematoria cover a wider range of options.

There are around 1200 cremations per year at Inverness Crematorium. The additional income is based on take up of additional options.

### Actions, Investment, Cost and Timescale for Delivery

The bereavement services manager is investigating options. Some may require preparation of additional paths or foundations, and this will be evaluated against potential income.

### What is the Anticipated Impact?

#### *Staffing:*

No impact on staffing

#### *The Service:*

Improved options available.

#### *Equality Groups:*

There are no equality impacts arising from this saving.

#### *Rural:*

There are no rural impacts arising from this saving.

#### *Socio-economic:*

Wider range of options available for families.

#### *Island Impacts:*

There are no island impacts arising from this saving.

**Commercialism and Income Generation 2.02**

<b>Budget Heading</b>	Communities & Place: Environmental Health		
<b>Savings Name</b>	New cost recovery for Environmental Health licensing		
<b>Current Budget (£m)</b>	0	<b>Current Staffing (FTE)</b>	0

Ref. **C&P/5**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.003	0
2022/23	0.003	0
2023/24	0.003	0
Total	0.009	0

**Detailed Description of Savings Proposal**

The Animal Welfare (Licensing of Activities Involving Animals) (Scotland) Regulations 2021 are being drafted by Scottish Government with proposed implementation around August 2021.

Proposals cover:

- Selling animals as pets – replaces existing licensing regulations for pet shops
- Providing rehoming services - new
- Operating an animal welfare establishment - new
- Breeding dogs – replaces existing licensing regulations for dog breeding
- Breeding cats – new
- Breeding rabbits – new

Very small numbers of premises in Highland so not a major change. However, in terms of revenue budgets this will allow better cost recovery and the additional work will be covered by existing staff so will be a small positive impact on revenue.

In addition, the licensing of residential caravan sites is being implemented from December 2020 through to August 2021 with around 20 sites requiring licensing (fees from £328 to £650 depending on number of caravans). Additional work will be covered by existing staff so will be small positive impact on revenue.

**Actions, Investment, Cost and Timescale for Delivery**

As above

**What is the Anticipated Impact?**

*Staffing:*

No impact on staffing

*The Service:*

Statutory requirement to implement new licensing.

*Equality Groups:*

There are no equality impacts arising from this saving.

*Rural:*

There are no rural impacts arising from this saving.

*Socio-economic:*

Fees are permitted under legislation based on cost recovery.

*Island Impacts:*

There are no island impacts arising from this saving.

## Commercialism and Income Generation 2.03

<b>Budget Heading</b>	Community Support		
<b>Savings Name</b>	Review administrative funding to NHS Highland for training programmes.		
<b>Current Budget (£m)</b>	0.020	<b>Current Staffing (FTE)</b>	0

Ref. **C&P/7**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.020	0
2022/23		
2023/24		
<b>Total</b>	0.020	0

### Detailed Description of Savings Proposal

Review administrative funding to NHS Highland for the co-ordination and organisation of statutory and non-statutory health and wellbeing training programmes for NHS and Council staff. The review needs to align with the new range of wellbeing supports developed by the Council's HR team, including on-line resources, as a result of our Covid experience and also the partnership model on developing joint training programmes on wellbeing.

For over 10 years, NHS Highland has provided the administration and co-ordination for a range of training programmes related to health and wellbeing, some of which are attended by Council staff. These training programmes include Safetalk, Assist and Storm. The main beneficiaries of these programmes are NHS staff that require it for their professional qualification. For some Council staff, certain of these training programmes are compulsory as part of their work, for others it is good practice for staff to attend and the Council has encouraged attendance.

Council funding has been used to cover venue hire and associated costs, such as licenses for these training programmes, and administration to support trainers be trained and to deliver the courses themselves. It is believed however that costs could be absorbed as part of normal administration processes and supported in kind by the Council through the use of Council premises.

NHS Highland has agreed further discussion is required with the partnership delivery group to explore new ways of delivering this training, particularly in light of new national training courses in development (that won't be licensed), the move to online training and the learning from this during the pandemic and the new model for delivery of joint wellbeing training courses. This should also include a joint review of the delivery of mental health and wellbeing services, training and support, including those offered now through the Council's HR function.

### Actions, Investment, Cost and Timescale for Delivery

To review the delivery mechanism with NHS Highland and partnership delivery group.

### What is the Anticipated Impact?

*Staffing:*

No impact on Council staffing

<i>The Service:</i>
Training will continue to be provided but through a reviewed delivery model.
<i>Equality Groups:</i>
Potential impact. The training provided is designed to raise awareness and support staff to respond to and support client groups. Any reduction in the ability to access training could negatively impact upon some groups; however, the proposal is to find an alternative way of providing that training and not to reduce access to it therefore appropriate mitigation is in place. Alternative methods, including on-line methods, could enable access to more people and a review will take place with NHH and the partnership delivery group to consider all of the options and how best to proceed.
<i>Rural:</i>
There are no rural impacts arising from this saving. A move to more on-line resources may improve the reach of training.
<i>Socio-economic:</i>
There are no socio-economic impacts arising from this saving.
<i>Island Impacts:</i>
There are no island impacts arising from this saving. A move to more on-line resources may improve the reach of training.

## Commercialism and Income Generation 2.04

<b>Budget Heading</b>	Waste Management		
<b>Savings Name</b>	Compact waste to reduce haulage costs		
<b>Current Budget (£m)</b>	0.672	<b>Current Staffing (FTE)</b>	

Ref. **C&P/9**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.025	
2022/23		
2023/24		
<b>Total</b>	0.025	

### Detailed Description of Savings Proposal

This saving is a follow on from current savings reference 2020/21 Theme ref. 3.1 and will be achieved within the agreed capital budget for waste plant and infrastructure.

Discussions with equipment manufacturers and other LA's has identified equipment that will offer increased compaction opportunities on our sites for the same capital investment. Consequently, further savings on contract and internal haulage costs can be anticipated for 2021/22.

During the year we will review performance of the installations and consider additional proposal for other sites in the future years.

### Actions, Investment, Cost and Timescale for Delivery

### What is the Anticipated Impact?

#### *Staffing:*

Allocating other work within the service to post holders who had been carrying internal skip haulage.

#### *The Service:*

This is a Service improvement; it will reduce the number trips associated with skip use and reduce carbon emissions.

#### *Equality Groups:*

There are no equality impacts arising from this saving.

#### *Rural:*

There are no rural impacts arising from this saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this saving.

#### *Island Impacts:*

There are no island impacts arising from this saving.



## Commercialism and Income Generation 2.05

<b>Budget Heading</b>	Waste Management		
<b>Savings Name</b>	Impact of Deposit Return Scheme-Residual Waste Disposal Cost reduction		
<b>Current Budget (£m)</b>	11.5	<b>Current Staffing (FTE)</b>	

Ref. **C&P/12**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22		
2022/23		
2023/24	0.280	
Total	0.280	

### Detailed Description of Savings Proposal

The Scottish Government's Deposit Return Scheme was originally scheduled to be introduced on the 1<sup>st</sup> of April 2021 and was delayed with a proposed implementation during financial year 2022/23. The scheme will see people pay 20p when they buy a drink in a single use container which they will get back on return of the empty item. This will reduce the amount of waste that is disposed through the Councils residual waste stream.

Due to the time it will take to bed in, no saving will be achieved until 2023/24

Government provided modelling indicates that an estimated 2400 tonnes of drinks containers will be removed from the residual waste stream during 2023/24 resulting in a reduction in disposal costs.

### Actions, Investment, Cost and Timescale for Delivery

The estimated saving will be realised by the introduction of Scottish Government's Deposit Return Scheme.

In the event of the scheme being either delayed or performing below Government expectations the saving may not be delivered.

### What is the Anticipated Impact?

#### *Staffing:*

No Impact

#### *The Service:*

No Impact

#### *Equality Groups:*

There are no equality impacts arising from this saving.

#### *Rural:*

There are no rural impacts arising from this saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this saving.

#### *Island Impacts:*

There are no island impacts arising from this saving.

**Commercialism and Income Generation 2.06**

<b>Budget Heading</b>	Waste Management		
<b>Savings Name</b>	Impact of Deposit Return Scheme-Glass Collection /Treatment Cost reduction		
<b>Current Budget (£m)</b>	0.325	<b>Current Staffing (FTE)</b>	

Ref. **C&P/13**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22		
2022/23		
2023/24	0.100	
Total	0.100	

**Detailed Description of Savings Proposal**

The Scottish Government's Deposit Return Scheme was originally scheduled to be introduced on the 1<sup>st</sup> of April 2021 and was delayed with a proposed implementation during financial year 2022/23. The scheme will see people pay 20p when they buy a drink in a single use container which they will get back on return of the empty item. This will reduce the amount of waste that is captured through the Council bring scheme.

Due to the time it will take to bed in, no saving will be achieved until 2023/24. Government provided modelling indicates that approximately 50% of glass bottles will be removed from the Council's bring site glass collections during 2023/24 resulting in a reduction in glass collection/treatment costs.

**Actions, Investment, Cost and Timescale for Delivery**

The estimated saving will be realised by the introduction of Scottish Government's Deposit Return Scheme.

In the event of the scheme being either delayed or performing below Government expectations the saving may not be delivered.

**What is the Anticipated Impact?***Staffing:*

No Impact

*The Service:*

A review of the Council's bring collection arrangements and contract for the collection and treatment of glass will be required in order to reflect the impact of the Deposit Return Scheme.

*Equality Groups:*

There are no equality impacts arising from this saving.

*Rural:*

There are no rural impacts arising from this saving.

*Socio-economic:*

There are no socio-economic impacts arising from this saving.

*Island Impacts:*

There are no island impacts arising from this saving.

## Commercialism and Income Generation 2.07

<b>Budget Heading</b>	Registration Fee Income		
<b>Savings Name</b>	Increase fee charge (income) Statutory Fees		
<b>Current Budget (£m)</b>	0.167	<b>Current Staffing (FTE)</b>	47.8

Ref. **C&P/17-19**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.061	0
2022/23		
2023/24		
<b>Total</b>	0.061	0

### Detailed Description of Savings Proposal

There are 3 elements to this savings proposal.

- Statutory fees are set by National Records for Scotland (NRS). The fees were due to increase in January 2020 and April 2020 but have not been increased to date. We expect them to increase before April 2021 and provide £45k in 2021/22, based on the number of weddings remaining the same as 2019/20.
- The Council has discretion to set fees in relation to some Registration functions, for example booking fees. Based on the number of weddings remaining the same as 2019/20, additional income of £11k is possible in 2021/22 and proposed as a saving.
- The Council doesn't recover mileage charges for attending and conducting ceremonies, nor does it charge for the administration in changing bookings or other miscellaneous activities. By adjusting this practice a further £5k in fee income is possible in 2021/22.

### Actions, Investment, Cost and Timescale for Delivery

Additional income is based on the NRS increasing the statutory fees in April 2021 and applying increased charges where we have discretion to do so.

### What is the Anticipated Impact?

#### *Staffing:*

No impact

#### *The Service:*

A modest increase in fees, some set nationally and others at our discretion.

#### *Equality Groups:*

There are no equality impacts arising from this saving.

#### *Rural:*

There are no rural impacts arising from this saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this saving.

*Island Impacts:*

There are no island impacts arising from this saving.

**Commercialism and Income Generation 2.10**

<b>Budget Heading</b>	Amenities		
<b>Savings Name</b>	Work with Services to reduce external spend on arbor work, carry out work using internal team.		
<b>Current Budget (£m)</b>	0.090	<b>Current Staffing (FTE)</b>	3

Ref. **C&P/20**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.030	0
2022/23		
2023/24		
Total	0.030	0

**Detailed Description of Savings Proposal**

The service has insourced the arbor work within the Amenities function and will work with Housing to undertake work on their behalf, rather than them sub-contracting work to external contractors.

**Actions, Investment, Cost and Timescale for Delivery**

The new team is in place and will be ready to undertake work for other services from April 2021.

**What is the Anticipated Impact?***Staffing:*

No impact

*The Service:*

No impact

*Equality Groups:*

There are no equality impacts arising from this saving.

*Rural:*

There are no rural impacts arising from this saving.

*Socio-economic:*

There are no socio-economic impacts arising from this saving.

*Island Impacts:*

There are no island impacts arising from this saving.

## Commercialism and Income Generation 2.11

<b>Budget Heading</b>	Amenities		
<b>Savings Name</b>	Reduce contract requirements for plant hire.		
<b>Current Budget (£m)</b>	0.500	<b>Current Staffing (FTE)</b>	0

Ref. **C&P/22**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.022	0
2022/23		
2023/24		
<b>Total</b>	0.022	0

### Detailed Description of Savings Proposal

Following an efficiency review at the end of the 2020 season we have identified plant for off- hire, giving a net saving of £22k.

### Actions, Investment, Cost and Timescale for Delivery

The review has taken place and the changes to plant requirements will be in place for April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

No impact

#### *The Service:*

No impact

#### *Equality Groups:*

There are no equality impacts arising from this saving.

#### *Rural:*

There are no rural impacts arising from this saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this saving.

#### *Island Impacts:*

There are no island impacts arising from this saving.

**Commercialism and Income Generation 2.12**

<b>Budget Heading</b>	ICTI Development Team / Virtual Academy & Digital Learning Transformation		
<b>Savings Name</b>	Commercialisation of THC virtual academy and Professional Learning Programme facilitated by the ICT in Learning Education Team		
<b>Current Budget (£m)</b>	0.302	<b>Current Staffing (FTE)</b>	5.50

Ref. **E&L/8**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.150	0.00
2022/23		
2023/24		
<b>Total</b>	0.150	0.00

The Highland Virtual Academy has supported a number of Children and Young People to re-engage with learning and the School Curriculum, this was highlighted by Education Scotland and will be used to generate opportunities for Children and Young People to access virtual learning from other Local Authorities.

1. Commercialisation of THC virtual academy allowing young people from across Scotland access to a national, online education resource providing the opportunity to participate in on-line live sessions benefiting from specialist delivery in an extensive range of subjects for Level 5 Higher courses – hosted on teams.
2. National offer of Nat 5 and Higher courses for GLE learners
3. Delivery of online training courses (equip training) digital technology for local authorities building on the success of THC staff training
4. In Highland, we have an existing Head Teacher of the Highland Virtual Academy and a staffed ICTiLearning Team.

**Actions, Investment, Cost and Timescale for Delivery**

Audit of current Senior Phase provision in relation to Advanced Higher courses initially  
 Extend opportunities for other Local Authorities to access learning using the Teams platform  
 Investigate consortia opportunities to reduce the need for small class sizes and increase the number of subjects on offer.

Offer a suite of training opportunities to other Local Authority building on current good practice and delivery; charges will be applied only to schools out with THC  
 June 2021

Increase the visibility of the Virtual Academy across Highland & other Local Authorities by:

- Creating a website with the details of services, courses, availability, policy etc
- Creating a SharePoint site or similar that can be used as a base for the Virtual Academy
- Monthly newsletter to share vital communication regarding progress / availability / new courses / case studies
- Link with Education Scotland and DigiLearn Scotland to share good practice and case studies
- Create a Twitter account that document and shares progress and opportunities
- Work with Northern Alliance partners to enhance the e-learning offer
- Communication as a good news story with local and national press
- Ensure the Pupil and Parent voice is heard and incorporated into any improvement process for the Virtual Academy e.g. Link with the Highland Children and Young People's Forum and the Highland Parent Council Forum
- We have been allocated £69,500 from the Connecting Scotland Grant for staffing and resourcing of the Digital Inclusion. This will cover the cost of the staff required to deliver training from January to March 2021 in Highland and potentially in other Local Authority areas. Part of this budget will be used to provide a percentage of supply cover cost to ensure teaching staff in Highland are able to be released from their teaching commitment. This would be allocated per school, dependent on school roll.

**Highland Virtual Academy****Current costs:**

6.00 FTE recovery funded plus 3.7 FTE core funded so 9.7 in total  
Core Budget 0.3m + Recovery Funding 0.2m in current financial year, opportunity to maximise support given

**ESgoil Costs:**

What does the service cost?

ESgoil provides its services at cost, plus 10% to cover central administration, management and IT support. The cost of a 50 minute teaching period is £46 in total. This includes additional time for preparation and correction. By deploying staff to teach small cohorts of pupils across a number of schools, costs to individual establishments can be on a pro-rata basis and thereby reduced significantly. Where possible, quid-pro-quo arrangements between local authorities can be facilitated so that efficiency in terms of staff deployment is maximised.

**What is the Anticipated Impact?****Staffing:**

Use existing Virtual Academy staff to deliver national courses to a wider audience of participants.

The expansion of the Virtual Academy will increase our resilience in terms of teaching capacity and widen our curriculum for Young People

By adapting and exploring our approaches to learning through the commercialisation of the Virtual Academy, we will be increasing equity of provision.

The expansion of the Professional Learning Programme, facilitated by Highland Council Staff & Specialists will improve the digital offer for staff and result in a skilled workforce with embedded digital tools for the delivery of teaching & learning and provide educational improvement support to practitioners and schools.

**The Service:**

Commercialisation opportunity for both the Virtual Academy and the ICT in Learning Education Team locally and nationally.

One potential collaboration, which could enhance or Virtual Academy and support commercialisation is to work alongside E-Sgoil and the Northern Alliance, which would enable access to our Local Authority and National colleagues.

**Equality Groups:**

As we further develop e-learning systems, we can break down barriers to learning by enabling all to access digital learning opportunities. We have invested in our Chromebook Estate and the Connecting Scotland project has enabled 1 to 1 devices in over 100 primary schools and continues to connect pupils who may be digitally excluded.

Extending the opportunity for small schools to access subjects that traditionally may not run due to staffing numbers

**Rural:**

During the last session we have adapted our way of collaborating and connecting using digital platforms. These innovative solutions have resulted in agile ways of working and a model for Sustainable Education across remote and rural communities.

Extending the opportunity for small schools to access subjects that traditionally may not run due to staffing numbers



*Socio-economic:*

Research indicates there's a pervasive link between socioeconomic status and academic achievement i.e. Closing the attainment and poverty related gap.

Continuing to ensure all pupils have access to technology and connectivity should remain a priority of the Highland Council. This will enable all pupils and Young People with the tools to learn. By linking with Health & Wellbeing support and the Counselling Projects across schools, we should work closely to support engagement. The unique model of the Virtual Academy allows for both smaller class sizes and an individualised approach. This could further increase our capacity as a council for addressing the attainment and poverty related gap.

We have invested in our Chromebook Estate and the Connecting Scotland project has enabled 1 to 1 devices in over 100 primary schools and continues to connect pupils who may be digitally excluded

*Island Impacts:*

During the last session we have adapted our way of collaborating and connecting using digital platforms. These innovative solutions have resulted in agile ways of working and a model for Sustainable Education across remote and rural communities.

Extending the opportunity for small schools to access subjects that traditionally may not run due to staffing numbers

## Commercialism and Income Generation 2.13

<b>Budget Heading</b>	Schools Efficiency		
<b>Savings Name</b>	Job Sizing Review Promoted Teacher Posts		
<b>Current Budget (£m)</b>	136.0	<b>Current Staffing (FTE)</b>	

Ref. **E&L/14**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.288	0
2022/23	0.728	0
2023/24	0.257	0
Total	1.273	0

### Detailed Description of Savings Proposal

This saving has taken 3 years to accumulate and job sizing has been concluded.

Job sizing is the process used as part of the national conditions of service for teachers to establish promoted post teaching salaries, taking into account various factors in such as the size of the school and deprivation factors affecting the school as well as the individual responsibilities of the post. This process ensures that promoted teachers are paid correctly for the level of responsibility within their post. Currently all vacant promoted posts are job sized to ensure the correct salary is advertised for the post

There are 29 secondary school across Highland and 15 are currently over their Principal Teacher allocation as per the Highland Council Devolved School Management scheme.

Over the past 5 years, the Service has undertaken 12 Secondary School Principal Teacher Management restructures. These restructures have been undertaken in consultation with Head Teacher and the LNCT within the parameters of the local agreement, where the school has Principal Teachers in excess of their entitlement or where the Head Teacher has felt that the Principal Teacher Management structure would benefit from a review to enhance support for teaching staff in their deliver of the curriculum.

Any restructures do not result in a reduction of staff teaching staff in the school, and any staff who are not appointed into Principal Teacher posts in the new structure remain in the school in a main grade teaching post and their current salary is protected for a period of three years as per national conditions of service for teachers. The table above illustrates saving that will be achieved over the next three years as a result of the restructures carried out, saving made in the current financial year are £0.074m

To date these restructures have only been carried out in across secondary schools, the proposal would be to carry on with this programme, which is currently suspended as a result of COVID, and potentially expand job sizing reviews to look at all promoted posts including Depute and Head Teacher posts across Primary, Secondary and Special within National job sizing review criteria.

The following is a brief summary of the outcome of one of our PT reviews:

- **School had an entitlement to 45 PT points and were using 67.4 points = 22.4 points over entitlement**
- **Existing PT Structure = 16 posts**
- **Agreed structure = 11 posts**

The HT believed the existing PT structure was not working and was keen to make some changes, particularly as the result of a recent HMI visit. Discussion took place and a number of options were considered in consultation with the staff involved and following LNCT 3. This structure was selected as it was considered to be the best option for the school, and although the PT structure was reduced from 16 staff to 11 staff, no staff members were made redundant. There were a number of temporary acting postholders in the existing structure and they were able to return to their substantive teaching posts. If any staff members were matched into posts, or applied for posts at a lower salary, and were eligible, they received conservation of salary for a period of 3 years from the implementation date of the new structure.

**Summary of outcome for the existing 16 Postholders**

- 5 post holders were matched into their own posts in the new structure
- 4 postholders applied for new posts within the structure and were successful
- 6 post holders returned to teaching posts
- 1 postholder retired

**Conservation of salary**

- 3 of the 16 staff were entitled to conservation of salary of a period of 3 years as per LNCT 3 agreement

**Savings**

- **After the period of conservation, the PT structure will reflect a saving of £0.29m**

**Actions, Investment, Cost and Timescale for Delivery**

Staff resource to progress the job sizing reviews.

Lead time to conduct reviews and implement outcomes, on a phased school by school basis.

Salary conservation arrangements apply and will impact on timescales for savings being realised.

**What is the Anticipated Impact?***Staffing:*

The review would impact on specific posts, but would be taken forward in line with relevant policies and practices, there would be no overall reduction in teaching posts only promoted posts

*The Service:*

This would not have significant implications.

*Equality Groups:*

No impact is anticipated however, this would need assessed dependent on review outcomes and impacts on individual postholders.

*Rural:*

This may include postholders operating within rural settings. No adverse rural impact is anticipated. This would apply to all secondary schools including those in rural areas

*Socio-economic:*

Salary conservation arrangements would apply to any affected postholders.

*Island Impacts:*

None expected. No adverse island impact is anticipated. This would apply to all secondary schools including those in island areas.

## Commercialism and Income Generation 2.15

<b>Budget Heading</b>	Third Sector Contracts		
<b>Savings Name</b>	Third Sector Contracts		
<b>Current Budget (£m)</b>	4.905	<b>Current Staffing (FTE)</b>	0

Ref. **HW&SC/2**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22		
2022/23	0.150	
2023/24	0.150	
Total	0.300	

### Detailed Description of Savings Proposal

This proposal will involve a review of all contracts and seeks a saving from third sector contracts while ensuring ongoing compliance with the Council's statutory responsibilities and providing appropriate flexibility to adapt to future changes that may arise.

### Actions, Investment, Cost and Timescale for Delivery

Working alongside partner agencies and the Highland Third Sector Interface, a commissioning approach will be developed to target resources appropriately whilst also building and developing early intervention and prevention. Integral to this process will be a focus on service quality, achieving identified and agreed outcomes, and providing value for money.

This review will be undertaken during financial year 2021/22 ensuring contracts can be altered within agreed periods of notice.

### What is the Anticipated Impact?

#### *Staffing:*

Staffing impacts will be considered as part of the review which may result in increases or reductions for individual contracts.

#### *The Service:*

Service impacts will be considered as part of the review of individual contracts with any changes being integral to service redesign.

#### *Equality Groups:*

Equality impacts will be considered as part of the review of individual contracts. This includes focused services for children and young people who require advocacy and provision for disability and gender specific groups.

#### *Rural:*

Rural impacts will be considered as part of the review of individual contracts as several providers deliver services and support in our remote and rural areas.

#### *Socio-economic:*

Socio-economic impacts will be considered as part of the review of individual contracts as several contracted providers provide essential support to children, young people and families experiencing poverty and financial hardships.

#### *Island Impacts:*

It is not anticipated that there will be specific island impacts identified beyond those that may be identified as rural impacts.

## Commercialism and Income Generation 2.17

<b>Budget Heading</b>	Corran Ferry		
<b>Savings Name</b>	Fares Income		
<b>Current Budget (£m)</b>	1.5	<b>Current Staffing (FTE)</b>	16

Ref. **I&E&E/10**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.100	0
2022/23	-	
2023/24	-	
Total	0.100	0

### Detailed Description of Savings Proposal

The proposal is to increase the drive-up car fare from £8.80 to £10.00 (which includes Car, Goods vehicle up to 3500kg GVW, Land Rover, Campervan/Caravanette, Minibus up to 16 seats, Motorcycle and Sidecar, Trailer).

In addition, the following fares will be introduced:

- a £14.00 fare for Motorhomes up to 8m in length
- a £21.60 fare for Motorhomes over 8m in length (which will equate to the same as a Car + Caravan).

It should be noted that fares for pre-paid ticket books would remain at their current prices. The Service is also committed to carrying out a review of the current ticket book arrangements; it is hoped that replacing the old ticketing machines and software with new ones will increase our opportunities to streamline the system and ensure that arrangements continue to provide the benefits for residents of Lochaber. A target date for that process being concluded is 1<sup>st</sup> April 2022.

### Actions, Investment, Cost and Timescale for Delivery

Increases applied from 01 April 2021

### What is the Anticipated Impact?

#### Staffing:

There is no impact on staff/crew.

#### The Service:

Administrative only.

#### Equality Groups:

There are no equality impacts arising from this saving. Blue badge holders do not pay on this service.

#### Rural:

This is a lifeline rural service however there are no proposed changes to the fare structure affecting local users and there are mitigations already in place for local users e.g. ticket books. Ferry fares have a direct effect, but it is anticipated, and past studies have shown, that this type and level of increase will have negligible effect on ferry use (ref: AECOM 2014 report).

#### Socio-economic:

This is a lifeline rural service however there are no proposed changes to the fare structure affecting local users and the mitigations already in place for local users e.g. ticket books. Ferry fares have a direct effect, but it is anticipated, and past studies have shown, that this type and level of increase will have negligible effect on ferry use (ref: AECOM 2014 report).

*Island Impacts:*

There are no island impacts arising from this saving.

## Commercialism and Income Generation 2.18

<b>Budget Heading</b>	Private Landlord Registration		
<b>Savings Name</b>	PLR Income		
<b>Current Budget (£m)</b>		<b>Current Staffing (FTE)</b>	

Ref. **P&G/8&9**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.047	
2022/23		
2023/24		
Total	0.047	

### Detailed Description of Savings Proposal

The proposal reflects a projected increase in income achieved by supplementing the staffing resource within the Private Landlord Registration (PLR) Team. The additional team members will ensure there is a significant reduction in what has been an increasing backlog of applications sitting within landlord registration. A delay in processing applications benefits the applicants as the 3 year registration period starts from the date that the application has been approved and not the date of receipt. In addition, each application generates fee income so a backlog represents an income stream that has not been optimised. There is also scope to generate additional income from imposition of statutory late fees and from enabling staff to undertake a greater level of enforcement activity. This will also achieve a saving on agency costs because resourcing the team on a sustainable basis which will deal with surges in applications at key times in the year.

### Actions, Investment, Cost and Timescale for Delivery

The achievement of the return is dependent on the recruitment and appointment of two additional team members. The process of recruitment is underway and the staff should be in place for the start of financial year 2021/22 allowing the full year increase in income to be achieved in 21/22.

### What is the Anticipated Impact?

#### *Staffing:*

This will have a positive impact on staffing capacity and resilience.

#### *The Service:*

The additional investment in staff will lead to a greater return for the Council and will bolster the PLR Team which has faced significant challenges in recent years. The Team will be able to reduce the significant backlog, work more efficiently and undertake enforcement activity.

#### *Equality Groups:*

There are no equality impacts arising from this saving.

#### *Rural:*

There are no rural impacts arising from this saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this saving.

#### *Island Impacts:*

There are no island impacts arising from this saving.

**Commercialism and Income Generation 2.19**

<b>Budget Heading</b>	Property Services		
<b>Savings Name</b>	Rates Relief Savings		
<b>Current Budget (£m)</b>	0.010	<b>Current Staffing (FTE)</b>	N/A

Ref. **P&H/2**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.100	0
2022/23		
2023/24		
<b>Total</b>	0.100	0

**Detailed Description of Savings Proposal**

Rates relief/savings will be targeted at properties where the Council is coming out of/ selling /transferring/ demolishing.

**Actions, Investment, Cost and Timescale for Delivery**

The property estate will be monitored throughout the year in regard to any sales/transfer/demolitions and rates savings will be pursued via working with the Councils Estates/Finance Teams.

**What is the Anticipated Impact?***Staffing:*

Staff leaving any building on a permanent basis will/may have to adopt new ways of agile working.

*The Service:*

A reduction in building numbers will reduce the burden on the Property Maintenance Budget.

*Equality Groups:*

Managers will have to ensure that any additional homeworking is risk assessed and support provided to ensure that home offices/space is fit for purpose.

*Rural:*

There are no rural impacts arising from this saving.

*Socio-economic:*

Buildings being sold/transferred or demolished can lead to community empowerment by allowing them to deliver services in a different way, provide new sites for new development or for any purchaser a repurposing opportunity of assets purchased from the Council.

*Island Impacts:*

There are no island impacts arising from this saving.



**Commercialism and Income Generation 2.20**

<b>Budget Heading</b>	ICT		
<b>Savings Name</b>	SWAN contract price reduction		
<b>Current Budget (£m)</b>	2.2	<b>Current Staffing (FTE)</b>	1.5

Ref. **R&F/3**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.080	0
2022/23		
2023/24		
<b>Total</b>	0.080	0

**Detailed Description of Savings Proposal**

Negotiated price reduction on SWAN (Scottish Wide Area Network) contracts

**Actions, Investment, Cost and Timescale for Delivery**

No further action required. Price reduction has already been agreed with Capita and will be implemented for Financial Year 21/22

**What is the Anticipated Impact?***Staffing:*

None

*The Service:*

None

*Equality Groups:*

This saving is being achieved through a price reduction in SWAN contracts and as a result there are no equality impacts.

*Rural:*

This saving is being achieved through a price reduction in SWAN contracts and as a result there are no rural impacts.

*Socio-economic:*

This saving is being achieved through a price reduction in SWAN contracts and as a result there are no socio-economic impacts.

*Island Impacts:*

There are no island impacts arising from this saving.

## Commercialism and Income Generation 2.21

<b>Budget Heading</b>	ICT		
<b>Savings Name</b>	One-off SWAN saving		
<b>Current Budget (£m)</b>	2.2	<b>Current Staffing (FTE)</b>	1.5

Ref. **R&F/4**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.130	
2022/23	-0.130	
2023/24		
Total		

### Detailed Description of Savings Proposal

One-off saving on SWAN (Scottish Wide Area Network) contracts prior to 22/23 contract re-procurement. Funding was included in the budget for SWAN re-procurement activities. This level of funding is not likely to be required in Financial Year 21/22 but will most likely be required the following year.

### Actions, Investment, Cost and Timescale for Delivery

Certainty is needed from NHS NSS (SWAN contract lead) of the exact re-procurement costs and when they are likely to be required. A strategic decision will also be needed about the future of the Pathfinder North Partnership and the need for SWAN going forward. Options paper to be produced in Q4 20/21.

### What is the Anticipated Impact?

#### *Staffing:*

None

#### *The Service:*

If SWAN re-procurement is brought forward, then some funding will have to be provided for the next Financial Year.

#### *Equality Groups:*

There are no equality impacts arising from this saving.

#### *Rural:*

There are no rural impacts arising from this saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this saving.

#### *Island Impacts:*

There are no island impacts arising from this saving.

## Commercialism and Income Generation 2.22

<b>Budget Heading</b>	Corporate Finance		
<b>Savings Name</b>	Procurement service- remove excess budget		
<b>Current Budget (£m)</b>		<b>Current Staffing (FTE)</b>	

Ref. **R&F/12**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.100	0
2022/23		
2023/24		
<b>Total</b>	0.100	0

### Detailed Description of Savings Proposal

The annual cost of the Procurement shared service is below the budget available. This saving simply removes that excess budget which is showing as an underspend in the 2020/21 budget monitoring for the Resources and Finance service.

### Actions, Investment, Cost and Timescale for Delivery

No specific action required

### What is the Anticipated Impact?

*Staffing:*

None

*The Service:*

None

*Equality Groups:*

There are no equality impacts arising from this saving.

*Rural:*

There are no rural impacts arising from this saving.

*Socio-economic:*

This saving is arising from the annual cost of the Procurement Shared Service and does not impact the annual spend on goods and services. There are therefore no socio-economic impacts arising from this saving.

*Island Impacts:*

There are no island impacts arising from this saving.

## Commercialism and Income Generation 2.23

<b>Budget Heading</b>	Procurement		
<b>Savings Name</b>	Opportunities from Digital Learning – income generation and cost improvement		
<b>Current Budget (£m)</b>	2.5	<b>Current Staffing (FTE)</b>	0

Ref. **E&L/7**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.150	0
2022/23		
2023/24		
<b>Total</b>	0.150	0

### Detailed Description of Savings Proposal

#### Rationale

The Council was an early adopter of digital learning, and made significant investment in hardware, infrastructure and training and support across our schools. This has not only left the Council well placed to support our young people during the Covid-19 pandemic, it also provides a platform and opportunity to realise cost improvement and income generation from that investment as we move forward. A number of opportunities have been identified, which will undergo further assessment. These opportunities will cover both short term and longer-term strategies, and hence in 2021/22 and pending further assessment, an initial saving is proposed, with the potential to revisit for future years. Opportunities over the longer-term will also be linked into the Council's wider ICT strategy.

#### Opportunities

A number of potential opportunities have been identified:-

- Advertising and marketing – assessment of opportunities to generate income on the back of the Council's significant investment in its digital learning and the chromebook model. Health and Wellbeing companies have approached with an investment (£55K)
- Commercialising support to other organisations – the Council has been recognised as leading in their class in terms of its digital learning methodology, with many other Councils approaching and utilising advice and support from the Council's team. Scope to commercialise aspects of this will be considered, to generate income and sustain our core digital team. Stirling Council charged £2.5k for Highland Education Team to deliver quality ICT training @ £2.5k x 31 Local Authorities – (£75k)
- Future device procurement and funding strategy – as part of a longer-term approach, develop options along with colleagues in ICT Services, regarding funding of future digital learning devices, as they require replacement at end of life. This will cover a broad range of approaches and would consider scope for elements of parental financial contribution towards our digital learning investment (£20k)

### Actions, Investment, Cost and Timescale for Delivery

An initial assessment of the opportunities referred to above has been undertaken, and further work is being developed. The existing Education Digital Learning team, working alongside colleagues in ICT Services, will take forward the assessment and development of opportunities. Consideration is also being given to any further resource to support delivery and implementation that may be required. The business case is supported by the Northern Alliance.

<b>What is the Anticipated Impact?</b>
<i>Staffing:</i>
No impact.
<i>The Service:</i>
This would help improve consistency and sustainability of Digital Learning support.  It provides an opportunity to review our arrangements as we move beyond the deployment of our Chromebooks and response to the Covid-19 Pandemic, towards sustaining that Digital Learning model going forward.
<i>Equality Groups:</i>
The intent would be our Digital Learning approach continues to support inclusion and equality.
<i>Rural:</i>
No impact, the proposal will support and sustain our Digital Learning approach pan Highland.
<i>Socio-economic:</i>
There is no socio-economic impact. Digital skills and learning are essential parts of our curriculum and support life-long learning and skills.
<i>Island Impacts:</i>
No impact, the proposal will support and sustain our Digital Learning approach pan Highland.

## Redesign and Improvement 3.01

<b>Budget Heading</b>	Management saving		
<b>Savings Name</b>	Delete vacant management post		
<b>Current Budget (£m)</b>	0.753	<b>Current Staffing (FTE)</b>	1

Ref. **C&P/1**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.050	1
2022/23		
2023/24		
<b>Total</b>	0.050	1

### Detailed Description of Savings Proposal

Delete a managerial vacancy.

### Actions, Investment, Cost and Timescale for Delivery

Re-allocate responsibilities and undertake adjustments to posts and undertake consultation with staff, including on matters relating to recruitment and job re-evaluation required. This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

Duties re-distributed through interim arrangements since April 2020. Interim arrangements need to be confirmed with HR advice, ring-fenced recruitment and job re-evaluation.

#### *The Service:*

No impacts – interim arrangements are working well.

#### *Equality Groups:*

There are no equality impacts arising from this budget saving.

#### *Rural:*

There are no rural impacts arising from this budget saving.

#### *Socio-economic:*

Scope for some lower paid posts to be re-evaluated as more responsibilities are taken on.

#### *Island Impacts:*

There are no Island impacts arising from this budget saving.

**Redesign and Improvement 3.04**

<b>Budget Heading</b>	Waste Management		
<b>Savings Name</b>	Review of sites and management of the vehicles servicing skips at Recycling Centres		
<b>Current Budget (£m)</b>		<b>Current Staffing (FTE)</b>	

Ref. **C&P/11**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.020	
2022/23		
2023/24		
Total	0.020	

**Detailed Description of Savings Proposal**

Creating efficiencies in vehicle movements associated with our skips in Household Waste Recycling Centres across the fleet of 10 vehicles. This will be achieved by maximising load weights and reducing the movement of light loads.

**Actions, Investment, Cost and Timescale for Delivery**

This budget saving will be removed from the budget and implemented on 1 April 2021.

**What is the Anticipated Impact?***Staffing:*

There are no staffing impacts arising from this budget saving.

*The Service:*

Fuel efficiency savings and carbon emission reductions.

*Equality Groups:*

There are no equality impacts arising from this budget saving.

*Rural:*

There are no rural impacts arising from this budget saving.

*Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

**Redesign and Improvement 3.09**

<b>Budget Heading</b>	Schools General		
<b>Savings Name</b>	Review of Probationer Allocations		
<b>Current Budget (£m)</b>	0.975	<b>Current Staffing (FTE)</b>	n/a

Ref. **E&L/13**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.168	
2022/23		
2023/24		
<b>Total</b>	0.168	

**Detailed Description of Savings Proposal**

The Highland council will make a bid to the Scottish Government for additional probationers and funding for next session including Gaelic Medium Education.

The Teacher Induction Scheme and Student Placement Scheme is funded by the Scottish Government. This is made up of an element that is paid to local authorities as part of their Grant Aided Expenditure funding with the remaining provision from a fixed budget of £37.6m.

The allocation of the £37.6m is based on various factors set-out within the scheme. However, this does not take into account the number of schools in the Highland Council area (203); the rural nature of the Highlands and associated challenges; that the Council is the largest provider of Gaelic Medium Education; and that the Council is currently working to expand our Gaelic Medium offering across 3-18 years.

From the census in 2019 (latest published figures), the Highland Council had 2,300 teachers. The residual funding received by the Council for 2019-20 as part of the £37.6m was £1.24m whilst authorities received higher levels of funding with fewer teachers and schools. For example, one local authority with 1,306 teachers across 28 primary schools and 7 secondary schools, received £2.93m. Therefore, based on benchmarking against other local authorities, the share of funding for Highland does not appear to be allocated on an equitable basis.

<b>Year</b>	<b>Gaelic Medium Education Primary Probationer Bid</b>	<b>Gaelic Medium Education Primary Probationers allocated</b>
2017/18	8	1
2018/19	4	2
2019/20	2	3 (including one from another Local Authority)
2020/21	2	1

**Actions, Investment, Cost and Timescale for Delivery**

Commencing February 2021, liaise with the Scottish Government with the aim of increasing the number of probationer teachers by at least 3 Full Time Equivalents, including Gaelic Medium Education.

Delivery June 2021.



<b>What is the Anticipated Impact?</b>
<i>Staffing:</i>
Increase in the number of fully funded probationer teachers, reducing the need for Devolved School Management allocation or teacher recruitment.
<i>The Service:</i>
Reduction in Devolved School Management spend for teacher allocation.
<i>Equality Groups:</i>
There are no equality impacts arising from this budget saving.
<i>Rural:</i>
There are no rural impacts arising from this budget saving.
<i>Socio-economic:</i>
There are no socio-economic impacts arising from this budget saving.
<i>Island Impacts:</i>
There are no Island impacts arising from this budget saving.

## Redesign and Improvement 3.11

<b>Budget Heading</b>	Learning and Teaching – non staff costs including transport		
<b>Savings Name</b>	Non-Staff costs review		
<b>Current Budget (£m)</b>	1.335	<b>Current Staffing (FTE)</b>	n/a

<b>Ref.</b>	<b>E&amp;L/18</b>
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<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.130	
2022/23		
2023/24		
<b>Total</b>	<b>0.130</b>	

### Detailed Description of Savings Proposal

A review of non-staffing budgets has been undertaken to assess opportunities to re-align budget to the levels of spending in recent years. This proposal will ensure that the level of budget provided reflects expected expenditure levels and service requirements.

As more training is now being delivered digitally, eg the Leadership Programme, a budget saving of £0.100m has been identified. The college transport budget is consistently underspent enabling a saving of £0.030m to be delivered.

### Actions, Investment, Cost and Timescale for Delivery

Effective Continuous Professional Development will be delivered by the leadership empowerment team in collaboration with Head Teachers at no additional cost.

### What is the Anticipated Impact?

#### *Staffing:*

The current leadership and empowerment team will work in collaboration with Head Teachers and their teams to deliver effective Continuous Professional Development opportunities in line with Professional Review and Development entitlement.

#### *The Service:*

Reduction in the number of staff accessing out of area training with a focus on sharing good practice across Highlands. College courses in some cases have been replaced with online blended learning opportunities.

#### *Equality Groups:*

There are no equality impacts arising from this budget saving.

#### *Rural:*

All council employees can access online courses delivered by the leadership and empowerment team.

#### *Socio-economic:*

This budget saving will build capacity within Highland to share good practice.

#### *Island Impacts:*

There are no Island impacts.

**Redesign and Improvement 3.14**

<b>Budget Heading</b>	Family Teams		
<b>Savings Name</b>	Redesign of Family Teams		
<b>Current Budget (£m)</b>	18.4	<b>Current Staffing (FTE)</b>	

Ref. **HW&SC/3**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.483	13
2022/23		
2023/24		
<b>Total</b>	0.483	13

**Detailed Description of Savings Proposal**

The Health & Social Care Service is undertaking a re-design of the Family Teams' staffing arrangements. There is a recognition of both historical and ongoing vacancy levels, and the ongoing recruitment challenges resulting in an over reliance on agency staff in some locations. Furthermore, there is a clear need to ensure that the Service can provide a safe and effective service, manage risk, and meet statutory requirements.

The scope of the redesign is focused on maximising front line staffing, reviewing management and supervisory roles, and to consider geographical location and coverage of staff teams to ensure resources take account of local need.

While the current in-year position is reflecting a significant level of staff underspend (circa £2.8m at Q2 2020/21), the re-design proposal also takes account of the following key factors:

- Existing approved savings from past years still to be delivered (management structure savings plus Children's Services redesign savings)
- The ongoing re-alignment of budget as reported to last Committee, and intent to re-align across Family Teams and Looked After Children (ie reallocate some of Family Teams underspend to address Looked After Children overspend)
- Current and planned recruitment activity not as yet fully reflected in the underspend and taking account of Covid-19 impact on teams and the 'lag' in terms of recruitment activity.
- The impact of Covid-19 both short and perhaps longer term given the increase in the number of children on the child protection register, being accommodated, in foster and residential care.
- Ensuring the Council manages risk and addresses current concerns that the level of family teams underspend is not sustainable, and action is necessary in relation to staffing levels and the Council's statutory responsibilities to children and families including young people on the child protection register.

The proposed reduction would come from a combination of a) full time posts that have been vacant for a considerable time and b) parts of posts that had become vacant via early retirement, reduction in hours, etc but had not been replaced. This 'cleansing' of historical vacancies will provide clarity around the composition of teams.

Alongside this reduction in posts, the Service will be reviewing the Family Teams to ensure that they have the correct mix of skills and experience to meet demand and achieve expected outcomes. This will tie in with the corporate restructure and the Health & Social Care Service to ensure that these services are fit for current demands and expectations. 'The Promise' is a key report that the Service is committed to working towards with practice needing to be focused on keeping children safe and at home (if possible).

### Actions, Investment, Cost and Timescale for Delivery

The proposed restructure of the Family Teams forms part of the Service's wider redesign aspirations and is a significant task. As yet, it is not complete and will in due course be set out in the Service Plan document which is part of the Corporate transformation process. Staff are aware of the pending re-design.

### What is the Anticipated Impact?

#### *Staffing:*

Savings from 13 Full Time Equivalent posts will be achieved. Given the levels of current vacancy it is expected this can be achieved through vacancy management. This would also remove the risk of any redundancies.

#### *The Service:*

There should be no significant impact or reduction to the level of service delivered by the Family Teams pan-Highland and no direct impact on staff in post. The proposed redesign is likely to have an impact on job designations and structures within the current Family Teams, but this will be managed through consultation with Unions and the Human Resources section.

#### *Equality Groups:*

There are no direct impacts on equality groups. It is anticipated that there will be improved outcomes for service users as a result of the redesign.

#### *Rural:*

There are no anticipated rural impacts albeit this will be subject to constant review as part of the redesign process. It is recognised that such a review will require to reflect the needs of the different localities which form part of the wider Council area taking into account appropriate rural and socio-economic factors.

#### *Socio-economic:*

As with rural impacts, this element will require assessment and monitoring to ensure that the proposed redesign contributes to any equalities which arise as a result of socio-economic factors.

#### *Island Impacts:*

There are no Island impacts arising from this budget saving.

## Redesign and Improvement 3.15

<b>Budget Heading</b>	Infant Feeding Support (Breast Feeding Service)		
<b>Savings Name</b>	Cessation of Council funding to NHS Highland for this Service		
<b>Current Budget (£m)</b>	0.060	<b>Current Staffing (FTE)</b>	2.0

Ref. **HW&SC/4**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.060	0
2022/23		
2023/24		
<b>Total</b>	0.060	0

### Detailed Description of Savings Proposal

Infant feeding support is currently provided across the Highlands by Infant Support Workers who are employed by NHS Highland. They support infant feeding alongside Midwives, Health Visitors and Community Early Years Practitioners. These posts are funded by Highland Council.

This proposal would stop Highland Council's funding (£60,000) which is a historical position. The health budget will fund these posts going forward and has agreed to do this from their universal service budget. As such, the Highland Council budget is no longer required to support this programme which will continue but resourced by NHS Highland.

The increase in the number of Health Visitors and Community Early Years Practitioners in the period since these posts were established means that this support is now undertaken within universal services, with a full support service in operation. The provision of the Family Nurse Partnership offers additional targeted support to young mothers.

### Actions, Investment, Cost and Timescale for Delivery

Notice would be given to NHS Highland that the funding would stop in the year 2021/22, with funding requirements for these posts transferred to NHS Highland's budget.

### What is the Anticipated Impact?

#### *Staffing:*

Infant Feeding Support workers are employed by NHS Highland as Band 2 staff.

#### *The Service:*

The way in which babies are fed has evidence based adverse impacts on the short, medium and long term health of babies and their mothers. Health visiting would continue to prioritise the need to promote the continuation of breast feeding for as long as the mother feels is required.

#### *Equality Groups:*

This would not adversely impact on women and their ability to be supported to breastfeed for the recommended 6-8 week period and beyond.

#### *Rural:*

The team continue to target areas of deprivation with the provision of delivery through universal services helping to mitigate risks.

#### *Socio-economic:*

Highland's current target for new-born babies exclusively breastfed at 6-8 weeks review sits at 34%. Areas of deprivation are being actively targeted where breast feeding rates are historically low. Improvements are

emerging due to the provision of support by the family nurse partnership.
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<i>Island Impacts:</i>
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There are no Island impacts arising from this budget saving.
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## Redesign and Improvement 3.16

<b>Budget Heading</b>	Play Strategy		
<b>Savings Name</b>	Removal of unspent Play Strategy budget		
<b>Current Budget (£m)</b>	0.012	<b>Current Staffing (FTE)</b>	0

Ref. **HW&SC/5**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.012	0
2022/23		
2023/24		
<b>Total</b>	0.012	0

### Detailed Description of Savings Proposal

To remove the Play Strategy budget used to promote the Highland play strategy 2015-2020. The budget was used to host an annual community event to promote play and to offer an annual play award to community organisations that promoted the play strategy. The umbrella organisation 'Playmatters' closed in 2018 and since this time the budget has been materially underspent. As play is now supported through other service priorities, this budget is no longer required.

### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

There are no staffing impacts arising from this budget saving.

#### *The Service:*

There are no service impacts arising from this budget saving given the budget has not been fully utilised in recent years.

#### *Equality Groups:*

There are no equality impacts arising from this budget saving.

#### *Rural:*

There are no rural impacts arising from this budget saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this budget saving given play is supported through other service priorities.

#### *Island Impacts:*

There are no Island impacts arising from this budget saving.

## Redesign and Improvement 3.17

<b>Budget Heading</b>	Roads & Transport		
<b>Savings Name</b>	Existing vacancies		
<b>Current Budget (£m)</b>	4.486	<b>Current Staffing (FTE)</b>	354

Ref. **I&E&E/1**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.102	3
2022/23		
2023/24		
<b>Total</b>	0.102	3

### Detailed Description of Savings Proposal

Removal of the following 3 **vacant** posts from the Roads and Transport Service Establishment:

Operational Support Officer	HC06
Public Lighting Operative (PLO)	HC04
Technician (Transportation)	HC06

### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### Staffing:

- i. There are no other suitable HC06 post holders within the service who could temporarily be seconded into this role. The limited staff resources in the HQ Roads team (3 technical officers) are not able to undertake all the work required to deliver the co-ordination of fleet usage and optimisation of programming of area maintenance schemes. The need for junior technical staff has been identified as a prerequisite to enable the freeing up of senior staff resource to enable increased concentration on delivery of savings, efficiencies, modernisation of operational and safety procedures and development of policies to support delivery for an efficient service.
- ii. Lack of a Public Lighting Officer will increase the cost of installation work requiring two qualified electricians at HC05 rather than an HC05 and an HC04. It will also reduce productivity, with one HC05 being taken off electrical installation works and having to act as a Public Lighting Officer. This is important for delivery of LED, SALIX and developer funded schemes. There is no option to cover the post from Lighting staff.
- iii. Reduced ability to deliver service function and long list of outstanding committed projects.



<i>The Service:</i>
<p>i) Risk of reduced level of support to area teams from Roads HQ team. The post holder will be updating and assisting with the Roads Asset Management systems; monitoring and optimisation of fleet utilisation; and generally supporting the Roads HQ Policy &amp; Programme team.</p> <p>These duties are essential to enable the service to secure increased efficiency and savings in support of that forecast from restructuring of the Fleet service, deliver efficiency gains through improved programming of capital structural maintenance works by aligning with asset management practices. This includes road repair schemes, structures inspection and repair, route optimisation, drainage, flood prevention works and road safety works.</p> <p>ii) Reduced delivery of the LED and SALIX programmes. The post supports the lighting electricians (HC05), removing the requirement to deploy two qualified electricians (safety requirement for use of the tower vehicles) for a single job, it also enable the service to work more efficiently with the post supporting two electricians working in parallel on larger schemes supported by one HC04.</p> <p>iii) Risk of reduced delivery of savings programme for charging in car parks and roll out of Decriminalised Parking Enforcement. Post required to maintain service delivery levels in Traffic Management &amp; Control including Parking administration.</p>
<i>Equality Groups:</i>
There are no equality impacts arising from this budget saving.
<i>Rural:</i>
There are no immediate rural impacts arising from this budget saving.
<i>Socio-economic:</i>
There are no socio-economic impacts arising from this budget saving.
<i>Island Impacts:</i>
There are no Island impacts arising from this budget saving.

## Redesign and Improvement 3.18

<b>Budget Heading</b>	Planning & Environment		
<b>Savings Name</b>	Existing vacancies		
<b>Current Budget (£m)</b>	6.74 (Net 0.065)	<b>Current Staffing (FTE)</b>	120.30

Ref. **I&E&E/2**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.259	6
2022/23		
2023/24		
Total	0.259	6

### Detailed Description of Savings Proposal

Removal of the following 6 **vacant** posts from the Planning and Environment Service Establishment

Planning	1 Full Time Equivalent Principal Planner (HC10) 1 Full Time Equivalent Graduate Planner (HC05)
Building Standards	1 Full Time Equivalent Building Standards Surveyor (HC09)
Transport Planning	1 Full Time Equivalent Senior Engineer (HC09) 1 Full Time Equivalent Transport Technician (HC06)
Environment	1 Full Time Equivalent Research Assistant (HC04)

### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

As posts are currently vacant it is anticipated that there will be no significant impact on staff. Pressure on the Transport Planning team will continue but discussions are underway to explore ongoing support and integration with the wider roads and infrastructure service. The Planning and Building Standards vacancies can currently be accommodated due to a fall in application numbers. The 1 Full Time Equivalent Environment post was being held to co-fund a potential secondment opportunity from Scottish Natural Heritage.

These savings can be accommodated and any pressures in respect of Transport Planning will be dealt with through the new service restructure – i.e. resources will be targeted to areas of priority need and deliver sustained performance and efficiency.

#### *The Service:*

No additional impact on existing service as posts currently vacant. The service has seen a drop in planning applications, building warrant applications and consultations due to the Covid-19 epidemic. The loss of these vacancies does mean that there will be a reduced opportunity to build the staffing compliment and service as

application numbers return to normal. However, if fees should pick up and the anticipated planning fees increase is implemented this may allow for future reinvestment. It is worth noting that any fee increase anticipates such a reinvestment in the service.

In the medium to long-term failure to evidence improvements and investment may affect both Building Warrant reappointment periods and planning and transport planning performance. Without effective resolution of the transport planning concerns this will adversely impact on planning performance and the wider pace of economic recovery. It is therefore essential that opportunities to restructure are taken which will bring targeted resource to areas of priority need and deliver sustained performance and efficiency.

*Equality Groups:*

There are no equality impacts arising from this budget saving as the service will continue to operate as normal.

*Rural:*

There are no rural impacts arising from this budget saving.

*Socio-economic:*

The Planning and Environment service is critical to the economic recovery of Highland, underpinning all current and future development across the area. An appropriately resourced service will ensure that the key statutory functions are delivered and the wider economy is supported.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

## Redesign and Improvement 3.19

<b>Budget Heading</b>	Development & Regeneration (Housing Development)		
<b>Savings Name</b>	Existing vacancies		
<b>Current Budget (£m)</b>	1.589	<b>Current Staffing (FTE)</b>	7

Ref. **I&E&E/3**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.040	1.3
2022/23		
2023/24		
<b>Total</b>	0.040	1.3

### Detailed Description of Savings Proposal

Removal of the following 1.3 **vacant** posts from the Development and Regeneration (Housing Development) establishment:

Housing Development Assistant	1 Full Time Equivalent (HC05)
Administration Assistant	0.30 Full Time Equivalent (HC05)

### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

As posts are currently vacant it is anticipated that there will be no additional impact on staff.

#### *The Service:*

No additional impact on existing service as posts currently vacant, however the housing development assistance post was related to bringing empty properties back into use and the outputs on relation to this may be curtailed.

#### *Equality Groups:*

There are no equality impacts arising from this budget saving as the service will continue to operate as now.

#### *Rural:*

There are no rural impacts arising from this budget saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

#### *Island Impacts:*

There are no Island impacts arising from this budget saving.

## Redesign and Improvement 3.20

<b>Budget Heading</b>	Planning & Environment - Access		
<b>Savings Name</b>	Reduction in Access budget for works		
<b>Current Budget (£m)</b>	0.245	<b>Current Staffing (FTE)</b>	3

Ref. **I&E&E/6**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.020	0
2022/23		
2023/24		
<b>Total</b>	0.020	0

### Detailed Description of Savings Proposal

Reduce the £50k funding currently available to the access team for core path works, infrastructure replacement, signage, materials and community projects to £30k.

### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

There are no staffing impacts arising from this budget saving.

#### *The Service:*

The Council is the access authority for all access related activity in the Highlands. We have a duty to uphold access rights, identify and consult on core path plans and ensure these remain accessible and free from obstruction. The Council currently has 2,565km of designated Core Paths, likely to increase by c.1,500km in the next two years as amended Core Path Plans are adopted. The Council is not required to maintain all core paths but has discretionary powers to do so.

#### *Equality Groups:*

No immediate impact although requests from equality groups for footpath/site improvements may be affected.

#### *Rural:*

The access fund has been used to support local communities and land managers, including Highland Council, undertaking projects on core paths, improving public safety, removing obstacles and instigating repairs. The Council is also required to signpost all Core Paths in the Highlands. Reduction in the overall budget will mean that the amount of work that can be undertaken will be reduced however immediate and urgent repairs will be prioritised, so impacts will be mitigated and opportunities will be taken to work in partnership with others and source additional external funds where relevant.

#### *Socio-economic:*

Increased numbers of tourism/visitors will likely mean that sites continue to suffer from increasing pressure. As stated above, opportunities will be taken to work in partnership with others and source additional external funds where relevant.

*Island Impacts:*

The access fund has been used to support local communities and land managers, including Highland Council, undertaking projects on core paths, improving public safety, removing obstacles and instigating repairs. The Council is also required to signpost all Core Paths in the Highlands. Reduction in the overall budget will mean that the amount of work that can be undertaken will be reduced however immediate and urgent repairs will be prioritised, so impacts will be mitigated and opportunities will be taken to work in partnership with others and source additional external funds where relevant.

**Redesign and Improvement 3.21**

<b>Budget Heading</b>	Directorate & Business Team		
<b>Savings Name</b>	Reduction in Consultancy Budget		
<b>Current Budget (£m)</b>	0.052	<b>Current Staffing (FTE)</b>	0

Ref. **I&E&E/7**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.012	0
2022/23		
2023/24		
<b>Total</b>	0.012	0

**Detailed Description of Savings Proposal**

Remove £0.012m from consultancy budget used for feasibility work, support for economic development.

**Actions, Investment, Cost and Timescale for Delivery**

This budget saving will be removed from the budget and implemented on 1 April 2021.

**What is the Anticipated Impact?***Staffing:*

There are no staffing implications arising from this budget saving.

*The Service:*

The impact on the service is minimal as the remaining budget is sufficient for on-going commitments.

*Equality Groups:*

There are no equality impacts arising from this budget saving.

*Rural:*

There are no rural impacts arising from this budget saving.

*Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

## Redesign and Improvement 3.23

<b>Budget Heading</b>	Audit & Performance		
<b>Savings Name</b>	Audit & Performance – non-staffing		
<b>Current Budget (£m)</b>	0.680	<b>Current Staffing (FTE)</b>	13

Ref. **P&G/1-3**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.009	0
2022/23		
2023/24		
<b>Total</b>	0.009	0

### Detailed Description of Savings Proposal

Reductions across a range of non-staffing budget covering printing (£500), travel (£2,000) consultancy (£1,500), postage (£1,000), marketing (£1,000) and landlines (£2,000) and ICT (£2,000). These amounts will reduce or remove these budgets and result in future savings only being possible from staffing.

### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

There are no staffing impacts arising from this budget saving.

#### *The Service:*

The Service will have very limited resources for travel & subsistence and given the nature of fraud investigation work this often requires travel in order to interview under caution or carry out an investigation. Likewise, some audits require site visits. In terms of training and development the attendance occasionally at external events and seminars is the only option available to support staff development, these savings will mean this will not be possible.

Postage, printing, and marketing are achievable in adapting the approach to the annual citizens' panel survey and annual performance report but will result in only providing on-line reports and stopping contributions to printed material such as Highpoints. It is anticipated that the refresh of the Citizens' Panel will increase the number of volunteers using email and online survey options making the postage saving possible.

ICT savings will result in the Service not having resources available for upgrade of bespoke software (PRMS and Galileo). Reducing the consultancy budget to a small amount limits the ability of the team to source expertise on areas of policy or survey work.

#### *Equality Groups:*

There are no equality impacts arising from this budget saving.

#### *Rural:*

There are no rural impacts arising from this budget saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this budget saving.



*Island Impacts:*

There are no Island impacts arising from this budget saving.

## Redesign and Improvement 3.24

<b>Budget Heading</b>	Corporate Governance		
<b>Savings Name</b>	Corporate Governance - Non Staffing		
<b>Current Budget (£m)</b>	0.302	<b>Current Staffing (FTE)</b>	n/a

Ref. P&G/ 10-13
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Financial Year	Savings £m	Staff Impact FTE
2021/22	0.017	0
2022/23		
2023/24		
Total	0.017	0

### Detailed Description of Savings Proposal

The saving proposal involves a reduction of £17k in expenditure budgets across trading standards, elections, legal and democratic budgets. These amounts will further reduce or remove budgets for items such as travel, subsistence, technical overheads, printing and software and result in future savings only being possible from staffing

### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### Staffing:

There are no staffing impacts arising from this saving.

#### The Service:

The Service will have extremely limited resources for travel and subsistence. Officers within the legal team are required to attend in person court hearings across Scotland and attend public local inquiries. Similarly trading standards officers also require to travel in order to carry out enquiries, joint operations and investigations.

Officers in disciplines such as law and trading standards are required to undertake continuing professional development. Support for attendance at externally hosted events and seminars is required as not all training can be offered or delivered in house and at no cost. The proposed savings being taken will mean such attendance is unlikely to be supported.

The proposed savings have the potential to impact on the nature of the delivery of services as the reductions will mean some budget headings are effectively underfunded.

#### Equality Groups:

There are no equality impacts arising from this budget saving.

#### Rural:

There are no rural impacts arising from this budget saving.

#### Socio-economic:

There are no socio-economic impacts arising from this budget saving.

#### Island Impacts:

There are no Island impacts arising from this budget saving.

## Redesign and Improvement 3.26

<b>Budget Heading</b>	Property Services		
<b>Savings Name</b>	Travel Reduction (Maintenance Team)		
<b>Current Budget (£m)</b>	0.015	<b>Current Staffing (FTE)</b>	15

Ref. **P&H/3**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.005	0
2022/23		
2023/24		
<b>Total</b>	0.005	0

### Detailed Description of Savings Proposal

Maintenance Officers and Project Inspection Team will reduce their annual travel to Council Properties/ Construction sites.

### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

There will be less travel by staff thus delivering positive environmental impacts through reduced vehicles on Highland roads.

#### *The Service:*

Reduced travel will enable Maintenance Officers and the Project Inspection Team to focus on other property-related duties.

#### *Equality Groups:*

There are no equality impacts arising from this budget saving.

#### *Rural:*

Reduced traffic on roads and less travel support the Council's commitments for lower Carbon emissions.

#### *Socio-economic:*

Reduced car travel will reduce the need for consumables which may negatively impact local suppliers.

#### *Island Impacts:*

There are no Island impacts beyond those identified rural impacts.

## Redesign and Improvement 3.27

<b>Budget Heading</b>	Revenues and Business Support		
<b>Savings Name</b>	Process efficiencies		
<b>Current Budget (£m)</b>	7.424	<b>Current Staffing (FTE)</b>	

Ref. **R&F/1**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.254	7.7
2022/23		
2023/24		
<b>Total</b>	0.254	7.7

### Detailed Description of Savings Proposal

Deletion of 7.73 FTE **vacant** posts across the service.

### Actions, Investment, Cost and Timescale for Delivery

Work with Services and within the R&F Service to further streamline business processes with the aim of removing non value-added steps. This saving also reflects reduced workloads and changes in work arising from external influences including the pandemic and EU Exit.

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

Reduction of 7.7 Full Time Equivalent vacant posts.

#### *The Service:*

This saving reflects the presenting opportunities to embed more efficient processes through automation, digitisation and reduced manual interventions.

#### *Equality Groups:*

This saving is derived from more efficient processing and handling of internal documentation and does not therefore negatively impact equality groups.

#### *Rural:*

This saving is derived from more efficient processing and handling of internal documentation and should therefore offer increased opportunities to reduce location-dependent tasks thus supporting rural employment.

#### *Socio-economic:*

Reducing location-dependent tasks enables work to be undertaken where our employees choose to live thus supporting local economies and delivering social benefits.

#### *Island Impacts:*

There are no Island impacts beyond those identified rural impacts.

## Redesign and Improvement 3.28

<b>Budget Heading</b>	ICT		
<b>Savings Name</b>	Cyber security further savings		
<b>Current Budget (£m)</b>	0.100	<b>Current Staffing (FTE)</b>	0

Ref. **R&F/5**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.050	0
2022/23		
2023/24		
<b>Total</b>	0.050	0

### Detailed Description of Savings Proposal

Savings of £0.030m from the Cyber Security budget were already delivered this current FY. A further saving of £0.050m is proposed.

### Actions, Investment, Cost and Timescale for Delivery

No further action is required. This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

There are no staffing impacts arising from this budget saving.

#### *The Service:*

This saving can be offered up at present because of the level of investment that has gone into the ICT estate over the last 3 years. This has greatly reduced the cyber security risk. However, ongoing reduced budget is dependent on the estate being kept up to date and on putting in place the right processes and tools in Project Dochas to maintain the level of security after the Wipro contract.

#### *Equality Groups:*

There are no equality impacts arising from this saving.

#### *Rural:*

There are no rural impacts arising from this saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this saving.

#### *Island Impacts:*

There are no Island impacts arising from this saving.

**Redesign and Improvement 3.29**

<b>Budget Heading</b>	ICT		
<b>Savings Name</b>	Third Party Contracts – further savings		
<b>Current Budget (£m)</b>		<b>Current Staffing (FTE)</b>	0

Ref. **R&F/6**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.050	0
2022/23		
2023/24		
<b>Total</b>	0.050	0

**Detailed Description of Savings Proposal**

This current financial year a saving of £0.270 was delivered due to effective management of a number of contracts including SWAN and various software contracts. Further savings of £0.050 were committed for financial year 2021/22.

Management of the bulk of third-party software contracts transferred from Wipro to the Council earlier this year. It was indicated that further investigation of contracts following the transfer of responsibility could lead to more savings. That work has been carried out and this additional £0.050 is what will be achieved. In total, therefore £0.370 savings has been realised by in-house management of those contracts.

**Actions, Investment, Cost and Timescale for Delivery**

No further action required. This budget saving will be removed from the budget and implemented on 1 April 2021.

**What is the Anticipated Impact?***Staffing:*

There is a need to maintain at least current level of staffing for ICT contract management as this has proved to be a very successful area of the team.

*The Service:*

There are no service impacts arising from this saving.

*Equality Groups:*

There are no equality impacts arising from this saving.

*Rural:*

There are no rural impacts arising from this saving.

*Socio-economic:*

There are no socio-economic impacts arising from this saving.

*Island Impacts:*

There are no Island impacts arising from this saving.

**Redesign and Improvement 3.30**

<b>Budget Heading</b>	People		
<b>Savings Name</b>	Learning & Development various expenditure savings		
<b>Current Budget (£m)</b>	0.051	<b>Current Staffing (FTE)</b>	

Ref. **R&F/9**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.016	0
2022/23		
2023/24		
Total	0.016	0

**Detailed Description of Savings Proposal**

A range of savings from various budgets headings which have been reprofiled based on spend over previous years.

**Actions, Investment, Cost and Timescale for Delivery**

This budget saving will be removed from the budget and implemented on 1 April 2021. This does not form part of any corporate savings which may be required in travel, stationery, printing.

**What is the Anticipated Impact?***Staffing:*

There are no staffing impacts arising from this budget saving.

*The Service:*

There are no service impacts arising from this budget saving.

*Equality Groups:*

There are no equality impacts arising from this saving.

*Rural:*

There are no rural impacts arising from this saving as there is increased online training provision resulting in a reduction in location-dependent provision.

*Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

*Island Impacts:*

There are no Island impacts arising from this budget saving.

### Redesign and Improvement 3.31

<b>Budget Heading</b>	People		
<b>Savings Name</b>	HR Savings		
<b>Current Budget (£m)</b>	0.059	<b>Current Staffing (FTE)</b>	

Ref. **R&F/10**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.011	0
2022/23		
2023/24		
<b>Total</b>	0.011	0

#### Detailed Description of Savings Proposal

A range of savings from various budgets headings due to change in delivery and working practices. This does not impact on any further corporate savings which may be required in travel, printing as efficiencies are being delivered from working from home.

#### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

#### What is the Anticipated Impact?

##### *Staffing:*

There are no staffing impacts arising from this budget saving.

##### *The Service:*

There are no service impacts arising from this budget saving.

##### *Equality Groups:*

There are no equality impacts arising from this budget saving.

##### *Rural:*

There are no rural impacts arising from this budget saving.

##### *Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

##### *Island Impacts:*

There are no Island impacts arising from this budget saving.



## Redesign and Improvement 3.32

<b>Budget Heading</b>	People		
<b>Savings Name</b>	Occupational Health		
<b>Current Budget (£m)</b>	0.226	<b>Current Staffing (FTE)</b>	0

Ref. **R&F/13**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.009	0
2022/23		
2023/24		
<b>Total</b>	0.009	0

### Detailed Description of Savings Proposal

Reduce wellbeing promotional spend from the Occupational Health (OH) budget. The impact will be minimal as the new Employee Assistance Programme – Spectrum Life - will provide promotional wellbeing health material to staff on their webpage which would have been procured from the OH provider International SOS.

### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

There will be no impact on staffing as the OH provision is not changing. The change relates to wellbeing promotional information which can now be delivered by the EAP - Spectrum Life.

#### *The Service:*

This proposal is not anticipated to impact on Service delivery as the OHSW team is also in discussion local health charities who can provide info, support and training on the impact of living and working with long term health conditions. The Council will continue to promote wellbeing and health initiatives for our workforce through staff bulletins, toolbox talks, staff engagement sessions and specific presentations at no additional cost.

#### *Equality Groups:*

There may be a potential improvement on information provided to staff with long term health conditions especially where there is specific targeted information for staff using EAP and local charities such as LGOWIT (Let's Get On With It Together) which the council is in partnership with which supports self-management of long term health conditions.

#### *Rural:*

There are no rural impacts arising from this budget saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

#### *Island Impacts:*

There are no Island impacts arising from this budget saving.

### Redesign and Improvement 3.33

<b>Budget Heading</b>	People		
<b>Savings Name</b>	L&D – Chargeable Training		
<b>Current Budget (£m)</b>	0.009	<b>Current Staffing (FTE)</b>	0

Ref. **R&F/14**

<b>Financial Year</b>	<b>Savings £m</b>	<b>Staff Impact FTE</b>
2021/22	0.009	0
2022/23		
2023/24		
<b>Total</b>	0.009	0

#### Detailed Description of Savings Proposal

This saving will reduce the Learning and Development Chargeable Training budget however there will not be a material impact on training being provided as this saving will be achieved through realigning current expenditure and income to previous years.

#### Actions, Investment, Cost and Timescale for Delivery

This budget saving will be removed from the budget and implemented on 1 April 2021.

#### What is the Anticipated Impact?

##### *Staffing:*

There are no staffing impacts arising from this budget saving.

##### *The Service:*

There are no service impacts arising from this budget saving.

##### *Equality Groups:*

There are no equality impacts arising from this budget saving.

##### *Rural:*

There are no rural impacts arising from this budget saving.

##### *Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

##### *Island Impacts:*

There are no island impacts arising from this budget saving.

## Redesign and Improvement 3.34

<b>Budget Heading</b>	Transformation		
<b>Savings Name</b>	Staffing		
<b>Current Budget (£m)</b>	0.6	<b>Current Staffing (FTE)</b>	9

Ref. T/1

Financial Year	Savings £m	Staff Impact FTE
2021/22	0.059	1
2022/23		
2023/24		
Total	0.059	1

### Detailed Description of Savings Proposal

The establishment is 1 Full Time Equivalent Team Manager; 5 Full Time Equivalent Project Managers and 3 Full Time Equivalent Business Analysts. This budget saving will result in the 1 Full Time Equivalent **vacant** Project Manager post being deleted (there are no other vacancies in the team).

### Actions, Investment, Cost and Timescale for Delivery

This post is already vacant and the team will continue to be provided with training and development opportunities, as well as mentoring and coaching, to support staff and the team capacity.

This budget saving will be removed from the budget and implemented on 1 April 2021.

### What is the Anticipated Impact?

#### *Staffing:*

There will be a reduction of 1 Full Time Equivalent by removing this vacant post.

#### *The Service:*

No additional impact on existing service as post is currently vacant.

#### *Equality Groups:*

There are no equality impacts arising from this budget saving.

#### *Rural:*

There are no rural impacts arising from this budget saving.

#### *Socio-economic:*

There are no socio-economic impacts arising from this budget saving.

#### *Island Impacts:*

There are no Island impacts arising from this budget saving.