

REVENUE BUDGET OVERVIEW 2018-19 to 2020-21

1. EXECUTIVE SUMMARY

- 1.1 This report summarises the position with regard to the key issues surrounding the revenue budget estimates and setting of council tax for 2018-19. It also provides budget estimates for 2019-20 and 2020-21; within the report the mid-range estimates are noted, with the best case and worse case estimates included in Appendix 1.
- 1.2 The draft Scottish Budget for 2018-19 was announced by Derek MacKay, the Cabinet Secretary for Finance and the Constitution, on 14 December 2017. The budget information was provided for one year only.
- 1.3 The Local Government Finance Circular 5/2017 provides detail of the provisional total revenue and capital funding allocations for 2018-19. The provisional total funding allocations form the basis for the annual consultation between the Scottish Government and COSLA ahead of the Local Government Finance (Scotland) Order 2018 being presented to the Scottish Parliament in late February 2018.
- 1.4 There were further updates advised to Councils on 15 January 2018 and 23 January 2018. The updates were in relation to the Supporting People Grant distribution and the floor calculation in addition to other small distributional changes. A revised provisional settlement was issued to Councils on 23 January 2018. On 31 January 2018, Councils received a copy of letter sent to COSLA from the Cabinet Secretary for Finance and the Constitution. Subject to Parliamentary approval in the final stages of the Budget Bill and Local Government Finance (Scotland) Order 2018, it outlined that he intends to propose to allocate additional resource funding to support local government services. The additional resource was indicated at £159.5m (paid in two tranches) and is to be added to the sums previously confirmed in the provisional offer. This funding is to be spent at the discretion of individual Councils.
- 1.5 The funding excluding ring-fenced grants for 2018-19, as advised in the provisional settlement, is £188.777m. Subject to Parliamentary approval, the additional funding that is proposed totals £2.884m for Argyll and Bute Council with £2.260m in financial year 2018-19.
- 1.6 The Council Tax income for 2017-18 was agreed as £45.476m and this is the starting position for 2018-19. The proposed changes to the Council tax income are noted below:
- An estimate of Council Tax growth at 0.5% resulting in estimated additional income of £0.227m.
 - Increase Council by 3%, subject to Members approval, which would

amount to £1.371m additional income.

- Increase to the base budget of £0.600m due to increased collection of double Council Tax on empty homes and a general increase over and above the base anticipated.

1.7 The budget for 2017-18 has been rolled forward into 2018-19 and the main changes to the 2018-19 budget are summarised below:

- Removal of one-off items agreed as part of the 2017-18 budget in respect of HSCP funding for 2017-18 only, one-off funding for amenity services and one-off cost pressure for Catering and Cleaning post on a spend to save basis.
- Re-instatement of one-off reduction to loans charges and one-off reduction to new schools NDR costs.
- Other adjustments to the base budget in relation to painting Education establishments, loans charges and Argyll and the Isles Tourism funding and the additional cost required for the settled Local Government employees pay award.
- Increases to the base budget in order to fund the commitments as outlined in the settlement for Early Years, Social Work, British Sign Language (Scotland) Act 2015, Teachers Pay and Temporary Accommodation.
- Employee cost increases amounting to £3.415m relating to pay inflation, pay increments, the full year cost of auto enrolling all existing employees into the superannuation scheme from 1 October 2017 and a downward adjustment to the employee base.
- Allowance for unavoidable/inescapable non-pay inflation of £0.967m.
- Cost and demand pressures amounting to £1.877m

1.8 There are a further two cost pressures for Members consideration that are not included within the cost and demand pressures noted above or in the updated financial outlook in relation to Bute Advice Centre (£0.022m) and the World War 1 commemorations (£0.015m).

1.9 The measures to balance the budget include:

- Reduction to loans charges as a result of a number of factors, including lower interest, rates, use of cash balances and profiling changes.
- Release of two surplus balances sitting against two European Projects.
- Removal of budget provision for employer's superannuation no longer required.
- A general increase to fees and charges of 3%, subject to Members approval.
- Previous agreed savings as part of Service Choices, management/operational savings and efficiency savings.

1.10 In respect of the Health and Social Care Partnership, there are no conditions as part of the settlement as to the level of payment this year. The settlement does include £1.217m to support additional investment in social care in recognition of a range of pressures and £0.011 for the British Sign Language (Scotland) Act 2015 and whilst this funding is not ring-fenced there is a presumption that this funding should be transferred to the

Health and Social Care Partnership. In the previous budget outlook there was an assumption around the level of funding for 2018-19 and in the mid-scenario this was a £0.725m reduction to the base payment last year. This overview has continued to include this assumption, however, in light of the more favourable Local Government settlement than expected, the prospect of further additional funding and the current forecast outturn position of the HSCP, this is an area that Members may wish to give consideration to.

- 1.11 The payment to the Health and Social Care Partnership has also been increased to reflect the additional budget (£0.105m) required as part of auto enrolment.
- 1.12 The Policy and Resources Committee agreed the management fee to Live Argyll for 2018-19 of £3.546m. As a result of auto enrolment and holiday pay entitlement (refer to paragraph 3.3.7 and 3.3.8) the management fee requires to be increased by £0.033m to £3.579m.
- 1.13 If Members agreed to all the proposals noted within this report, which includes increasing the Council Tax by 3%, increasing fees and charges by a general 3% inflation, agreeing to a number of cost/demand and inflationary pressures and reducing the payment to the HSCP by £0.725m, this would produce a balanced budget for 2018-19 with a surplus of £0.689m or £2.949m if the additional settlement funds indicated by the Cabinet Secretary for Finance and the Constitution are agreed by Parliament. There remains estimated significant savings required in 2019-20 and 2020-21.
- 1.14 There were a number of policy options reported to Council on 26 October 2017 and subject to the Council's budget consultation exercise. Members are asked to give consideration to all the savings options as they would assist in reducing the budget gap in future years. Accepting all options would produce savings of £1.810m in 2018-19 rising to £5.673m by 2020-21.
- 1.15 In view of future savings requirements, a Transformation Board has been established to oversee all the Council's transformational activities. The Transformation Board has identified a number of areas which they would propose to explore for future years and this is attached as Appendix 7 for Members endorsement.
- 1.16 Five funding requests have been received from organisations that currently have a Service Level Agreement in place. Bute Advice Centre have asked for an extension to their loan arrangement. Argyll and Bute Citizen's Advice Bureau, MACPool, Rejig and Kintyre Recycling are all looking for additional funding over and above their current service level agreement. The Council is asked to consider the funding requests as summarised within Appendix 8.

REVENUE BUDGET OVERVIEW 2018-19 to 2020-21

2. INTRODUCTION

- 2.1 This report summarises the position with regard to the key issues surrounding the revenue budget estimates and setting of council tax for 2018-19. It also provides budget estimates for 2019-20 and 2020-21; within the report the mid-range estimates are noted, with the best case and worse case estimates included in Appendix 1.
- 2.2 The draft Scottish Budget for 2018-19 was announced by the Cabinet Secretary for Finance and the Constitution on 14 December 2017. The budget information was provided for one year only and is subject to Parliamentary approval.
- 2.3 Regular reports on the budget outlook 2018-19 to 2020-21 have been presented to Members throughout the year. Reports were presented to the Policy and Resources Committee on 17 August 2017, 19 October 2017, 8 December 2017 and a further update at the Members Seminar held on 25 January 2018.

3. DETAIL**3.1 Funding****3.1.1 Finance Settlement**

- 3.1.1.1 The draft Scottish Budget for 2018-19 was announced by Derek MacKay, the Cabinet Secretary for Finance and the Constitution, on 14 December 2017. The budget information was provided for one year only.
- 3.1.1.2 The Local Government Finance Circular 5/2017 provides detail of the provisional total revenue and capital funding allocations for 2018-19. The provisional total funding allocations form the basis for the annual consultation between the Scottish Government and COSLA ahead of the Local Government Finance (Scotland) Order 2018 being presented to the Scottish Parliament in late February 2018.
- 3.1.1.3 The Circular outlines that the Scottish Government will work in partnership with local government to implement the budget and the joint priorities in return for the full funding package which includes:
- Baselineing from 2018-19 of the £130m additional revenue investment announced earlier this year at Stage 1 of the Budget Bill for 2017-18.
 - £52.2m revenue and £150m capital to deliver on the ambitious programme for the expansion of Early Years Education and Childcare

provision. This is an addition to the £11m of revenue which has been added to support the initial expansion of Early Years set out in the 2014 Act provision.

- An additional £24m to cover the additional full year cost of the teachers' pay offer for 2017-18.
- A continued funding package of £88m, made up of £51m to maintain teacher numbers and £37m to support the Teacher Induction Scheme. Local authorities will continue to be required to maintain an overall pupil:teacher ratio of 13.7:1, and secure places for all probationers who require one under the Teacher Induction Scheme.
- An additional £66m to support additional investment in social care in recognition of a range of pressure local authorities are facing, including support for the implementation of the Carers (Scotland) Act 2016, maintaining the commitment to the Living Wage (including to extend it to cover sleepovers) and an increase in the Free Personal and Nursing Care payments.
- Maintenance of the £355m baseline transfer from NHS Boards to Integration Authorities in support for health and social care.
- The continued flexibility to increase Council Tax by up to 3% which could generate an additional £77m.

3.1.1.4 The Scottish Government has confirmed their view that these measures set out in the settlement offer must be viewed as a package to protect agreed priorities. In order to access all the benefits involved, including those priorities supported by specific financial benefits, local authorities must agree to deliver all of the measures set out in the package and will not be able to select elements of the package. For those authorities not agreeing the offer, a revised, and inevitably less favourable offer will be made.

3.1.1.5 There were further updates advised to Councils on 15 January 2018 and 23 January 2018. The updates were in relation to the Supporting People Grant distribution and the floor calculation in addition to other small distributional changes. A revised provisional settlement was issued to Councils on 23 January 2018.

3.1.1.6 On 31 January 2018, Councils received a copy of letter sent to COSLA from the Cabinet Secretary for Finance and the Constitution. Subject to Parliamentary approval in the final stages of the Budget Bill and Local Government Finance (Scotland) Order 2018, it outlined that he intends to propose to allocate additional resource funding to support local government services. The additional resource was indicated at £159.5m and is to be added to the sums previously confirmed in the provisional offer. The funding is to be paid in two tranches, with the first tranche of £34.5m paid as a redetermination to the General Revenue Grant in the final week of 2017-18 and the remaining £125m over the course of 2018-19. This funding is to be spent at the discretion of individual Councils. It has not been confirmed whether the intention is that any or all of this additional funding be baselined. COSLA are currently seeking that confirmation.

3.1.2 Scottish Government Funding for Argyll and Bute Council

3.1.2.1 The funding excluding ring-fenced grants for 2017-18 noted within the February 2017 budget pack was £190.397m. Since this time, there has been a number of funding announcements from the Scottish Government which increased the funding by a further £1.053m to £191.450m. The funding excluding ring-fenced grants for 2018-19, as advised in the provisional settlement, is £188.777m. Subject to Parliamentary approval, the additional funding that is proposed totals £2.884m for Argyll and Bute Council with £2.260m in financial year 2018-19.

3.1.2.2 The table below represents the changes between 2017-18 and 2018-19.

	£000
Funding Budget 2017-18 February 2017	190,397
Discretionary Housing Payment	552
1+2 Languages	44
Temporary Accommodation	254
Council Tax Reduction Scheme (adjustment to estimated funding included in budget pack)	106
Council Tax Reduction Scheme Admin	10
Building Warrant Fees Reduction	(34)
Discretionary Housing Payments Admin	19
Sensory Impairment	5
Teachers Pay (3 months)	97
Updated Funding 2017-18 (FC5/2017)	191,450
Updating of Indicators (this relates to the updating of the various funding indicators used to determine overall grant – they are updated based on a range of factors, but mainly population)	(1,348)
Assumed Council Tax Contribution	(2,273)
Loans Charges Support	(334)
Change to the floor	121
Monies not distributed yet - Discretionary Housing Payments and 1+2 Languages	(596)
New Indicators/Additional Monies	1,757
Provisional Settlement 2018-19	188,777
Proposed Additional Funding	2,260
Estimated Funding 2018-19	191,037

3.1.2.3 If you compare the provisional settlement of £188.777m to the cash funding in 2017-18, taking into consideration that DHP and 1+2 Languages haven't been distributed yet and that the 2018-19 settlement has settlement package commitments that will incur expenditure, the funding reduction is £4.374m or 2.3%. If you further build in an allowance that local government will need to match the public sector pay commitment, our funding reduction rises to around 2.6%. If the proposed additional funding is agreed, the funding reduction, taking into consideration settlement package commitments and public sector pay

commitment is around 1.5%

3.1.2.4 In terms of future years funding reduction estimates, I have looked back to previous years:

- 2016-17 funding reduction of 4%
- 2017-18 funding reduction of 3.2%

I've also taken into consideration the following factors:

- The distribution of the supporting people grant is to be reviewed during 2018-19 which has the potential to negatively affect the Council by around £1.5m.
- The review of the floor mechanism was delayed last year but is still to be considered and this could have implications for us as we are currently one of the authorities that benefits from the floor allocation.
- At the time of writing this report, the additional funding for 2018-19 is only proposed, it is not part of the provisional settlement figures and there is no confirmation whether this funding will be baselined or not.

Taking into consideration these factors and the funding reduction over the last 3 years, I have revised the funding reduction estimate in future years to be between 2.5% (best case) to 4% (worst case) with a mid-range of 3.25%.

3.1.3 Council Tax

3.1.3.1 The Council Tax budget for 2017-18 was set at £45.476m. This included a 3% increase, a 0.50% growth in the Council Tax base and also the increase due to the change in the Council Tax multiplier. This is the starting position for 2018-19.

3.1.3.2 In terms of the growth in the Council tax base it had been assumed within the previous budget outlook that growth would be between 0.25% and 0.75%. These assumptions will continue to be in place for 2019-20 and 2020-21 and 0.5% growth has been built into 2018-19 budget amounting to £0.227m.

3.1.3.3 Councils now have discretion to increase Council Tax by a maximum of 3% each year. In light of the estimated reduction in the Scottish Government funding together with cost increases in respect of pay, inflation and other pressures, it is assumed that the Council would wish to increase the Council Tax by 3% and this is what has been assumed for 2018-19 and within each budget outlook scenario for 2019-20 and 2020-21. This is, of course, a matter for the Council to decide.

3.1.3.4 The Head of Customer and Support Services has reviewed the Council Tax income position, reflecting on the better than expected outturn in 2016-17 and estimated position in 2017-18. It is anticipated that the Council Tax income estimate could be increased by £0.600m as a result of two main reasons:

- Increased collection of double Council Tax on empty homes. It was

anticipated that due to the double Council Tax charge that this income would decline, however, this hasn't been the case.

- Increase to the overall Council Tax base – this takes into consideration the growth that is already included within the estimates, the official Council Tax base over the last 12 months has been nearly double the estimated level due to reductions in discounts.

3.1.3.5 The estimated council tax income over the next three years is noted in the table below.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Council tax base 2017-18	45,476	45,476	45,476
Growth at 0.5% each year	227	462	706
3% Council Tax Increase	1,371	2,797	4,280
Adjustment to base	600	600	600
Total Council Tax Income	47,674	49,335	51,062

3.1.4 Total Funding

3.1.4.1 The table below summarises the total estimated funding over the next three years, based on the provisional settlement.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Scottish Government funding	188,777	182,642	176,706
Council Tax income	47,674	49,335	51,062
Total Funding	236,451	231,977	227,768

3.2 Base Budget

3.2.1 As with previous years the base budget for 2018-19 is the current year's approved budget adjusted as follows:

- for any one-off items included within 2017-18 that aren't carried forward into 2017-18;
- for any previously agreed items for future years; and
- for any funding adjustments since the 2017-18 budget was agreed.

3.2.2 The split of the base budget across services and other central commitments will be based on a snapshot of the copy budget for 2017-18 as this is the most up to date budget provision reflecting any coding improvements and virements up until this time.

3.2.3 The base budget for 2017-18 was £235.680m. The changes to the base

budget are noted in the following paragraphs.

- 3.2.4 There were a number of one-off items agreed as part of the 2017-18 budget that need to be adjusted for and these are noted as follows:

	£000
Remove:	
Health and Social Care Partnership 2017-18 cost pressures approved on a one-off basis	(2,137)
One-off funding agreed for refuse collection etc.	(200)
One-off cost pressure for Catering and Cleaning Management post	(56)
Add Back:	
One-off reduction in loans charges for 2017-18 only	500
One-off reduction to New Schools NDR in 2017-18	267
Reduction to revenue baseline budget	(1,626)

- 3.2.5 In February 2014, the Council agreed to increase the Education budget by £0.150m time limited to 4 years to allow for a 4 year programme of painting Education establishments. This funding comes to an end in 2017-18 and this amount will be removed from the base budget.
- 3.2.6 The Council agreed to continue to fund the Argyll and the Isles Tourism Co-operative (AITC) for a further three years, £0.050m in 2017-18, reducing to £0.040m in 2018-19 and reducing to £0.030m in 2019-20 and the base budget needs to be adjusted for this decision. In terms of the funding to AITC from 2020-21 onwards, it has been assumed the funding will cease and in the worst case scenario it has been assumed that the funding will continue at the 2019-20 level.
- 3.2.7 The agreed pay award in 2017-18 for Chief Officials, Craft Workers and employees whose terms and conditions of service come within the framework of the Scottish Joint Council Local Government Employees resulted in an additional cost of £0.117m in staff costs and £0.006m in apprenticeship levy (0.5% of pay). The base budget needs to be adjusted for this increase.
- 3.2.8 Although the majority of the funding from the Scottish Government is not ring fenced, there are individual elements of money that are provided as part of the settlement package with the expectation that they are used to deliver the service intended. The base budget needs to be adjusted to reflect the additional costs for delivering on these funding commitments. In most cases, the budget will be limited to match the funding, but for example, our share of the funding for teachers pay amounts to £0.390m but the cost of applying this inflationary increase will be £0.483m.

	Increase £000
Our share of £11m revenue funding added to support the initial expansion of Early Years set out in the 2014 Act provisions.	236
Our share of an additional £66m to support additional investment in social care.	1,217
British Sign Language (Scotland) Act 2015	11
Our share of additional £24m to cover the additional full year cost of the teachers pay offer for 2017-18. Our share amounts to £0.390m, however, the cost has been calculated to be £0.483m.	483
New Funding for Temporary Accommodation, not already built into the 2017-18 base budget.	251
Total Increases	2,198

3.2.9 The revised base budget over the next three years is summarised in the table below.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Base Budget 2017-18	235,680	235,680	235,680
One-off changes	(1,626)	(1,626)	(1,626)
Education Painting	(150)	(150)	(150)
AITC Funding	(10)	(20)	(50)
Pay Award LG staff	123	123	123
Funding Commitments	2,198	2,198	2,198
Revised Base Budget	236,215	236,205	236,175

3.3 Employee Costs

3.3.1 Strategic Finance have populated salary templates with details of the current establishment and where necessary liaised with budget holders to confirm their staff. The templates calculate the next years pay bill including superannuation and national insurance contributions. The cost of the employees from the template is compared to the previous year and reasons for differences explained.

3.3.2 In terms of the level of employee budgets for 2018-19, the expectation is that the budget will reflect the 2017-18 budget plus any increase due to incremental progression, inflation and any other unavoidable employee cost increases less previously approved employee budget savings. For 2018-19 there is an overall saving on the employee budget base of £0.361m. The main reasons for the reduction to employee budget base are summarised below:

- Education – reduction of £0.184m which reflects a year on year reduction to school roll related teacher entitlements; there remains sufficient budget provision within Education to meet the pupil teacher ratio and total FTE as per the 2016 census return.
- Customer and Support Services – reduction of £0.049m mainly due to staff turnover and a reduced cost of superannuation.
- Roads and Amenity Services - reduction of £0.179m due to turnover of staff who are on a lower spinal column point, removal of obsolete post and a reduction in overtime and standby.

3.3.3 The pay award estimate is one that has been subject to change. The initial estimate, reported to the Policy and Resources Committee in August had assumed a pay award of between 1% and 2% with a mid-range of 1.5%. The First Minister as part of her Programme for Government removed the public sector pay cap and as a result, I reviewed our pay award assumption. It was increased to a range of between 1.5% and 2.5% with a mid-range of 2% as part of the October budget outlook report.

3.3.4 Negotiations have now commenced for 2018-19 but will not be concluded before the Council budget meeting. The SJC Joint Trade Union claim is for a £1,500 flat rate increase to all spinal column points or 6.5% whichever is the greater. The EIS teaching union is calling for a 10% pay rise in 2018, saying it would serve as a "first step" to restoring teachers' wages to an "acceptable level". As part of the Scottish Budget 2017 statement there was a commitment that public sector workers earning less than £30,000 can expect a 3% pay rise next year, public sector workers earning more than £30,000 would receive a 2% pay rise and top earners will be capped at a £1,600 rise. This announcement was updated on 31 January 2018, as part of the Budget Bill Stage 1 debate in Parliament, with the 3% pay rise applying to public sector workers earning less than £36,500. Although this announcement does not directly apply to local government employees, it is expected that any Trade Union negotiations would be no lower than this scenario and it would be prudent to include the cost of a pay award equal to this announcement for 2018-19. This additional cost is £0.667m for Council staff (£0.203 for Health and Social Care Partnership updated within their cost pressures).

3.3.5 The pay award assumption of between 1.5% and 2.5% remains in place for the 2019-20 and 2020-21 estimates. A pay award in the region of either the SJC Joint Trade Union claim or the EIS union call is considered not affordable for Local Authorities unless there is substantial additional funding from Scottish Government. High level calculations suggest that the cost of initial pay award claims would be in excess of £6m over and above what is already provided for within the budget.

3.3.6 The cost of employee increments for 2018-19 equates to £0.664m. Every year it is assumed that most employees will be on the top of the scale and therefore there should be no further incremental cost, however, there is still a turnover on the employee base and as a result, staff may leave who are on the top point of the grade, with a new/transferred employee

commencing on the bottom point of the grade. This gives rise to an incremental cost which can be partly offset by a decrease to the employee base. For 2019-20 and 2020-21 the cost of employee increments has been estimated at half of the 2018-19 cost within the mid-range scenario, the same level as 2018-19 in the worst case scenario and zero (will be absorbed) in the best case scenario.

- 3.3.7 In respect of auto enrolment, I noted in the previous budget outlook report that all eligible staff will require to be auto enrolled on 1 October 2017. It had been assumed, for the mid-range scenario, that 60% of staff auto enrolled would remain in the scheme at a cost of £0.205m (half year 2017-18), £0.410m (full year). A half year cost is already built into the base budget. The payroll section have now completed an analysis of who was auto enrolled and the full year cost to the Council is £0.407m (inclusive of Health and Social Care Partnership and Live Argyll staff). The additional budget required can be reduced by £0.003m to £0.202m. The payment to the Health and Social Care Partnership and the management fee to Live Argyll will be adjusted to reflect the auto enrolment budget required.
- 3.3.8 An adjustment is required within employee budgets to reflect the holiday pay budget allocation across the Council. There is no bottom line impact, however, the Live Argyll management fee needs to be increased by £0.012m to reflect the requirement to pay this based on Live Argyll's current staff establishment.
- 3.3.9 The changes to the employee budgets estimated over the next three years for Council Services are summarised in the table below. The employee cost increases relating to the Health and Social Care Partnership are summarised within paragraph 3.7.6.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Change to employee base	(361)	(361)	(361)
Pay Award estimate 2% increase	2,243	4,488	6,777
Cost of applying additional public sector pay award in 2018-19 only (<£36,500 at 3%)	667	667	667
Increments	664	996	1,328
Auto Enrolment	202	202	202
Total Employee Increases	3,415	5,992	8,613

3.4 Non-Pay Inflation

- 3.4.1 The position remains that only unavoidable/inescapable inflation has been included for 2018-19, this is with a view to only including a provision in the budget for an inflationary increase where it is absolutely required. The

inflationary increases for 2018-19 for Council Services are noted below with further detail provided in Appendix 2.

Service	Inflation Category	Amount
Council Wide	NDR	128
Council Wide	NDR Relief	4
Council Wide	Computer Software	18
Education	Pre-Primary Partner Provider Uplift	17
Facility Services	Catering Purchases including milk	85
Facility Services	School and Public Transport Contract Fuel Uplifts	50
Special Projects	Community Pool Subsidies	22
NPDO	NPDO, Hub Schools	342
Economic Development	Events and Festivals SLAs	2
Roads and Amenity Services	Landfill Tax	95
Roads and Amenity Services	Street Lighting Electricity	20
Roads and Amenity Services	Waste PPP Contact	184
Total		967

3.4.2 In terms of the budget outlook for 2019-20 and 2020-21, the same level of unavoidable/inescapable non-pay inflation has been built into the best case and mid-range scenarios, with a 1% general inflation built into the worst case scenario. The overall additional budget requirement for non-pay inflation estimated over the next three years is summarised in the table below. The inflationary increases relating to the Health and Social Care Partnership are summarised within paragraph 3.7.6.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Unavoidable/inescapable Non-Pay Inflation	967	1,934	2,901

3.5 Cost and Demand Pressures

3.5.1 Over the last few years, services have worked on the basis of having to contain any cost and demand pressures within current resources where possible. The cost and demand pressures identified for Council services are noted in the table below, with further detail provided in Appendix 3. An allowance for unidentified cost and demand pressures has been included

from 2019-20 onwards at £0.250m per annum (mid-range). The inflationary increases relating to the Health and Social Care Partnership are summarised within paragraph 3.7.6.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
ASN – new and increased demand for the service	134	134	134
Music Instruction – removal of previously agreed service review saving not achieved due to contractual restrictions	109	109	109
Discretionary Business relief increases due to 2017 revaluations	13	13	13
Universal Credit – HB Admin Grant	75	150	150
New Schools Unitary Charges	1,206	1,555	1,555
Asbestos Management Plan	0	0	40
Carbon Reduction Scheme	0	13	13
Renewal of school and public transport contacts in Tiree in April 2018	4	4	4
Renewal of school and public transport contacts in Mid Argyll in July 2018	11	16	16
Loss of Fire and Rescue Scotland Contract (undergoing re-tender exercise at present)	11	11	11
Local Plan Enquiry	0	90	0
Net effect of budget commitments in respect of temporary homelessness and leisure and culture services previously within Community and Culture	60	60	60
Waste PPP Financial Model	254	560	560
Unidentified Cost and Demand Pressures	0	250	500
Total Cost and Demand Pressures	1,877	2,965	3,165

3.5.2 There are a further two cost pressures that are not included within the table above or in the updated financial outlook, that Council are asked to give consideration to.

- The three year funding agreement for Bute Advice Centre ends at 31 March 2018. This funding was paid via an earmarked reserve and

therefore is not included within the Council's base budget. It was anticipated that the review of advice services would be concluded and that there would be a way forward agreed for advice services in the future, however, this has been delayed. The current service level agreement is for £0.022m per annum.

- Islay will be hosting one of the major commemorations in the UK for World War 1 in May 2018 as part of the wider WW100 Scotland commemorations. There are various roads and amenity works required prior to this event and they are anticipated to cost £0.015m.

3.6 Measures to Balance the Budget

3.6.1 Savings on the Base Budget

3.6.1.1 As reported in previous years, the loans charges profile was being reduced by £1.000m each year, with the final reduction in 2019-20.

3.6.1.2 A detailed review of the current loans charges assumptions has now been carried out and it is estimated £2.2m can be removed from the loans charges budget in addition to the previously advised profile changes noted above. The savings come from a number of factors including:

- Lower interest rates on replacement borrowing.
- Lower interest rates than forecast on new borrowing.
- Lower cost of borrowing as cash balances are being used.
- Lower level of capital advances where there has been slippage in the capital programme.

3.6.1.3 The level of loans charges budget remaining reflects the previous Council decisions in respect of capital spending and also the approved capital plan through to 2019-20. In light of the more favourable Local Government settlement than expected, the prospect of further additional funding as well as the red risks outlined in the Service Asset Management Plans, Members may wish to consider providing more capital funding. This can be achieved by using some of the unallocated General Fund balance or via prudential borrowing which would have a revenue implication. The current estimate is that £1.4m of capital expenditure would cost £0.100m in loans charges. This is a matter for Members to consider.

3.6.1.4 There are two surplus balances sitting against two European Projects: Transnational Project and Atlantic Area Spatial Development Perspective amounting to £0.249m. The European Programmes have stopped and time has lapsed for audit/repayment of any balances and therefore this is a one-off saving that can be reflected within 2018-19.

3.6.1.5 A budget provision for additional employer's superannuation was created in 2015-16 as a result of changes to pensionable pay. A review has been undertaken as to how much of this budget provision is required going forward and a recurring saving of £0.245m can be made.

3.6.1.6 The table below summarises the savings on the base budget.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Loans Charges Profile	(1,000)	(2,000)	(2,000)
Loans Charges savings	(2,200)	(2,200)	(2,200)
European Projects: one-off saving	(249)	0	0
Superannuation saving	(245)	(245)	(245)
Total Savings on Base Budget	(3,694)	(4,445)	(4,445)

3.6.2 Fees and Charges

- 3.6.2.1 There is a separate report included in the budget pack which relates to fees and charges together with the detailed schedule of charges for 2018-19.
- 3.6.2.2 The general increase to fees and charges is proposed at 3% for 2018-19, this was the increase applied in 2017-18.
- 3.6.2.3 There are some exceptions to the general increase and these are detailed in the report along with the fees and charges that are the subject of further savings options. The general inflationary increase would give additional income of £0.277m.
- 3.6.2.4 In terms of the outlook for 2019-20 and 2020-21 fees and charges have been estimated at between a 1% and 5% increase with 3% the mid-range.

3.6.3 Savings Already Agreed

- 3.6.3.1 At the Council meeting on 11 February 2016, Members were asked to make a decision on all Service Choices policy options that were subject to public consultation irrespective of whether the saving was due to be delivered in 2016-17, 2017-18 or beyond. This was to assist in planning beyond 2016-17 and to allow for preparation time particularly in areas where significant redesign of services to deliver longer term savings was proposed. There were also management/operational savings agreed in February 2016 and also further efficiency savings agreed in October 2016 and these are also reflected within the budget outlook.
- 3.6.3.2 As part of the work of the Transformation Board, further management/operational savings were identified for 2018-19 and reported to the Council meeting on 26 October 2017, these will be implemented as part of normal business.
- 3.6.3.3 One of the savings proposals routed via the Council's Innovation Fund was in relation to a print management solution for the Council and the savings are estimated to be around £0.140m from 2018-19 onwards.

3.6.3.4 The table below summarises the savings already agreed.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Service Choices Savings	(1,301)	(1,301)	(1,301)
Management/Operational Savings Agreed February 2016 (positive number due to one-off in the previous year)	71	71	71
Efficiency Savings Agreed October 2016	(26)	(26)	(26)
Management/Operational Savings Agreed October 2017	(620)	(919)	(1,245)
Print Management Solution	(140)	(140)	(140)
Total Savings Agreed	(2,016)	(2,315)	(2,641)

3.6.4 Total Measures to Balance Budget

3.6.4.1 The total of the measures already taken to balance the budget are summarised in the table below.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Savings on Base Budget	(3,694)	(4,445)	(4,445)
Fees and Charges Increase	(277)	(554)	(831)
Savings Already Agreed	(2,016)	(2,315)	(2,641)
Total Measures to Balance Budget	(5,987)	(7,314)	(7,917)

3.7 Health and Social Care Partnership

3.7.1 The Scottish Government settlement for 2016-17 and 2017-18 included guidance as to the basis of the allocation from Local Authorities to Integration Authorities. The Council complied with this guidance for both financial years and in 2017-18 also agreed a one-off transfer, amounting to £2.137m to assist in supporting transformational change and smoothing the projected funding gap.

3.7.2 Included within the previous budget outlook reports to Policy and Resources Committee was an assumption around the level of funding for 2018-19. In the best case scenario it had been assumed that a similar reduction could take place in 2018-19 of £1.450m, no reduction was assumed in the worst case scenario and a reduction of £0.725m was

assumed in the mid-range scenario.

- 3.7.3 The Scottish Government Settlement for 2018-19 does not include any conditions around the level of payment to Integration authorities, however, an additional £66m of funding (our share £1.217m) has been included to support additional investment in social care in recognition of a range of pressure local authorities are facing, including support for the implementation of the Carers (Scotland) Act 2016, maintaining our joint commitment to the Living Wage (including our agreement to now extend it to cover sleepovers following the further work we have undertaken) and an increase in the Free Personal and Nursing Care payments. This funding is not ring-fenced but there is a presumption that this should be transferred to the Health and Social Care Partnership.
- 3.7.4 Also included in the settlement is funding in respect of British Sign Language (Scotland) Act 2015 amounting to £0.011m and this will be passed over to the Health and Social Care Partnership (HSCP) to deliver.
- 3.7.5 As noted in paragraph 3.3.7, the payment to the Health and Social Care Partnership needs to be increased to reflect the additional budget required as a result of auto enrolment. The Health and Social Care Partnership share is £0.105m.
- 3.7.6 At this stage the previous assumption around the reduction in payment has been included as well as passing over our share of the £66m funding. In light of the more favourable Local Government settlement than expected, the prospect of further additional funding, the cost and demand pressures facing the HSCP which could further increase depending on pay negotiations and the current forecast outturn position of the HSCP, this is an area that Members may wish to give consideration to. The payment to the HSCP is summarised in the table below.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Payment in 2017-18	56,360	56,360	56,360
Removal of one-off allocation in 2017-18	(2,137)	(2,137)	(2,137)
Our Share of £66m funding	1,217	1,217	1,217
British Sign Language Funding	11	11	11
Auto enrolment	105	105	105
Reduction to payment	(725)	(1,450)	(2,175)
Draft Payment to HSCP	54,831	54,106	53,381

- 3.7.7 Members should note that the payments noted above assume that the Health and Social Care Partnership will absorb any inflationary increases and cost and demand pressures. The latest inflation detail and cost and demand pressures for Social Work have been discussed with the HSCP

Chief Financial Officer and are summarised in the table below with further detail contained within Appendix 4a and 4b. There could be further cost pressures in relation to pay inflation dependant on the outcome of the negotiations with the Trade Unions. Some of these pressures are related to our share of the £66m additional funding that is being passed through to the Health and Social Care Partnership.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Inflationary increase National and Scottish Living Wage	960	1,920	2,880
Other Non-Pay Inflation increases	44	88	132
Pay Inflation and Increments	920	1,490	2,069
Older People Growth	714	1,450	2,208
Care Services for Younger Adults	482	986	1,512
Carer's Act New Duties	350	350	350
Sleepover provision in Education Hostels	96	96	96
Lorn Campbell Court	30	30	30
Sleepovers	182	246	303
National Care Home Contract	390	410	430
Remove: Criminal Justice Previously Agreed Pressure	(50)	(50)	(50)
Remove: Auchinlee Previously Agreed Pressure	(229)	(229)	(229)
Total Social Work Pressures	3,889	6,787	9,731

3.8 Live Argyll Management Fee

3.8.1 The Policy and Resources Committee agreed the management fee to Live Argyll for 2018-19 of £3.546m. As a result of auto enrolment and holiday pay entitlement (refer to paragraph 3.3.7 and 3.3.8) the management fee requires to be increased by £0.033m to £3.579m.

3.9 Updated Financial Position 2018-19 to 2020-21

3.9.1 The updated financial position, taking into consideration all the factors noted above, is summarised within the table below.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Base Budget	236,215	236,205	236,175
Employee Costs Increases	3,415	5,992	8,613
Non-Pay Inflation	967	1,934	2,901
Cost and Demand Pressures	1,877	2,965	3,165
Measures to Balance the Budget	(5,987)	(7,314)	(7,917)
Adjustment to HSCP Allocation	(725)	(1,450)	(2,175)
Estimated Net Expenditure	235,762	238,332	240,762
Funding	236,451	231,977	227,768
Budget Surplus / (Gap) Cumulative	689	(6,355)	(12,994)
Budget Surplus / (Gap) Year on Year	689	(7,044)	(6,639)

3.9.2 If the proposed additional funding, advised by letter on 31 January 2018, is agreed, this would change the position as noted in the table below.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Budget Surplus / (Gap) Cumulative (based on provisional settlement)	689	(6,355)	(12,994)
Additional Funding	2,260		
Revised Budget Surplus / (Gap) Cumulative	2,949	(6,355)	(12,994)
Revised Budget Surplus / (Gap) Year on Year	2,949	(9,304)	(6,639)

3.9.3 The table above demonstrates that if Members agreed to all the proposals already noted within this report, which includes increasing the Council Tax by 3%, increasing fees and charges by a general 3% inflation, agreeing to a number of cost/demand and inflationary pressures and reducing the payment to the HSCP by £0.725m, this would produce a balanced budget for 2018-19 with a surplus of £0.689m or £2.949m if the additional settlement funds indicated by the Cabinet Secretary for Finance and the Constitution are agreed by Parliament. There remains estimated significant savings required in 2019-20 and 2020-21.

3.9.4 By way of further explanation on the budget surplus/(gap) estimates. The budget gap in 2019-20 is £6.355 if Council use the 2018-19 surplus in a one-off manner. If Council use the surplus in 2018-19 in a recurring way, the expenditure in 2019-20 will rise by the amount of the recurring

expenditure and therefore the gap could potentially increase to either £7.044m or £9.304m depending on the settlement scenario.

3.9.5 New savings options have been identified for the three year period 2018-19 to 2020-21 and these were reported to Council on 26 October 2017 and were subject to the Council's budget consultation exercise. The results of the consultation are contained within a separate report on the agenda. Even although the budget position in 2018-19 is now balanced, Members are asked to give consideration to all the savings options as they would assist in reducing the budget gap in future years. Further detail on each saving options is included within Appendix 5.

3.9.6 The estimated budget gap, based on the provisional settlement, should Members agree to all the policy savings options is outlined in the table below.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Budget Surplus / (Gap) Cumulative (as noted in para 3.9.1)	689	(6,355)	(12,994)
Policy Options out to Consultation	1,810	3,841	5,673
Revised Budget Surplus / (Gap) Cumulative	2,499	(2,514)	(7,321)
Revised Budget Surplus / (Gap) In Year	2,499	(5,013)	(4,807)

3.9.7 In accepting all the policy savings options this would create a larger surplus in 2018-19. The funding gap noted above will increase for any policy options that Council do not accept.

3.9.8 Appendix 6 provides a summary of the draft budget for 2018-19 at service level.

3.10 Balancing Future Years Budget

3.10.1 In view of future savings requirements, a Transformation Board has been established to oversee all the Council's transformational activities. The Board is chaired by the Executive Director of Customer Services and membership consists of a number of Senior Managers across the Council as well as Trade Union representation.

3.10.2 A significant area of work for the Board over the short to medium term has been to challenge services to deliver savings. Phase 1 is for front line services to consider savings via four operating principles: business cost reduction, income maximisation, service re-design and self-funding. Each service was given a savings target taking into consideration savings

already delivered via service choices.

- 3.10.3 Officers have been working on identifying savings for their service to match the minimum target set by the Transformation Board. The aim was for the savings options to be transformational in nature. The options as reported to Council on 26 October 2017 and as noted in paragraphs 3.6.3.2 and 3.6.4.1 are the first stages of an ongoing programme and the Board will remain charged with increasing the pace and scale of transformation.
- 3.10.4 The savings options already identified were insufficient to meet the budget gap in 2018-19 based on the budget outlook prior to the budget settlement, in addition to there still being a significant budget gap in future years. As a result, officers were tasked with considering further savings options, using the four operating principles as noted above. As can be seen from the updated financial position, there is no longer a budget gap in 2018-19, due to the better than anticipated settlement, and as such further savings are not required in 2018-19, however, the Council is still faced with making significant savings in the medium term. The Transformation Board has identified a number of areas which they would propose to explore for future years and this is attached as Appendix 7 for Members endorsement.
- 3.10.5 The areas that are being explored will produce options that could be implemented at different times and further information will be brought to appropriate Committee(s)/Council as necessary.

3.11 Medium to Longer Term Financial Strategy

- 3.11.1 The Policy and Resources Committed endorsed the Medium to Longer Term Financial Strategy at their meeting on 19 October 2017. Following the budget decisions, the financial strategy will be updated to reflect the most up to date financial position.

3.12 Funding Requests

- 3.12.1 Five funding requests have been received from organisations that currently have a Service Level Agreement in place.
- 3.12.2 Bute Advice Centre have asked for an extension to their loan arrangement. Argyll and Bute Citizen's Advice Bureau, MACPool, Rejig and Kintyre Recycling are all looking for additional funding over and above their current service level agreement.
- 3.12.3 The Council is asked to consider the funding requests as summarised within Appendix 8. The Appendix is marked as "exempt" from public papers as it includes financial information related to third parties. The appendix comments on the relevant risks associated with each request.

4. CONCLUSION

- 4.1 This report summarises the position with regard to the key issues surrounding the revenue budget and setting of council tax for 2018-19. It also provides estimates of the budget outlook for 2019-20 and 2020-21.
- 4.2 The table above demonstrates that if Members agreed to all the proposals already noted within this report, which includes increasing the Council Tax by 3%, increasing fees and charges by a general 3% inflation, agreeing to a number of cost/demand and inflationary pressures and reducing the payment to the HSCP by £0.725m, this would produce a balanced budget for 2018-19 with a surplus of £0.689m or £2.949m if the additional settlement funds indicated by the Cabinet Secretary for Finance and the Constitution are agreed by Parliament. There remains estimated significant savings required in 2019-20 and 2020-21.
- 4.3 A Transformation Board has been established to oversee the Council's transformational opportunities. Some of the savings options included for Members consideration as part of the budget today are the first stages of an ongoing programme and the Board will remain charged with increasing the pace and scale of transformation.

5. IMPLICATIONS

- 5.1 Policy – There are policy implications associated with the new saving options and also the service choices savings options agreed in February 2016 which impact 2018-19 and beyond.
- 5.2 Financial – The report outlines the budget position over 2018-19 to 2020-21.
- 5.3 Legal – Any legal implications have and will be considered when developing the savings options.
- 5.4 HR – Any HR implications have and will be considered when developing savings options.
- 5.5 Equalities – Equality Impact Assessments have been carried out where appropriate for savings options already agreed or developed. Equality Impact Assessments will be a key consideration in developing future savings proposals.
- 5.6 Risk – There is a separate report assessing financial risks and there is also an overall assessment of risk included within the separate report on Reserves and Balances.
- 5.7 Customer Service – There may be some customer service implications arising from the new savings options. Future customer service implications will be considered when developing savings options.

**Kirsty Flanagan
Head of Strategic Finance
2 February 2018**

**Policy Lead for Strategic Finance and Capital Regeneration Projects:
Councillor Gary Mulvaney**

APPENDICES:

- Appendix 1 – 2019-20 and 2020-21 Budget Outlook Scenarios
- Appendix 2 – Non-Pay Inflation Estimates 2018-19
- Appendix 3 - Cost and Demand Pressures 2018-19 to 2020-21
- Appendix 4a/b – Health and Social Care Partnership Cost Pressures
- Appendix 5 – New Policy Options Savings Templates
- Appendix 6 – Service Summary of Budget Position
- Appendix 7 – Transformation Board Activities 2018-19 and beyond
- Appendix 8 – Funding requests (EXEMPT APPENDIX)

	Draft	Best Case Scenario		Mid-Range Scenario		Worst Case Scenario	
	2018-19 £000	2019-20 £000	2020-21 £000	2019-20 £000	2020-21 £000	2019-20 £000	2020-21 £000
Base Budget	235,680	235,680	235,680	235,680	235,680	235,680	235,680
Base Budget Adjustments	535	525	495	525	495	525	525
Revised Base Budget	236,215	236,205	236,175	236,205	236,175	236,205	236,205
Pay Award	2,910	4,316	6,025	5,155	7,444	5,716	8,592
Pay Increments	664	664	664	996	1,328	1,328	1,992
Auto Enrolment	202	202	202	202	202	202	202
Change to employee base	(361)	(382)	(382)	(361)	(361)	(361)	(361)
Total Employee Cost Changes (Council Services)	3,415	4,800	6,509	5,992	8,613	6,885	10,425
Non-Pay Inflation - Council Services	967	1,934	2,901	1,934	2,901	2,874	4,781
ASN - new and increased demand for the service in 2018-19	134	134	134	134	134	134	134
Music Instruction – removal of previously agreed service review saving not achieved	109	109	109	109	109	109	109
Discretionary Business relief due to 2017 revaluations	13	13	13	13	13	13	13
Universal Credit - HB Admin Grant	75	150	150	150	150	150	150
New Schools Unitary Charges	1,206	1,555	1,555	1,555	1,555	1,555	1,555
Asbestos Management Plan	0	0	20	0	40	0	60
Carbon Reduction Scheme	0	0	0	13	13	25	25
Renewal of School and Public Transport Contracts Tiree	4	4	4	4	4	4	4
Renewal of School and Public Transport Contracts Mid Argyll	11	16	16	16	16	16	16
Removal of Fire and Rescue Scotland Contract	11	11	11	11	11	11	11
Local Plan Enquiry	0	90	0	90	0	90	0
Net effect of budget commitments in respect of temporary homelessness and leisure and culture services	60	60	60	60	60	60	60
Waste PPP Financial Model	254	560	560	560	560	560	560
General Allowance for Unidentified Cost and Demand Pressures	0	0	0	250	500	500	1,000
Total Cost and Demand Pressures	1,877	2,702	2,632	2,965	3,165	3,227	3,697
Measures to Balance the Budget:							
Loans Charges Profile Adjustment and Savings	(3,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)
European Funds Saving (one-off)	(249)	0	0	0	0	0	0
Savings in Superannuation Costs	(245)	(245)	(245)	(245)	(245)	(245)	(245)
Savings Options Already Agreed	(2,016)	(2,315)	(2,641)	(2,315)	(2,641)	(2,315)	(2,641)
Fees and Charges	(277)	(739)	(1,201)	(554)	(831)	(369)	(461)
Total Measures to Balance the Budget	(5,987)	(7,499)	(8,287)	(7,314)	(7,917)	(7,129)	(7,547)
Adjustment to Health and Social Care Partnership Payment	(725)	(2,175)	(3,625)	(1,450)	(2,175)	0	0
Total Estimated Expenditure	235,762	235,967	236,305	238,332	240,762	242,062	247,561
Scottish Government Grant	188,777	184,058	179,457	182,642	176,706	181,226	173,977
Council Tax	47,674	49,457	51,317	49,335	51,062	49,215	50,809
Total Funding	236,451	233,515	230,774	231,977	227,768	230,441	224,786
Budget Surplus / (Gap) Cumulative	689	(2,452)	(5,531)	(6,355)	(12,994)	(11,621)	(22,775)
Budget Surplus / (Gap) In Year	689	(3,141)	(3,079)	(7,044)	(6,639)	(12,310)	(11,154)
Policy Savings Options	(1,810)	(3,841)	(5,673)	(3,841)	(5,673)	(3,841)	(5,673)
Revised Budget Surplus / (Gap) Cumulative AFTER policy options	2,499	1,389	142	(2,514)	(7,321)	(7,780)	(17,102)
Revised Budget Surplus / (Gap) In Year AFTER policy options	2,499	(1,110)	(1,247)	(5,013)	(4,807)	(10,279)	(9,322)
<i>Social Work Cost Pressures - For Information:</i>							
<i>Pay Inflation and Increments - Social Work in HSCP</i>	920	1,314	1,714	1,490	2,069	1,664	2,424
<i>Non-Pay Inflation - Social Work in HSCP</i>	1,004	2,008	3,012	2,008	3,012	2,423	3,842
<i>Older People Growth - Social Work in HSCP</i>	714	1,450	2,208	1,450	2,208	2,942	4,547
<i>Care Services for Younger Adults - Social Work in HSCP</i>	482	0	0	986	1,512	2,014	3,159
<i>Carer's Act New Duties - Social Work in HSCP</i>	350	350	350	350	350	350	350
<i>Sleepover provision in Education Hostels - Social Work in HSCP</i>	96	96	96	96	96	96	96
<i>Lorn Campbell Court - Social Work in HSCP</i>	30	30	30	30	30	30	30
<i>Sleepovers - Social Work in HSCP</i>	182	143	172	246	303	286	343
<i>National Care Home Contract - Social Work in HSCP</i>	390	200	205	410	430	629	676
<i>Remove: Criminal Justice Previously Agreed Cost Pressure</i>	(50)	(50)	(50)	(50)	(50)	(50)	(50)
<i>Remove: Auchinlee Previously Agreed Cost Pressure</i>	(229)	(229)	(229)	(229)	(229)	(229)	(229)
Total Social Work Pressures	3,889	5,312	7,508	6,787	9,731	10,155	15,188

Department	Service	Inflation Category	Basis of Inflation	18-19 Inflation %	Inflation 2018-19 £000
Council Wide	Council Wide	Non Domestic Rates	Last year it was forecasted on RPI rate as at Q1 2017. The current rate of RPI has been used at present to allow consideration of the potential costs.	2.60%	128
Council Wide	Council Wide	Non Domestic Rates Relief	Last year it was forecasted on RPI rate as at Q1 2017. The current rate of RPI has been used at present to allow consideration of the potential costs.	2.60%	4
Council Wide	Council Wide	Computer Software	Software charges typically increase by RPI each year.	2.60%	18
Council Wide Total					150
Community Services	Education	Pre-Primary Partner Provider Uplift	Inflationary increase agreed as per service choices	1.00%	17
Community Services Total					17
Customer Services	Facility Services	Catering Purchases and Milk	Inflationary increase in line with 17-18 increase. Food costs increasing and unsure of impact of Brexit, butter prices have risen significantly which has a material impact (cost of cream for butter production has increased from 74p per litre to over £3).	5.00%	85
Customer Services	Facility Services	School and Public Transport Contract Fuel Uplifts	Inflation to fuel element of transport contracts based on projected fuel price increases. Only the fuel element of the contracts would be affected by this uplift.	3.90%	50
Customer Services	Special Projects	Community Pool Subsidies	Forecasted RPI rate for Q1 2018 has been used.	3.50%	22
Customer Services	NPDO	NPDO, Hub Schools	NPDO and Hub Schools contracts are subject to inflation year on year.	2.60%	342
Customer Services Total					499
Development and Infrastructure	Economic Development	Events and Festivals	Service Level Agreements for Major Events & Festivals	2.50%	2
Development and Infrastructure	Roads and Amenities	Landfill Tax	Published predicted landfill taxes from Scottish Government	3.31%	95
Development and Infrastructure	Roads and Amenities	Waste PPP Contract	85% of RPIX between July 16 and July 17	3.29%	184
Development and Infrastructure	Roads and Amenities	Street Lighting Electricity	3% increase in line with the expectations of the financing model for the LED replacement project.	3.00%	20
Development and Infrastructure Total					301
Grand Total					967

COST AND DEMAND PRESSURES 2018-19 to 2020-21

APPENDIX 3

Department	Service	Cost/Demand Pressure	Best Case			Mid Range Scenario			Worst Case		
			2018-19 £000	2019-20 £000	2020-21 £000	2018-19 £000	2019-20 £000	2020-21 £000	2018-19 £000	2019-20 £000	2020-21 £000
Customer Services	Facility Services	Renewal of school and public transport contracts in Mid Argyll in July 2018	11	16	16	11	16	16	11	16	16
Customer Services	Facility Services	Removal of Fire and Rescue Scotland Contract (undergoing re-tender exercise at present)	11	11	11	11	11	11	11	11	11
Development and Infrastructure	Planning and Regulatory Services	Local Plan Enquiry. There is a requirement for the Council to have a local plan enquiry every 5 years as part of legislation - as this is a one-off cost every five years there is no resource included within the current budget.	0	90	0	0	90	0	0	90	0
Development and Infrastructure	Planning Housing and Regulatory Services	Net effect of budget commitments in respect of temporary homelessness and leisure and culture services	60	60	60	60	60	60	60	60	60
Development and Infrastructure	Roads and Amenity	Waste Financial Model - This relates to the financial model that was developed, which forecast overall waste costs until 2039-40. The cost pressure is £254k in 18-19 and £560k in 19-20 and there is no additional cost pressure for 2020-21. However the landfill ban comes into place in January 2021 and it should be noted that this could lead to possible variations with the Shanks contract.	254	560	560	254	560	560	254	560	560
Council Wide	Council Wide	General provision for unidentified Cost and Demand Pressures	0	0	0	0	250	500	0	500	1,000
TOTAL			1,877	2,702	2,632	1,877	2,965	3,165	1,877	3,227	3,697

Service	Inflation Category	Basis of Inflation	18-19 Inflation %	Inflation 2018-19 £000
All Social Work	Living Wage Increases	Inflationary increase for both National Living Wage and Scottish Living Wage for commissioned services, rate increased to £8.75 from May 2018		960
Adult Care	Catering purchases and prepared meals in care homes, day centres, meals on wheels and lunch clubs.	Inflationary increase in line with 17-18 increase. Food costs increasing and unsure of impact of Brexit.	5.00%	12
Adult Care	Purchase and maintenance of OT Equipment	Inflationary increase based on RPI at September 2017 to reflect increased cost of buying specialist equipment to support people at home.	2.60%	6
Children and Families	Catering purchases and prepared meals in children's houses and hostels.	Inflationary increase in line with 17-18 increase. Food costs increasing and unsure of impact of Brexit.	5.00%	6
Children and Families	Adoption Allowances	Allowance rates and fees were not uplifted in 2017/18. Allowance has been made for an increase of 1% to allowances and fees.	1.00%	1
Children and Families	Fostering Allowances	Allowance rates and fees were not uplifted in 2017/18. Allowance has been made for an increase of 1% to allowances and fees.	1.00%	17
Children and Families	Staffing Recharges	Inflationary increase to cover the estimated cost of increments and pay inflation for posts in NHS funded by the Council using an estimate derived from information provided by colleagues in NHS Highland Finance.	4.77%	2
Total Non-Pay Inflation				1,004
Social Work	Pay Inflation	The cost of pay inflation and increments for all Social Work staff - the inflation is based on 3% for all employees below £36,500 and 2% for employees above £36,500.		920
Total Pay Inflation				920
Grand Total Inflation				1,924

SOCIAL WORK COST AND DEMAND PRESSURES 2018-19 to 2020-21

APPENDIX 4b

Service	Cost/Demand Pressure	Cost/Demand Pressure	Best Case			Mid Range			Worst Case		
			2018-19 £000	2019-20 £000	2020-21 £000	2018-19 £000	2019-20 £000	2020-21 £000	2018-19 £000	2019-20 £000	2020-21 £000
Adult Care	The number of older people is increasing and older people are living longer with significant health and support needs and significant expectations of the support they are entitled to receive. Demand pressure estimates 3% growth in homecare and care home placements, this increase is supported by the growth in clients and care requirements over a number of years. The worst case scenario is based on a 6% increase.	Care Services for Older People	714	1,450	2,208	714	1,450	2,208	1,428	2,942	4,547
Adult Care	There has been continuing increase in demand for care and support services for profoundly disabled younger adults (ie under 65) whose parents have historically provided care but are no longer able to. The best case assumes new demand will be met from attrition or reductions in existing services, the mid-range reflects demand of 4.5% and the worst case reflects demand of 9%, the latter reflecting the highest annual increase in demand which occurred in 2016/17.	Care Services for Younger Adults	0	0	0	482	986	1,512	964	2,014	3,159
Social Work (Adult Care and Children and Families)	Carers Act will commence on 1 April 2018. Funding allocated as part of the £66m social care funding, the cost pressure represents the share of funding in relation to the Carers Act and this funding will be the basis of the agreement of the eligibility criteria. There are concerns re the Scottish Government fully funding the commitment and implications of the Act and there is no funding allocation for replacement care, costs will be closely monitored during 2018-19.	Carers Act - New Statutory duties	350	350	350	350	350	350	350	350	350
Children and Families	Sleepover Provision in Education Hostels: Arising as a result of the requirement to bring sleepover rates into line with the National Living Wage.	Sleepover provision	96	96	96	96	96	96	96	96	96
Adult Services	Lorn Campbell Court: Estimated additional funding required to deliver a progressive care service at Lorn Campbell Court. The service model is being finalised at the moment and this pressure will be updated after completion. The full cost is likely to be in the region of £400k with £370k already provided for in 2017/18.	Progressive Care Service - Lorn Campbell Court	30	30	30	30	30	30	30	30	30
Adult Services	Reflects the cost of bringing sleepovers for commissioned social care providers into line with the Scottish Living Wage during 2018-19, the Scottish Government have advised that this will be a requirement during 2018-19. This is being kept under review as there is potential to delay implementation until March 2019, however agreement to this would require a national approach as many providers of sleepovers are national providers who would seek a national agreement for pay parity across areas. Best case reflects the impact if the provision levels can be reduced sufficiently that the savings produced offset the additional costs. The mid-range estimate reflects the impact if demand remains constant and the SSG provides additional funding. The worst case scenario reflects the estimated cost if no additional government funding is provided.	Sleepovers- -Night Rates	111	143	172	182	246	303	222	286	343
Adult Services	National Care Home Contract: Contract rates are negotiated on an annual basis with representatives of the Scottish care home sector by Scotland Excel. The best case scenario figures provided are based on an annual increase of 2.5%, reflecting the estimated increase in the Scottish Living Wage. The mid range reflects and increase of 5% and the worst case 7.5%.	National Care Home Contracts	195	200	205	390	410	430	585	629	676
Two Cost Pressures to be removed:											
Children and Families	New model of providing service on cessation of the Criminal Justice Partnership resulted in additional costs. This additional funding requirement is reduced for 2018-19 as additional funding is to be provided to bring funding allocations into line across Scotland	Criminal Justice Partnership	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Adult Care	Estimated cost of additional financial support for Auchinlee Care Home, agreed by the Integration Joint Board on 29 March 2017. This is was a one year only cost pressure which can be removed for 2018-19.	Auchinlee Care Home	(229)	(229)	(229)	(229)	(229)	(229)	(229)	(229)	(229)
			1,217	1,990	2,782	1,965	3,289	4,650	3,396	6,068	8,922

Ref	Service area	Saving	Description	Proposed Savings					
				2018-19 £000	Posts lost (based on full time hours)	2019-20 £000	Posts lost (based on full time hours)	2020-21 £000	Posts lost (based on full time hours)
TB01-1	Development and Infrastructure (roads and amenity, planning, economic development)	Review support delivered by central council services to Development and Infrastructure Services	Reduce support available, remaining support to managed within services and more reliance to be placed on corporate functions, like the contact centre.	112.5	4.0	150.0	4.0	150.0	4.0
TB03-1	Environmental Health and Animal Health	Increase income through raising fees to better match what is charged by other councils	Charging for services was proposed by the public through previous consultations. This would include increasing food export certificates (discounts for small quantities) and introducing charges for example for resampling water supplies.	140.0	0.0	140.0	0.0	140.0	0.0
TB03-3	Environmental Health and Animal Health	Redesign arrangements for service delivery	This would focus on statutory duties, moving from an area-based delivery model, to one based on specialisms and working commercially.	0.0	0.0	0.0	0.0	63.3	1.6
TB04-2	Regulatory Services	Stop doing work that is not a duty of a council, work with other local authorities as part of the North of Scotland Trading Standards Alliance to achieve efficiencies	Our focus would be on inspecting high risk premises, dealing with consumer complaints, enforcement rather than advice, licencing services and targeted inspections.	27.5	0.6	80.1	1.6	80.1	1.6
TB04-4	Regulatory Services	Remodel advice, debt counselling and welfare rights services.	We will review the support provided to advice agencies and identify more cost effective ways to deliver these services.	11.0	0.0	57.1	1.0	105.1	2.0
TB06-1	Planning/Other Planning Services	Introduce charges for non-statutory pre-application services for all scales of development.	Charging for services was proposed by the public through previous consultations. Charges already apply for major developments.	55.0	0.0	60.0	0.0	65.0	0.0
TB06-2	Planning/Other Planning Services	Stop displaying planning applications in Post Offices.	People would still be able to see planning applications on-line.	5.0	0.0	5.0	0.0	5.0	0.0
TB06-4	Planning/Other Planning Services	Reduce team leadership posts.	Work would be split across three instead of four posts.	0.0	0.0	52.0	1.0	52.0	1.0
TB06-5	Planning/Other Planning Services	Reduce team whose duties include processing householder/major/local planning applications.	Work would be split across 2 instead of 3 technicians, and 2 instead of 3 senior planners. We provide redeployment opportunities where possible.	35.0	1.0	88.0	2.0	88.0	2.0
TB06-9	Planning/Other Planning Services	Increase charges by 3%.	Charges relate to naming/numbering properties, new streets, renaming/renumbering streets, or confirming an address to a solicitor etc	13.0	0.0	21.6	0.0	31.6	0.0
TB07	Depots	Create one main depot in key areas, to reduce running costs and create opportunities to raise income	Employees would work together from one main area depot, rather than be distributed across several small properties in one area.	16.5	0.0	115.5	0.0	172.5	0.0

Ref	Service area	Saving	Description	Proposed Savings					
				2018-19 £000	Posts lost (based on full time hours)	2019-20 £000	Posts lost (based on full time hours)	2020-21 £000	Posts lost (based on full time hours)
TB08	Parking	Increase parking charges and introduce additional parking charges, to places currently not charging, to keep traffic moving, manage demand for parking, and contribute to maintenance of roads infrastructure.	Charging for services was proposed by the public through previous consultations. We will also explore opportunities for commercial use of car parks.	180.0	-1.0	430.0	-3.0	697.0	-3.0
TB09	Public Conveniences	Review public toilet facilities (providing toilets is not a duty of a council)	Close 36 of the 57 public toilets, lease out facilities where refreshment kiosks can also be provided, encourage businesses to make their toilets available or make available for community asset transfer where interest is shown	10.0	1.0	55.0	3.0	80.0	3.0
TB10	Ferries	Review the Islay/Jura ferry service including the cost of bookable services, increase ferry charges to better reflect actual cost, council staff to manage ships instead of an external company.	We would recruit a qualified, experienced Marine Manager to manage ships.	55.0	-1.0	85.0	-1.0	110.0	-1.0
TB11	Piers and Harbours	Increase income to fully fund capital work and loan charges.	Apply a commercial approach to the setting of charges.	284.0	0.0	404.0	0.0	524.0	0.0
TB12a	Amenity Services	Establish a Funeral Directors service.	The council carries out approximately 600 burials and 600 cremations each year. We would recruit a funeral director.	-10.0	-1.0	35.0	-1.0	50.0	-1.0
TB12b	Amenity Services	Review charges for use of Mossfield, Rothesay and Dunoon stadiums to cover the cost of using the venues and make improvement work possible. Provide a portaloos-hire service.	These venues are being used for a growing number of events. A portaloos-hire service would be available for example for community groups and events.	10.0	0.0	20.0	0.0	30.0	0.0
TB12c	Amenity Services	Combine Roads and Amenity teams into one team and review the services provided. This saving is the Amenity Service contribution to that (with TB13c)	Merging the teams will allow us to be more flexible about the way we deliver services. We will also have to reduce the services we provided for example reducing the frequency of grass cutting.	65.0	1.0	150.0	1.0	215.0	2.0
TB13b	Roads and Infrastructure	Introduce or increase charges for non-statutory services; carry out work for other organisations.	We would introduce charges for providing lighting design; and increase charges by 20% for road construction consents, skips, scaffolds, hoarding, permits and licences.	10.0	0.0	50.0	0.0	150.0	0.0
TB13c	Roads and Infrastructure	Combine Roads and Amenity teams into one team and review the services provided. This saving is the Roads Service contribution to that (with TB12c)	Merging the teams will allow us to be more flexible about the way we deliver services. We will also have to reduce the services we provide such as roads maintenance and winter maintenance.	99.0	4.0	457.0	4.0	815.0	6.0

POLICY SAVINGS

APPENDIX 5

Ref	Service area	Saving	Description	Proposed Savings					
				2018-19 £000	Posts lost (based on full time hours)	2019-20 £000	Posts lost (based on full time hours)	2020-21 £000	Posts lost (based on full time hours)
TB14	Waste	Identify opportunities to raise commercial income and reduce costs of collecting and disposing of waste.	Review commercial waste agreements and ensure all waste is being paid for. Explore more cost effective ways of getting waste to its final disposal point.	-130.0	0.0	13.0	0.0	286.0	1.0
TB15	Airports	Review existing air service contracts and the levels of operation. Pursue more commercial opportunities at Oban airport.	The council has 3 airports (Coll, Colonsay and Oban) and subsidises flights between Oban, Coll, Tiree and Colonsay. We will reduce the subsidy available and look to provide commercial services such as the supply of fuel.	80.0	-1.0	160.0	-1.0	298.0	-1.0
TB16-3	Economic Development - Strategic Transportation	Reduce road safety materials budget and remove the Road Safety Unit	Road safety information available through other organisations.	13.0	0.0	84.0	1.7	84.0	1.7
TB16-10	Economic Development - Economic Growth	Re-design the economic development service.	We will focus on activities which have the most impact and work with economic agencies to improve economic outcomes.	0.0	0.0	57.0	1.0	218.0	4.0
TB16-12	Economic Development - Economic Growth	Stop funding Visit Scotland with its move away from providing face-to-face advice to providing information on-line.	We would continue to support tourism through marketing and promotional activities.	91.0	0.0	91.0	0.0	91.0	0.0
TB16-14	Economic Development - projects and regeneration	Remove renewable energy budget	We will continue to work with partners to support the renewables sector.	30.0	0.0	30.0	0.0	30.0	0.0
TB16-19	Economic Development - economic growth	Stop membership of a specialist Europe-focused organisation following the UK decision to leave the European Union.	The organisation is the CPMR - the Conference of Peripheral Maritime Regions.	10.0	0.0	10.0	0.0	10.0	0.0
TB17	Property Services	Identify opportunities for office rationalisation and raising income	This includes exploring options such as raising income through sustainable power, leasing council office space to external organisations or closing council offices by increasing the number of employees who work from home.	27.5	0.0	71.5	0.0	121.5	0.0
TB19	Transport	Reduce costs of the council's use and management of vehicles across different services.	This includes pupil and public transport, pool cars, Fleet and Transport Teams and reducing community grants.	101.0	1.0	141.0	1.0	183.0	1.0
TB20-1	Education (Centrally deployed officers)	Reduce overall number of Centrally deployed officers within the Education Management and Central Team.	Overall reduction in the total number of centrally deployed officers, with further savings options to be pursued (school and teacher budgets excluded).	386.0	8.0	617.0	8.0	617.0	8.0
TB21-1	Design and Project Management Teams	Cross-departmental review and restructure of design and project management teams.	This is about finding opportunities for synergies between teams for making savings and raising income.	36.0	1.0	36.0	1.0	36.0	1.0

POLICY SAVINGS

APPENDIX 5

Ref	Service area	Saving	Description	Proposed Savings					
				2018-19 £000	Posts lost (based on full time hours)	2019-20 £000	Posts lost (based on full time hours)	2020-21 £000	Posts lost (based on full time hours)
TB23	Education - other	Review of current janitor provision within all Argyll and Bute schools.	Review of current janitorial staffing deployment across all schools.	47.0	2.0	75.0	2.0	75.0	2.0
TOTAL SAVINGS IDENTIFIED				1,810.0	19.6	3,840.8	26.3	5,673.1	35.9

POLICY SAVINGS - Changes since October P&R Report

Ref	Saving	Description of Change	Proposed Savings					
			2018-19 £000	FTE	2019-20 £000	FTE	2020-21 £000	FTE
	Total potential Savings as reported to Council on 26 October 2018		1,847.5	22.1	3,865.8	28.8	5,764.6	37.8
TB01-01	Review support delivered by central council services to Development and Infrastructure	Reduced year 1 saving to allow for lead in time and reduced no. of FTE	-37.5	-1.0		-1.0		-1.0
TB08	Increase parking charges and introduce additional parking charges, to places currently not charging, to keep traffic moving, manage demand for parking, and contribute to maintenance of roads infrastructure.	Increase of FTE						-3.0
TB10	Review the Islay/Jura ferry service including the cost of bookable services, increase ferry charges to better reflect actual cost, council staff to manage ships instead of an external company.	Reduced year 2 saving			-25.0			
TB12a	Establish a Funeral Directors service.	Reduced year 3 savings					-50.0	
TB12c	Combine Roads and Amenity teams into one team and review the services provided. This saving is the Amenity Service contribution to that (with TB13c)			1.0		1.0		2.0
TB14	Identify opportunities to raise commercial income and reduce costs of							1.0
TB17	Identify opportunities for office rationalisation and raising income	Reduction to year 3 saving					-41.5	

POLICY SAVINGS - Changes since October P&R Report

Ref	Saving	Description of Change	Proposed Savings					
			2018-19 £000	FTE	2019-20 £000	FTE	2020-21 £000	FTE
TB23	Review of current janitor provision within all Argyll and Bute schools.	Reduction in FTE from original proposal		-2.5		-2.5		-2.5
TOTAL SAVINGS IDENTIFIED			1,810.0	19.6	3,840.8	26.3	5,673.1	34.3

Transformation Board Savings Options Template

Ref:	TB01-01	Operating Principle:	Business cost reduction and service redesign		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:		Budget:	1,753	78	1,675
Service Package:	DIS Directorate; Central Support and Administration and RAMS Admin	Savings	2018-19 £000	2019-20 £000	2020-21 £000
			£112.5	£150	£150
<p>Description and purpose of service package Collectively D&I Directorate, central business support and administration and Roads and Amenity Services employs 49 FTE delivering a range of support services.</p> <p>The range of central support duties provided is wide ranging. Many of the duties performed are considered to be transactional and essential for the core business of Development and Infrastructure Services'.</p> <p>Transactional and core business support includes customer service requests referred to services through the Customer Service Centre and daily management of service email accounts; commercial waste customer account processing; parking permit verifications, parking penalty charge notice administration including responding to representations and income recovery; service administration of ferry direct debits; public liability claims administration; processing planning applications, contributor representations and fee handling; processing building standards warrants, certificates and fee handling; civic government licensing administration and fee handling; food and drink export certificate administration and fee handling; food safety inspection report administration; animal welfare service administration; administration and invoicing for private water supply testing; administration and invoicing of private landlord registration; local development plan administration; performance related data processing in pyramid; processing small level PECOS and manual orders; administration of fees to third parties; departmental complaints handling, member enquiries and information request processing.</p> <p>Additional duties carried out by the team includes departmental public performance reporting; departmental service improvement projects; co-ordination of departmental training needs; customer service development requirements as agreed by the Customer Services Board; and coordination of Customer Service Level Agreement liaison meetings quarterly.</p>					
<p>How will saving be delivered?</p> <p>A proposed re-design of support arrangements will maximise the benefit of corporate ways of working and investments made in central IT systems. It will also help avoid potential duplication of effort as the council moves to right size support functions to complement potentially reduced future service provisions.</p> <p>Staff providing direct support to services will be disaggregated to those teams to facilitate further streamlining of support functions. It is proposed that the remaining small core of support essential for the efficient running of the department will be incorporated into the director's support team. These structural changes will enable management and supervisory posts to be reduced.</p>					

There will also be further development of existing ICT system and a move to automate tasks, reduce resource intensive duties, a shift to self-service alternatives for staff and customers and a reduction in level of support provided in some area.

Strategic and operational risks issues

- Reduced ability to respond to corporate initiative and reporting requirements, placing a greater responsibility on operational staff.
- The team provide support across all operational teams within the department and will require operational staff to self-serve using available ICT systems. This will have an impact across the board on the capacity of these operational teams.
- That customer service performance suffers.
- That processes supporting the recovery of income streams e.g. commercial waste, parking, D&I debtors are less robust and that income is lost as a result.
- That the department is less resilient in its ability to deal with fluctuations in work load and demand for services.

Statutory requirements

The services delivered support statutory Roads and Amenity; Environmental Health, Animal Welfare and Trading Standards; Planning and Building Standards; Public Performance Reporting; and other legislative functions such as information requests and complaint handling. The intention is not to cease providing these statutory functions, rather to streamline their handling and optimise service and other corporate resources for optimum efficiency.

Third Sector/Partnerships

N/A

Rapid EQIA Complete

Full EQIA Required Yes No

Full EQIA Completed Yes No

Health and Safety Impact Assessment Required Yes No

Health and Safety Impact Assessment Completed Yes No

Trade Union Consultation Complete Yes No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Redesign of DIS central support and admin	112.5	4	150	4	150	4
TOTAL	112.5	4	150	4	150	4

Transformation Board Savings Options Template

Ref:	TB03-1 Cost recovery approach to fees and charges	Operating Principle:	Business cost reduction and Income generation		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Planning, Housing and Regulatory Services	Budget:	1,887	630	1,257
Service Package:	Environmental Health and Animal Health	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			140	140	140

Description and purpose of service package

Environmental health and animal health deliver the Council statutory duties and enforce a wide range of legislation. Its purpose is to protect public health (e.g. food safety, health and safety, environmental protection etc.).

How will saving be delivered?

1. This option was developed through benchmarking with other Scottish Local Authorities and comparing fees and charges. This has identified that our fees and charges are lower than the majority of other local authorities and are well below our delivery costs. To achieve these savings, a new charging regime is proposed, to increase existing charges to the benchmark average, and to introducing new fees (e.g. resampling of private water supplies, etc.).
2. The area of highest income will be from food export certificates which is resource intensive, high demand, and likely to increase as a result of Brexit. This work supports food businesses to send their produce (e.g. raw and smoked salmon whisky etc.) to non - EU countries, important for the local and national economy. The Councils fee is the lowest in Scotland at £17.50/certificate and does not recover our costs and diverts resources from other planned statutory work. The highest charge is £127 in Shetland. The proposal would be to introduce a new charging regime for export certificates with a fee of £91 (comparable with Glasgow and lower than many other local authorities) with additional costs for urgent requests and reduced fees for low volume consignments.

Charge	Current ABC Charge	Benchmarking Club average	Benchmarking Club Maximum	Proposed fees and charges for 2018/19	Number 16/17	Projected increase in income levels based on 16/17 demands
Export certificates	17.50	48.82	127.00	91.00	1,758.00	129,213.00
Pet shops	84.70	103.15	165.00	165.00	5.00	401.50
Animal Boarding	128.60	121.14	175.00	175.00	12.00	556.80
Dog Breeding	128.60	137.84	323.00	323.00	1.00	194.40
Riding Establishments	118.30	157.57	410.00	410.00	13.00	3,792.10
Dangerous Wild Animals	118.30	162.46	323.00	323.00	1.00	204.70
Zoos	168.00	352.53	975.00	975.00	2.00	322.80

Venison Dealers	58.45	94.13	167.00	167.00	17.00	1,845.35
Cinema	162.00	313.88	618.00	618.00	7.00	3,192.00
Potential increases in income based on 16/17 data						139,722.65

Strategic and operational risks issues

1. Reputational risk of the Council not being considered to be business friendly due to higher charges for this service. Whilst there is likely to be business opposition, we believe it is fairer and moves closer to better reflect the revenue costs required in delivering services. We will continue to support business who are exporting high quality produce across the world, and that the proposed increase of £73.50 per certificate is not significant against the market value of the consignments (predominately salmon, whisky, shellfish) which are being exported. Notwithstanding this, we will develop a charging scheme which will provide discounts for small quantities and low cost produce, which will be offset by some additional costs where there is a need for special postage, sampling or inspections or very late requests.
2. Lack of sufficient resource to deal with service demand for export certificates post-Brexit where it is envisaged that demand will increase.

Statutory requirements

1. There is a duty on local authority to provide specific services (e.g. licensing and monitoring functions etc.) where the charges are either set by statute or in other cases, are at the discretion of the local authority.
2. Essentially a statutory service regulating legislation and undertaking the Councils statutory duties under a range of legislation including food safety, public health, health and safety at work, environmental protection, private water supplies, licensing standards and animal health and welfare. There is a need for the Council to meet statutory Frameworks which specify the service designs and standards to be achieved.

Third Sector/Partnerships

We will continue to work with our partners including business, consultees and other regulators.

Rapid EQIA Complete

YES

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required Yes No

Health and Safety Impact Assessment Completed Yes No

Trade Union Consultation Complete

Yes

No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB03-1 Cost recovery approach to fees and charges	140	0	140	0	140	0
TOTAL	140	0	140	0	140	0

Transformation Board Savings Options Template

Ref:	TB03-3 Service redesign of environmental health	Operating Principle:	Business cost reduction and Income generation		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Planning, Housing and Regulatory Services	Budget:	1,887	630	1,257
Service Package:	Environmental Health and Animal Health	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
					63.3
Description and purpose of service package					
<p>Environmental health and animal health deliver the Council statutory duties and enforce a wide range of legislation. Its purpose is to protect public health (e.g. food safety, health and safety, environmental protection etc.). Much of our work focusses on health protection (preventing incidents from occurring) and responding to incidents (e.g. E.coli 0157 outbreak and Avian Flu). The service supports economic development and ensures that the basic expectations of society are protected (safe food and drinking water, good housing, safe workplaces and businesses, clean air etc.).</p>					
How will saving be delivered?					
<p>This saving will be achieved by the redesign of the environmental health services from the east/west model to a discipline model (commercial and environment), to build in opportunities for workforce development/succession planning and through efficiencies created by better use of ICT and focussing on our statutory duties and stopping doing some current work which is non-statutory. The saving target can only be achieved by losing 2 posts in our current establishment and the redesign will analyse and identify the resources required to fulfil our statutory duties.</p>					
Strategic and operational risks issues					
<ol style="list-style-type: none"> 1. Risk to delivery of statutory duties; potential increase in non-compliance in lower priority sectors and a greater risk of reputational and punitive action against the Council. (e.g. Food Standards Scotland). 2. The key purpose of these services is to prevent any major incidents which affect the health of the public, and to take steps to manage any incidents when they do occur to prevent any further risks of ill-health (included in top 10 Councils critical activities). Examples include public health/communicable disease incidents (e.g. legionella, E.coli 0157, norovirus etc.). By reducing resource, there is a potential that outbreaks may be more frequent potentially putting the public at greater risk, and there will be reduced capacity to respond. 3. As agreed with Food Standards Scotland we require to fully deliver our Food Control Improvement Plan, which includes the service redesign, and this resource reduction will affect our ability to do so. Supplementary work will be required to analyse the resource requirements of delivering our statutory food duties through the food safety audit/food safety Improvement Plan. This saving will be made in year 3 					
Statutory requirements					
<ol style="list-style-type: none"> 1. This is a statutory service regulating legislation and undertaking the Councils duties under a range of legislation including food safety, public health, health and safety at work, environmental protection, private water supplies, licensing standards and animal health and welfare. There is a need for the Council to meet statutory Frameworks which specify 					

the service designs and standards to be achieved, and a risk that other agencies (e.g. Food Standards Scotland) can assume responsibility for delivering services, in failing authorities

- The service redesign required to achieve the savings target will mean we will only be targeting high and medium risk activities and not routinely inspecting lower risk premises.

Third Sector/Partnerships

We will continue to work with our partners.

Rapid EQIA Complete

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required

Yes

No

Health and Safety Impact Assessment Completed

Yes

No

Trade Union Consultation Complete

Yes

No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB04-2 Redesign of service and reduction in professional TS staff	0	0	0	0	63.3	1.6
TOTAL	0	0	0	0	63.3	1.6

Transformation Board Savings Options Template

Ref:	TB04-2 Service Redesign and reduction in professional Trading Standards staff.	Operating Principle:	Business cost reduction		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Planning, Housing and Regulatory Services	Budget:	642	6	636
Service Package:	Regulatory Services	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			27.5	80.1	80.1
Description and purpose of service package					
<p>The saving will be achieved from a service re-design of trading standards (focussing on statutory work only) and new collaborative working arrangements with other local authorities through the North of Scotland Trading Standards alliance. The national strategic review of trading standards undertaken by the Improvement Service promotes partnership working as a way of tackling the serious risks facing trading standards services in Scotland. A saving of £80,000 is projected over 3 years through staff reductions.</p>					
How will saving be delivered?					
<ol style="list-style-type: none"> 1. The Council set the levels for inspections and visits and there is no statutory minimum although there is a duty to respond to investigate certain specific complaints and regulate business. The intention is to redesign the TS service, move away from programmed work to project related activities; enter into collaborate shared service arrangements with North of Scotland authorities (Argyll and Bute, Aberdeen City, Aberdeenshire, Highland, Moray, Shetland, Orkney and Western Isles) and achieve efficiencies. The reductions proposed will take us towards minimum statutory levels of service and this will be further evaluated on delivery of the new service arrangements. 2. The saving will be achieved from a service re-design of trading standards (focussing on national, regional and local priorities, and statutory work only). This will result in a reduction of 1.6 FTE permanent posts over 2 years (0.6 FTE in year 1, a further 1FTE in year 2), excluding the 2 FTE temporary posts which will be lost through other management savings. 3. The remaining 6FTE will be fully deployed to meet the new service priorities which will target resources where greatest impacts can be delivered. Management of the service and budget will remain with the Council, although through the North of Scotland TS Alliance, there will be greater cooperation across partner Councils, sharing of Lead Officers, a range of common service planning priorities and efficiencies provided by accessing common services (e.g. reference materials, calibration and test services etc.). 					
Strategic and operational risks issues					
<ol style="list-style-type: none"> 1. There is a higher risk to consumer protection and greater level of non-compliance in business sector. These will be mitigated by working more collaboratively (e.g. North of Scotland TS Alliance) where we can share Lead Officers, provide greater coordination and share services. 2. As a result of service redesign and focussing on our statutory activities, there will be some aspects of our current work which we will cease to deliver. There are reputational risks from being unable to meet the expectations of communities or individuals. 					
Statutory requirements					
<ol style="list-style-type: none"> 1. There are elements of the trading standards service which are statutory and must be provided by the Council. The design will be to target our statutory duties (e.g. weights and measures; petroleum licensing; fair trading etc.) and key priorities which will be set based 					

on national, regional and local intelligence. We will no longer provide a range of non-statutory services including the Councils Buy With Confidence scheme.

- It is critical that we move towards a North of Scotland Trading Standards Alliance to offset the impact of these savings. Discussions are progressing well with all Councils agreeing in principle to the new arrangements. A report will require to be brought to Committee for consideration in April 2018.

Third Sector/Partnerships

We will continue to work with our partners and develop a formal agreement with the other local authorities within the North of Scotland Trading Standards Alliance

Rapid EQIA Complete

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required

Yes

No

Health and Safety Impact Assessment Completed

Yes

No

Trade Union Consultation Complete

Yes

No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB04-2 Redesign of service and reduction in professional TS staff	27.5	0.6	80.1	1.6	80.1	1.6
TOTAL	27.5	0.6	80.1	1.6	80.1	1.6

Transformation Board Savings Options Template

Ref:	TB04-4 Redesign of advice services including a review of advice services provided by the Council, and changes to the financial support provided to Advice Agencies	Operating Principle:	Business cost reduction		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Planning, Housing and Regulatory Services	Budget:	642	6	636
Service Package:	Regulatory Services	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			11	57.1	105.1
Description and purpose of service package					
<p>An independent review of advice services in Argyll and Bute made a number of recommendations which are intended to improve the delivery of advice services across Argyll and Bute. An action plan has been developed with partners and this will drive improvements and identify savings options over a three year period. The details of the savings will be identified through the action plan but will include a reduction in core funding to advice agencies, and efficiencies from changes to the delivery of advice services across the Council, including the integration of debt counselling and welfare rights.</p>					
How will saving be delivered?					
<p>The savings will be delivered through the delivery of an action plan which will review advice services in Argyll and Bute. The action plan has been agreed by the Welfare Reform Working Group but will take forward the findings of the independent review of advice services. The Plan will be brought to Policy and Resources Committee for member's consideration and approval. The savings options will be driven by the plan and will consist of:</p>					
<ol style="list-style-type: none"> 1. Converting the core support package the Council provides to Argyll and Bute Citizens Advice Bureau and Bute Advice Centre in 2018/19 to include alternative support (e.g. office accommodation, ICT etc.), rather than solely cash funding. This will reduce the core funding provided to Argyll and Bute Citizens Advice Bureau and Bute Advice Centre of £11,000, (a reduction of £7270 and £3730 for ABCAB and BAC respectively) with the introduction of "in-kind support" to offset these saving (e.g. office accommodations etc.). These will be built into the new contracts which take effect from 1st April 2018. 2. Savings in 2019/20 and 2020/21 totalling £105.1K will be delivered through the delivery of a detailed scoping study (to be agreed with SMT and Policy and Resources Committee) which will aim to: <ul style="list-style-type: none"> o Re-design the Councils core funding arrangements for advice services with key activities and outcomes delivered by a single provider at a reduced cost with "in-kind support" (e.g. co-location of offices with Council services etc). o Integrate debt counselling and welfare rights within Regulatory Services with a resultant reduction in budget and resource. o Review the range of advice services delivered by the Council and endeavour to deliver savings through better integration or alternative means of service delivery. 					
Strategic and operational risks issues					
<ol style="list-style-type: none"> 1. Reputational risk to the Council – removing/reducing our capacity to undertake debt counselling will reduce services to the vulnerable and although they will have access to 					

services through advice agencies or private contractors, these may be less accessible or may incur fees.

2. Reputational risk to the Council for reducing support to Argyll and Bute Citizens Advice Bureau and Bute Advice Centre.
3. Advice agencies have experienced challenges to funding right across Scotland. At the local level both our advice agencies have experienced funding difficulties and both have required emergency support packages from the Council in 2017/18 in addition to the current core funding from the Council (ABCAB £41,250; BAC £22,500). The local advice agencies have experienced funding challenges due to the loss of income streams and through major projects (eg Money Skills Argyll project) not achieving anticipated 17/18 income levels.
4. There is an operational risk to the continuing core funding of Bute Advice Centre (BAC). This is currently paid from the Regulatory Services revenue budget as a result of the council decision taken in 2015 to fund both Argyll and Bute Citizens Advice (ABCAB) and BAC to the 31st March 2018 from reserves. Council will need to consider making the provision of £22,500 for a single year in 2018/19 as an extension of their current SLA to allow the advice services review to conclude and make recommendations to council by no later than end September 2018.
5. Potential that changes to advice services may require clients to access advice differently.

Statutory requirements

1. There is no statutory responsibility to the Council to provide support to citizens' advice agencies or provide advice services such as debt counselling, although these can be encompassed within the general powers of wellbeing.

Third Sector/Partnerships

Advice services in Argyll and Bute are dependent on Council and other third sector and voluntary agencies working together, and this is demonstrated by the Money Skills Agency Project and the referral systems provided through the Argyll and Bute Advice Network.

Rapid EQIA Complete

YES

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required

Yes

No

Health and Safety Impact Assessment Completed

Yes

No

Trade Union Consultation Complete

Yes

No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB04-4 Redesign of advice services including funding to advice services, debt counselling and welfare rights	11	0	57.1	1	105.1	2
TOTAL	11	0	57.1	1	105.1	2

Transformation Board Savings Options Template

Ref:	TB06-1 Introduction of pre-application charges for all scales of development	Operating Principle:	Service re-design and self-funding		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Planning and Regulatory Services	Budget:	2,178	1,182	996
Service Package:	Planning/Other Planning Services	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			55	60	65
Description and purpose of service package					
<p><u>Development Management</u> - facilitating the delivery of the place-shaping vision for the community, environment and economy as set out in the Development Plan through the processing of planning applications and related submissions. Activities extend beyond the scrutiny and determination of planning applications to include: pre-application shaping of developments to promote desired outcomes, monitoring the delivery of proposals and enforcement of planning control where appropriate.</p> <p>Planning management generates significant income. One of the main objectives is to increase this by as much as possible, including the introduction of charges for non-statutory advisory work streams which are currently provided to the public free of charge.</p>					
How will saving be delivered?					
<p>Introduction of new charges for non-statutory activities. Introduce pre-application charges for all scales of development.</p> <p>Demand for pre-application planning enquiries have increased substantially year on year since introduction of the current service in 2011.</p>					
	2013/14	2014/15	2015/16	2016/17	
No. of Pre-Apps	929	951	1,093	1,260	
<p>Benchmarking with other Local Authorities has suggested that there is a willingness to pay for planning advice where fees are equivalent to 25% of the statutory planning fee but that the introduction in charging for pre-application advice is likely to result in an initial 30% reduction in enquiries followed by growth in future years as the customers become used to paying for advice which had previously been obtainable without charge. Linking fees to 25% of the payable statutory planning fee would result in charges of £50 for householder enquiries, £100 per dwelling or £100 per 75sqm of commercial floorspace. Enquiries relating to works which do not involve a statutory planning fee (e.g. listed building consent or works to improve disabled access) would be exempt from pre-app charge – it is estimated that such items relate to 10% of current enquiry volumes.</p> <p>Based on benchmarking, it is anticipated that a chargeable pre-app service would generate in the region of 900 enquiries annually of which 800 would be chargeable. Even based at the lowest charge scale this would generate an income of £40k; it is however recognised that a significant body of existing enquiries relates to new housing and as such would be chargeable at a higher rate giving rise to a reasonable expectation that £55k of additional income is</p>					

realistically achievable in 2018/19. It is forecast that the volume of enquiries is likely to increase as customers become used to paying for the service giving rise to additional income in 2019/20 and 2020/21.

Strategic and operational risks issues

Introduction of charges may de-incentivise developers / agents from submitting pre-application consultations meaning that income targets may not be delivered and poorer quality planning applications being submitted as a result of lack of prior engagement on planning issues.

Statutory requirements

Non-statutory.

Third Sector/Partnerships

N/a

Rapid EQIA Complete

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required

Yes

No

Health and Safety Impact Assessment Completed

Yes

No

Trade Union Consultation Complete

Yes

No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB06-1 Introduction of pre-application charges for all scales of development	55	-	60	-	65	-
TOTAL	55	-	60	-	65	-

Transformation Board

Savings Options Template

Ref:	TB06-2 Cease use of Post Offices for display of planning applications	Operating Principle:	Service re-design and self-funding		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Planning and Regulatory Services	Budget:	2,178	1,182	996
Service Package:	Planning/Other Planning Services	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			5	5	5
Description and purpose of service package					
<p><u>Development Management</u> - facilitating the delivery of the place-shaping vision for the community, environment and economy as set out in the Development Plan through the processing of planning applications and related submissions. Activities extend beyond the scrutiny and determination of planning applications to include: pre-application shaping of developments to promote desired outcomes, monitoring the delivery of proposals and enforcement of planning control where appropriate.</p> <p>This element of the service package seeks to reduce costs through cessation of a non-statutory / discretionary activity.</p>					
How will saving be delivered?					
<p>Cease use of local post offices for display of planning applications. This is currently a non-statutory / discretionary service. Increase promotion of existing facilities to view plans (availability for inspection at local area Council offices and on the planning website portal).</p> <p>Planning applications will be available to the public online via Public Access with hardcopies available for inspection on appointment at the nearest Development Management Office. The exception to this would be in the case of applications for 'Major' development and other applications requiring Environmental Impact Assessment which would be displayed at the nearest Council office to the development given that that large volume of technical supporting information which would typically accompany this type of submission are likely to larger file sizes and appendices of large scales plans that can sometimes prove difficult to review in an online format.</p>					
Strategic and operational risks issues					
Reputational risk from local perceptions of increased difficulty in viewing plans.					
Statutory requirements					
Non-statutory.					
Third Sector/Partnerships					
N/a					
Rapid EQIA Complete			<input checked="" type="checkbox"/>		
Full EQIA Required		Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Full EQIA Completed	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>		
Health and Safety Impact Assessment Required	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
Health and Safety Impact Assessment Completed	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>		
Trade Union Consultation Complete	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>		
Saving Profile						
	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB06-2 Cease use of Post Offices for display of planning applications	5	-	5	-	5	-
TOTAL	5	-	5	-	5	-

Transformation Board Savings Options Template

Ref:	TB06-4 Rationalisation/Reduction of DM Area Management Arrangements	Operating Principle:	Service re-design and self-funding		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Planning and Regulatory Services	Budget:	2,178	1,182	996
Service Package:	Planning/Other Planning Services	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
				52	52

Description and purpose of service package

Development Management - facilitating the delivery of the place-shaping vision for the community, environment and economy as set out in the Development Plan through the processing of planning applications and related submissions. Activities extend beyond the scrutiny and determination of planning applications to include: pre-application shaping of developments to promote desired outcomes, monitoring the delivery of proposals and enforcement of planning control where appropriate.

This element of the service package seeks to reduce costs through redesign of existing service delivery arrangements.

How will saving be delivered?

Implementation of a service redesign across the DM Service which would involve deletion of one of the area team leaders (ATL) posts (senior officer who manages local team using extensive delegated powers for signing off planning decisions, enforcement notices, pre-application enquiries etc.) which better balances workloads across the areas; moving from 4 ATL's to 3, with one of remaining officers covering a wider geographic area. The service review process would seek to mitigate for the risks from a reduction in the DM management team (as identified below) by reinforcing the concept of a virtual team to provide cover arrangements, and retention of a management resource from the Major Application Team in a central role to facilitate management of committees, to support the Development Manager, and provide a degree of flexibility and cover for review and sign off of 'local' casework.

2016/17 DM/Enforcement Caseload Breakdown						
	B&C	H&L	MAKI	OLI	Major	ABC
Statutory Items	329	326	623	629	30	1937
Non-Statutory Items (inc. Pre-apps)	241	288	334	376	35	1274
Enforcement Items	45	43	126	84	0	298
Total Caseload	615	657	1083	1089	65	3509
% of ABC Caseload	17.5%	18.5%	31%	31%	2%	100%
FTEs (16/17)	4	4.75	5	6	4	23.75fte

Strategic and operational risks issues

- Reduced availability of management resource within the East of Argyll and Bute where the expectation is that the management availability for H&L / B&C would be reduced by 50%

from current arrangements to reflect average workloads. Arrangements would result in less resilience within wider DM team leading to potential risk of delays in signing off delegated work – negatively impacting on planning performance – also reputational risk from increased levels of complaint / dissatisfaction with levels of service.

- Reduction in number of senior officers would significantly decrease the level of experience and professional knowledge within the DM service giving rise to increased pressure upon the remaining staff resource with negative impacts upon performance, reduced capacity to manage periods of planned/unplanned absence, and greater risk of maladministration.
- Reduced flexibility and capacity within the wider virtual team to accommodate unplanned work pressures such the reprioritisation of resources necessary to fast track complex applications or economically important developments, a significant increase in workload arising from economic recovery, or significant periods of unplanned absence.
- Short term transitional risk of diminished quality review of delegated decision mitigated by greater use of photographs, videos etc.
- Less resilience within team could lead to risk of Scottish Government triggering planning penalty clause and/or potential reduction in benefit of future planning fee increases if these are directly linked to performance as indicated in recent Planning Bill.

Statutory requirements

The processing of planning applications and related submissions (The Planning etc. (Scotland) Act 2006).

Third Sector/Partnerships

N/a

Rapid EQIA Complete

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required

Yes

No

Health and Safety Impact Assessment Completed

Yes

No

Trade Union Consultation Complete

Yes

No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB06-4 Rationalisation/Reduction of DM Area Management Arrangements	0	-	52	1	52	1
TOTAL	0	-	52	1	52	1

Transformation Board Savings Options Template

Ref:	TB06-5 Rationalisation/Reduction of DM Service Delivery Arrangements	Operating Principle:	Service re-design and self-funding		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Planning and Regulatory Services	Budget:	2,178	1,182	996
Service Package:	Planning/Other Planning Services	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			35	88	88
Description and purpose of service package					
<p><u>Development Management</u> - facilitating the delivery of the place-shaping vision for the community, environment and economy as set out in the Development Plan through the processing of planning applications and related submissions. Activities extend beyond the scrutiny and determination of planning applications to include: pre-application shaping of developments to promote desired outcomes, monitoring the delivery of proposals and enforcement of planning control where appropriate.</p> <p>This element of the service package seeks to reduce costs through redesign of existing service delivery arrangements.</p>					
How will saving be delivered?					
<p>Implementation of a service redesign across the whole DM Service which will review the service structure, team management arrangements, workloads, delegation of responsibility, use of specialisms, working practices and implementation of the digital agenda to create and release additional capacity within the retained workforce with the intent that current statutory and non-statutory caseload and performance levels can be maintained in so far as is possible despite the identified reduction in staffing levels.</p> <p>Within this savings package service redesign / reduction in 2018/19 would involve deletion of 1 x planning technician post (currently vacant) (duties include processing householder applications, pre-application enquiries) with workload passed on to remaining technical officers (x2) and professional planning officers.</p> <p>Within this savings package service redesign / reduction for 2019/20 would focus on the staff resource of the Major Application team with the reduction of 1 x senior planners post (duties include processing major applications, local applications, pre-applications) with workload passed onto remaining senior planners (x2).</p>					
Strategic and operational risks issues					
<ul style="list-style-type: none"> • Less resilience in teams leading to delays in processing planning applications and related submissions. Council currently one of the top performing planning authorities (above national average performance) with risks that we will move to median / below national average processing authority. • Reduced flexibility and capacity within the wider virtual team to accommodate unplanned work pressures such the reprioritisation of resources necessary to fast track complex 					

applications or economically important developments, a significant increase in workload arising from economic recovery, or significant periods of unplanned absence.

- Longer processing times for applications gives rise to reputational risk and risk of increased levels of complaint / dissatisfaction with level of service.
- Less resilience within team could lead to risk of Scottish Government triggering planning penalty clause and/or potential reduction in benefit of future planning fee increases if these are directly linked to performance as indicated in recent Planning Bill.

Statutory requirements

The processing of planning applications and related submissions (The Planning etc. (Scotland) Act 2006).

Third Sector/Partnerships

N/a

Rapid EQIA Complete

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required Yes No

Health and Safety Impact Assessment Completed Yes No

Trade Union Consultation Complete Yes No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB06-5 Rationalisation/Reduction of DM Service Delivery Arrangements	35	1	88	2	88	2
TOTAL	35	1	88	2	88	2

Transformation Board

Savings Options Template

Ref:	TB06-9 Development Policy Fee Increases	Operating Principle:	Service re-design and self-funding		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Planning and Regulatory Services	Budget:	2,178	1,182	996
Service Package:	Planning/Other Planning Services	Minimum Savings Target:	2018-19	2019-20	2020-21
			£13	£21.6	£31.6
			149	298	497
Description and purpose of service package					
<p><u>Development Policy</u> - preparation, monitoring, review and implementation of the Argyll and Bute Local Development Plan together with all associated strategies including the Local Biodiversity Action Plan; Woodland and Forestry Strategy; Integrated Coastal Zone Management Plans and the access function under the Land Reform Act and delivering the Council's GIS functions.</p>					
How will saving be delivered?					
<p>The current fees are on the website at https://www.argyll-bute.gov.uk/street-naming-and-numbering and these charges with the proposed increases for 2018/19 are:</p> <ul style="list-style-type: none"> - Naming and/or numbering of one property £80.00 (increase to £84.80) - Naming and/or numbering each of the 2nd to 50th additional properties £40.00 (increase to £42.40) - Naming and/or numbering each additional property over 50 £20.00 (increase to £21.20) - Naming a new street £175.00 (increase to £185.50) - Changing a property name or adding to the Royal Mail database £77.25 (increase to £81.90) - Confirming an address to a solicitor, property owner or any organisation £51.50 per letter (increase to £54.60) - Renaming or renumbering a street - as for new properties <p>In 2016/17 we processed 148 applications, which was well above the expected number for the first year of the charging regime, and projections for 2017/18 indicate a similar number is expected. If these numbers continue a £10k over performance in 2018/19 can be achieved and should continue for subsequent years.</p> <p>In 19/20 we will reduce the discount for the bulk numbering of large development sites, add an above inflationary 3% and start to publicise the street naming and numbering service. This is forecast to deliver £4k. In 20/21 we will repeat this process and forecast an increase of £8k.</p> <p>A rebate of £3k from the newly introduced Local Government Spatial Hub is forecast for 2018/19 rising to £7.6k in 19/20 and £13.6k in 20/21.</p>					
			18/19	19/20	20/21
			£10 k over performance of street naming / numbering	£10k over performance of street naming and numbering	£10k over performance of street naming and numbering
				£4k increase to fees & publicity	£8k increase to fees & publicity
			£3k income from spatial hub	£7.6k income from spatial hub	£13.6 income from spatial hub
			£13k	£21.6k	£31.6k
Strategic and operational risks issues					
<ul style="list-style-type: none"> • Risks are low but would stem from failure to deliver projected fees. • Street naming and numbering is in our control so limited risk would be downturn in 					

applications but this could be mitigated by promoting the property name change service.

- Spatial Hub rebate is a new national venture which confidently predicts the income projected and anticipates considerably more, but as a new venture there is a risk of underperformance.

Statutory requirements

Development Policy:

The Planning etc. (Scotland) Act 2006 – Production of Local Development Plan.

Marine (Scotland) Act 2010 – Development of Regional Marine Plans.

Land Reform (Scotland) Act 2003 - Public Rights of Access, Core Paths Plan, Scottish Outdoor Access Code.

Nature Conservation (Scotland) Act 2004 - Local Biodiversity Action Plan.

INSPIRE (Scotland) Regulations 2009 - GIS data management.

Third Sector/Partnerships

Rapid EQIA Complete

Yes

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required

Yes

No

Health and Safety Impact Assessment Completed

Yes

No

Trade Union Consultation Complete

Yes

No

Savings Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB06-9 Development Policy Fee Increases	13	-	21.6	-	31.6	-
TOTAL	13		21.6		31.6	

Transformation Board Savings Options Template

Ref:	TB07	Operating Principle:	Business cost reduction, income generation and maximisation, service redesign and self-funding		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Roads and Amenity Services	Budget:	596		596
Service Package:	Depots	Savings	2018-19 £000	2019-20 £000	2020-21 £000
			16.5	115.5	172.5

Description and purpose of service package

Roads and Amenity Services have works depots across the council area. In a number of areas both the former district council and regional council depots are still in use. With the reduction in staff and associated vehicles following both the service review and service choices processes, there is no longer the need for two depots to exist. There are also a small number of property assets which are surplus to requirements where disposal is now appropriate.

As part of the Depot Rationalisation proposal there will be a requirement for new buildings and infrastructure to be provided. A business case is being developed which will include an options appraisal and indicative costs for the infrastructure detailed above.

How will saving be delivered?

Rationalisation of depots to one per area at the locations detailed below. The timescales detailed are indicative with the actual programme being driven by the highest revenue savings and capital receipts, should market opportunities arise that are advantageous for the council the programme will be adjusted to accommodate this. Whilst activity will be taking place from current date the dates below indicate when actual savings will be realised:

2017 and 2018-19

- Appin Roads Depot – to be taken to the market for residential development. Appin Depot was of strategic importance when the Council managed and maintained the trunk road network. Whilst this depot has been used in recent years it is not operationally essential with primary salt supplies being kept in both Oban and Dalmally. Arrangements are in place for an up to date valuation to be carried out which will inform how this site can be best marketed in response to current market conditions. Mutual aid arrangements for salt suppliers are also in place with the trunk road provider.
- Disposal of vacant sites and removal of any anomalies around NDR/utility charges etc across all depots, including Hermitage Park.
- Staff consultation, necessary permissions and permits etc, feasibility for alternative sites for Oban (already in progress and soon to move from feasibility to detailed design), Lochgilphead and Rothesay. Options appraisal being progressed for Dunoon, this location is complicated by a long term lease arrangement. It is understood that the landlord for the Dunoon site is currently marketing the property with the Council as a sitting tenant. This gives the Council the option of considering purchase which would remove the exposure with the requirements at the end of the lease.

2019-20

- Oban – currently progressing a single depot, preferred site being Jacksons Quarry but subject to completing ongoing feasibility work currently being undertaken by ABCs

property team. Feasibility and design to be completed and construction commenced and all endeavours made to complete by end of 2018-19 with full savings being realised by 2019-20.

- Lochgilphead – depots currently located in Kilmory industrial estate with two additional depots located off Bishopton Road (shared boundary but physically separated by a burn). Proposal to locate all to existing depot at Kilmory industrial estate. Planning and SEPA consents required.

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- Rothesay – depots currently located at High Street and Union Street. Feasibility study to determine the most suitable location/site that has potential for the greatest capital receipt.
- Dunoon – two depots currently located at Victoria Road. Roads depot is subject to a long term lease. The landlord has recently marketed the site and the Council expressed interest in this and we are awaiting confirmation of the landlords next move. This will determine what our next actions will be. However, given the contractual position there is no straight forward option available to us.
- Islay – options appraisal to be carried out with a view to relocating from the Bowmore sites to Gartbreck. Options appraisal to consider environmental issues (salt marsh) and utility capacity, understood to be limitations to electricity. Mess and welfare facilities will need to be extended to accommodate the larger team
- Investment requirement for strategic salt store to replace the former salt store at the airport/Appin depot sites. Location flexible but a low value site on the perimeter of the airfield would be ideal. The proposal is to hold a strategic salt reserve of between 5000 – 8000 tonnes (non-operational stock to be used in the event of a significant winter such as 2010 when national supply could not meet demand).
- Campbeltown – roads depot currently situated at Machrihanish, the Rhoim salt store has now been vacated and the site disposed of. Amenity Services are currently based on the Roothing along with Fleet. It is proposed that both fleet and amenity are moved to Machrihanish. BEAR Scotland also have a presence at Machrihanish where they keep equipment on behalf of Transport Scotland under their trunk road maintenance contract (the winter maintenance service and response to Category 1 defects are provided by ABC on a contracted basis to BEAR).

The current plan is to progress with Oban following last year's fire, with Lochgilphead as second priority given the deteriorating state of the fleet workshop on Bishopton Road. Each depot project will be time consuming and it is proposed that an overall programme is progressed between now and 2021.

The programme of depot rationalisation will be determined by the revenue savings that can be achieved and also market opportunities/commercial interest in any other sites. Where commercial interest is expressed and there is an opportunity for a capital receipt, that site will be prioritised and progressed.

There are numerous benefits to be derived from combining depots, both financial and cultural. Once sites can be vacated there will be a reduction in NDR, utility costs and the added benefit of more efficient working from a single location. The projects will be progressed on a spend to save basis with progression based on an assessment of the return on investment.

The overall depot programme will require capital investment. It is possible that some of the capital investment can be realised by capital receipts achieved through depot disposal with investments linked to returns. Further funding would be released through reduced expenditure from the depots which close. However, there is a risk should the capital investments not be realised, this would require funding to be found which could be paid back from capital receipts once depot sites are successfully marketed.

Strategic and operational risks issues

- Cost of depot rationalisation will need to be budgeted for and there may be a delay in realising any capital receipts
- Staff and Trade Union consultation will need to be carefully managed to ensure that staff are fully on board with the proposals.
- Costs associated with early termination of Dunoon lease
- Depot rationalisation will need sufficient resource to project management delivery of the overall programme. This is not currently factored into the net savings position outlined below.

Statutory requirements

Various permissions and consents will be required for any new build. Similarly, permissions and consents will be required for the development of the vacated sites that we seek to secure a capital receipt for.

Third Sector/Partnerships

Lochgilphead Kilmory depot currently has a small space occupied by the GRAB Trust. This will need to be reviewed as part of the rationalisation process.

Rapid EQIA Complete ✓

Full EQIA Required Yes ✓ No

Full EQIA Completed Yes ✓ No

Health and Safety Impact Assessment Required Yes ✓ No

Health and Safety Impact Assessment Completed Yes ✓ No

Trade Union Consultation Complete Yes ✓ No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Sub saving description	16.5	0	115.5	0	172.5	0
Sub saving description						
Sub saving description						
TOTAL	16.5		115.5		172.5	

Transformation Board Savings Options Template

Ref:	TB08	Operating Principle:	Service Redesign		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Roads and Amenity Services	Budget:	718	1,212	-494
Service Package:	Parking	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			180	430	697

Description and purpose of service package

The council has a number of off street car parks. In busier locations where historically demand has been high the council has introduced pay and display. There are however, a number of car parks in areas where demand is now high where charging does not take place.

The council also has pay and display parking on street in Oban. Currently there are no other locations in Argyll and Bute where on street parking charges apply. As part of this package on street charges will be introduced to locations where parking demand is high.

The council operates Decriminalised Parking Enforcement across the parking area. Police Scotland only have a remit in situations where a vehicle is causing an obstruction or parked dangerously.

How will saving be delivered?

The proposal is to transform the way in which parking in the area is managed to reflect the market and demand for car parking. Charges will also reflect the support required to manage the various levels of local parking and roads infrastructure that in the main reflects visitor numbers and economic activity. Parking will provide a mechanism of securing contributions to support local infrastructure from visitors to the area and also manage demand to stimulate parking turnover for positive economic benefit. This provides a better synergy between current investment and parking revenues. In order for parking to be well managed, ensure road safety and provide the turnover our businesses and communities require, there needs to be a system of charging in place. In short, well managed car parks need to be self-financing through paid-for parking.

The focus will be towards ensuring locations of high demand, such as tourist locations, will see the greatest number of both on and off street charges applied in order to ensure a reasonable turnover of parking spaces to support the economic viability of our towns and villages. A balance between demand management and meeting local needs must always be struck.

The overall policy approach is to:

- manage demand for parking – charging in locations where there is greatest demand for spaces,
- to ensure the best economic output is achieved from available parking spaces by managing a parking turnaround to increase economic activity in our towns
- to ensure parking does not compromise safety
- to provide equality to individuals with disabilities who require more convenient parking

This service package will adjust the number of pay for car park and on street parking facilities. This will help to provide improved traffic management, parking management and create a turnover of parking spaces on street and off.

An options appraisal is being carried out to determine the most cost effective delivery of the back office system. A further options appraisal will be carried out in 2018/19 looking at the scope and opportunities of an arm's length organisation to generate car parking income, early indications suggest there is limited, if any, financial benefit of operating parking as an arm's length organisation.

Where parking demand is high Introduce parking charges to on and off street car parking where there is currently no charge. Charges to be £1.00 per hour off street and £1.20 per hour on street.

Franchise kiosk facilities providing snacks and drinks (subject to various permissions) at Duck Bay and Arrochar and other similar locations where a business case can justify this.

Introduce charges for e-charging for electric vehicles – benchmark with other UK Councils (it is understood that Moray have introduced charges). There is not expected to be significant income from this initiative until electric cars become more common.

Key tourist destinations such as Arrochar, Duck Bay etc will have parking charges applied based on what the market can sustain.

There are a number of TROs currently in progress that resulted from the parking reviews following the introduction of DPE. These parking reviews are at various stages with some elements having been introduced, some out to consultation and others awaiting decisions following mixed representation. These TROs currently in progress will contribute towards the year 1 savings from these templates whilst allowing officers to progress the necessary preparatory work.

To help ensure a consistent approach to parking across the area, where demand requires regulation and/or charging this proposal also transfers the decision making from Area Committees to the PPSL.

A summary of the additional income from proposals currently identified is detailed in the table below, further analysis of high demand locations may identify further proposals:

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Oban off street	100,000		145,000		210,000	
Oban on street	20,000		40,000		60,000	
Arrochar and Duck Bay	90,000		180,000		250,000	
Additional Warden Oban	-30,000	-1	-30,000	-1	-30,000	-1
Additional Warden Mull			-30,000	-1	-30,000	-1
Additional Warden Lomond			-30,000	-1	-30,000	-1
Mull off and on street			90,000		170,000	
Helensburgh Sinclair Street			30,000		30,000	
Helensburgh on street			10,000		30,000	
Inveraray on street			5,000		5,000	
Inveraray off street			5,000		5,000	
Cowal off street			15,000		25,000	
Income from electric vehicles					2,000	
TOTAL (cumulative)	180,000	-1	430,000	-3	697,000	-3

Strategic and operational risks issues

- Objections to Traffic Regulation Orders extending charging periods and introducing new charges.
- Delays in processing TRO and following the statutory process – to be mitigated by prioritising the necessary processes and works, supplementing internal resource as required.
- Lead in time prolonged due to objections/representation/political decisions
- Increased number of vehicles parking on street as opposed to off street – where this could cause problems through demand for spaces or road safety issues, these matters can be managed through the DPE process.
- Income received does not reach anticipated levels.
- Reputational risks may arise from changes in parking charges. This is particularly relevant in the short term to Helensburgh where the waterfront project will provide a period of disruption by removing a large proportion of current parking provision serving the town during the construction phase.

Statutory requirements

Alterations to car parking charges and introduction of charges where they do not currently exist require processes set down in statute the Road Traffic Act 1984. This requires that proposals are advertised and that any representations are given due consideration. Objections can result in TROs not being progressed which will impact on the savings proposed in this area.

Third Sector/Partnerships

None known.

Rapid EQIA Complete

✓

Full EQIA Required

Yes

No

✓

Full EQIA Completed

Yes

No

✓

Health and Safety Impact Assessment Required

Yes

✓

No

Health and Safety Impact Assessment Completed

Yes

✓

No

✓

Trade Union Consultation Complete

Yes

✓

No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Sub saving description	180	-1	250	-3	267	-3
Sub saving description						
Sub saving description						
TOTAL (cumulative)	180	-1	430	-3	697	-3

Transformation Board Savings Options Template

Ref:	TB09	Operating Principle:	Service Redesign		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Roads and Amenity Services	Budget:	546	290	256
Service Package:	Public Conveniences	Savings	2018-19 £000	2019-20 £000	2020-21 £000
			10	55	80

Description and purpose of service package

The council operates and maintains public conveniences across the council area. The council does not receive any GAE or other grant for public conveniences. There is no statutory requirement for councils to provide public conveniences.

How will saving be delivered?

The closure of public conveniences will be carried out to any locations which cannot be funded through charging or via the marine account. This will allow 25 public conveniences to remain operational and 37 proposed for closure. Closures would take place from September 2018 following the 2018 tourist season. All facilities proposed for closure will be offered to the market with a view to disposing of these assets on a commercial basis. Locations proposed for closure will also be offered for communities to run. There will be no funding for ongoing costs provided to communities with any community wishing to take over a public convenience having to be able to self-fund utility charges, ongoing building maintenance and servicing/cleaning materials and toilet rolls. In addition, where applicable, NDR will also be chargeable.

This proposal will close all of the following public conveniences (unless an alternative or third sector providing comes forward), in September 2018 when subject to no alternative or third sector provision being forthcoming, the buildings will be decommissioned then demolished. This will remove the need to pay for NDR and utility charges. Without this, the savings will not be realised in full. Service will look at simplified community asset transfer process that will enable groups expressing interest to come forward and secure agreement within a reduced timeframe. Communities will be encouraged to consider the Strategic Tourism Fund.

PCs proposed for closure – total 37

MAKI (12) – Ardrishaig, Kilmartin, Crinan, Tayvallich, Bolgam Street, Machrihanish, Southend, Bowmore, Bridgend, Port Ellen, Portnahaven, Claonaig

OLI (9) – Ganavan, Luing, Pulpit Hill, Taynuilt, Bunessan, Calgary Beach, Salen, Ulva Ferry, Scaranish

Bute and Cowal (15) – Kilchattan Bay, Port Bannantyne, Carrick, Colintrave, Glendaruel, Innellan, Kames, Kilmun, Lochgoilhead, Tighnabruaich, Chapel Hill, High Street, Glen Morag, Sandy Beach, Sandbank

Helensburgh and Lomond (1) – Rhu

PCs proposed to remain open

The following public conveniences will continue to be maintained as part of Piers and Harbours:-

Carradale, Gigha, Tayinloan, Pensioner's Row, Bruichladdich, Port Askaig, Feolin Jura, Craighouse Jura, North Pier Oban, Ellenbeich, Cuan Ferry, Achnacroish (Lismore), Lismore Point, Port Appin, Coll, Craignure, Fionnphort, Iona, Rothesay, Helensburgh Pier, Kilcreggan (for the avoidance of doubt the 21 public conveniences in this list will be maintained and kept open via the piers and harbours account). In addition to Inveraray and Lochgilphead which will be marketed with kiosks and Tarbert and Moir Street, Riverside, Dunoon which have turnstiles.

Converting existing public conveniences to provide a food and beverage offer at both Lochgilphead and Inveraray. This proposal will include minor alterations to the buildings to either utilise the existing floor space or alternatively add on a small extension from which refreshments can be sold. This to be delivered through a "franchise" where the franchisee would also be responsible for servicing the toilets and carrying out minor grounds maintenance, litter collections etc from the immediate vicinity. In Lochgilphead, it is envisaged that this would extend to managing the pitch and putt facility on the front green (historically this has been leased out but currently this has not been taken up this financial year).

There may be other locations that this franchise model can be progressed – further work to be carried out to explore the feasibility for this.

Tarbert and Moir Street, Riverside, Dunoon have sufficient use to justify turnstiles and generate income therefore are proposed to remain open.

The savings will be delivered by new commercial opportunity providing income through lease arrangements for the PCs where this is viable and also through removing other PCs either through disposal to the market or where that is not successful, through demolition. Removing PCs will save NDR, utility costs and a small element of staffing.

ABC also advertises for expressions of interest from businesses to join a comfort scheme. Businesses will be publicised on ABC website to encourage sign up.

Strategic and operational risks issues

- Community perception and complaints / tourism impact
- Impacts in relation to the appearance of the Council's assets.
- Impact to promoting the economy.
- Damage to existing partnerships
- Unable to dispose of buildings following closure of facility – mitigated by review and consideration for demolition and site clearance following a 6 month marketing process. This may require an allocation of capital in order to fund the demolition.
- Capital funding may be required for franchise opportunities to be realised.

Statutory requirements

None known in terms of the provision of public conveniences. However, there will be health and safety statutory requirements in terms of demolition, removal of utility services etc. Some of the PCs are understood to contain asbestos and this will have to be removed under a controlled process.

Third Sector/Partnerships

Where third sector partnerships can be established at no cost to the Council these will be pursued for the alternative provision of public conveniences.

Rapid EQIA Complete		✓		
Full EQIA Required	Yes	✓	No	
Full EQIA Completed	Yes	✓	No	
Health and Safety Impact Assessment Required	Yes	✓	No	
Health and Safety Impact Assessment Completed	Yes	✓	No	✓
Trade Union Consultation Complete	Yes	✓	No	

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Sub saving description	10	1	55	3	80	3
Sub saving description						
Sub saving description						
TOTAL (cumulative)	10	1	55	3	80	3

Transformation Board

Savings Options Template

Ref:	TB10	Operating Principle:	Service redesign and Income generation and maximisation		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Roads and Amenity Services	Budget:	1,327	220	1,107
Service Package:	Ferries	Savings	2018-19 £000	2019-20 £000	2020-21 £000
			55	85	110

Description and purpose of service package

The councils ferry service provides vehicle service to Luing and Jura. The Luing service is delivered in house and currently the Jura service is delivered on behalf of the council by ASP. The council also provides foot passenger services to both Easdale and Lismore. The management of all the vessels is carried out by ASP, this includes arranging for annual inspections and refits, replacement vessels and provision of health and safety information to staff. The day to day line management of council staff is delivered internally and as part of this proposal we will move all the services to be managed internally (terminating the ASP contract)

How will saving be delivered?

- Deliver current ship management arrangements in-house (currently ASP) by employing a suitably qualified professional. Saving approximately £55k per year. Delivered in year 1.
- Deliver Jura ferry in-house (subject to review of transfer of assets to Transport Scotland) to make the service more sustainable (e.g. only run additional sailings subject to a minimum no. of passengers). TUPE would apply to existing crew.
- Review the on demand service for Islay/Jura (currently ferry runs over and above timetable, these can be requisitioned) and the ferry fares to enable cost recovery to be achieved. In house delivery and review of fares (saving approximately £30k per year). Delivered in year 2 and achieved in line with the current practice with the Lismore ferry which reflects cost recovery.
- Increase ferry charges for all services to make the services more sustainable in year 3 across all council ferry services to a total of £25k. This is against a total ferry income of approximately £250k from the ferries the council currently run plus an estimated £300k of new income that under the contract with ASP, currently goes to ASP.

Strategic and operational risks issues

- Ability to recruit a suitably qualified and experienced Marine Manager to deal with statutory shipping and vessel requirements.
- Unknown outcome from the six stage process with Transport Scotland regarding possible transfer of ferries.
- Objections from communities regarding increased ferry charges.
- TUPE implications for ferry in house delivery/transfer.

Statutory requirements

Need to be compliant with the Port Marine Safety Code, requirements of the MCA and general health and safety.

Third Sector/Partnerships

Potential reputational issues with island community regarding reduction in service proposals.

Rapid EQIA Complete ✓

Full EQIA Required Yes No ✓

Full EQIA Completed Yes No ✓

Health and Safety Impact Assessment Required Yes ✓ No

Health and Safety Impact Assessment Completed Yes ✓ No

Trade Union Consultation Complete Yes ✓ No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Sub saving description	55	-1	85	-1	110	-1
Sub saving description						
Sub saving description						
TOTAL (cumulative)	55	-1	85	-1	110	-1

Transformation Board Savings Options Template

Ref:	TB11	Operating Principle:	Service redesign and Income maximisation and generation		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Roads and Amenity Services	Budget:	2,829	5,230	-2,401
Service Package:	Piers and Harbours	Savings	2018-19 £000	2019-20 £000	2020-21 £000
			£284	£404	£524
Description and purpose of service package					
<p>Piers and Harbours are responsible for maintaining 39 council owned assets across the council area. These vary in scale and complexity from Craignure which receives numerous ferries each day, Campbeltown which receives fishing boats, pleasure crafts, commercial freight vessels and ferries to small unstaffed slipways which maybe be used by the occasional fishermen, kayaker etc. The service package includes staffing to the larger ports and harbours, maintenance and management of the physical infrastructure, coordinating vessels coming into the ports and harbours and general day to day management of the marine facilities.</p>					
How will saving be delivered?					
<ul style="list-style-type: none"> • Service redesign to more efficiently provide staffing to cover operational requirements. • Maximise income through charging for additional services provided – such as rope-handling and car marshalling on behalf of Calmac, electricity and water and increased commercial opportunity through the buildings and assets within Piers and Harbours. • Scope out, on a commercial basis, supplying marine fuel at Oban and Campbeltown and ice making provision for fishermen at Campbeltown. • Ongoing review of fees and charges designed to cover loan charges associated with infrastructure improvements. • Increases to fees and charges over and above inflation to ensure that work identified in the Asset Management Plan can be fully funded. The report to the Harbour Board on 23 January 2018 put forward a proposal that would realise the additional income detailed above should this proposal be adopted as part of the Council's budget process. 					
Strategic and operational risks issues					
<ul style="list-style-type: none"> • Ability to recruit a suitably qualified and experienced Marine Manager to deal with statutory shipping and vessel requirements • Not achieving any sufficient additional fee income • Unknown outcome from the six stage process with Transport Scotland regarding possible transfer of ferries • Cooperation from staff and trade unions regarding service redesign • Reaction from ferry operators • Progression of a single harbour authority. Details of which were reported to the Harbour Board 23 January. 					
Statutory requirements					
Need to be compliant with the Port Marine Safety Code, requirements of the MCA and general health and safety.					

Third Sector/Partnerships						
Potential reputational issues with island community regarding reduction in any service proposals.						
Rapid EQIA Complete						✓
Full EQIA Required	Yes		No			✓
Full EQIA Completed	Yes		No			✓
Health and Safety Impact Assessment Required	Yes			✓		No
Health and Safety Impact Assessment Completed	Yes			✓		No
Trade Union Consultation Complete	Yes			✓		No
Saving Profile						
	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Sub saving description	284		404		524	
Sub saving description						
Sub saving description						
TOTAL (cumulative)	284		404		524	

Transformation Board

Savings Options Template

Ref:	TB12a	Operating Principle:	Service Redesign		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Roads and Amenity Services	Budget:	5,637	2,830	2,807
Service Package:	Amenity Services (excluding fleet costs) Funeral Related Services	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			-10	35	50
Description and purpose of service package					
<p>The council currently has responsibility for 131 cemeteries across the council area of which approximately half continue to take interments with the remainder having no further capacity. All sites are maintained. The council also has one crematorium located at Cardross. The council carries out approximately 600 interments and 600 cremations each year.</p> <p>There are a number of other initiatives that can be progressed that provide a more comprehensive service for the public whilst also providing an opportunity for income to the Council.</p>					
How will saving be delivered?					
<p>This package involves involves the Council providing enhanced and additional funeral related services to the burial and cremation service currently provided. This is seen to be complementary to both the registrars and cemetery/crematorium business streams within the Council. It is proposed, as a starting point, that a pilot is carried out in the Helensburgh and Lomond area. This service, in theory, could operate outwith the Helensburgh and Lomond area including the wider Argyll geography and also in to the Dunbartonshire, Inverclyde, Renfrew and potentially beyond.</p> <p>It is proposed to explore further opportunities to expand on areas of business to generate additional income, such as:</p> <ul style="list-style-type: none"> • Direct cremations at reduced cost (no service, this provides choice for families); • Provision of ancillary services to funerals such as floral tributes and catering (although the catering option would be delivered via Facility Services); • Robust debt recovery and management approach; • Memorials e.g plaques; • Marketing/promotion of cremation services • Pet cemeteries; and • Marketing of woodland burials <p>This proposal is for income generation by developing a new business stream for the Council. The proposal will provide an alternative choice for people dealing with the loss of their loved ones as well as generating additional income through existing areas of the business.</p> <p>Through APSE and discussions with other UK local authorities, various models ranging from partnership to outright self-delivery are being considered; advice is also being sought form other local authorities who are delivering ancillary services such as floral tributes.</p>					
Strategic and operational risks issues					

- The potential income associated with this service package is an estimate at this stage and more detailed exploration of this option is needed before a more reliable figure can be reached.
- Invest to save requirement, requiring an initial outlay.

Statutory requirements

It is understood that there is limited legislation around establishing and operating a funeral directors. There is legislation covering crematoriums and burials which the Council is already compliant with.

Third Sector/Partnerships

None known.

Rapid EQIA Complete ✓

Full EQIA Required Yes No ✓

Full EQIA Completed Yes No ✓

Health and Safety Impact Assessment Required Yes ✓ No

Health and Safety Impact Assessment Completed Yes ✓ No

Trade Union Consultation Complete Yes ✓ No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB12a Establish Funeral Directors	-10	-1	35	-1	50	-1
TOTAL	-10	-1	35	-1	50	-1

Transformation Board Savings Options Template

Ref:	TB12b	Operating Principle:	Service Redesign		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Roads and Amenity Services	Budget:	5,637	2,830	2,807
Service Package:	Amenity Services (excluding fleet costs) Opportunities for Increased Income	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			10	20	30
Description and purpose of service package					
<p>The council currently maintain and manage Mossfield Stadium and Dunoon Stadium. Traditionally these locations were used for sporting events. Increasingly there are more non-sporting events such as Oban Live taking place together with a number of well-established gatherings. A number of these events either do not pay for the services they receive or the payments do not meet the actual costs to the council.</p> <p>The council also, from time to time, hires in portaloos for events and also for its own workforce when deployed in remote locations without facilities.</p>					
How will saving be delivered?					
<p>Currently Mossfield, Rothesay and Dunoon stadiums have standard fees and charges which have been built on the basis of the stadia being used as sports ground. This proposal would seek full cost recovery and an element to covers small scale cosmetic improvements to the venues for all the events that take place over and above sports meetings. This includes events such as music festivals, highland gatherings etc. It is proposed that a report would go to a future EDI Committee detailing the elements that these proposals would include. It is proposed that some improvement work will take place including upgrading the toilets and pavilion facility at Mossfield.</p> <p>Service to review charges for hiring out of stadia (Mossfield, Rothesay and Dunoon) and to take forward full cost recovery and commercial rates for hiring out to sporting events, highland gatherings and music festivals. By investing greater income could be achieved but this would be progressed subject to business case justification.</p> <p>Procure and hire out portaloos to community groups, events and internal hires.</p>					
Strategic and operational risks issues					
<ul style="list-style-type: none"> • Limited take up on revised fees and charges from organising groups. • Reaction from third party groups such as the highland gathering organising committee, event's organisers etc. • Pressure to waive the fees for good causes or economic benefit resulting in a failure to achieve the anticipated income. • The availability of capital to make the improvements necessary to realise the anticipated income levels (subject to business case approval). 					
Statutory requirements					

Both stadium and portaloos will need to comply with basic health and safety requirements, building standards etc.

Third Sector/Partnerships

Reaction from third party groups such as the highland gathering organising committee, events organisers etc.

Rapid EQIA Complete ✓

Full EQIA Required Yes No ✓

Full EQIA Completed Yes No ✓

Health and Safety Impact Assessment Required Yes ✓ No

Health and Safety Impact Assessment Completed Yes ✓ No

Trade Union Consultation Complete Yes ✓ No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB12b Increased income through income recovery	10		20		30	
TOTAL (cumulative)	10	0	20	0	30	0

Transformation Board

Savings Options Template

Ref:	TB13b	Operating Principle:	Business cost reduction, income generation and maximisation and service redesign		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Roads and Amenity Services	Budget:	20,323	13,166	7,157
Service Package:	Roads and Infrastructure (excludes fleet costs) Charges and Income Generation	Savings	2018-19	2019-20	2020-21
			£100	£000	£000
			10	50	150
Description and purpose of service package					
<p>Within this service package council staff have provided street lighting designs to developers and others at no cost. Road Construction Consents and permits & licences are issued and charged for.</p> <p>Council teams currently carry out third party works including grass cutting for a housing associations, road construction for developers and similar engineering and environmental works.</p>					
How will saving be delivered?					
<ul style="list-style-type: none"> • Introduce charging for the provision of lighting design. • Increase charges by 20% (in addition to any inflationary rise) for Road Construction Consents, skips, scaffold, hoarding and associated permits and licences. • Carry out additional third party work (profit element) including civil engineering and surfacing work. <p>Firm up on commercial strategy and delivery model to ensure that a proactive and nimble approach can be delivered to secure works.</p> <p>Cultural change for service to become more commercially aware, ensuring that all opportunities are maximised.</p>					
Strategic and operational risks issues					
<ul style="list-style-type: none"> • Possible increase in skips, scaffolding, hoardings and associated permits being inserted on the public road without permission. This to be mitigated through increased awareness, enforcement and reporting of staff on the ground. • Reducing staff numbers from savings already taken and other templates will reduce the ability to carry out enforcement of permits etc. • Opposition to increased charges. • Uncertain market for external work – no guarantee of achieving income. 					
Statutory requirements					
Statutory requirement for licences/permits to be in place prior to skips, scaffolding, hoardings and associated permits being inserted on the public road.					
Third Sector/Partnerships					

None Known						
Rapid EQIA Complete		✓				
Full EQIA Required	Yes	No	✓			
Full EQIA Completed	Yes	No	✓			
Health and Safety Impact Assessment Required		Yes	✓	No		
Health and Safety Impact Assessment Completed		Yes	✓	No		
Trade Union Consultation Complete		Yes	✓	No		
Saving Profile						
	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB13b income from fees & charges and external works	10		50		150	
TOTAL	10		50		150	

Savings Options Template

Ref:	TB13c (also includes savings from the original TB12c which has been combined with this template)	Operating Principle:	Business cost reduction, income generation and maximisation and service redesign		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Roads and Amenity Services	Budget:	20,323	13,166	7,157
Service Package:	Roads and Infrastructure (excludes fleet costs) Combine Operational Services	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			£164	£607	£1,030
Description and purpose of service package					
<p>This package has essentially two elements. The first being creation of a control hub which will facilitate the coordination of programming of work, allocation of plant and equipment and also ensure that communications with stakeholders including elected members is enhanced. The control hub will provide a robust mechanism to ensure that enquiries to the service are dealt with and closed down timeously. This includes restructuring the service to focus on a core number of duties with a control hub providing support and also monitoring the operational teams on the ground. Roads and Amenity operations teams will be merged into single area based teams which will help to provide better resilience. The second element being reduction in service delivery to accommodate the anticipated budget reduction.</p> <p>The savings associated with the staffing structure equate to £240k.</p> <p>The savings associated with the reduction in service delivery equate to £790k.</p> <p>The service package includes the operational delivery of roads and amenity services including:</p> <p><u>Roads</u></p> <p>Road (carriageway and footway) repairs, pot hole repairs, road drain cleansing, roadside verge and scrub cutting, road markings, road signs, street lighting maintenance and repair, repairs to roadside retaining structures, repairs and maintenance of bridges, winter maintenance (pre-treatments and snow clearance). Management of road network (permits, licences etc)</p> <p><u>Amenity</u></p> <p>Grass cutting and open space maintenance, bedding displays (flowers), street sweeping and cleansing, cemetery maintenance, maintenance of park and public benches, maintenance and inspection of play equipment, maintenance of war memorials, environmental enforcement (dog fouling, litter, fly tipping etc), removal of graffiti from R&A assets, maintenance and upkeep of public conveniences and associated environmental and public works.</p>					
How will saving be delivered?					
Year 1					
The service to be redesigned to combine Roads and Amenity operations into a single team with an East West split covered by 2 performance managers reporting to a 3 rd tier operations manager. Each of the 4 administrative areas will have one technical officer and one					

technician (covering all roads and amenity operational activity, including lighting) but retaining the supervisor numbers as is. Whilst this will retain specialisms within the different disciplines, it will reduce the number of technical staff in the area teams. Where possible area resilience will be retained through a more flexible resource enabling the daily challenges and competing demands to be prioritised and delivered accordingly. Existing resource will be formalised into a central team who will programme, schedule, deal with permissions/consents and monitor area activity using the systems and technology to ensure a consistent approach and by doing so reduce duplication across the council area

However, the reduction of 5 technical staff will require the remaining technical staff to focus on operational delivery. This will severely restrict their capacity to provide other supporting functions such as support for local community groups, attendance at community council meetings, support for local member initiatives and timelines for responses may be affected. Roads and amenity services will also work with the contact centre to develop processes to enable more complaints to be resolved by contact centre staff to offset the reduced capacity of technical teams to deal with escalated complaints. Customer complaints and enquiries will have to be channelled through the contact centre in all cases.

Labour intensive work will be carried out to reduce materials cost where possible with activities focusing on statutory requirements. This will help to ensure that a core workforce can be retained for the winter maintenance function. Existing central resource to be redirected into a 'control hub/centre' who will be responsible for:-

- programming and scheduling works (with operational input),
- allocating vehicles, plant and machinery. Stopping any none essential hires.
- Working with procurement team to ensure make or buy and procurement processes are followed.
- monitoring for health and safety compliance.
- statutory requirements (consents, permissions – NRSWA noticing and utility liaison, SEPA, SNH, etc).
- budget profiling and monitoring.
- commercial opportunities and contracts/tender returns (AB&C tendering for external works).

Frontline area based staff and teams will be focused on delivery of pre-determined schedules and programmes supported by the central team.

Year 1 savings target to include savings of £259k from TB13(a, b and c) and £65k from TB12 (£488k total): Year 1 savings to be 50% from TB12 and TB13 to allow consultation and HR process.

- savings from 4 posts (50% saving as part year savings assumed for year 1. This is a comprehensive structural review - over and above redundancies
- Reduction in road works (reduction pro-rata of area allocation, profiled depending on priorities in areas)

Note – year 1 under delivery of savings is offset by savings in piers and harbours. Year 1 proposals will require significant cultural change designed to result in efficiencies in operational working, deployment of vehicles & equipment etc and through a consistent approach. This cultural change will need to be supported through suitable project management allocated to the service and through corporate support services resource.

Year 2 savings to include savings of £358k from TB13 and £85k from TB12 (£443k total)

- Increased income through fees and charges and external works – estimated at £100k

- Reduction in road works (reduction pro-rata of area allocation, profiled depending on priorities in areas) £343k.
- Any over recovery from car parking and commercial waste agreements used to offset reduction in works.
- Review of winter service – policy change considerations to reduce routes and costs - overall winter will be dependent on actual weather and cannot be accurately predicted therefore there will remain a risk in achieving savings through winter other than any cost associated with reducing the number of pre-treatment routes and/or pre-treatment response times.

Year 3 savings to include savings of £358 from TB13 and £65k from TB12 (£423k total):

- Further efficiencies from year 1 structural change – estimated at £30k
- Phase 2 of structural change to combine inspectors, supervisors and wardens - £100k
- Reduction in workforce estimated at 3 FTEs
- Reduction in road works and reduction in grass cutting frequencies (reduction pro-rata of area allocation, profiled depending on priorities in areas) £293k
- Any over recovery from car parking and commercial waste agreements used to offset reduction in works

Strategic and operational risks issues

- Increased complaints and requests for service from members of the public following the reduction in physical works delivered on the ground.
- Statutory requirements being prioritised over 'nice to have' works which will not be delivered.
- Significantly reduces ability for frontline teams resulting in inability to meet with elected members, community groups and the general public. Staff focusing on delivering statutory functions.
- Cultural changes necessary to successfully implement this change.
- Reduction to workforce will impact on ability to deliver winter maintenance as an in house resource.
- Reduction to workforce which will have an impact on service delivery and the services resilience and ability to respond to weather events and other emergencies.
- Increased potential risk of structural failure/collapse of bridges and retaining walls particularly due to scour effects and reduced proactive and preventative maintenance.
- Increased risk to the economy due to road infrastructure not being available. Particularly where alternative routes are not available or only available for certain vehicle types due to weight and/or size restrictions.
- Deterioration to the condition of the road network requiring a managed condition decline. This may result in additional weight restrictions being introduced and an increased risk of disruption to the road network.
- Increased third party damage and injury claims from reducing road maintenance.
- A decline in road condition will have a detrimental effect on the economy through business connectivity and tourism.
- A move toward the minimum standards set out in Road Scotland Act 1980, Environmental Protection Act etc.
- Untidy streets and public spaces following reduction in resource.
- Reduced ability to react to requests for unplanned works, focus only on programmed and scheduled works.
- Deterioration to the appearance of the built environment through a reduction in the frequency of grass cutting, litter picking and sweeping.
- Deterioration to the appearance and condition of the 131 cemeteries the council is responsible for.
- Impact of business and tourism due to reducing environmental standards.

Statutory requirements						
Meeting statutory obligations contained in legislation e.g. Road Scotland Act 1980, Environmental Protection Act 1990 etc. This savings package will have an impact on the council's obligation in regards to proportionate safe and available infrastructure.						
Third Sector/Partnerships						
Third sector partners are likely to see a reduction to standards in terms of the overall condition of the public road network.						
Rapid EQIA Complete		✓				
Full EQIA Required	Yes	✓	No			
Full EQIA Completed	Yes	✓	No			
Health and Safety Impact Assessment Required		Yes	✓	No		
Health and Safety Impact Assessment Completed		Yes	✓	No		
Trade Union Consultation Complete		Yes	✓	No		
Saving Profile						
	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB13c (also includes savings from the original TB12c which has been combined with this template)	164	4	607	4	1030	6
TOTAL for TB13 and contribution from TB12 (cumulative)	164	4	607	4	1,030	6
(Figures cumulative)						
	2018/19		2019/20		2020/2021	
Staffing	£164k		£200k		£240k	
Works budget reduction per area based on total reduction	0		£407k		£790k	

The table above details the savings element of TB12c and TB13c shown cumulative.

2018-19 will have a reduction in 4 technical staff. This will be offset by removing duplication and further improving information flows via the co-ordination of systems and the information they hold. This will be a part year saving with the full 4 posts savings being saved in 2019-20.

2019-20 will have a reduction of works on the ground (road maintenance and grass cutting). The elements of work to be reduced will be subject to consultation with members over 2018-19 allowing priorities to be established across the areas.

2020-21 – a further 2 posts will be reduced as the Control Hub will be bringing further efficiency. Also the balance of works reduction will be made in 2020-21. The table above summarises the funding implications over the 3 years – shown cumulative.

Transformation Board Savings Options Template

Ref:	TB14	Operating Principle:	Income generation and maximisation and service redesign		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Roads and Amenity Services	Budget:	5,476	2,616	2,860
Service Package:	Waste (excluding PPP and fleet costs)	Minimum Savings Target (cumulative):	2018-19 £000	2019-20 £000	2020-21 £000
			-130	13	286
Description and purpose of service package					
<p>The council is responsible for collecting and disposing of waste across the council area. There are 3 disposal models;</p> <ul style="list-style-type: none"> On Islay, Tiree and Mull the council operates waste disposal sites although Tiree has restricted waste disposal use. On the mainland (other than Helensburgh & Lomond) and islands including Luing, Lismore, Gigha waste is disposed of via a 25 year PPP contract which runs until September 2026. In Helensburgh and Lomond waste is disposed of via offtakes located in central belt. <p>For all 3 models above, all general household waste is collected by council employed teams. Recycled materials are also collected by council teams with assistance via a number of contracts delivered by third sector groups.</p> <p>The council also offers a commercial collection service which is recharged.</p> <p>The Council also operates Civic Amenity Sites both directly and via the 25 year PPP contract. The Civic Amenity sites receive general waste, green (garden) waste and materials for recycling and reuse.</p>					
How will saving be delivered?					
<ul style="list-style-type: none"> Maximise income from commercial agreements. Review of existing commercial agreements, area staff to visit premises on an individual basis to ensure commercial customers agreements match their waste arisings. Maximise income from B&B and holiday lets (some of which may not be subject to NDR). Carry out exercise regarding all B&Bs and holiday lets. Take action against any premises without appropriate arrangements, offer additional collections on a commercial basis for B&Bs and other commercial premises. Scope out options for more cost effective routing and logistics in the Helensburgh and Lomond area where collected waste is taken outside Argyll and Bute for disposal to commercial off-takers including the option for the development of a transfer loading facility. This would include taking all collected waste to Blackhill to a new Waste Transfer Station within the Civic Amenity site. Material would be taken to landfill site in bulk quantities allowing Refuse Collection Vehicles (RCVs) to operate more efficiently. The waste transfer station would require upfront investment and this is reflected in the table for year 1. Scope out options for more cost effective disposal of garden and green waste from Civic Amenity sites where collected waste is taken outside Argyll and Bute for disposal 					

to commercial off-takers including option for the development of a shredding facility to reduce the volume of waste material thereby increasing transport efficiency by carrying more weight per load.

- Scope out feasibility and financial viability to introduce continental style waste collection service to a limited number of locations (densely developed residential locations) – this system would have communal waste disposal via receptacles centrally located for residents to use. It is not proposed that this will be progressed until 2020/21
- Scope out feasibility and financial viability to introduce a paid for green waste kerbside collection service.

Table below details a summary of the investments and savings required for waste.

Description	2018/19	2019/20	2020/21	
	Investment Req £000	Savings £000	Savings £000	FTE
Commercial agreements	0	70	130	
B&B/Hol Lets	0	20	40	
Routes and transfer station H&L	-90	30	60	1
Green waste shredder	-10	10	20	
Continental system	-30	13	20	
TOTAL Savings minus Investment cumulative)	-130	13	286	1 FTE

Strategic and operational risks issues

- Commercial customers may use alternative commercial provider
- Scoping exercise for logistical savings may not prove cost effective and capital expenditure may be required.
- Negative reaction from communities regarding continental system.
- Resource reductions are only cashable if they equate to a complete route and options developed may not be significant enough to release cashable savings.
- Achievement of the savings requires project management and marketing resources not currently factored into the financial projections outlined below.
- Increase in general waste tonnages resulting in an increase in landfill tax charged by Scottish Government.
- Insufficient project management resource to develop and deliver proposals.

Statutory requirements

The Council has a statutory requirement to collect domestic waste and to be the commercial waste collector of last resort. This is also a requirement to ensure that the waste system does not contravene any environmental health requirements.

Third Sector/Partnerships

The Council currently has third sector partners involved in the waste collection system:

- Kintyre Recycling Ltd, Fyne Futures, ReJIG, Greenlight and Kilfinan Community Trust

Rapid EQIA Complete			✓			
Full EQIA Required	Yes	No		✓		
Full EQIA Completed	Yes	No				
Health and Safety Impact Assessment Required	Yes		✓		No	
Health and Safety Impact Assessment Completed	Yes		✓		No	
Trade Union Consultation Complete	Yes		✓		No	
Saving Profile						
	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TB14 Waste	-130		13		286	1
TOTAL	-130		13		286	1

Transformation Board Savings Options Template

Ref:	TB15 Strategic Transportation Airport Commercialisation	Operating Principle:	Business cost reduction, service redesign and income generation and maximisation		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Economic Development	Budget:	1,466	64	1,402
Service Package:	Airports	Savings	2018-19 £000	2019-20 £000	2020-21 £000
			80	160	298

Description and purpose of service package

(i). Oban and the Isles Airports covers all services required to operate the Council's 3 airports, Coll, Colonsay and Oban to allow the air services to operate from Oban to Coll, Colonsay, Islay and Tiree. The PSO Air Services contract is due to be retendered June 2018 and negotiations have commenced with the provider to agree a one year extension. Following this there will be an opportunity to agree a fix price contract and seek market to provide level of timetable that could be afforded by the budget.

(ii). TLC no longer has an exclusivity agreement in place with the council to sell fuel at the airport. However, TLC still has a lease for a fuel farm at Oban Airport which ends May 2020. The Council would be able to offer continuity to supply fuel and receive all of the profit income from sales thereafter.

(iii). Oban and the Isles Airports covers all services required to operate the Council's 3 airports, Coll, Colonsay and Oban to allow the air services to operate from Oban to Coll, Colonsay, Islay and Tiree. Providing a hangar facility would make the Public Service Obligation (PSO) air services contract more attractive to operators and therefore make the PSO tender more competitive.

How will saving be delivered?

(i). Reduce PSO contract budget for Air Services by tendering on a fixed budget and seeking market to prescribe timetable service available for fixed budget
Tender would need to be fixed sum contract over three years e.g. Year 1 Budget £667k, Year 2 Budget £597k, Year 3 Budget £527k.

(The current budget for the air services is £737k).

(ii). The Council could generate increased revenue from fuel sales at Oban Airport and ensure that all fees and charges are properly published and advertised. TLC currently provide fuel at the airport however their sole supply contract has now lapsed. The Council could opt to supply the PSO contract only as TLC has fuel farm lease to 2020 and therefore will still be offering a fuel supply. A new post to administer fuel would have to be created and funded through income. Potentially this post could off additional support to fire cover required at Oban airport.

There is the potential for the Council to offer a competing fuel supply prior to May 2020 for visiting aviation aircraft at Oban airport. The cost for the supply of a fuel storage tank facility and bowser would be added to the price per litre that the fuel is purchased from a fuel company. 2018/19 £10k plus 1New FTE, 2019/20 £10k, 2020/21 £63k

(iii). Construct Hangar at Oban Airport and increase non-aeronautical revenue. Income could be generated from hire of the hangar space to the islands air services operator, Border Air/Fly Scenic Scotland and any visiting aircraft (general aviation, business charter, military). The income generated would be dependent on size of hangar and the number of aircraft that could be accommodated. 2020/21 £5K

Strategic and operational risks issues

(i).

- The air services may operate on a reduced timetable.
- Risk that fares may be increased however a fare maximum band could be added to tender contract.
- Fragile Islands depopulate and increase economic decline with no direct and efficient access to healthcare, education, employment and support for tourism.
- Potential reputational impact.
- May become subject to an island proofing assessment depending on the timing of implementation and passage of the new Islands Bill.

(ii). It is anticipated that the decision to sell fuel at the airport will not be welcome by all parties. Commercial company can still offer fuel supply until 2020.

High Risk of meeting income in first two years when there is a commercial competing fuel supply on site.

New post would be required to fuel PSO aircraft and funding required to purchase fuel up front before sold for profit.

(iii). Costs associated with constructing a hangar are £150k - £200k to house the PSO aircraft. (This estimate came from operators from previous PSO procurement exercises) This would require to be secured through external funding or capital payback loan with some of the partial income paying back the loan.

There is a risk that the costs of the hangar are more than anticipated.

A hangar at Oban Airport would potentially make the PSO contract more attractive to operators which could make future tenders more competitive. Additional revenue could be used to offset the net cost of the Council's airports and PSO service.

Statutory requirements

None. The Council has a PSO through the European Commission to subsidise the air services. It should be noted that Scholars use the flights to access secondary education at Oban High school.

Third Sector/Partnerships

None.

Rapid EQIA Complete

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required

Yes

No

Health and Safety Impact Assessment Completed Yes No

Trade Union Consultation Complete Yes No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
TOTAL	£80	-1	£160	-1	£298	-1

Transformation Board Savings Options Template

Ref:	TB16-3 Strategic Transportation - Removal of Road Safety Unit	Operating Principle:	Business cost reduction and service redesign		
Dept:	Development and Infrastructure Option 7. RSU		Gross £000	Income £000	Net £000
Service:	Economic Development	Budget:	2,313	94	2,219
Service Package:	Economic Development	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			13	84	84
Description and purpose of service package					
Road Safety Unit primary function is education, training and promoting road safety message to all categories of road user.					
How will saving be delivered?					
Reduce road safety materials budget from Road Safety Education Centre by £13k 2018/19 and removal of the Road Safety Unit (compulsory redundancy of one Full Time Equivalent staff member and one Part Time Term Time staff member) budget £84k per annum 2019/20.					
Strategic and operational risks issues					
<ul style="list-style-type: none"> • Risk of non-delivery of road safety education, promotion and training programme across educational establishments – pre-schools, primary and secondary schools. (Over 500 children complete road safety cycle training per annum and over 100 complete road safety pedestrian training). • Risk of no tailored delivery of road safety education to specific categories of road user e.g. motorcyclists with production of Biker Magazine and training/advice events, Child Car Seat checks for members of the public. • Risk of reputational damage. iCycle training to volunteer trainers at primary schools would not be delivered, Streetfeet pedestrian training would not be delivered to primary schools. • Risk of non delivery of Pass Plus Scheme offering a grant for additional driving skills after passing their practical test. 					
Statutory requirements					
The Road Traffic Act 1988 places a statutory duty on the Council as the Roads Authority to carry out a programme of measures to promote road safety and prevent road accidents.					
Road Safety promotion and prevention would therefore be dependent on delivery from current on going Roads Department initiatives and prevention measures for road accidents. Police Scotland, Scottish Fire and Rescue and national establishments such as Road Safety Scotland also promote road safety with various initiatives.					
Third Sector/Partnerships					
Road Safety Unit partnership work with Police Scotland, Scottish Fire and Rescue, Road Safety Scotland and Road Safety West of Scotland to jointly work on various road safety initiatives.					

Rapid EQIA Complete x

Full EQIA Required Yes x No

Full EQIA Completed Yes No x

Health and Safety Impact Assessment Required Yes x No

Health and Safety Impact Assessment Completed Yes No x

Trade Union Consultation Complete Yes No x

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Strategic Transportation - Removal of Road Safety Unit through compulsory redundancy	£13		£84	1 FTE + 1 Part- time/T erm Time	£84	1 FTE + 1 Part- time/T erm Time
TOTAL	£13		£84	1.7	£84	1.7

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Economic Development Service Redesign	0	0	57	1	218	4
TOTAL	0	0	57	1	218	4

Transformation Board Savings Options Template

Ref:	TB16-12 Economic Development	Operating Principle:	Business cost reduction.		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Economic Development	Budget:	2,313	94	2,219
Service Package:	Economic Development	Savings	2018-19 £000	2019-20 £000	2020-21 £000
			91	91	91
Description and purpose of service package					
VisitScotland has been working with Argyll and Bute Council to identify its needs and to develop and deliver a range of services that meet those needs. This collaborative approach, drawing together commercial and strategic benefits, will result in improved cost-effectiveness and enhanced impact of national and local tourism strategies.					
How will saving be delivered?					
VisitScotland is moving away from having the traditional manned VisitScotland Information Centres (although some will still exist in locations such as Oban, Rothesay, Craignure and Bowmore) to a new digital model of having multiple Visitor Information Points, such as touch screens and web-based information, delivered through local businesses and community groups.					
The Council helped subsidise these centres in previous years but this support has been reduced over a number of years with funds now used for strategic tourism marketing campaigns such as Wild About Argyll.					
A total saving of £91,000 will be delivered in 2018-19, taken from the Economic Growth section of the Economic Development Service that will end the ability of EDST to match fund one off, strategic tourism marketing campaigns.					
The tourism sector in Argyll and Bute will continue to be supported through the Economic Growth Team and dedicated funding to AITC together with a range of one off marketing and promotional activities delivered primarily through digital channels and also working closely with relevant Enterprise Agencies, VisitScotland and the private sector.					
Strategic and operational risks issues					
The strategic and operational risks will lie with VisitScotland. VisitScotland is aware of this financial decision and will continue its work to implement the digital rollout of multiple Visitor Information Points across the Argyll and Bute area and participate in partnership working.					
Statutory requirements					
None.					
Third Sector/Partnerships					
Partnership working will continue with Visit Scotland.					
Rapid EQIA Complete <input checked="" type="checkbox"/>					
Full EQIA Required Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
Full EQIA Completed Yes <input type="checkbox"/> No <input type="checkbox"/>					
Health and Safety Impact Assessment Required Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
Health and Safety Impact Assessment Completed Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
Trade Union Consultation Complete Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Economic Development Service Redesign	91	0	91	0	91	0
TOTAL	91	0	91	0	91	0

Savings Options Template

Ref:	TB16-14 Projects & Regeneration – Removal of renewable energy budget	Operating Principle:	Business cost reduction		
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000
Service:	Economic Development	Budget:	2,313	94	2,219
Service Package:	Economic Development	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			30	30	30
Description and purpose of service package An area of work covered by the Transformation Projects and Regeneration Team relates to maximising the local economic benefit from the renewables sector with a specific focus on working with key private and public partners through the Argyll and Bute Renewable Alliance (ABRA), developing supply chain opportunities, supporting businesses in the sector and ensuring that our communities secure community benefit from commercial renewable developments as well as develop their own renewable projects.					
How will saving be delivered? Support for ABRA meetings, which are twice yearly, will be sought from partners to allow the partnership to continue despite the removal of the renewable energy annual revenue budget of £30,000 in 2018/19. Whilst Council funding support for attendance at the All Energy conference will cease it is anticipated that funding will be available from other partners to continue attendance for the next 2 years. Attendance beyond that will be at risk unless alternative funding can be identified					
Strategic and operational risks issues Whilst the removal of the full renewable energy budget will affect the ability to actively promote the renewables sector across Argyll and Bute, the Argyll and Bute Renewable Alliance will continue to operate and we will continue to work in close partnership with HIE and other partners to promote the area through a more innovative approach.					
Statutory requirements None					
Third Sector/Partnerships Through ABRA we work with a number of key partners (HIE, SG, CE, SSE, SPR, SNH) to promote the opportunities that the area offers in regard to renewables and to ensure that we realise and maximise local economic benefit					
Rapid EQIA Complete		<input type="text" value="N/A"/>			
Full EQIA Required		Yes	<input type="text"/>	No	<input checked="" type="checkbox"/>
Full EQIA Completed		Yes	<input type="text"/>	No	<input checked="" type="checkbox"/>
Health and Safety Impact Assessment Required		Yes	<input type="text"/>	No	<input checked="" type="checkbox"/>
Health and Safety Impact Assessment Completed		Yes	<input type="text"/>	No	<input checked="" type="checkbox"/>
Trade Union Consultation Complete		Yes	<input type="text"/>	No	<input checked="" type="checkbox"/>

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
	30		30		30	
TOTAL	30		30		30	

Transformation Board Savings Options Template

Ref:	TB16-19 Economic Growth - CPMR membership withdrawal	Operating Principle:	Business cost reduction.			
Dept:	Development and Infrastructure		Gross £000	Income £000	Net £000	
Service:	Economic Development	Budget:	2,313	94	2,219	
Service Package:	Economic Development	Savings	2018-19 £000	2019-20 £000	2020-21 £000	
			10	10	10	
Description and purpose of service package						
Argyll and Bute Council has been a member of the Conference of Peripheral Maritime Regions for a number of years. However, further to the UK's decision to leave the European Union it is proposed to withdraw the council's membership. The membership is funded through the European and External Policy Team budget, within the Economic Growth section of the Economic Development Service.						
How will saving be delivered?						
The saving of £10,000 through withdrawing our membership of CPMR will be delivered in 2018-19.						
Strategic and operational risks issues						
None.						
Statutory requirements						
None.						
Third Sector/Partnerships						
None						
Rapid EQIA Complete						
			<input checked="" type="checkbox"/>			
Full EQIA Required						
	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
Full EQIA Completed						
	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>		
Health and Safety Impact Assessment Required						
	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
Health and Safety Impact Assessment Completed						
	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>		
Trade Union Consultation Complete						
	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
Saving Profile						
	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Economic Development Service Redesign	10	0	10	0	10	0
TOTAL	10	0	10	0	10	0

Transformation Board

Savings Options Template

Ref:	TB17	Operating Principle:	Business cost reduction and self-funding		
Dept:	Customer Services		Gross £000	Income £000	Net £000
Service:	Facility Services	Budget:	1,390	222	1,168
Service Package:	Property Service	Savings	2018-19 £000	2019-20 £000	2020-21 £000
			27.5	71.5	121.5
Description and purpose of service package					
<p>This Service package is an amalgamation of the budgets/expenditure associated with the following:</p> <ul style="list-style-type: none"> • The day-to-day running of the Council's Shared Office Accommodation including maintenance, utilities, grounds maintenance, refuse collection etc.; • The spend-to-save Utilities Fund. 					
How will saving be delivered?					
<p>BUSINESS COST REDUCTION OPTIONS:</p> <ol style="list-style-type: none"> 1. Review opportunities for office rationalisation: 2. Investigate opportunities to close other Council offices through increased home working 3. The delivery of innovative projects relating to sustainable power (solar pv) over the last 3 years means that the Council is receiving income/revenue savings of £151k per annum resulting in a full break-even position in 2025/26. While the most significant savings have already been delivered there remains an opportunity to undertake a further feasibility study into the following solar pv installation renewables projects that could be funded from prudential borrowing to generate longer term savings with acceptable break-even/payback <ol style="list-style-type: none"> a. Kilmory Castle Biomass Boilerhouse b. Helensburgh & Lomond Civic Centre c. Other Council properties beyond the shared offices estate 4. The delivery of innovative projects relating to sustainable heat (biomass) over the last 3 years means that the Council is receiving income/revenue savings of £300k per annum resulting in a break-even position in 2027/28. While the most significant savings have already been delivered there remains an opportunity to undertake a further feasibility study into renewable heat projects that could be funded from prudential borrowing to generate longer term savings with acceptable break-even/payback 5. Review the method of connecting intruder/fire alarms to remote alarm receiving centres <p>SELF FUNDING/ INCOME GENERATION OPTIONS:</p> <ol style="list-style-type: none"> 6. Lease/hire surplus space within existing offices to Community Planning Partners, other bodies and to the private sector. 7. Undertake a feasibility study to investigate opportunities for Argyll and Bute Council to become the lead in providing District Heating Systems. This could deliver many benefits including financial benefits and would assist with delivery of Scottish Government Renewables targets. 8. Undertake a feasibility study to investigate opportunities for Argyll and Bute Council to utilise its assets for the generation of electricity from renewable sources which in turn increase income. Initial projects would include the installation of a small scale hydro power scheme. 					

9. Undertake a feasibility study to investigate opportunities for Argyll and Bute Council to install solar pv as ground arrays on its land assets for the generation of electricity from renewable sources which in turn increase income.
10. Generate additional income by charging external clients for service that have been provided on an informal basis

Strategic and operational risks issues

1. Savings/additional income may not be realised
2. Savings/additional income may only be achievable over a longer period of time
3. A consultant's services would be required to scope the viability of renewable energy and heat projects
4. The payback period for some of the projects may be considered to be too long
5. The success of the office rationalisation projects will depend on the co-operation of other services

Statutory requirements

Within shared office accommodation there is a requirement to provide staff with a working environment (heating, lighting, ventilation etc.) that allows the Council as an employer to fulfil the statutory obligations associated with the Workplace (Health, Safety and Welfare) Regulations 1992.

Third Sector/Partnerships

Third sector partnerships may be established as the options above are developed.

Rapid EQIA Complete

Yes

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required

Yes

No

Health and Safety Impact Assessment Completed

Yes

No

Trade Union Consultation Complete

Yes

No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
BUSINESS COST REDUCTION OPTIONS:						
Review opportunities for office rationalisation	26.5	0	69.5	0	118.5	0
SELF FUNDING/ INCOME GENERATION OPTIONS:						
Generate additional income by charging external clients for service that have been provided on an informal basis	1	0	2	0	3	0
Total	27.5		71.5		121.5	

Transformation Board Savings Options Template

Ref:	TB19	Operating Principle:	Business cost reduction Income generation and maximisation and service redesign		
Dept:	Cross Departmental		Gross £000	Income £000	Net £000
Service:		Budget:	22,733	13,025	9,708
Service Package:	Transport (includes pupil transport, public transport, transport team, pool cars and fleet)	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			101	141	183
Description and purpose of service package					
<p><i>This is a cross departmental service package which includes school and local transport and fleet management.</i></p> <ul style="list-style-type: none"> <i>The Integrated Transport Team, within Customer Services, manages the Council's light vehicle fleet which comprises 213 vehicles including 20 pool cars, manages school transport contracts which carry approximately 3,300 pupils on a daily basis and also manages 80 school contracts which are delivered in-house. In addition the team is responsible for transport infrastructure including bus stops and shelters, preparing and displaying timetable information and administering the staff car leasing scheme. The Integrated Transport Team is constantly reviewing their school transport solutions in order to achieve best value.</i> <i>The Fleet Team within Roads and Amenity is responsible for the acquisition, maintenance and disposal of the council's heavy fleet, as well as the maintenance of all council vehicles, and the Operator Licence. The maintenance is carried out through five fleet workshops across the council area, which also carry out private/commercial work, generating over £120,000 last year. The team is also responsible for the management of the council fuel stocks as well as the organisation of any external hires which are required.</i> 					
How will saving be delivered?					
<p>SERVICE REDESIGN OPTIONS:</p> <ol style="list-style-type: none"> Merge the management of light and heavy fleet, allowing a review of the remaining School and Public Transport staff duties. This could deliver a further rationalisation of management posts. 					
<p>BUSINESS COST REDUCTION OPTIONS:</p> <ol style="list-style-type: none"> Continuous modernisation and improvement of procurement practices relating to school and public transport has already delivered in excess of £1M in savings over the past five years, while this will continue on an on-going basis, the most significant savings have already been delivered. Opportunities for further savings will be investigated Remove community transport grants, with a focus on long-term sustainability by directing community groups to alternative sources of funding. This to be carried out over a three year duration. 					

Strategic and operational risks issues

1. Savings/additional income may not be realised
2. Savings/additional income may only be achievable over a longer period of time
3. Removing the award of discretionary community transport grants may create difficulties for the vulnerable groups who are served by the community transport groups, and could also reduce the viability of the groups, which may create a reputational risk for the council.
4. Employees would need to adopt behavioural change regarding vehicle use to deliver savings in travel, subsistence and through more efficient use of pool cars
5. Fuel prices may rise in future resulting in an increase in costs
6. Budget will still be required for replacement vehicles, and so cannot be removed in its entirety

Statutory requirements

1. There is a statutory requirement to provide transport to and from school for entitled pupils.
2. There is a legal requirement under the Operator's Licence to keep all vehicles in a safe and roadworthy condition.

Third Sector/Partnerships

1. The Integrated Transport Team supports several Community Transport Groups (Red Cross, Interloch Transport, Lochgoilbus, Mid Argyll Transport Volunteers, North Argyll Transport Volunteers, Luig Shoppers Group) through an annual award of Community Transport Funding.
2. Fleet workshops currently provide services for partners including shanks and KRL, on a rechargeable basis

Rapid EQIA Complete

Full EQIA Required Yes No

Full EQIA Completed Yes No

Health and Safety Impact Assessment Required Yes No

Health and Safety Impact Assessment Completed Yes No

Trade Union Consultation Complete Yes No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
SERVICE REDESIGN OPTIONS:						
Merge the management of light and heavy fleet, allowing a review of the remaining School and Public Transport staff duties	16	1	16	1	16	1
BUSINESS COST REDUCTION OPTIONS:						
Continuous modernisation and improvement of procurement						

practices relating to school and public transport has already delivered in excess of £1M in savings over the past five years, while this will continue on an on-going basis, the most significant savings have already been delivered, and best value achieved where possible by taking transport solutions in-house and altering modes of transport. Opportunities for further savings will be investigated	55		65		75	
Remove community transport grants model, with a focus on long-term sustainability	30		60		92	
TOTAL	101	1	141	1	183	1

**Transformation Board
Savings Options Template**

Ref:	TB20	Operating Principle:	Business cost reduction and self-funding		
Dept:	Community Services		Gross £000	Income £000	Net £000
Service:	Education	Budget:	12,810	949	11,861
Service Package:	Education (non schools/teachers)	Savings	2018-19	2019-20	2020-21
			£000	£000	£000
			386	617	617
Description and purpose of service package					
<p>2018-19 Reduction Education Management and Central Team from August 2018.</p> <p>The above package is dependent upon the full detail and known implications/expectations arising from the Education Governance Review. Since this option was proposed for review there has been considerable discussion between COSLA and Scottish Government with regard to the Local Authorities duties for Education. In September 2017, COSLA Leaders agreed to an approach of regional collaboration which left democratic accountability clearly with Scottish Local Authorities and their officers. Currently, in their role as Education Authorities, Scottish Councils hold the statutory responsibility for the provision and delivery of education, for performance and improvement of individual schools as well as the cumulative authority, as the employer of all staff within a school setting, and more. However the <i>Empowering Schools A Consultation on the Provisions of the Education (Scotland) Bill</i> document suggests a series of changes to this authority. The consultation states that the primary focus of the Bill is to create a school and teacher led education system and therefore to empower schools and school leaders. It currently is very difficult to predict the role of local authorities within Education and thus provides greater risks within this saving option.</p> <p>A reduction in central service provision to schools will lead to an increase in school based activities, including potential statutory duties and responsibilities.</p>					
How will saving be delivered?					
<p>To meet this saving in 2018-19 a complete redesign of the service will be required and will result in terminating seconded posts (2), vacancies VR and/or redeployment of GTCS staff into schools. Part year savings achievable in 2018/2019: Specifically August 2018 to March 2019 to reflect term time appointment and academic year service delivery commitments. Estimated to be circa: £386K Further savings in 2019/2020 for remaining £231K.</p>					
Strategic and operational risks issues					
<p>2018-19 Implementation of this package relies heavily on the outcomes from the Scottish Government's Governance Review and the consultation on the new Education (Scotland) which will state the support and challenge delivered through local authorities and the level of requirement for a central team. This is still unknown at</p>					

present and full knowledge will not be known until the new Education Bill is passed in June 2018. There are considerable risks to the saving options in relation to reduced capacity for the service including:

- 70% reduced capacity for delivery of the service
- 70% reduced capacity to support schools in each geographical area
- 70% reduced support for the learning and teaching agenda
- 70% reduced support for improvement agenda
- 70% reduced support for parental engagement
- 70% reduced capacity to provide information to elected members about schools
- Reduced capacity to report on schools and educational improvement which is required to be met in the Annual Plan submitted to Scottish Government.
- 75% reduced capacity to provide training for teachers and support staff
- School visits down to one per annum (currently 3)
- Northern Alliance Collaboration participation: the level of deployment of Education staff to work alongside teachers and other frontline practitioners through the Regional Improvement Collaboratives to motivating change and providing specialist support. This will require central team involvement.

Statutory requirements

2018-19 As outlined above this is tied in with Government guidelines which we are awaiting further guidance on.
 The inability to fully comply with existing and anticipated statutory duties, as prescribed within the Standards in Scotland's Schools etc. Act. 2000, revised in 2016
 Scrutiny and Audit of Education Functions of Argyll and Bute Council – to continue to meet the required improvement agenda.
 We would need to comply with all HR procedures regarding VR/redeployment of staff.

Third Sector/Partnerships

2018-19 No Third Sector/Partnership concerns.

Rapid EQIA Complete

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required

Yes

No

Health and Safety Impact Assessment Completed

Yes

No

Trade Union Consultation Complete

Yes

No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
1. Central Team Reduction	386	8	617	8	617	8
TOTAL	386	8	617	8	617	8

Transformation Board

Savings Options Template

Ref:	TB21	Operating Principle:	Income generation and maximisation and self-funding		
Dept:	Cross Departmental		Gross £000	Income £000	Net £000
Service:		Budget:	2,265	1,803	462
Service Package:	Design and Project Management Team	Savings:	2018-19 £000	2019-20 £000	2020-21 £000
			36	36	36
Description and purpose of service package					
<p>The Property Design Team undertake the management, cost control and supervision of construction of schools, offices, leisure facilities, depots and other buildings. They also undertake asset management functions, technical approval and client funded projects. Most of the work is of an architectural, quantity surveying and building services nature. This service is funded by capital and not from revenue budget.</p> <p>The Property Maintenance and Energy and Building Services Teams undertake the management, cost control and supervision of emergency, planned and statutory maintenance. They also undertake energy, carbon management and climate change works and are responsible for the Council's expenditure on utilities. This service is funded by revenue budget.</p>					
How will saving be delivered?					
<ol style="list-style-type: none"> Review and restructure of the Property Maintenance and Energy and Building Services Teams 					
Strategic and operational risks issues					
<ol style="list-style-type: none"> Reduced resource could negatively impact on the Council's ability to meet statutory and regulatory requirements relating to Property. Reduced resource will only be delivered through property rationalisation. Envisaged synergies and advantages arising from the combination of the teams are not realised. 					
Statutory requirements					
The work undertaken across the services is to ensure full compliance with all statutory and regulatory requirements in relation to buildings, building services, roads, piers and harbours, etc.					
Third Sector/Partnerships					
Work is being undertaken to support various third sector partnerships including hall committees, the Hermitage Park redevelopment and other local community groups.					
Rapid EQIA Complete			<input type="checkbox"/>		
			x		
Full EQIA Required	Yes	<input type="checkbox"/>		No	<input type="checkbox"/>
					v
Full EQIA Completed	Yes	<input type="checkbox"/>		No	<input type="checkbox"/>

Health and Safety Impact Assessment Required Yes No

Health and Safety Impact Assessment Completed Yes No

Trade Union Consultation Complete Yes No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
Review and restructure of the Property Maintenance and Energy and Building Services Teams	36	1	36	1	36	1
Total	36	1	36	1	36	1

Transformation Board Savings Options Template

Ref:	TB23	Operating Principle:			
Dept:	Community Services		Gross £000	Income £000	Net £000
Service:	Education	Budget:			
Service Package:	Education - other	Savings	2018-19 £000	2019-20 £000	2020-21 £000
			47	75	75
Description and purpose of service package Review of janitor provision within schools to ensure equity across the estate					
How will saving be delivered? Saving will be achieved through removal of £40k from the central janitor budget and a reduction of hours from 8 schools throughout the Authority. The reduced hours will come from a targeted approach to schools where there has been large roll reductions and, where possible, there are temporary staff or vacant hours. The eight identified schools are: Arinagour (hours to reduce by 1.5 – temporary post and roll reduction) Furnace (hours to reduce by 3.75 – roll reduction) Garelochhead (hours to reduce by 2 –post out to advert at new hours) Innellan (hours to reduce by 12 – Janitor post to be replace by janitor/cleaner due roll reduction) Lismore (hours to reduce by 2 – school has vacant hours) Luss (hours to reduce by 14.5 – Janitor post to be replace by janitor/cleaner due roll reduction) Minard (hours to reduce by 3.25 – temp post and roll reduction) Strone (hours to reduce by 17 – Janitor post to be replace by janitor/cleaner due roll reduction) John Logie Baird (hours to be reduced by 2 – temporary post and roll reduction) There will also be an adjustment to salaries for 3 schools and an adjustment made for Skipness Primary which is currently mothballed.					
Strategic and operational risks issues Central budget currently supports any supply janitor cover required within schools. If this is taken as a saving then schools will required to cover these additional costs out of school budgets. Schools facing reduced hours will have to look at the new provision within their schools and adapt accordingly. Three of the schools outlined above currently have janitor provision rather than janitor/cleaners. Due to the large reduction in rolls for these 3 schools the provision would alter from that of janitor to that of janitor/cleaner in line with other schools with similar rolls. These schools will require to look at the current tasks carried out by the janitor that would no longer be appropriate and those would possibly include: supervision of children at breaks, opening/closing school, gritting playground, minor repairs within the school. The job description of janitor/cleaner would be implemented within these schools. Work would have to be carried out to lower expectation at a school level.					

Statutory requirements

Union consultation

Requirement to comply with all HR requirements

Third Sector/Partnerships

Rapid EQIA Complete

Full EQIA Required

Yes

No

Full EQIA Completed

Yes

No

Health and Safety Impact Assessment Required

Yes

No

Health and Safety Impact Assessment Completed

Yes

No

Trade Union Consultation Complete

Yes

No

Saving Profile

	2018-19		2019-20		2020-21	
	£'000	FTE	£'000	FTE	£'000	FTE
	47	2	75	2	75	2
TOTAL	47	2	75	2	75	2

APPENDIX 6
SERVICE SUMMARY OF BUDGET POSITION 2018-19

Department	Service	2017-18 Base Budget £000	Base Budget Adjustments £000	Updated Base Budget £000	Employee Budget Changes £000	Non-Pay Inflation - Inescapable 2018-19 £000	Cost and Demand Pressures £000	Increase in Fees and Charges £000	Other Measures to Balance the Budget £000	Re-allocate Auto Enrolment	Adjustment to HSCP Allocation £000	HSCP Inflation and Cost Pressures £000	2018-19 Draft Budget £000
<u>Council Departments:</u>													
Chief Executive's Unit	Chief Executive	797	19	816	9	0	0	0	(14)	0	0	0	811
Chief Executive's Unit	Strategic Finance	1,660	2	1,662	38	0	0	0	(5)	0	0	0	1,695
Community Services	Director of Community Services	105	0	105	7	0	0	0	0	0	0	0	112
Community Services	Education	72,309	607	72,916	1,347	26	256	(4)	0	0	0	0	74,541
Customer Services	Director of Customer Services	13,912	3,559	17,471	23	364	1,206	0	0	21	0	0	19,085
Customer Services	Customer and Support Services	8,047	8	8,055	122	18	88	(1)	(94)	0	0	0	8,188
Customer Services	Facility Services	11,903	(58)	11,845	240	125	26	0	(397)	0	0	0	11,839
Customer Services	Governance and Law	1,920	0	1,920	48	1	0	0	0	0	0	0	1,969
Customer Services	Improvement & Strategic HR	3,226	3	3,229	46	1	0	0	(449)	0	0	0	2,827
Customer Services	Leisure Trust - Repairs, Maintenance and Utilities	4,059	(3,129)	930	227	0	0	0	(271)	0	0	0	886
Development and Infrastructure Services	Director of Development & Infrastructure Services	1,127	2	1,129	(491)	0	0	0	(138)	0	0	0	500
Development and Infrastructure Services	Economic Development	3,888	12	3,900	256	2	0	0	(78)	0	0	0	4,080
Development and Infrastructure Services	Planning and Regulatory Services	5,691	212	5,903	477	2	0	0	(318)	0	0	0	6,064
Development and Infrastructure Services	Roads and Amenity Services	20,644	706	21,350	182	299	254	(272)	(113)	0	0	0	21,700
<u>Non Departmental:</u>													
Joint Boards	Joint Boards	1,374	0	1,374	0	0	0	0	0	0	0	0	1,374
Other Operating Income & Expenditure	Elected Members	1,091	1	1,092	14	0	0	0	0	0	0	0	1,106
Other Operating Income & Expenditure	Sundry Services	958	145	1,103	869	0	48	0	(389)	(126)	0	0	1,505
Other Operating Income & Expenditure	Unfunded Pensions	1,799	0	1,799	0	0	0	0	(245)	0	0	0	1,554
<u>Non Controllable Costs:</u>													
Insurances		1,118	(16)	1,102	0	0	0	0	0	0	0	0	1,102
Non Domestic Rates		4,658	(282)	4,376	0	128	0	0	0	0	0	0	4,504
Apprenticeship Levy (Council)		558	6	564	0	0	0	0	0	0	0	0	564
Capital Charges (loans charges)		18,475	(352)	18,123	0	0	0	0	(3,200)	0	0	0	14,923
<u>Health and Social Care Partnership:</u>													
Integration Services	Chief Officer	(11,145)	(920)	(12,065)	7	960	1,971	0	0	105	(725)	(2,938)	(12,685)
Integration Services	Adult Care	53,362	8	53,370	461	18	151	0	0	0	0	(630)	53,370
Integration Services	Children & Families	13,754	1	13,755	240	26	46	0	0	0	0	(312)	13,755
Integration Services	Head of Strategic Planning and Performance	392	0	392	8	0	0	0	0	0	0	(8)	392
Rounding		(2)	1	(1)	1	1							1
TOTAL		235,680	535	236,215	4,131	1,971	4,046	(277)	(5,711)	0	(725)	(3,888)	235,762
<u>Funding:</u>													
Scottish Government Funding													188,777
Council Tax Income													47,674
General Fund Reserves													0
OVERALL FUNDING SURPLUS / (GAP) - PRIOR TO ADDITIONAL FUNDING													689
Additional Funding Proposed 31 January 2018													2,260
REVISED OVERALL FUNDING SURPLUS / (GAP)													2,949

Transformation Board Activities 2018/19 and beyond

Fleet Management

The Council operates a fleet of around 600 vehicles which are mainly based at 5 mainland workshops and 6 island locations. Review work is being undertaken of current practices including an overview of existing management controls and systems, the cost of providing the service, vehicle acquisition and funding policy, internal charging mechanisms and service levels provided to users. Fleet utilisation will be analysed and a policy prepared in relation to purchasing, whole life costing and disposal processes. Consideration is also being given to industry standard budgeting methods and more pro-active reviews of management information. Potential savings options resulting from this work will be reviewed by the Board.

Procurement

The procurement and commissioning team through their work with the Transformation Board are benchmarking with other local authorities the level of centralisation of their procurement function and the financial cost savings benefits as a result of this centralisation.

The benchmarking exercise will allow us to review what we are currently delivering via procurement support and savings and what could further be achieved by redesigning our systems, processes, procedures and methods of purchasing and contract management across council services.

Adult Learning/Youth Work

These services are delivered on a pan Argyll basis and provide learning and development opportunities for adults and young people outwith the classroom environment. Work will be undertaken to propose re-designed delivery options at less cost.

Music Tuition

The Music Tuition service focuses on three groups of instruments, piping, woodwind and brass and is offered free for one year to all P4/5 pupils. Thereafter, the service can be purchased unless a pupil is in an exempt for payment category of receiving free school meals or SQA candidate. Work will be carried out to provide options to reduce the cost of provision for this non-statutory service which is unique in offering subsidised tuition outwith routine class timetabling.

Events and Festivals

In December 2014 the Council agreed to support a 3 year programme of funding for major events and festivals in Argyll & Bute on the basis of the economic impact and lifestyle legacy that would be achieved in the area.

It was subsequently agreed in 2016 to apply a 20% saving to the annual SLA payments.

The 2017/18 revenue budget provision for events and festivals in total is £150K.

This time limited funding package expires at the end of this financial year, 31 March 2018, and consideration is therefore required as to what funding support is provided by the Council beyond 31 March 2018 to major festival and events.

There continues to be demand for council funding support to the events and festivals covered by the SLAs as well as to other events and festivals not previously supported. The organisations of these events are currently seeking to confirm payment from funders, including the council, and they require this as soon as possible as many are having to advance their plans given the lead in time required to ensure that their 2018 events goes ahead.

The current position that there are no Service Level Agreements (SLAs) for major events and festivals beyond 2017/18 with one exception – the national MoD – which runs until 2018/19. The proposal is that current SLA arrangements are rolled forward for a further year into 18/19 and that the support of events is reviewed with a report being brought to an appropriate Committee.

One Council Approach to Property

The proposal is for a change in approach to the management of the Council's land and buildings from a static or reactive position (where properties are considered to be held or owned by individual services) to a proactive property development service. This would mean that that all heritable property owned by the Council would be held corporately and not by individual "holding" departments, as has been the case to date, to enable the Council to take a more consistent and strategic corporate view across all heritable property it owns.

A report on how this approach would be implemented and the resources required will go to the Policy and Resources committee on 15 February 2018 inviting that committee to make recommendations to the Council budget meeting on 22 February 2018.

Reconstructing the Council Budget

Beginning in March 2018, Heads of Service will be tasked with looking at all of the activities currently undertaken by their service, and categorising these into 3 broad types.

- Duties – activities which the Council must provide (e.g. Education)
- Powers – activities which the Council may provide (e.g. Economic Development)
- Others – activities which support the Council as an organisation or the carrying out of powers/duties (e.g. Strategic Finance)

Services will be asked to define a minimum level of service to comply with statutory duties, or to exercise statutory powers, and how this minimum level could then be built on.

"other" services would be asked to define how they would support the carrying out of the redefined "powers" and "duties" activities.

The purpose of this work would be to enable the Council to take informed decisions, having regard to the future availability of finance, and the requirement to identify substantial reduction in expenditure for 2019/20 and beyond about the future shape of the organisation.

Douglas Hendry
Chair of the Transformation Board
January 2018