

REVENUE BUDGET OVERVIEW 2019-20 to 2021-22

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 2019-20. It also provides budget estimates for 2020-21 and 2021-22; 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 2019-20 was announced by the Cabinet Secretary for Finance, Economy and Fair Work on 12 December 2018 and the Local Government Finance Circular, providing provisional revenue and capital funding allocations, published on 17 December 2018. The budget information was provided for one year only and is subject to Parliamentary approval.
- 1.3 Following the Budget Bill Stage 1 debate in Parliament on 31 January 2019, a letter from the Cabinet Secretary for Finance, Economy and Fair Work was sent to the COSLA President with a copy to Leaders of all Scottish local authorities. It advised of a package of further measures covering local taxation and local government finance.
- 1.4 If you compare the settlement of £190.215m to the cash funding in 2018-19, taking into consideration the monies not distributed yet (£0.671m), the funding reduction is £0.923m or 0.5%. If you allow for the settlement commitments in relation to HSCP and Carer's Act on the basis that they will require additional matched expenditure, the funding reduction is £3.091m or 1.6%.
- 1.5 The Council Tax budget for 2018-19 was set at £47.674m. This included a 3% increase and a 0.50% growth in the Council Tax base. This is the starting position for 2019-20. 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 2020-21 and 2021-22 and 0.5% growth has been built into 2019-20 budget amounting to £0.238m.
- 1.6 The UK Treasury made two changes to the SCAPE (Superannuation Contribution's Adjusted for Past Experience) discount rate assumptions for the Teacher's Pensions and this results in an increase to the teachers' employers' contribution rate which will cost an additional £1.846m from 2019-20. In September, the Government said that departments and devolved administrations would need to meet the increase in costs from the first change but it would support them with the increased cost from second change. It is expected that additional funding will be announced

as part of the Spring Budget. The Scottish Government letter on 31 January 2019 advised that additional income of 79% of the cost (£1.458m) is expected and this has been included within the budget.

- 1.7 The budget for 2018-19 has been rolled forward into 2019-20 and the main changes to the 2019-20 base budget are summarised below:
- Remove budget allocation of £0.260m in support of the One Council approach to property. This amount was allocated in 2018-19 for two years and the 2019-20 amount will be earmarked at the end of 2018-19 and carried forward into 2019-20.
 - Add back one-off project savings in 2018-19 only of £0.249m.
 - Reduction of £0.010m for Argyll and the Isles Tourism Co-operative as previously agreed.
 - Base adjustment for apprenticeship levy for Live Argyll of £0.020m.
 - Increase of £0.371m to employee budgets to reflect the latest pay award offer for 2018-19.
 - Increase in respect of the new monies received as part of the settlement, amounting to £0.098m.
- 1.8 The employee cost increases for 2019-20 amount to £5.978m and this includes pay inflation, based on the latest pay offer, increments, employee base changes and the increase to teachers pensions.
- 1.9 Only unavoidable/inescapable inflation has been included within 2019-20 and this amounts to £1.031m. This includes utilities, non-domestic rates, catering purchases, contract inflation and landfill tax.
- 1.10 There are a number of cost and demand pressures for 2019-20, amounting to £1.460m summarised as follows:
- IT Software £0.019m
 - Annual Service Payment New Schools £0.349m
 - Carbon Reduction Scheme £0.013m
 - School and Public Transport Contracts £0.054m
 - Local Development Plan £0.068m
 - Waste Financial Model £0.266m
 - Catering and Cleaning Undeliverable Saving £0.083m
 - ASN Demand £0.608m.
- 1.11 The Local Government Finance Circular 8/2018 advises of additional funding of £160m that is allocated for Health and Social Care and Counselling Services. It was clear from the Finance Circular that social care budgets for allocation to Integration Authorities and funding for school counselling services must be £160m greater than the 2018-19 recurrent budgets. The Scottish Government letter on 31 January 2019 introduced flexibility in the funding local authorities can allocate to Integration Authorities in order to help local authorities manage their own budgets. The 2019-20 allocation can be reduced by 2.2% compared to 2018-19, however, the additional £160m funding must be passed on. 2.2% of the 2018-19 allocation is £1.236m.

- 1.12 The payment to the HSCP is an issue for Council to agree, however, as there have been conditions placed on the funding allocations in previous years, referenced to base budgets, it would be wise for the Council to take this into consideration when setting this year's budget in order to provide as much flexibility as possible in the future.
- 1.13 The management fee for Live Argyll has previously been agreed to 2020-21. The increase between 2018-19 and 2019-20 is £0.093m and there is also a base budget transfer of £0.020m in respect of the Apprenticeship Levy.
- 1.14 The budget gap prior to any measures to balance the budget is £7.896m in 2019-20.
- 1.15 There are a number of measures to balance the budget that had previously been agreed, summarised as follows:
- Management Operational Savings reported to Council on 26 October 2017 with increased savings in 2019-20 of £0.299m.
 - Policy options agreed by Council on 22 February 2018, with increased savings in 2019-20 of £1.151m.
 - Changes to the loans charges profile savings of £0.900m.
- 1.16 There are a number of measures to balance the budget that are for Council approval, summarised as follows:
- General inflationary increase (3%) to fees and charges resulting in £0.270m of additional income.
 - Further fees and charges increases over and above inflation in respect of car parking resulting in £0.050m of additional income.
 - Increase Council Tax by 4.79% for 2019-20, the maximum that Councils are permitted to increase it by, resulting in £2.295m of additional income.
 - New management/operational savings reported to Policy and Resources Committee on 13 December 2018 amounting to £2.090m.
 - New policy savings options reported to Policy and Resources Committee on 13 December 2018 amounting to £1.873m.
- 1.17 If Members agreed to all the proposals noted within this report, there would be a balanced budget in 2019-20 with a surplus of £1.032m.
- 1.18 The budget gap over 2020-21 and 2021-22 across each scenario is summarised in the table below.

| Budget Gap | 2020-21 £000 | 2021-22 £000 | Total £000 |
|-------------------|-------------------------|-------------------------|-----------------------|
| Best Case | 2,523 | 3,214 | 5,737 |
| Mid-Range | 5,560 | 7,083 | 12,643 |
| Worst Case | 10,706 | 12,920 | 23,626 |

- 1.19 There remains a significant budget gap in future years and the Transformation Board have already identified a number of longer term

options worthy of pursuit.

- 1.20 The Council are asked to consider a funding request in relation to the Royal National Mod and Kintyre Recycling Limited. Further they are asked to approve the funding for Events and Festivals in 2020-21 and give consideration to approving the funding for the Supporting Communities Fund in 2020-21.

REVENUE BUDGET OVERVIEW 2019-20 to 2021-22

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 2019-20. It also provides budget estimates for 2020-21 and 2021-22; within the report the mid-range estimates are noted, with the best case and worse case estimates included in Appendix 1.
- 2.2 Regular reports on the budget outlook 2019-20 to 2021-22 have been presented to Members throughout the year. Reports were presented to the Policy and Resources Committee on 24 May 2018, 16 August 2018, 18 October 2018 and 13 December 2018 in addition to a further update at a Members Seminar held on 28 January 2019.

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

- 3.1.1 The draft Scottish Budget for 2019-20 was announced by Derek MacKay, the Cabinet Secretary for Finance, Economy and Fair Work, on 12 December 2018. The budget information was provided for one year only.
- 3.1.2 The Local Government Finance Circular 8/2018, published on 17 December 2018, provides detail of the provisional total revenue and capital funding allocations for 2019-20. 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 2019 being presented to the Scottish Parliament in late February 2019.
- 3.1.3 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 worth £11.1 billion which includes;
- Baselining from 2019-20 of the full £170 million additional revenue investment announced earlier this year at Stage 1 of the Budget Bill for 2018-19;
 - An additional £210 million revenue and £25 million capital to support the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours by August 2020;
 - For 2019-20 local authorities will continue to have the flexibility to increase Council Tax by up to a maximum of 3%, which could

- potentially generate around £80 million to support services;
- In addition to the £66 million baselined provision from 2018-19, a further £40 million is included to extend Free Personal and Nursing Care for under 65s, as set out in the Programme for Government, and continued implementation of the Carers (Scotland) Act 2016;
- £120 million to be transferred from the health portfolio to Local Authorities in-year for investment in integration, this includes £12 million for school counselling services;
- Taken together, the total additional funding of £160 million allocated to Health and Social Care and Mental Health is to be additional to each Council's 2018-19 recurrent spending on social care and not substitutional. It means that Local Authority social care budgets for allocation to Integration Authorities (plus those retained for non-delegated social care functions) and funding for school counselling services must be £160 million greater than 2018-19 recurrent budgets;
- Continue to commit an overall funding package of £88 million in the local government finance settlement to support both maintaining the pupil teacher ratio at a national level and ensuring that places are provided for all probationers who require one under the teacher induction scheme. It is recognised that discussions on teachers' pay are on-going through the tri-partite Scottish Negotiating Committee for Teachers and any additional allocation to fund a negotiated agreement will require to be agreed;
- An indicative allocation of £3.3 million for Barclay implementation costs;
- Repayment in full of the re-profiled £150 million capital funding; and
- A new £50 million Town Centre Fund to enable local authorities to stimulate and support place-based economic improvements and inclusive growth through a wide range of investments which contribute to the regeneration and sustainability of town centres.

3.1.4 Following the Budget Bill Stage 1 debate in Parliament on 31 January 2019, a letter from the Cabinet Secretary for Finance, Economy and Fair Work was sent to the COSLA President with a copy to Leaders of all Scottish local authorities. It advised of a package of further measures covering local taxation and local government finance. The changes to the provisional settlement are:

- An increase in the core resource local government settlement of £90m.
- Continue to provide an earmarked £160m from the Scottish Government for health and social care investment to support social care and mental health services – including those under the direction of Integration Authorities – whilst, as part of this package, allowing local authorities the flexibility to offset their adult social care allocations to Integration Authorities in 2019-20 by 2.2% compared to 2018-19, i.e. by up to £50m across all local authorities to help them manage their own budgets.
- Provide local authorities with the flexibility to increase the Council Tax by 3% in real terms, which equates to 4.79% next year.
- Bringing forward a three year funding settlement for local government from 2020-21 budget onwards; and to develop a rules based

framework for local government funding in partnership with COSLA that would be introduced for the next Parliament.

Scottish Government Funding for Argyll and Bute Council

3.1.5 The funding excluding ring-fenced grants for 2018-19 noted within the February 2018 budget pack was £191.037m. Since this time, there has been a number of funding announcements from the Scottish Government which increased the funding by a further £0.772m to £191.809m. The funding excluding ring-fenced grants for 2019-20, as advised in the provisional settlement, is £188.589m. Adding on our Council's share of the additional £90m (£1.626m) announced on 31 January 2019 brings our funding to £190.215m.

3.1.6 The table below represents the changes between 2018-19 and 2019-20.

| | £000 |
|---|----------------|
| Funding Budget 2018-19 as per budget pack | 191,037 |
| Discretionary Housing Payment | 583 |
| 1+2 Languages | 44 |
| Adjustment to Changes line | (2) |
| Access to Sanitary Products – Schools | 28 |
| Access to Sanitary Products – Public Bodies | 14 |
| Free Child Burials | 3 |
| Whole System Approach (Youth Justice) | 25 |
| Homelessness | 30 |
| School Clothing Grant | 47 |
| Updated Funding 2018-19 (FC 8/2018) | 191,809 |
| 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) | (602) |
| Other Changes | (2,702) |
| Assumed Council Tax Contribution | (169) |
| Loans Charges Support | (276) |
| Change to the floor | (968) |
| Monies not distributed yet - Discretionary Housing Payments, 1+2 Languages , Access to Sanitary Products (Public Bodies), Homelessness | (671) |
| Settlement Commitments - HSCP | 2,168 |
| Provisional Settlement 2019-20 (FC 8/2018) | 188,589 |
| Additional Funding announced 31 January 2019 | 1,626 |
| Total Settlement 2019-20 | 190,215 |

3.1.7 If you compare the settlement of £190.215m to the cash funding in 2018-19, taking into consideration the monies not distributed yet (£0.671m), the funding reduction is £0.923m or 0.5%. If you allow for the settlement commitments in relation to HSCP and Carer's Act on the basis that they will require additional matched expenditure, the funding reduction is £3.091m or 1.6%.

- 3.1.8 In considering the estimates of future years funding, I have reflected on the three previous years and taken into consideration the funding reduction after additional monies and also any settlement commitments.
- 2017-18 funding reduction of 3.2%
 - 2018-19 funding reduction of 1.5%
 - 2019-20 funding reduction of 1.6%.
- 3.1.9 Over the last two years the reduction in funding has been lower than it was in previous years, helped by parliamentary budget negotiations and appreciating the pressure on local government core funding. It is extremely difficult to estimate future funding levels particularly when this current year and the previous two years the initial provisional settlement announced was then increased following the Stage 1 budget bill.
- 3.1.10 I would consider a prudent estimate to be in the range of 1.5% (best case) and 2.5% (worst case) with a mid-range of 2.0%. The worst case is based on the percentage reduction in 2019-20 prior to the additional funding announcement on 31 January 2019. I will keep this position under review and will revise as further intelligence becomes available. It is welcomed that there will be a three year funding settlement from 2020-21 as this provides certainty around the funding.

Council Tax

- 3.1.11 The Council Tax budget for 2018-19 was set at £47.674m. This included a 3% increase and a 0.50% growth in the Council Tax base. This is the starting position for 2019-20.
- 3.1.12 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 2020-21 and 2021-22 and 0.5% growth has been built into 2019-20 budget amounting to £0.238m.
- 3.1.13 Councils now have discretion to increase Council Tax by a maximum of 3% each year. As noted with the 31 January 2019 letter, the 3% increase is now 3% in real terms which is stated as 4.79% in 2019-20. Within this report, I will present the budget gap, prior to any decisions and therefore at this stage in the report, the Council tax base is assumed to remain at the same level as 2018-19. The percentage increase in Council tax is noted in paragraph 3.10.2 and feeds into the final estimated budget surplus/(gap).
- 3.1.14 The estimated council tax income over the next three years is noted in the table below.

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|---------------------------------|-----------------------------------|---|---|
| Council tax base 2018-19 | 47,674 | 47,674 | 47,674 |
| Growth at 0.5% each year | 238 | 478 | 719 |
| Total Council Tax Income | 47,912 | 48,152 | 48,393 |

UK Government Funding for Teachers Pensions

- 3.1.15 The UK Treasury has made two changes to the SCAPE (Superannuation Contribution's Adjusted for Past Experience) discount rate assumptions for the Teacher's Pensions.
- In Budget 2016 it announced a reduction from 3% to 2.8%, with effect from April 2019.
 - In September 2018 it proposed a further reduction to 2.4% from April 2019.
- 3.1.16 Keeping all other assumptions unchanged, a lower discount rate would result in higher contribution rates at the next scheme valuations. In September, the Government said that departments and devolved administrations would need to meet the increase in costs from the 2016 Budget announcement in full. It would support them with the increased cost resulting from the 2018 announcement in 2019-20, but not necessarily beyond that. No announcement of funding has yet been made for 2019-20 but it is expected within the Spring Statement on 13 March 2019.
- 3.1.17 The timing of the additional funding is not helpful for Councils setting their budget in February. At the end of December, the Directors of Finance Section considered a consistent treatment of this issue and the view was to provide from the full cost and two thirds of the income. This is because Treasury had already stated they would not provide funding for the reduction in the discount rate from 3% to 2.8%, however, they are looking at funding for the reduction to 2.4%. In the Scottish Government letter of 31 January 2019 it notes that local authorities were assuming a shortfall of 33% in the funding for these costs but Scottish Government analysis is that this shortfall is likely to be closer to 21% and local authorities should no longer have to budget for the difference between 33% and 21%. The letter goes onto say that there is a commitment to continue to press the UK Government to meet the full cost of these changes. The letter gives a further commitment that they will pass on to local government the consequentials that they receive towards the employers' cost increase for local government Teachers' Pension schemes.
- 3.1.18 There remains a risk for budgeting for income that has not been confirmed yet, however, the risk is reduced as there is a commitment by the UK Treasury to pass on funding and further there is a commitment that Scottish Government will pass on the consequentials. There is a further

risk that the distribution formula doesn't cover the estimated cost for the Council.

3.1.19 The additional cost in 2019-20 is estimated to be £1.846m. If UK Government fund 79% of this, then the Council would receive additional income of £1.458m.

3.1.20 The Spending Review next year will settle the funding for costs beyond 2019-20 arising from the valuations, however, it is assumed to be baselined, within all scenarios. If further information suggests that the funding will not be baselined, I will update future year's estimates.

Total Funding

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

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|--|-----------------------------------|---|---|
| Scottish Government funding | 190,215 | 186,411 | 182,683 |
| Council Tax income | 47,912 | 48,152 | 48,393 |
| UK Government estimated funding Teachers Pensions | 1,458 | 1,458 | 1,458 |
| Total Funding | 239,585 | 236,021 | 232,534 |

3.2 Base Budget

3.2.1 As with previous years the base budget for 2019-20 is the current year's approved budget adjusted as follows:

- for any one-off items included within 2018-19 that aren't carried forward into 2019-20;
- for any previously agreed items for future years; and
- for any funding adjustments since the 2018-19 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 2018-19 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 2018-19 was £236.303m. The changes to the base budget are noted in the following paragraphs.

3.2.4 There were two one-off items agreed as part of the 2018-19 budget that need to be adjusted for as follows:

| | £000 |
|--|-------------|
| Remove budget allocation of £0.260m in support of the One Council approach to property. The amount allocated in 2018-19 was for 2018-19 and 2019-20. | (260) |
| Add back one-off project savings | 249 |
| Reduction to revenue baseline budget | (11) |

3.2.5 At the Council meeting in February 2017, 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. For future years, it has been assumed that the funding will cease beyond 2019-20 in the best case scenario and in the worst case and mid-range scenarios it has been assumed that the funding will continue at the 2019-20 level. This will be a matter for Members to consider as part of the 2020-21 budget.

3.2.6 There is a change to the base budget relating to an accounting transfer between Live Argyll and the Council budget in respect of the apprenticeship levy. There is no bottom line impact on the Council position. The Council had budgeted for the cost of the apprenticeship levy for all staff, but an allocation had never been included within the management fee for Live Argyll. The apprenticeship levy for Live Argyll employees at the date of transfer amounted to £0.020m and it is now proposed that this should be added to the management fee and the base Council budget reduced by the corresponding amount.

3.2.7 A further change to the base budget is in respect of the impact of the pay award for 2018-19. The 2018-19 budget, for all pay groups, was based on the public sector pay commitment of 3% for those earning below £36,500, 2% for those earning above £36,500 with a cap of a £1,600 rise for those earning above £80,000. The negotiations are still ongoing however, the base adjustment is based on the latest offer, as noted below and has been calculated at £0.371m. This amount assumes that the commitment made by Scottish Government to fund the teachers increase above the public sector pay commitment, the main grade scale increase and also the additional 2% increase for promoted posts is fully funded. There is a risk that the funding is not sufficient.

Latest offers key headlines:

- SJC – 3.5% in 2018-19 with a cap of £1,600 for those earning above £80,000, 3% in 2019-20 and 3% in 2020-21
- SNCT – 3% in each year 2018-19 to 2020-21, changes to main grade scale and additional increase for promoted posts
- Craft Workers – same as SJC
- Chief Officers – same as SJC.

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 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 and the budget increase is limited to the funding. The settlement commitments in respect of Social Care are noted within the Health and Social Care Partnership section of this report.

| | Increase £000 |
|--|--------------------------|
| Access to Sanitary Products | 27 |
| School Clothing Grants | 52 |
| Whole System Approach (Youth Justice) | 25 |
| Reduction to British Sign Language (Scotland) Act 2015 | (6) |
| Total Increases | 98 |

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

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|--|-----------------------------------|---|---|
| Base Budget 2018-19 | 236,303 | 236,303 | 236,303 |
| One-off changes | (11) | (11) | (11) |
| AITC Funding | (10) | (10) | (10) |
| Live Argyll Apprenticeship Levy Transfer | (20) | (20) | (20) |
| 2018-19 Pay Award | 371 | 382 | 394 |
| Funding Commitments | 98 | 98 | 98 |
| Revised Base Budget | 236,731 | 236,742 | 236,754 |

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 2019-20, the expectation would be that the budget would reflect the 2018-19 budget plus any increase due to incremental progression, inflation and any other unavoidable employee cost increases less previously approved employee budget savings. For 2019-20 there is an overall decrease on the employee budget base of £0.103m. This is a small amount and in the main is linked to employee turnover.

3.3.3 The pay award estimate is one that has been subject to change. Negotiations are currently ongoing in respect of a multi-year pay offer

commencing in 2018-19. The estimates for 2019-20 and 2020-21 are based on the latest offer as noted in paragraph 3.2.7. The estimates for 2021-22 (out-with the multi-year offer) have been assumed to be between the range of 2.5% (best case) and 3.5% (worst case) with a mid-range of 3%.

- 3.3.4 The cost of employee increments for 2019-20 equates to £0.848m. 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 2019-20 cost within the mid-range scenario, the same level as 2019-20 in the worst case scenario and zero (will be absorbed) in the best case scenario.
- 3.3.5 Paragraphs 3.1.15 to 3.1.20 provide the background to the increase in teacher's pensions costs. The increased employers' contribution rate takes effect from 1 April 2019 and is estimated to cost £1.846m.
- 3.3.6 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 3.6.10.

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|---------------------------------|-----------------------------------|---|---|
| Change to employee base | (103) | (103) | (103) |
| Pay Award | 3,387 | 6,876 | 10,466 |
| Increments | 848 | 1,272 | 1,696 |
| Teacher's Pension Increase | 1,846 | 1,846 | 1,846 |
| Total Employee Increases | 5,978 | 9,891 | 13,905 |

3.4 Non-Pay Inflation

- 3.4.1 The position remains that only unavoidable/inescapable inflation has been included for 2019-20, 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 2019-20 for Council Services are noted below with further detail provided in Appendix 2.

| Service | Inflation Category | Amount |
|----------------|-------------------------------------|---------------|
| Council Wide | Utilities – Electricity and Heating | 74 |
| Council Wide | Utilities – Water | 12 |
| Council Wide | Non-Domestic Rates | 138 |

| | | |
|----------------------------|-----------------------------|--------------|
| Education | Pre-Primary Partner Uplift | 16 |
| Facility Services | Catering and Milk | 139 |
| Facility Services | School and Public Transport | 50 |
| Special Projects | Community Pools Uplift | 20 |
| Special Projects | NPDO | 246 |
| Special Projects | Hub Schools | 79 |
| Roads and Amenity Services | Landfill Tax | 85 |
| Roads and Amenity Services | Waste PPP Contract | 154 |
| Roads and Amenity Services | Street Lighting Electricity | 18 |
| Total | | 1,031 |

3.4.2 In terms of the budget outlook for 2020-21 and 2021-22, 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 3.6.10.

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|--|-----------------------------------|---|---|
| Unavoidable/inescapable Non-Pay Inflation | 1,031 | 2,062 | 3,093 |

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 within the mid-range scenario and £0.500m per annum within the worst case scenario. The inflationary increases relating to the Health and Social Care Partnership are summarised within paragraph 3.6.10.

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|-------------------------------|-----------------------------------|---|---|
| Housing Benefit Admin Subsidy | 0 | 60 | 120 |
| IT Software | 19 | 19 | 19 |

| | | | |
|--|--------------|--------------|--------------|
| Annual Service Payment New Schools | 349 | 349 | 349 |
| Asbestos Management | 0 | 40 | 40 |
| Carbon Reduction Scheme | 13 | 13 | 13 |
| School and Public Transport Contracts | 54 | 54 | 54 |
| Local Development Plan | 68 | 22 | 0 |
| Waste Financial Model | 266 | 266 | 266 |
| Catering and Cleaning Undeliverable Saving | 83 | 83 | 83 |
| ASN Demand | 608 | 737 | 865 |
| Unidentified/Unknown Cost and Demand Pressures | 0 | 250 | 500 |
| Total Cost and Demand Pressures | 1,460 | 1,893 | 2,309 |

3.6 Health and Social Care Partnership (HSCP)

3.6.1 The budget agreed on 22 February 2018, approved indicative allocations for the HSCP at the same level agreed for 2018-19 subject to the level of Scottish Government funding and the Council's overall financial position in future years.

3.6.2 There is one change to the base budget due to a change in accounting treatment in respect of fleet. Budgets were previously held in services in relation to capital charges for fleet, these have now been centralised to ensure that the fleet replacements/purchases are co-ordinated centrally and as such the capital elements of the fleet charges have been centralised. There is no bottom line impact of this accounting change, both the actuals and budgets are affected. The payment to the Health and Social Care Partnership will reduce by £0.189m in respect of this and the expenditure budget within the partnership will also reduce to reflect the lower charge.

3.6.3 The Local Government Finance Circular 8/2018 published on 17 December 2018, advises of total additional funding of £160m that is allocated to Health and Social Care and Mental Health and has to be additional to each Council's 2018-19 recurrent spending on social care and not substitutional. The Circular further says that this means the Local Authority social care budgets for allocation to Integration Authorities and funding for school counselling services must be £160m greater than the 2018-19 recurrent budgets (see update to this in paragraph 3.6.5). The breakdown of the additional £160m is:

- £108m Health and Social Care – A&B share £1.980m.
- £10m Implementation of Carer's Act – A&B share £0.183m.
- £12m Counselling Services – still to be distributed.
- £30m Free Personal Care Under 65s – still to be distributed.

3.6.4 The amount for Health and Social Care £1.980m and Implementation of

Carer's Act £0.183m requires to be passed over to the Health and Social Care Partnership. The funding for Counselling Services and Free Personal Care for Under 65s has still to be distributed. It is unclear at this stage as to whether the Counselling Services will fall within the remit of the Council or the HSCP.

- 3.6.5 There is additional funding of £0.005m included within the settlement for Sensory Impairment and this should also be passed over to the HSCP.
- 3.6.6 As noted in paragraph 3.1.4, a letter from the Cabinet Secretary for Finance, Economy and Fair Work advised of changes to the provisional settlement. One change is in respect of introducing flexibility in the funding local authorities can allocate to Integration Authorities in order to help local authorities manage their own budgets. The 2019-20 allocation can be reduced by 2.2% compared to 2018-19, however, the additional £160m funding must be passed on. 2.2% of the 2018-19 allocation is £1.240m.
- 3.6.7 The payment to the HSCP is an issue for Council to agree, however, as there have been conditions placed on the funding allocations in previous years, referenced to base budgets, it would be wise for the Council to take this into consideration when setting this year's budget in order to provide as much flexibility as possible in the future. It is my recommendation that should the Council wish to continue funding the HSCP at the same level as last year (plus our share of the additional £160m), this would be better presented as a reduced baseline allocation of 2.2% less than 2018-19 with an in-year funding allocation equal to this reduction.
- 3.6.8 One further issue is in respect of the pay-back of the 2017-18 overspend. The Council agreed that the 2017-18 overspend of £1.155m be repaid over three years. Repayments were agreed to be £0.100m in 2018-19, £0.300m in 2019-20 and £0.755m in 2020-21. The agreement was also due to be reviewed at the end of 2018-19. Due to the estimated overspend in 2018-19, the HSCP have not been able to repay the 2018-19. At the Integrated Joint Board meeting on 30 January 2019, the Board instructed officers to engage with the Council to request that the repayment arrangements be deferred for one year which would result in a repayment of £0.100m in 2019-20, £0.300m in 2020-21 and £0.755m in 2021-22. This will require Council approval. Repayments will be transferred to the unallocated General Fund balance, rather than reduce the Council in year budget gap.
- 3.6.9 The payment to the HSCP, amended to reflect the revised pay-back request, is summarised in the table below.

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|---|-----------------------------------|---|---|
| Baseline funding 2018-19 | 56,389 | 56,389 | 56,389 |
| Adjust Fleet Capital Charges | (189) | (189) | (189) |
| 2.2% reduction as per settlement flexibilities | (1,236) | (1,236) | (1,236) |
| HSCP Funding as per Finance Circular (Share of £108m) | 1,980 | 1,980 | 1,980 |
| Implementation of Carer's Act | 183 | 183 | 183 |
| Sensory Impairment | 5 | 5 | 5 |
| Base Payment to HSCP | 57,132 | 57,132 | 57,132 |
| Additional in-year payment (not part of base-line) | 1,236 | 1,236 | 1,236 |
| Revised Payment to HSCP | 58,368 | 58,368 | 58,368 |
| Less 2017-18 overspend pay-back | (100) | (300) | (755) |
| Net Payment to HSCP | 58,268 | 58,068 | 57,613 |

3.6.10 Members should note that the payments noted above assume that the HSCP will absorb any inflationary and cost and demand pressures. The latest inflation 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 4.

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|--|-----------------------------------|---|---|
| 2018-19 Pay Award | 169 | 169 | 169 |
| 2019-20 Pay Inflation | 962 | 1,953 | 2,973 |
| Pay Increments | 91 | 185 | 281 |
| Non-Pay Inflation | 766 | 1,931 | 2,982 |
| Older People Growth | 320 | 645 | 975 |
| Care Services for Younger Adults | 178 | 359 | 537 |
| Sleepovers Night Rates | 171 | 171 | 171 |
| National Care Home Contract | 299 | 610 | 933 |
| Continuing Care of Looked After Children | 226 | 463 | 712 |
| Carer's Act (fully funded in 2019-20) | 183 | 230 | 534 |
| Carer's Act – reduce pressure to 2019-20 funding | 0 | (47) | (351) |
| Allowance for Unknown Cost and Demand Pressures | 0 | 250 | 500 |
| Total Social Work Pressures | 3,365 | 6,919 | 10,416 |

3.7 Payment to Live Argyll

3.7.1 A report on the Leisure and Libraries Trust Financial Agreement was presented to the Policy and Resources Committee on 17 August 2017. The Committee agreed the management fee for three full financial years to 2020-21. The increase between 2018-19 and 2019-20 is £0.093m and a further increase of £0.096m in 2020-21. This represents a 2.6% increase year on year.

3.7.2 A three year financial arrangement was agreed on the basis that the Trust will be able to grow its income streams and over time the percentage of the trust expenditure represented by the management fee will reduce. In terms of the 2021-22 payment to Live Argyll (out-with the original three year agreement), it has been assumed that the payment would reduce by 2% in the best case scenario equal to our SG funding reduction estimate in the mid-range scenario, remain at a flat rate equal to the 2020-21 payment in the mid-range scenario, and would increase by 2.6% in the worst case scenario, as per current SLA increase.

3.7.3 Also added into the 2019-20 payment is a base budget transfer from 2018-19 in respect of the apprenticeship levy of £0.020, there is a corresponding adjustment to the Council's base budget for the apprenticeship levy.

3.8 Budget Gap PRIOR to Measures to Balance the Budget

3.8.1 The budget gap prior to factoring in any previous savings decisions or potential options towards balancing the budget is summarised in the table below.

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|--|-----------------------------------|---|---|
| Base Budget | 236,731 | 236,742 | 236,754 |
| Employee Cost Changes | 5,978 | 9,891 | 13,905 |
| Non-Pay Inflation | 1,031 | 2,062 | 3,093 |
| Cost and Demand Pressures | 1,460 | 1,893 | 2,309 |
| Increase/(Decrease) to HSCP allocation | 2,168 | 2,168 | 2,168 |
| Increase/(Decrease) to Live Argyll payment | 113 | 209 | 209 |
| Total Net Expenditure | 247,481 | 252,965 | 258,438 |
| Funding | 239,585 | 236,021 | 232,534 |
| Budget Surplus / (Gap) Cumulative | (7,896) | (16,944) | (25,904) |

3.9 Measures to Balance the Budget – Previously Agreed

3.9.1 As part of the work of the Transformation Board management/operational savings were identified for 2018-19 to 2020-21 and reported to the Council meeting on 26 October 2017. The increase in savings from 2018-19 to 2019-20 amount to £0.299m.

3.9.2 A number of policy options for 2018-19 to 2020-21 were agreed at the Council meeting on 22 February 2018. The increase in savings from 2018-19 to 2019-20 amount to £1.151m.

3.9.3 As reported in previous years, the loans charges profile was being reduced by £1.000m each year, with the final reduction in 2019-20. As part of the budget agreed in 2018-19 an additional £2.8m was allocated to roads in 2018-19 and this was to be met from not taking the full saving in loans charges from 2019-20 onwards. The cost of the borrowing is estimated at £0.100m in 2019-20 increasing to £0.200m in 2020-21 when repayment of the principal will be required.

3.9.4 A longer term redesign of catering and cleaning services was expected to achieve a further £0.446m of savings by 2021-22. One of the workstreams was in connection with shared services and this workstream is not progressing as quickly as anticipated and as the Argyll and Bute HSCP is already working to deliver significant savings from its catering service, there is a clear risk that the saving for this workstream of £0.274m will not be deliverable or will not deliver by 2021-22. For the budget outlook, I have assumed full delivery of the £0.446m savings in the best case scenario and £0.172m of savings in mid-range and worst case scenario by year 2021-22.

3.9.5 The table below summarises the previously agreed measures to balance the budget.

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|--|-----------------------------------|---|---|
| Management/Operational Savings Agreed October 2017 | 299 | 625 | 625 |
| Policy Savings Agreed February 2018 | 1,151 | 2,437 | 2,437 |
| Loans Charges profiling | 900 | 800 | 800 |
| Catering and Cleaning Service Choices | 0 | 0 | 172 |
| Total Measures to Balance the Budget | 2,350 | 3,862 | 4,034 |

3.10 Measure to Balance the Budget – For Council Approval

3.10.1 There is a separate report included in the budget pack which relates to

fees and charges together with the detailed schedule of charges for 2019-20. The general increase to fees and charges is proposed at 3% for 2019-20, this was the increase applied in 2018-19. The general inflationary increase would give additional income of £0.270m. There are further increases recommended over and above inflation in respect of car parking and these would generate further income of £0.050m. In terms of the outlook for 2020-21 and 2021-22 fees and charges have been estimated at between a 1% and 5% increase with 3% for the mid-range.

3.10.2 Councils have had the discretion to increase Council Tax by a maximum of 3% each year since 2017-18. As noted in paragraph 3.1.4, a letter from the Cabinet Secretary for Finance, Economy and Fair Work advised of changes to the provisional settlement. One change was to provide local authorities with the flexibility to increase the Council Tax by 3% in real terms, which equates to 4.79% next year. In light of the estimated reduction in the Scottish Government funding together with cost increases in respect of pay, inflation and other pressures, I have assumed that the Council would wish to increase the Council Tax by 4.79%, however, this is a matter for Council to decide. In terms of the future years, I have assumed no increase in the worst case scenario, a 3% increase in the mid-range scenario and a 4.79% increase in the best case scenario.

3.10.3 New savings options for 2019-20 have now been identified as a result of the work led by the Transformation Board. The savings options have been classified into management/operational options where there are no policy implications and will not result in any redundancies and policy options, where there are either policy or staffing implications. All policy options have been categorised into statutory duty, statutory power or non-statutory service. The savings options identified propose a reduction to the Council's staffing of 49.2FTE within 2019-20 should they all be accepted by Members.

3.10.4 A summary of the savings identified are noted in the table below with further high level detail contained within Appendix 5 and 6. There are also detailed templates for the policy options included within Appendix 6. The amount of savings may differ to those that were reported to the Policy and Resources Committee on 13 December 2018 as officers have further developed the options and refined the amount of savings, taking into consideration lead-in time to implement.

| Saving Type | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 |
|------------------------|-------------------------|-------------------------|-------------------------|
| Management/Operational | 2,090 | 1,638 | 1,398 |
| Policy | 1,873 | 2,499 | 2,574 |
| Total | 3,963 | 4,137 | 3,972 |

3.11 Budget Gap AFTER Measures to Balance the Budget

3.11.1 The budget gap after applying all the measures to balance the budget is summarised within the table below.

| | Draft 2019-20 £000 | Mid- Range Estimate 2020-21 £000 | Mid- Range Estimate 2021-22 £000 |
|---|-----------------------------------|---|---|
| Estimated Budget Gap Prior to Measures to Balance Budget | (7,896) | (16,944) | (25,904) |
| Previously Approved Savings Measures | 2,350 | 3,862 | 4,034 |
| Fees and Charges 3% Increase | 270 | 540 | 810 |
| Fees and Charges additional income over and above inflation | 50 | 50 | 50 |
| Council Tax 4.79% Increase in 2019-20, thereafter 3% Increase | 2,295 | 3,827 | 5,427 |
| New Management/Operational Savings | 2,090 | 1,638 | 1,398 |
| New Policy Savings | 1,873 | 2,499 | 2,574 |
| Budget Surplus / (Gap) Cumulative | 1,032 | (4,528) | (11,661) |
| Budget Surplus / (Gap) In Year | 1,032 | (5,560) | (7,083) |

3.11.2 The table above demonstrates that if Members agreed to all the proposals already noted within this report there would be a balanced budget in 2019-20 with a surplus of £1.032m. There remains estimated significant savings required in 2020-21 and 2021-22.

3.11.3 There are a number of proposals for Council to give consideration to and agree or otherwise:

- Level of non-pay inflation
- Identified cost and demand pressures
- Payment to HSCP and Live Argyll
- Level of fees and charges increase
- Level of Council Tax increase
- New Management/Operational and Policy Options savings.

Any change to what is assumed/estimated within this report, will change the estimated budget surplus/(gap) and Council should be mindful of the savings required in future years.

3.11.4 By way of further explanation on the budget surplus/(gap) estimates, the budget gap in 2020-21 is £4.528m if Council use the 2019-20 surplus in a one-off manner. If Council use the surplus in 2019-20 in a recurring way, the expenditure in 2020-21 will rise by the amount of the recurring expenditure and therefore the gap could potentially increase to £5.560m.

3.11.5 Appendix 6 provides a summary of the draft budget for 2019-20 at service level.

3.12 Balancing Future Years Budget

3.12.1 The budget gap over 2020-21 and 2021-22 across each scenario is summarised in the table below.

| Budget Gap | 2020-21 £000 | 2021-22 £000 | Total £000 |
|-------------------|-------------------------|-------------------------|-----------------------|
| Best Case | 2,523 | 3,214 | 5,737 |
| Mid-Range | 5,560 | 7,083 | 12,643 |
| Worst Case | 10,706 | 12,920 | 23,626 |

3.12.2 In view of the future savings requirements, the Transformation Board have identified a number of longer term options that are worthy of pursuit:

- Renewables Investments
- Digital Transformation
- Further rationalisation of face to face service provision
- Further office rationalisation.
- Continuation of One Council Property Approach
- Further review of Loans Charges
- Review of Fees and Charges
- Employee Terms and Conditions
- Sustainable Education as part of the Northern Alliance.

3.13 FUNDING REQUESTS

3.13.1 Council are asked to consider hosting the Mod in Oban in 2023 and consider formally committing to this with the Royal National Mod (RNM) and as part of this consider providing the £0.120m financial support to the RNM. There is currently a budget provision in relation to the Mod within the base budget amounting to £0.040m. There is a report to Policy and Resources Committee on 14 February 2019 in relation to this issue.

3.13.2 Kintyre Recycling Limited (KRL) are contracted to the Council to collect and recycle recyclable materials from premises in the Kintyre area. KRL have served a contract variation notice on the council seeking additional contract payments. The Council is asked to agree to extend the contract with KRL until August 2019, which if agreed requires additional funding of £23,330. There is a report to Policy and Resources Committee on 14 February 2019 in relation to this issue.

3.13.3 Council are asked to approve the funding for Events and Festivals for 2020-21 in order that the grant application process can commence during 2019-20. The level of funding agreed for Events and Festivals for 2019-20 (excluding the Mod) was £0.113m.

3.13.4 In a similar position to the Events and Festivals funding, the Council may

also wish to consider approving the funding for the Supporting Communities Fund in 2020-21 in order that the grant application process can commence during 2019-20. The level of funding for 2018-19 was £0.098m and this has been rolled forward and included in the base budget for 2019-20.

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 2019-20. It also provides estimates of the budget outlook for 2020-21 and 2021-22.
- 4.2 If Members agreed to all the proposals already noted within this report this would produce a balanced budget in 2019-20 with a surplus of £1.032m.
- 4.3. There remains a significant budget gap in future years and the Transformation Board have already identified a number of longer term options worthy of pursuit.
- 4.4 The Council are asked to consider a funding request in relation to the Royal National Mod and Kintyre Recycling Limited. Further they are asked to approve the funding for Events and Festivals in 2020-21 and give consideration to approving the funding for the Supporting Communities Fund in 2020-21.

5. IMPLICATIONS

- 5.1 Policy – There are policy implications associated with the new saving options and also previously agreed savings options which impact 2019-20 and beyond.
- 5.2 Financial – The report outlines the budget position over 2019-20 to 2021-22.
- 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 Fairer Scotland Duty – Equality and Socio-Economic Impact Assessments have been carried out where appropriate for savings options already agreed or developed. Equality and Socio-Economic 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
6 February 2019

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

APPENDICES:

Appendix 1 – 2020-21 and 2021-22 Budget Outlook Scenarios

Appendix 2 – Non-Pay Inflation Estimates 2019-20

Appendix 3 - Cost and Demand Pressures 2019-20 to 2021-22

Appendix 4a/b – Health and Social Care Partnership Cost Pressures

Appendix 5 – New Management/Operational Savings

Appendix 6 – New Policy Options Savings Summary and Templates

Appendix 7 – Service Summary of Budget Position

| | Draft | Best Case Scenario | | Mid-Range Scenario | | Worst Case Scenario | |
|---|-----------------|--------------------|-----------------|--------------------|-----------------|---------------------|-----------------|
| | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2020-21 £000 | 2021-22 £000 | 2020-21 £000 | 2021-22 £000 |
| Base Budget | 236,303 | 236,303 | 236,303 | 236,303 | 236,303 | 236,303 | 236,303 |
| Base Budget Adjustments | 330 | 311 | 323 | 341 | 353 | 341 | 353 |
| Revised Base Budget | 236,633 | 236,614 | 236,626 | 236,644 | 236,656 | 236,644 | 236,656 |
| Pay Award | 3,387 | 6,876 | 9,987 | 6,876 | 10,466 | 6,876 | 11,064 |
| Pay Increments | 848 | 846 | 846 | 1,272 | 1,696 | 1,696 | 2,544 |
| Change to employee base | (103) | (103) | (103) | (103) | (103) | (103) | (103) |
| Teachers Pensions Increase | 1,846 | 1,846 | 1,846 | 1,846 | 1,846 | 1,846 | 1,846 |
| Total Employee Cost Changes (Council Services) | 5,978 | 9,465 | 12,576 | 9,891 | 13,905 | 10,315 | 15,351 |
| Non-Pay Inflation - Council Services | 1,031 | 2,062 | 3,093 | 2,062 | 3,093 | 2,796 | 4,561 |
| Universal Credit - HB Admin Grant | 0 | 60 | 120 | 60 | 120 | 60 | 120 |
| New Schools Unitary Charges | 349 | 349 | 349 | 349 | 349 | 349 | 349 |
| Asbestos Management Plan | 0 | 20 | 20 | 40 | 40 | 60 | 60 |
| Carbon Reduction Scheme | 13 | 0 | 0 | 13 | 13 | 25 | 25 |
| Renewal of School and Public Transport Contracts Mid Argyll and Lorn | 54 | 54 | 54 | 54 | 54 | 54 | 54 |
| Local Plan Enquiry | 68 | 22 | 0 | 22 | 0 | 22 | 0 |
| Waste PPP Financial Model | 266 | 266 | 266 | 266 | 266 | 266 | 266 |
| Catering Hub (Catering and Cleaning Service Choices) - undeliverable Saving | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| Anti-Virus Software | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| ASN Demand | 608 | 608 | 608 | 737 | 865 | 822 | 1,036 |
| General Allowance for Unidentified Cost and Demand Pressures | 0 | 0 | 0 | 250 | 500 | 500 | 1,000 |
| Total Cost and Demand Pressures | 1,460 | 1,481 | 1,519 | 1,893 | 2,309 | 2,260 | 3,012 |
| Settlement Commitments | | | | | | | |
| British Sign Language - remove one-off funding | (6) | (6) | (6) | (6) | (6) | (6) | (6) |
| Access to Sanitary Products - additional funding | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| School Clothing Grants - additional funding | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| Whole System Approach (youth justice) - additional funding | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Total Settlement Commitments (excluding HSCP) | 98 | 98 | 98 | 98 | 98 | 98 | 98 |
| Adjustment to Health and Social Care Partnership Payment | 2,168 | 2,168 | 2,168 | 2,168 | 2,168 | 3,012 | 3,856 |
| Adjustment to Live Argyll Management Fee | 113 | 209 | 134 | 209 | 209 | 209 | 307 |
| Total Estimated Expenditure PRIOR to measures to balance the budget | 247,481 | 252,097 | 256,214 | 252,965 | 258,438 | 255,334 | 263,841 |
| Scottish Government Grant | 190,215 | 187,362 | 184,552 | 186,411 | 182,683 | 185,460 | 180,824 |
| UK Government Funding - Teachers Pensions | 1,458 | 1,458 | 1,458 | 1,458 | 1,458 | 1,458 | 1,458 |
| Council Tax | 47,912 | 48,271 | 48,633 | 48,152 | 48,393 | 48,032 | 48,152 |
| Total Funding | 239,585 | 237,091 | 234,643 | 236,021 | 232,534 | 234,950 | 230,434 |
| Budget Surplus / (Gap) PRIOR to measures to balance the budget | (7,896) | (15,006) | (21,571) | (16,944) | (25,904) | (20,384) | (33,407) |
| Measures to Balance the Budget - Already Approved | | | | | | | |
| Loans Charges Profile Adjustment and Savings | 900 | 800 | 800 | 800 | 800 | 800 | 800 |
| Catering and Cleaning Longer Term Redesign (Service Choices February 2016) | 0 | 0 | 446 | 0 | 172 | 0 | 172 |
| Management/Operational Savings Identified October 2017 | 299 | 625 | 625 | 625 | 625 | 625 | 625 |
| Policy Savings Options agreed February 2018 | 1,151 | 2,437 | 2,437 | 2,437 | 2,437 | 2,437 | 2,437 |
| Measures to Balance the Budget - For Council Approval | | | | | | | |
| Fees and Charges | 320 | 770 | 1,220 | 590 | 860 | 410 | 500 |
| Council Tax Increase | 2,295 | 4,746 | 7,366 | 3,827 | 5,427 | 2,301 | 2,307 |
| New Management/Operational Savings Identified December 2018 | 2,090 | 1,638 | 1,398 | 1,638 | 1,398 | 1,638 | 1,398 |
| New Policy Options Identified December 2018 | 1,873 | 2,499 | 2,574 | 2,499 | 2,574 | 2,499 | 2,574 |
| Total Measures to Balance the Budget | 8,928 | 13,515 | 16,866 | 12,416 | 14,293 | 10,710 | 10,813 |
| Budget Surplus / (Gap) Cumulative AFTER measures to balance the budget | 1,032 | (1,491) | (4,705) | (4,528) | (11,611) | (9,674) | (22,594) |
| Budget Surplus / (Gap) In Year AFTER measures to balance the budget | 1,032 | (2,523) | (3,214) | (5,560) | (7,083) | (10,706) | (12,920) |

| Department | Service | Inflation Category | Basis of Inflation | Inflation 2019-20 £000 |
|---|---------------------|---|---|------------------------|
| Council Wide | Council Wide | Utilities - Electricity and Heating | This is a volatile area and it is difficult to predict the inflation. No inflation was applied in 2018-19 as the base budget was deemed to be sufficient, but have assumed inflation at CPI rate of 2.5% (July 2018) for 2019-20. | 74 |
| Council Wide | Council Wide | Utilities - Water | This is a volatile area and it is difficult to predict the inflation. No inflation was applied in 2018-19 as the base budget was deemed to be sufficient, but have assumed inflation at CPI rate of 2.5% (July 2018) for 2019-20. | 12 |
| Council Wide | Council Wide | Non Domestic Rates | Based on current RPI as at end of July 2018 | 138 |
| Council Wide Total | | | | 224 |
| Community Services | Education | Pre-Primary Partner Provider Uplift | Inflationary increase agreed as per service choices | 16 |
| Community Services Total | | | | 16 |
| Customer Services | Facility Services | Catering Purchases and Milk | Estimated 8% increase predicted as a result of price volatility - there is a risk that this could be substantially higher. | 139 |
| 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. | 50 |
| Customer Services | Special Projects | Community Pool Subsidies | Based on current RPI as at end of July 2018 | 20 |
| Customer Services | Special Projects | NPDO Schools | NPDO Schools contracts are subject to inflation year on year. Inflation, per the contract pay mechanism, applied to the payments only i.e. account code 44000 as the income is linked to Education FM payment. | 246 |
| Customer Services | Special Projects | Hub Schools | Hub-DBFM Schools contracts are subject to inflation year on year. Inflation, per the contract pay mechanism, is applied to the payments only i.e. account code 44000 as the grant income is fixed for the term of the contract. | 79 |
| Customer Services Total | | | | 534 |
| Development and Infrastructure | Roads and Amenities | Landfill Tax | Calculation is based on a formula approach similar to last year. | 85 |
| Development and Infrastructure | Roads and Amenities | Waste PPP Contract | 85% of RPIX as at end of Q2 2018 | 154 |
| Development and Infrastructure | Roads and Amenities | Street Lighting Electricity | This is a volatile area and it is difficult to predict the inflation. No inflation was applied in 2018-19 as the base budget was deemed to be sufficient, but have assumed inflation at CPI rate of 2.5 (July 2018) for 2019-20. | 18 |
| Development and Infrastructure Total | | | | 257 |
| Grand Total | | | | 1,031 |

COUNCIL COST AND DEMAND PRESSURES 2019-20 to 2021-22

APPENDIX 3

| Department | Service | Cost/Demand Pressure | Draft | Best Case | | Mid-Range | | Worst Case | |
|-------------------|-------------------------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2020-21 £000 | 2021-22 £000 | 2020-21 £000 | 2021-22 £000 |
| Customer Services | Customer and Support Services | Universal Credit “Full” Service went live in Sept 2018, but managed migration has been deferred to 2020. The DWP will reduce the Housing Benefit Administration Subsidy they pay to the Council as some claimants come off of Housing Benefit processed by Council staff and go onto Universal Credit processed by the DWP. It is too early to fully predict what the impact will be on the Council’s caseload. DWP announce funding allocations each December. For 2019/20 we are benefitting from transitional protection. These figures represent our best estimates at this time. | 0 | 60 | 120 | 60 | 120 | 60 | 120 |
| Customer Services | Customer and Support Services | Additional resource required to ensure all Council IT software, including Education, has appropriate anti—virus protection. | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Customer Services | Executive Director | Profile of the annual service payment (previously referred to as unitary charge) in respect of the new schools. | 349 | 349 | 349 | 349 | 349 | 349 | 349 |
| Customer Services | Facility Services | There is an ongoing need for the Council to manage the activities associated with delivery of the Asbestos Management Plan. An earmarked reserve equivalent to £90k per annum was agreed by the Council in FQ2 2017 which should allow the management arrangements to be funded until FQ2 2020 on the understanding that this provision is the subject of ongoing review. From a budgetary perspective, the worst case scenario is that funding of the anticipated staff resource will continue to be required beyond 2020. | 0 | 20 | 20 | 40 | 40 | 60 | 60 |
| Customer Services | Facility Services | The annual payment of allowances under the Carbon Reduction Commitment scheme ends in its present form on 31 March 2019. There is the risk that this may lead to the introduction of a more punitive regime. | 13 | 0 | 0 | 13 | 13 | 25 | 25 |
| Customer Services | Facility Services | Renewal of school and public transport contracts in Mid Argyll and Lorn in July 2018. Additionally, impact of new tender in Bute and Cowal 2019-20 | 54 | 54 | 54 | 54 | 54 | 54 | 54 |
| Customer Services | Facility Services | The Council agreed to a number of Service Choices savings at the budget meeting in February 2016. One of the savings options was the longer term redesign of catering and cleaning and it was expected that savings for Phase 1 circa £0.331m could be achieved by March 2018-19 and a further £0.446m of savings for Phase 2 to be achieved by 2021-22. Included in the savings for 2018-19 was £0.048m for the development of the catering distribution hub and also £0.035m for drinks provision increase. This distribution hub project is on hold indefinitely and will only be delivered should other external funding be available to enable it. The drinks provision charge was lower than recommended creating this ongoing shortfall. A cost pressure has been build into all three scenarios for this undeliverable saving. | 83 | 83 | 83 | 83 | 83 | 83 | 83 |

COUNCIL COST AND DEMAND PRESSURES 2019-20 to 2021-22

APPENDIX 3

| Department | Service | Cost/Demand Pressure | Draft | Best Case | | Mid-Range | | Worst Case | |
|--------------------------------|----------------------------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2020-21 £000 | 2021-22 £000 | 2020-21 £000 | 2021-22 £000 |
| Development and Infrastructure | Planning and Regulatory Services | Local Development Plan. 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. | 68 | 22 | 0 | 22 | 0 | 22 | 0 |
| Development and Infrastructure | Roads and Amenity | Waste Financial Model - This relates to the financial model that has been updated to reflect waste costs until 2027-28. The estimated cost pressure for 2019-20 is £266k. The bio-municipal waste landfill ban comes into place in January 2021 and it should be noted that this could lead to possible variations with the Renewi contract. | 266 | 266 | 266 | 266 | 266 | 266 | 266 |
| Education | Education | The demand for ASN support in Argyll and Bute has continued to grow with a significant increase in, and early identification of children and young people presenting with complex additional support needs, including mental health difficulties. In 2018-19, there has been a substantial increase in ASN provision, resulting in a forecast overspend for the financial year. It is anticipated that growth continues over the next 3 years however the extent of this growth is difficult to determine. Scottish Government statistics show that the number of pupils identified with ASN has increased markedly since 2010 and there continue to be year on year increases. These increases are likely due to continued improvements in recording and the introduction of the additional need types 'Child plans' and 'Other' in 2011. Scottish Government statistical datasets show that the percentage of school roll in mainstream schools of pupils with ASN has increased by approximately 3% year on year. Within many authorities, this means increased numbers of children accessing specialist provision. | 608 | 608 | 608 | 737 | 865 | 822 | 1,036 |
| Council Wide | Council Wide | General provision for unidentified Cost and Demand Pressures | 0 | 0 | 0 | 250 | 500 | 500 | 1,000 |
| TOTAL | | | 1,460 | 1,481 | 1,519 | 1,893 | 2,309 | 2,260 | 3,012 |

SOCIAL WORK - COST AND DEMAND PRESSURES

APPENDIX 4

| Service | Cost/Demand Pressure | Best Case | | | Mid Range | | | Worst Case | | |
|----------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 |
| All Services | 2018-19 Pay Award Estimated Increase based on latest pay offer. | 169 | 169 | 169 | 169 | 169 | 169 | 169 | 169 | 169 |
| All Services | Based on current pay offer of 3.5% in 2018-19, 3% in 2019-20 and 3% in 2020-21 - assume the same in 2021-22. | 962 | 1,953 | 2,973 | 962 | 1,953 | 2,973 | 962 | 1,953 | 2,973 |
| All Services | Cost of increments. | 91 | 185 | 281 | 91 | 185 | 281 | 91 | 185 | 281 |
| All Services | Non-pay inflation - the largest element of the non-pay inflation is in respect of the Living Wage uplift. | 754 | 1,907 | 2,946 | 766 | 1,931 | 2,982 | 777 | 1,953 | 3,015 |
| 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 although in some areas the service capacity is being fully utilised and service expansion is proving difficult. The best case recognises the current capacity limits, the mid-range reflects 1.5% growth and the worst case reflects 3% growth. | 0 | 0 | 0 | 320 | 645 | 975 | 641 | 1,302 | 1,983 |
| 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 1.5% and the worst case reflects demand of 3%. | 0 | 0 | 0 | 178 | 359 | 537 | 356 | 723 | 1,079 |
| Adult Services | Reflects the cost of bringing sleepovers for commissioned social care providers into line with the Scottish Living Wage (SLW) by 2019-20. There may be some reduction in the best case scenario if the number of sleepovers can be reduced, this will be kept under review. Note: after the switch to a SLW based rate, year on year increases will be included within the annual non-pay inflation estimate. | 171 | 171 | 171 | 171 | 171 | 171 | 171 | 171 | 171 |
| 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 3% (in-line with the 2019/20 increase in the Scottish Living Wage rounded to the nearest whole number), the mid range reflects an increase of 4% and the worst case 5%. | 224 | 455 | 693 | 299 | 610 | 933 | 373 | 765 | 1,177 |

SOCIAL WORK - COST AND DEMAND PRESSURES

APPENDIX 4

| Service | Cost/Demand Pressure | Best Case | | | Mid Range | | | Worst Case | | |
|-----------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 |
| Children and Families | Continuing Care of Looked After Children: Part 11 of the Children and Young People (Scotland) Act 2014 introduced new provisions requiring Social Work to continue to provide accommodation for Looked After and Accommodated Children (LAAC) born after 1 April 1999 from their 16th birthday until they reach 21 years if the child chooses to remain in their current or equivalent alternative accommodation. Based on the expenditure trend over the period 2014/15 to 2018/19. the average annual increase in spending is 5%. The best case reflects an increase of 2.5%, the mid range 5% and the worst case 7.5%. | 113 | 229 | 348 | 226 | 463 | 712 | 339 | 703 | 1,095 |
| Adult Services | Carer's Act: Carers Act commenced 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. | 183 | 230 | 534 | 183 | 230 | 534 | 183 | 230 | 534 |
| Adult Servies | Carer's Act: Cap cost pressure to the level of funding in 2019-20 until confirmation of future years funding is known. | 0 | (47) | (351) | 0 | (47) | (351) | 0 | (47) | (351) |
| All Services | Provision for Unknown Cost and Demand Pressures | 0 | 0 | 0 | 0 | 250 | 500 | 0 | 500 | 1,000 |
| Total | | 2,667 | 5,252 | 7,764 | 3,365 | 6,919 | 10,416 | 4,062 | 8,607 | 13,126 |

Revenue Budget Preparation 2019-20
List of Management/Operational Savings

Appendix 5

| Ref | Service | Service Package | Description of Option | 2019-20 Budget Reduction £000 | 2019-20 FTE Reduction | 2020-21 Budget Reduction £000 | 2020-21 FTE Reduction | Future Years Budget Reduction £000 | Future Years FTE Reduction |
|--------|---|---|---|--|-----------------------------|--|-----------------------------|--|----------------------------------|
| | All Services | Auto-enrolment | A provision was created in last years budget for staff being auto-enrolled into the pension scheme. Based on the current superannuation budgets and the staff now within the superannuation scheme, this provision is no longer required. | 281 | 0.0 | 281 | 0.0 | 281 | 0.0 |
| | All Services | Increase vacancy savings target Council wide | Increase overall council vacancy savings target by £200k. In context, £140 million is spent on staff costs across council. | 200 | 0.0 | 200 | 0.0 | 200 | 0.0 |
| | All Services | Apprenticeship Levy possiblity of a recurring savings | Review of apprenticeship levy budget identifies budget not required. | 80 | 0.0 | 80 | 0.0 | 80 | 0.0 |
| | Special Projects | NPDO and Hub Contract Management | It is necessary to budget on an annual basis for the actual costs the Council is contractually obliged to pay in respect of the NPDO and Hub Schools contracts. Prudent contract management can deliver savings against these budgeted costs and it is considered feasible to deliver savings of £100K in 2019/20. There after saving to be determined for one year in advance | 100 | 0.0 | TBC | 0.0 | TBC | 0.0 |
| | Customer and Support Services | Council Tax Debt Recovery | New collection activities planned including using nudge theory through use of social media and introduction of SMS text reminders to send payment reminders to residents who are late in paying their council tax, along with additional joint working with sheriff officers targeting accounts with no payment arrangements or earnings arremts in place, and introduction of Water Direct to increase collections on water only accounts (which benefits both Council and Scottish Water as a proportion of all overall collections is retained by each). Two additional staff are needed to support these activities, and after their costs a net increase in collections of £250k p.a. is anticipated | 250 | 0.0 | 250 | 0.0 | 250 | 0.0 |
| | Roads and Amenity Services | Piers and Harbours maintenance | Revenue provision for piers and harbours underspend over the last two years - downsize to actual current level of spend | 200 | 0.0 | 200 | 0.0 | 200 | 0.0 |
| SF01 | Strategic Finance | Accounting and Budgeting | Service re-structure | 5.0 | 0.0 | 5.0 | 0.0 | 5.0 | 0.0 |
| PHRS03 | Planning, Housing and Regulatory Services | Animal Health and Welfare | Increasing income and adjusting budget and transportation costs | 5.8 | 0.0 | 5.8 | 0.0 | 5.8 | 0.0 |

Revenue Budget Preparation 2019-20
List of Management/Operational Savings

Appendix 5

| Ref | Service | Service Package | Description of Option | 2019-20 Budget Reduction £000 | 2019-20 FTE Reduction | 2020-21 Budget Reduction £000 | 2020-21 FTE Reduction | Future Years Budget Reduction £000 | Future Years FTE Reduction |
|------|----------------------------|--------------------------------|---|--|-----------------------------|--|-----------------------------|--|----------------------------------|
| | Roads and Amenity Services | Review of Fleet Replacement | All non essential expenditure on fleet purchase suspended. Extension of lifecycle of vehicles. Priority replacement to high maintenance vehicles with reliability problems. | 562 | 0.0 | 210 | 0.0 | -30 | 0.0 |
| ED01 | Education | Removal of contingency budgets | Requirement for budget has reduced year on year - proposed that the remaining balances are removed. | 227 | 0.0 | 227 | 0.0 | 227 | 0.0 |
| ED03 | Education | Primary and Scondary Education | Right sizing of school meal income budget to align with actuals. Reduction in central absence cover budget for non teaching staff. | 179 | 0.0 | 179 | 0.0 | 179 | 0.0 |
| | | | | 2,090 | 0.0 | 1,638 | 0.0 | 1,398 | 0.0 |

Revenue Budget Preparations 2019-20
List of Policy Options

Appendix 6

| Ref | Service | Service Package | Description of Option | 2019-20 Budget Reduction £000 | 2019-20 FTE Reduction | 2020-21 Budget Reduction £000 | 2020-21 FTE Reduction | Future Years Budget Reduction £000 | Future Years FTE Reduction |
|--------------|---|--|--|--|-----------------------------|--|-----------------------------|---|----------------------------------|
| PHRS04/07/10 | Planning, Housing and Regulatory Services | Biodiversity & Local Development Plan Team & GIS | Reduction of 1 post | | | 63 | 1.0 | 63 | 1.0 |
| PHRS12/13 | Planning, Housing and Regulatory Services | Homelessness & Housing Strategy | Transfer £100k for staff costs to SHF | 100 | 0.0 | 100 | 0.0 | 100 | 0.0 |
| PHRS14 | Planning, Housing and Regulatory Services | Marine and Coastal Development | Staffing redesign | 46 | 1.0 | 46 | 1.0 | 46 | 1.0 |
| PHRS16 | Planning, Housing and Regulatory Services | Trading Standards | Reduction of 0.5 post | 11.25 | 0.5 | 15 | 0.5 | 15 | 0.5 |
| EDST02 | Economic Development and Strategic Transportation | Business Gateway | Reduction of 1.8 posts | 23 | 0.0 | 23 | 0.0 | 98 | 1.8 |
| EDST03 | Economic Development and Strategic Transportation | Economic Growth | Reduction of 1 post | 49 | 1.0 | 49 | 1.0 | 49 | 1.0 |
| EDST05 | Economic Development and Strategic Transportation | Road Safety Unit | Removal of Service | 74 | 1.7 | 99 | 1.7 | 99 | 1.7 |
| RAS05 | Roads and Amenity Services | Grounds/Environment | 10% reduction to service | 120 | 6.0 | 180 | 6.0 | 180 | 6.0 |
| RAS09 | Roads and Amenity Services | Roads Management | 5% Reduction in staffing costs | 39 | 1.0 | 39 | 1.0 | 39 | 1.0 |
| RAS11 | Roads and Amenity Services | School Crossing Patrollers | Removal of Service | 115 | 6.91 | 170 | 6.91 | 170 | 6.91 |
| RAS12 | Roads and Amenity Services | Street Lighting | 11% reduction to controllable budget | 50 | 0.0 | 50 | 0.0 | 50 | 0.0 |
| RAS15 | Roads and Amenity Services | Environmental Warden Service | Reduction of 5 FTE. The service would focus on the income generation elements, including commercial waste agreements. This would be at the expense of the enforcement of dog fouling, littering, flytipping etc. | 105 | 5.0 | 140 | 5.0 | 140 | 5.0 |
| SSRVW01 | Cross Cutting | Management/Structure Review | Cross cutting bottom up review of current service delivery arrangements to deliver efficiency and management cost reduction. | 375 | 6.0 | 500 | 6.0 | 500 | 6.0 |
| CSS02 | Customer and Support Services | Customer Service Centre and Digital Service Team | Rationalisation of certain customer service points and increased service delivery through digital channels | 39.7 | 1.9 | 79.4 | 1.9 | 79.4 | 1.9 |

Revenue Budget Preparations 2019-20
List of Policy Options

Appendix 6

| Ref | Service | Service Package | Description of Option | 2019-20 Budget Reduction £000 | 2019-20 FTE Reduction | 2020-21 Budget Reduction £000 | 2020-21 FTE Reduction | Future Years Budget Reduction £000 | Future Years FTE Reduction |
|----------|-------------------------------|---|---|--|-----------------------------|--|-----------------------------|---|----------------------------------|
| CSS03/05 | Customer and Support Services | Admin of CT/HB, collection of CT and domestic Water and Sewerage charges and CT/NDR debt recovery Scottish Welfare Fund (SWF), the Welfare Reform Working Group (WRWG) and the Anti-Poverty Strategy, | Centralise Housing Benefit processing and re-structure teams | 125 | 3.6 | 200 | 5.6 | 200 | 5.6 |
| CSS04 | Customer and Support Services | NDR, Sundry Debt, BIDs and MACC billing and collection, and Cash Collection | Increase in income and re-structure team | 11 | 1.0 | 21 | 1.0 | 21 | 1.0 |
| CSS08/09 | All Services | Procurement Savings | Increased focus by Procurement and Commissioning Team on contract and demand management by services. This will require a redesign of the PCT team but will not alter the overall number of FTE. Cashable savings coming from this new approach will be identified and removed from service budgets. | 250 | 0.0 | 250 | 0.0 | 250 | 0.0 |
| CSS10 | Customer and Support Services | Creditor Payments / Payment of Members and staff Expenses | Phased removal of posts due to increased use in electronic systems | 16 | 1.0 | 35 | 1.8 | 35 | 1.8 |
| ED02 | Education | Central/ Management Costs | Removal of vacant posts | 49 | 1.5 | 49 | 1.5 | 49 | 1.5 |
| ED05 | Education | Youth and Adult Learning | Review of Youth and Adult Learning Provision | 248 | 10.07 | 330 | 17.1 | 330 | 17.1 |
| ED06 | Education | Music Instruction | Review of Instrumental Music Provision | 27 | 1.0 | 61 | 1.3 | 61 | 1.3 |
| | | | | 1,873 | 49.2 | 2,499 | 60.3 | 2,574 | 62.1 |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|---|--|---|
| Head of Planning, Housing and Regulatory Services | | Ref: PHRS04, 07 & 10 |
| Name of service delivery area | Biodiversity, Local Development Planning Team, GIS | |
| Responsible 3rd Tier manager | Matt Mulderrig | |
| Legislative basis for provision of the service – tick as appropriate | Budget | |
| Statutory duty | ✓ | Biodiversity £48,941 / Local Development Planning £423,844, GIS£145,414. 10.8FTE. |
| Statutory power | ✓ | £ |
| Non-statutory service | ✓ | £ |
| Part A – Please provide a summary of current service and how it is delivered | | |
| Statutory duties: | | |
| <ul style="list-style-type: none"> • (The Nature Conservation (Scotland) Act (2004) and Wildlife and Natural Environment (Scotland) Act 2011 requires us to provide a Biodiversity Duty Report every three years and to produce and keep up to date a Biodiversity Duty Action Plan adopted by the PPSL in April 2016. • The support provided by the Local Biodiversity Officer to Development Management replaces Scottish Natural Heritage's role as a Statutory Consultee at local level as they now comment only on the planning applications which are of national interest. • Community Empowerment Act 2015 requires the production of a Food Growing Strategy and the potential identification and allocation of land for allotments. • The council must prepare a Development Plan every five years. It provides information on what type of development should take place (and where), and which areas should not be developed. The council must use the Development Plan to decide how to respond to planning applications. The council's current Development Plan is due for replacement in March 2020. • Local authorities are required to carry out environmental assessments on qualifying plans, programmes or strategies. They must also monitor the environment effects of the implementation of plans that have been subject to environmental assessment. • The council can designate Conservation Areas that are of special architectural or historic interest, and subsequently it must publish proposals for the preservation and enhancement of any parts of its area which are conservation areas. • The Local Development Policy Team contributes to the work of the Roads Team to ensure integration between the Flood Risk Management Plan and Local Development Plan. • The LDP team provides input to the annual report on the work led by Facility Services to adapt to climate change. • The council requires to provide an annual return on the amount of vacant and derelict land. • The planning authority works in partnership with other council services, public agencies, RSLs, private sector developers and communities to facilitate delivery of appropriate development. • The development policy team provides specialist advice to some planning applications and listed building and conservation area consents where necessary, and in certain cases advice on interpretation and implementation of LDP policy. • Complying with INSPIRE regulations by making standardised data sets publically available. • Providing and hosting an on-line Local Development Plan. • Provide a service to name streets and properties and house numbers. • Mapping of electoral ward, community council and polling district boundary changes and associated census profiling. • Provide a council wide Geographic Information System (GIS) and associated data management. | | |
| <ul style="list-style-type: none"> • Statutory powers: • The council can request that a building within its area is deemed a listed building by Historic Environment Scotland (HES) if it appears that the building is of special architectural or historical interest and is in danger of demolition or alteration in such a way as to affect its character as a building of interest. | | |

- Councils may also provide supplementary guidance, such as development briefs or master plans for particular sites, and more detailed policies.

Part B - Please summarise the savings proposal for consideration

It is possible to provide a reduced and minimum level of service for both Biodiversity and Local Development Plan by reducing the combined team at officer level (LGE11) by one FTE. It is proposed this could be delivered by succession planning over a period of time as follows:

- One officer level post is removed in March 2020.
- The Local Development Planning and Biodiversity Team work more closely and flexibly together to cover the reduced staffing.

This saving cannot be delivered before this time because of the critical phase at which the production of the Local Development Plan 2 is (production of the Proposed Plan and a DPEA Examination), and the introduction of new statutory responsibilities to the team as a result of the Community Empowerment Act requiring work around identifying allotments and producing a food growing strategy.

The GIS / CAG team when compared with other local authorities is a leading performer, due to the skill and expertise and dedication of staff, not staff numbers. It is considered that the current design of the service is appropriate for providing an efficient service. However work force and succession planning presents an opportunity for a minor service re-design, shifting management responsibility and growing a graduate trainee to ultimately provide a £15,658 saving in staff costs. It is proposed this saving is delivered in March 2020 as follows:

- A graduate trainee will be employed through the Graduate Training Scheme as early as possible in 2019 and this will be funded through a proposed earmarked reserve. Essential skills can be transferred through work shadowing. The trainee will be expected to complete a funded distance learning GIS degree course commencing in September 2019 with graduation in September 2022.
- The GIS manager post is removed in March 2020, this being a suitable time period for essential skills transfer. The graduate trainee post will ultimately attain LGE10. The essential overlap / skills transfer cannot be delivered without the earmarked reserve or other funding.

Implications/risks:

- Redesign presents opportunities for workforce and succession planning, contributing to ongoing Growing Our Own work.
- Need to ensure effective transfer of essential skills to avoid loss of professional experience and knowledge.
- Effective essential skills transfer will require funding.
- Timing of saving critical – taking earlier than March 2020 will impact on LDP2 timescales.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|-------------------------|---------|-----|---------|-----------|----------|----------|-----------|----------|----------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Dev Policy/Biodiversity | | | | 48 | 1 | 1 | 48 | 1 | 1 |
| GIS | | | | 15 | | | 15 | | |
| Sub saving description | | | | | | | | | |
| TOTAL | | | | 63 | 1 | 1 | 63 | 1 | 1 |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|---|-------------------|
| Head of Planning, Housing and Regulatory Services | | Ref: PHRS012 & 13 |
| Name of service delivery area | Homelessness and Housing Strategy | |
| Responsible 3 rd Tier manager | Matt Mulderrig | |
| Legislative basis for provision of the service – tick as appropriate | Budget Homelessness and Housing Support: £2,309,157, Housing Strategy: £291,297 | |
| Statutory duty | ✓ | |
| Statutory power | | £ |
| Non-statutory service | | £ |

Part A – Please provide a summary of current service and how it is delivered

Statutory duties:

Homelessness: A local authority has a duty to carry out an assessment of homelessness in its area and to prepare and submit a homelessness strategy for preventing and alleviating homelessness in its area. Thereafter the statutory duties include:

1. Free availability of advice and information
2. A duty to make enquiries into the circumstances of any person presenting as homeless or threatened with homelessness. There were 517 homeless applications made to Argyll and Bute Council in 2017/18.
3. Provide interim accommodation while enquiries are continuing, during any review and thereafter until statutory duties are discharged. Housing Services manage 112 temporary accommodation units – 23 Serviced accommodation placements and 89 temporary tenancies in the community. 293 tenancies were created in 2017/18 and managed by Housing Services staff.
4. The primary duty owed to persons found to be homeless but not intentionally homeless is to ensure that permanent accommodation becomes available for the applicant.

Housing Support: The local authority must assess the support needs of persons found to be homeless or threatened with homelessness, and ensure that prescribed housing support services are provided as required to any person assessed as being in need of them. We have contracts with third sector organisations (HELP, Carr Gomm, Women's Aid and Blue Triangle Housing Association) to provide prescribed support services. 564 households were provided with Housing Support during 2017/18.

The Local Housing Strategy: The statutory duty on the local authority is to produce a local housing strategy. As the strategic housing authority, we carry out a continuous HNDA (housing needs and demand) process, based on a combination of commissioned research, and in-house data collation and statistical analysis. This is monitored on an annual basis with a comprehensive update for formal submission to Scottish Ministers every five years. Section 72 of the Housing Act (2006) requires the local authority to prepare and make publicly available a Scheme of Assistance for private sector housing.

The Strategic Housing Investment Plan (SHIP): Involves facilitating, promoting and funding a 3-5 year rolling new build programme in partnership with local RSLs, the Scottish Government and other stakeholders.

The Strategic Housing Fund (SHF): Used for council house building, bringing empty properties back into affordable housing use, land acquisition for affordable housing development and purchasing off the shelf houses from private developers for affordable housing use.

A specialist Empty Homes Officer forms part of the Housing Strategy Team. 55 long term empty properties were brought back into use in 2017/18.

The Housing Contribution Statement (HCS) is a statutory requirement and the primary strategic interface between the Housing sector and the Health and Social Care Partnership(HSCP).

MAPPA (Multi Agency Public Protection Arrangements): MAPPA was established under the terms of the Management of Offenders (Scotland) Act 2005. Environmental Risk Assessments (ERA) are carried out when an offender is being released from prison, an offender is being considered for a permanent offer of housing, an offender has notified a change of address and on an annual basis if the offender's address has remained the same. 79 ERA requests were issued in 2017/18. Attendance at 46 MAPPA case meetings was required in 2017/18.

Corporate Parenting: Identifying suitable housing is an essential part of the corporate parenting role when dealing with looked after and accommodated young people up to the age of 26.

Community Justice: At a local level, strategic planning and service delivery is now the responsibility of local community justice partners. Suitable housing has been identified as a key priority and the Scottish Government published a document called Suitable Housing On Release for Everyone (SHORE) in 2017.

Common Allocation Policy (HOMEArgyll): Argyll and Bute Council is a full partner in the Common Allocation Policy. The council is responsible for the IT system which holds all the applicant information and from which allocations of social housing are made in Argyll and Bute.

In total there are 19 FTE (13 homelessness / 6 housing strategy).

Part B - Please summarise the savings proposal for consideration

Homelessness and Housing Strategy are two separate budget areas. Currently £100,000 is transferred from Homelessness to cover part of the staff costs of Housing Strategy.

As the work of the Housing Strategy Team is all considered to fall within the potential remit of the Strategic Housing Fund, the savings proposal is to cover an additional £100,000 of the Housing Strategy staff costs from the Strategic Housing Fund, and to cease the £100,000 transfer from Homelessness. This will provide a £100,000 saving in the Homelessness budget.

In total the Strategic Housing Fund (combining its existing contribution of 140k, and the proposed saving of 100k) will now contribute 240k to cover 6FTE within the housing strategy team.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|------------------------|------------|-----|---------|------------|-----|---------|------------|-----|---------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Homelessness | 100 | | | 100 | | | 100 | | |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 100 | | | 100 | | | 100 | | |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|----|--|
| EqSEIA Required | No | |
| EqSEIA complete | | |
| Sent to equality@argyll-bute.gov.uk | | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|---|--------------------------------|
| Head of Planning, Housing and Regulatory Services | | Ref: PHRS14 |
| Name of service delivery area | | Marine and Coastal Development |
| Responsible 3rd Tier manager | | Matt Mulderrig |
| Legislative basis for provision of the service – tick as appropriate | | Budget |
| Statutory duty | ✓ | £95,535 |
| Statutory power | ✓ | £ |
| Non-statutory service | ✓ | £ |
| Part A – Please provide a summary of current service and how it is delivered | | |
| Statutory duties: | | |
| <p>Pre-application planning advice and specialist input to planning applications (including EIA screening and scoping) for the aqua-culture industry and other coastal development applications. Marine and Coastal input into Local Development Plan.</p> | | |
| Statutory powers: | | |
| <p>Regional Marine Plans: Have participated in creation of Clyde Marine Planning Partnership and actively partake in regular meetings to begin production of the Clyde Regional Marine Plan. As work progresses input required from Argyll and Bute is expected to increase.</p> <p>A further regional marine plan will be required for Argyll covering (Mull, Tiree and Coll, Colonsay, Islay, Jura and Gigha etc). The area covered by the plan is entirely within Argyll and Bute and will therefore require much greater input from the council.</p> | | |
| Non-statutory elements: | | |
| <p>Influencing review of National Marine Plan and wider marine planning (Scottish Coastal Forum, MSP Group). Responding to government consultations – influencing marine policy and strategy.</p> <p>Supporting local fishing industry – influencing work of IFG and allocation of FLAG monies.</p> <p>Service is delivered by two specialist officers based in Oban.</p> | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>As a starting point for this exercise, an activity audit of the Marine and Coastal Development Policy Unit has been carried out, listing all separate regular activities. Those activities prioritised as essential were:</p> <ul style="list-style-type: none"> • Provide internal advice on aquaculture EIA screening and scoping • Provide internal advice on aquaculture planning applications - including committees, hearings and appeals • Attending Clyde Marine Planning Partnership meetings and workshops • Internal liaison/discussion on Clyde Marine Plan • Reporting progress and gaining approval for key stages of developing Clyde Marine Plan and further Regional Marine Planning as it emerges. • Infrastructure audit for maritime industries • Input to preparation of proposed LDP (review of policy/SG) | | |

The Marine and Coastal Development Policy Manager recently resigned. As an interim measure the Marine and Coastal Development Officer has been asked to fulfil some of the responsibilities of the vacant manager post.

It is considered acceptable that one officer could perform the essential functions only. This would need to be a professional officer post, but would not need to have any management function. It is proposed that an LGE11 post would be appropriate, and that this could replace the current two posts at LGE12 and LGE9.

This post would be line managed by one of the Development Policy Senior Strategy/Policy officers which would have the benefit of creating closer integration with the rest of the Development Policy Team and greater sharing of knowledge and expertise.

The proposal would be to offer up this as a service saving as soon as the new post has been evaluated and appointed. This is anticipated to be 1st April 2019.

The saving does not make any change to current staffing levels.

Implications/risks:

- Essential service elements will be prioritised over non-essential functions given new resource levels.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|--------------------------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Replace 2 posts with one | 46 | 1 | 1 | 46 | 1 | 1 | 46 | 1 | 1 |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 46 | 1 | 1 | 46 | 1 | 1 | 46 | 1 | 1 |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|---|--|
| Head of Planning, Housing and Regulatory Services | | Ref: PHRS16 |
| Name of service delivery area | | Regulatory Services (Trading Standards) |
| Responsible 3rd Tier manager | | Alan Morrison |
| Legislative basis for provision of the service – tick as appropriate | | Budget |
| Statutory duty | √ | £439,762 (18/19) |
| Statutory power | √ | £ |
| Non-statutory service | √ | £15,000 |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <ol style="list-style-type: none"> 1. Trading Standards is a statutory service within Regulatory Services with a duty to enforce a wide range of Primary Legislation (Acts) and subordinate legislation relating to consumer protection. We aim to protect Argyll and Bute's residents, visitors and businesses and maintain a fair and safe trading environment where local businesses and consumers can thrive. 2. We are a regulatory service dealing with a wide range of Scottish, UK and European legislation relating to the quality, quantity, price, description and safety of goods and services. We also enforce various controls relating to age restricted products (tobacco etc.). The service delivers a range of statutory duties placed on the council, as well as non-statutory or discretionary activities which directly benefit consumers and businesses. 3. Budget: There is little opportunity to reduce existing budget, as options were taken as part of the services choices savings in 2016, where a 50% savings target was achieved. Staff costs comprise 90% of the TS budget. 4. Resources: <ol style="list-style-type: none"> a. As part of the service choices savings (50% reduction), resources within the trading standards team will have reduced from 9.6 FTE in March 2017 to 6 FTE by 1st April 2019. The team consists of a Trading Standards Manager, and an operational team of three Trading Standards Officers and two Regulatory Services Officers. They are based in Oban, Lochgilphead, Dunoon and Helensburgh. b. Resources are directed to statutory duties and an integrated approach is being developed with other local authorities to create a North of Scotland Trading Standards Alliance as part of the new service design. c. Our enforcement strategy complies with the Scottish Government's Strategic Regulators Code and is targeted, proportionate, risk-based, and consistent. Current resources are targeted at areas of greatest risk and are intelligence-led from a variety of different sources (e.g. Regulatory Services, police, other local authorities, customs etc.). This enables a response to local and national issues. d. Feed enforcement is to be transferred from Local Authorities to the Food Standards Agency as of the 1st April 2019 (subject to approval of amendments to legislation) with a subsequent reduction in Councils Grant Aided Expenditure which will be redirected to FSS to fund this work. The impact will be a reduction of £17,000 in GAE which equates to further staff savings (0.4FTE) from the trading standards budget, in addition to any savings identified from budget reconstruction. The Council submitted a formal tender to undertake this work, on behalf of the FSs, across Argyll and Bute and West Dunbartonshire. Scottish Government advised that due to contractual issues, they have now cancelled the contract (for the second time). Discussions have been held with FSS on the possibility of this Council undertaking this work on a memorandum of understanding subject to agreement on the specification, terms and conditions and budget. Initial discussions were positive and we await further contact from FSS. | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>The savings proposal seeks to reduce the service to a minimum statutory level and to stop providing a range of discretionary and non-statutory activities.</p> <p>There are few opportunities within trading standards to generate significant levels of income without legislative change. Shared services are already being progressed through the North of Scotland Trading Standards Alliance.</p> | | |

Implications/risks:

1. The minimum statutory service will result in services such as call-blockers, promoting consumer protection and self-help, no longer being delivered. Consumers (individuals and businesses) would need to seek advice and support from other sources.
2. There is potential that by not undertaking this “preventative work”, there will be a decrease in consumer awareness of issues, less protection for vulnerable people and a greater risk of consumer harm to those in our communities.
3. It may lead also to increased fair trading and consumer safety criminality and so an increase in consumer complaints.
4. There will be no capacity to cover absence within the team, to conduct major investigations, to contribute to corporate, national and partnership activities, or to carry out the work which is necessary to effectively re-orientate our service in the short-term to address internet crime.

It should be noted that the implications of Brexit, whilst unknown, are likely to create a need for new or revised regulatory controls in a wide range of areas including trading standards and environmental health. The National Improvement Service has identified that there is likely to be a need for stronger regulatory frameworks and additional resourcing post Brexit. This position will be clearer once the Brexit negotiations have been concluded.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|------------------------|--------------|------------|----------|-----------|------------|----------|-----------|------------|----------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Sub saving description | 11.25 | 0.5 | 1 | 15 | 0.5 | 1 | 15 | 0.5 | 1 |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 11.25 | 0.5 | 1 | 15 | 0.5 | 1 | 15 | 0.5 | 1 |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|------------------|--------------------|
| Head of Economic Development and Strategic Transportation | | Ref: EDST02 |
| Name of service delivery area | Business Gateway | |
| Responsible 3rd Tier manager | Ishabel Bremner | |
| Legislative basis for provision of the service – tick as appropriate | Budget | |
| Statutory duty | | £ |
| Statutory power | √ | £326,674 (2018/19) |
| Non-statutory service | | £ |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <p>Business Gateway</p> <p>Business Gateway is a national service, delivered via local authorities, providing free, confidential and impartial advice to new and existing businesses in Scotland. At the local level, Argyll and Bute Business Gateway delivers a service across the whole of the Argyll and Bute Council area to help businesses start, survive and grow.</p> <p>The Scottish Government has agreed eight priorities for Business Gateway and the services that must be provided by the local authority are specified in a National Service Specification.</p> <p>The Business Gateway service is delivered by a small in-house team of 6.2 FTE staff across a dispersed geographical area. With 3.2 FTE Business Advisers this is lower than that compared with other council areas across the Highlands and Islands area which have already experienced reductions in staff.</p> <p>In 2017-18 the service supported 267 existing businesses, 108 start-ups (with a combined 144 projected jobs and £5.5m projected turnover), delivered 549 Business Adviser sessions and 115 workshops with a combined 641 attendees.</p> <p>Business Gateway supports the longer-term objective of increased productivity and earning power as set out in the UK's Industrial Strategy and the framework for a competitive and fairer Scotland the key focus of Scotland's Economic Strategy.</p> <p>The Business Gateway service aligns to the Argyll and Bute Council priority of championing economic development, working in partnership with businesses and supporting targeted economic development within local areas as part of a strategic approach. Business Gateway support makes an important contribution to the aim of growing the local economy, through assisting the development of SMEs who cannot access enterprise agency support. Business Gateway also identifies emerging businesses with high growth potential on ensure that such businesses are referred to the appropriate enterprise agency for further support in their growth. In short, Business Gateway provides support to businesses that is not available from enterprise agencies.</p> <p>In addition to the core Business Gateway service, the team manage and deliver the Business Gateway Local Growth Accelerator Programme 2015-18. Designed to help local businesses realise their growth potential, the £372k programme has to date awarded 88 grants and 32 expert advice sessions, supporting 70 unique SMEs in total. The programme is at 90% of target for committed spend and 96% for SMEs supported, on track to hit all targets by programme closure at the end of December 2018. The programme levers 50% ERDF funding. Businesses are already enquiring about a Phase 2, for which the council could lever in 70% ERDF.</p> | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>An additional saving of £23k with regard to the proposed match funding contribution for Phase 2 of the Local Growth Accelerator Programme could be taken in 2019/20 onwards. This will be predicated on Phase 2 of the Local Growth Accelerator Programme being fully funded from the</p> | | |

West of Scotland Loan Fund surplus due to be transferred to Business Gateway for the sole purpose of SME development. The Policy and Resources Committee, 16th August 2018, approved the use of half of this surplus as match funding for Phase 2 and the other half for SME support linked to the Rural Growth Deal if opportunities were identified. Supporting the growth of small businesses is at the heart of the Rural Growth Deal, which justifies the full use of this surplus as match funding.

Any reduction in headcount removes the ability for Business Gateway to deliver the proposed Phase 2 Local Growth Accelerator Programme. Phase 2 could deliver a £483k three year programme of support to growing businesses, at no additional cost to the council, but requires the current complement of Business Gateway staff resource to enable its delivery.

To allow Business Gateway to deliver discretionary activity aligned to the remaining opportunity to lever in European funding, it is proposed that a review of staffing resources is made during 2020/21, aligning to the requirement for a redesign of the Economic Development and Strategic Transportation Service, to be realised, as appropriate, for the financial year 2021/22.

Implications/risks

With Phase 2 targets based on actual demand this creates a high degree of confidence that Phase 2 can be delivered as proposed. The phasing of spend and claims can be accurately predicted, assuming there is timely approval and no changes made to the programme guidance.

The identified risks are:

- 1) Reductions in year-on-year council budgets could mean the identified match funding is no longer available. However, this risk can be mitigated if the £150k from the West of Scotland Loan Fund surplus due to be transferred to Business Gateway for the sole purpose of SME development can be use as match funding (not just 50% as per the August Policy and Resources Committee Committee paper), at no additional cost to the council. Supporting the growth of small businesses is at the heart of the Rural Growth Deal (where the other 50% of surplus was to be allocated).
- 2) Reductions in Business Gateway headcount will mean there will be no staff capacity to deliver Phase 2. This can be mitigated by delaying the review of the Business Gateway staff complement until at least 2020/21 given the ERDF funding will require to be fully committed by the end of December 2021, but noting that there will still be a requirement for staff to undertaking funding claims until the end of March 2022.
- 3) Given that business demand is strong (all Phase 1 funding now committed and the first claim now approved) If Phase 2 is not progressed this will result in reputational risk and a loss of £483k of investment over three years to growing businesses across Argyll and Bute. It is recommended that Phase 2 is approved.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|---|-----------|-----|---------|-----------|-----|---------|-------------|--------------|---------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Grant allocation costs | 23 | | | 23 | | | 23 | | |
| Staff review but to be aligned with the EDST service redesign process | | | | | | | 75 (tbc) | 1.8 (tbc) | 1.8 |
| TOTAL | 23 | | | 23 | | | 98 | 1.8 | |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | | | | | | | | |
|--|----------------|----------|-----------------|--------------------|----------|----------|----------------|----------|----------|
| Head of Economic Development and Strategic Transportation (EDST) | | | | Ref: EDST03 | | | | | |
| Name of service delivery area | | | Economic Growth | | | | | | |
| Responsible 3rd Tier manager | | | Ishabel Bremner | | | | | | |
| Legislative basis for provision of the service – tick as appropriate | | | | Budget | | | | | |
| Statutory duty | | | | £ | | | | | |
| Statutory power | | | √ | £ | | | | | |
| Non-statutory service | | | | £ | | | | | |
| Part A – Please provide a summary of current service and how it is delivered | | | | | | | | | |
| <p>The council's Economic Growth section of the Economic Development Service (EDST) aligns to the Argyll and Bute Council priority of championing economic development, working in partnership with businesses and supporting targeted economic development within local areas as part of a strategic approach. The Economic Growth/Development service is the only body focusing on economic development and growth interventions solely in Argyll and Bute, unlike the enterprise agencies that have a far wider Highlands and Islands and rest of Scotland remit.</p> <p>Economic Growth contributes to achieving the outcomes and long term objectives outlined in the UK's Industrial Strategy with a focus on boosting the productivity and earning power of people throughout the UK, and Scotland's Economic Strategy which sets out a framework for a competitive and fairer Scotland.</p> <p>Economic Growth comprises of four teams and 10 FTE staff, including the Promotion and Marketing Officer. The Promotions and Marketing Officer post, with expertise in digital and other marketing, provides dedicated cross service support for sustainable economic development and the promotion of Argyll and Bute as a place to live, invest and visit.</p> | | | | | | | | | |
| Part B - Please summarise the savings proposal for consideration | | | | | | | | | |
| It is proposed to delete the Promotions and Marketing officer post which is vacant. This activity will now be taken forward in partnership with the council's Communications Team and the EDST support officer who provides additional support for the Economic Growth Team in terms of supporting business growth and associated promotional work. | | | | | | | | | |
| For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction | | | | | | | | | |
| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Removal of the Promotions and Marketing Post. | 48.97 | 1 | 1 | 48.97 | 1 | 1 | 48.97 | 1 | 1 |
| TOTAL | 48.97 | 1 | 1 | 48.97 | 1 | 1 | 48.97 | 1 | 1 |
| Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate | | | | | | | | | |
| EqSEIA Required | | | | No | | | | | |
| EqSEIA complete | | | | | | | | | |
| Sent to equality@argyll-bute.gov.uk | | | | | | | | | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|-------------------------|--------------------|
| Head of Economic Development | | Ref: EDST05 |
| Name of service delivery area | Road Safety Unit | |
| Responsible 3rd Tier manager | Moya Ingram | |
| Legislative basis for provision of the service – tick as appropriate | Budget £99,191 | |
| Statutory duty | | £ |
| Statutory power | | £ |
| Non-statutory service | ✓ | £99,191 |
| Part A – Please provide a summary of current service and how it is delivered | | |
| Staff | | |
| <ul style="list-style-type: none"> The Road Safety Unit's primary function is education, training and promoting road safety message to all categories of road user. (One FTE staff member and one part time term time staff member - 1.7 FTE total staff). | | |
| Services | | |
| <ul style="list-style-type: none"> Road Safety Unit delivers 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. The Road Safety Team are based in Lochgilphead and travel across Argyll and Bute to deliver services. The unit works in partnership with early years establishments to begin introducing very young children to the language of road safety. A significant amount of work is delivered through Argyll and Bute Council's primary schools. A full programme of activities and national resources are available for schools to help children develop their road safety awareness. Practical training in the form of pedestrian training and cyclist training takes place giving children the chance to encounter real road situations in a controlled environment. iCycle training takes place through Argyll and Bute Council's schools in either Primary 6 or 7, where children are taught basic manoeuvres and learn the rules of the road. The Road Safety Unit provides training to volunteer iCycle training instructors across Argyll. iCycle resource was developed in house by the road safety unit and won a Scottish National Transport Award. All schools have access to the comprehensive road safety resources developed through Road Safety Scotland. These are linked to the Curriculum for Excellence and are designed to provide a full programme of road safety for Early, First and Second level stages. The unit also delivers road safety education for specific categories of road user e.g. motorcyclists via production of Biker Magazine and training/advice events, child car seat checks for members of the public. The team, in partnership with DRIVESafe in Argyll and Bute, administers a grant of £75 to new drivers completing the Pass Plus Scheme. Pass Plus is an additional course aimed at new drivers living in Argyll and Bute who would like to further improve their confidence and driving skills after passing their practical test. It was designed by the Driving Standards Agency (DSA) with the help of insurers and the driving instruction industry. 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. Following the 2018/19 budget meeting the Road Safety Unit prioritise, as part of their work plan, measures to make travel to school safer/more child friendly and to reduce congestion at school gates. In 2018/19 the RSU has worked closely with schools to make travel to school safer and more child friendly. This has included school-specific actions such as securing external funding to create new scooter/bike parking, work to create a footpath link to school, and campaign work to reduce congestion at school gates e.g. inconsiderate parking for example on zig zags. | | |
| Part B - Please summarise the savings proposal for consideration | | |
| This service is non-statutory and the proposal is to cease the provision of this service. | | |
| Implications/risks | | |
| The risks of having no Road Safety Unit Service are as follows:- | | |

- Non-delivery of road safety education, promotion and training programme across educational establishments – pre-schools, primary and secondary schools. 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.
- Reputational damage. iCycle training to volunteer trainers at primary schools would not be delivered, Streetfeet pedestrian training would not be delivered to primary schools.
- Non delivery of Pass Plus Scheme offering a grant for additional driving skills after passing their practical test.
- Risk of compulsory redundancy for one FTE and one Part time/Term time equivalent.
- No partnership working with Road Safety West of Scotland, community emergency services partners, Road Safety Scotland to jointly work on various road safety initiatives.
- Proposal does not affect the significant work the Roads and Amenity Service team do to further road safety in partnership with Transport Scotland.

Conclusion

- Following the last review the current 1.7 FTE was considered the bare minimum to deliver a credible service. There is therefore no scope for scaling back staff other than removing the service with the loss of 1.7 FTE.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|------------------------|----------------|------------|------------|----------------|------------|------------|----------------|------------|------------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Sub saving description | £74,393 | 1.7 | 1.7 | £99,191 | 1.7 | 1.7 | £99,191 | 1.7 | 1.7 |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | £74,393 | 1.7 | 1.7 | £99,191 | 1.7 | 1.7 | £99,191 | 1.7 | 1.7 |

*2019/20 savings will be reduced and a part year saving made due to notice period requirements for redundancy etc.

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|---|---|
| Head of Roads and Amenity Services | | Ref: RAS05 |
| Name of service delivery area | | Grounds/Environment |
| Responsible 3rd Tier manager | | Tom Murphy |
| Legislative basis for provision of the service – tick as appropriate | | Budget £1,825,429 |
| Statutory duty | ✓ | £ A breakdown of budget is not provided as this would require an excessive amount of time to establish. |
| Statutory power | ✓ | |
| Non-statutory service | ✓ | |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <p>The service is responsible for the maintenance of amenity open spaces, play areas, sport pitches including stadiums and it also delivers floral bedding displays and hanging baskets. The service is also responsible for the maintenance and upkeep of burial grounds and war memorials across the council area. Other works include general cleanliness such as weed control, including the control of invasive species, removal of detritus (including trunk roads), litter collection and removal of debris from open space areas.</p> <p>The service generates a modest amount of income through providing support to events such as Oban Live, Bute/Cowal Highland Gatherings, Tiree Live and Helensburgh Pipe Band Championships to name but a few. This service also carries out 'contract work' for other public sector bodies. Again, the levels of income are modest but officers will continue to look for new opportunities.</p> <p>While the council has no statutory obligation to deliver grounds services, it is recognised that well maintained open spaces contributes significantly to the economy of the local area by making it attractive for tourists. Well maintained amenity and grassland areas make the area more attractive which is beneficial for both tourism and the various events that take place.</p> <p>The service maintains the council's high-profile recent capital investments to improve the streetscape and open space of the area which has understandably raised public expectations of maintenance standards.</p> <p>Over recent years there have been significant change processes applied to this area of the service. This includes contractual changes to terms and conditions (annualised hours, hours contracted to include weekend working which reduces overtime and flexibility across each of the operational teams – roads, amenity, waste etc.), changes to specification and programme.</p> <p>Between 2012/13 and the current date, the service has been reduced by 49.6%: between 2014 and now the budget has reduced from £2.744M to £1.825M; and in 2012/13, as part of the Streetscene Review, the service took a saving of £938k.</p> | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>The proposal for this service through this template is a 10% reduction to current resources.</p> <p>This further 10% would result in a reduction in the level of grassland maintenance, street sweeping, and maintenance of pitches and play areas. This would be noticeable with either a reduction to maintenance of all grassland areas or alternatively high profile areas being maintained to a standard similar to current day and lower priority areas being left to grow wild.</p> <p>As part of the reduction in service delivery, it would be proposed that spring bedding displays would cease but summer bedding continue. We will endeavour to seek sponsorship for any of the bedding</p> | | |

areas to reduce the reduction in grassland maintenance; however, from previous attempts there is limited confidence..

The council would have to make provision to ensure it continued to meet its health and safety obligations in relation to interference and damage to the road network (ref Part VIII Roads Scotland Act 1984), which would mean a level of budget remaining for grass cutting.

Reducing the grounds team would reduce the overall operational resilience which would affect services such as winter maintenance, and severe weather support. It would also potentially reduce resilience in the event of a pandemic flu outbreak where additional burials would place a high demand on this area of service. In times of peak demand, Roads, Amenity and Waste services will deliver services to the area most in need.

Should this saving option be progressed, it is suggested that an area by area specification be brought to the EDI Committee for consideration. This would set out the frequency of grass cuts, sweeping and cleansing and the areas that would not be treated for each of the four administrative areas. The budget reduction would be taken pro rata from existing budgets, for each of the four areas.

Implications/risks:

- Risk of debris, litter and discarded items being left, increased flytipping etc. with potential claims for third party injuries.
- As longer grassland is harder to maintain, reducing grassland maintenance would increase wear and tear on equipment which would have an impact on reliability and increase repair costs.
- Detrimental effect on economic development and tourism.
- Reduced ability to pursue commercial opportunities.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|------------------------|---------|-----|---------|---------|-----|---------|---------|-----|---------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Sub saving description | 120k | 6 | 6 | 180k | 6 | 6 | 180k | 6 | 6 |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 120k | 6 | 6 | 180k | 6 | 6 | 180k | 6 | 6 |

*2019/20 savings will be reduced and a part year saving made due to notice period requirements for redundancy etc.

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|---|--|
| Head of Roads and Amenity Services | | Ref: RAS09 |
| Name of service delivery area | | Roads Management (Network, Asset, Traffic Management) |
| Responsible 3rd Tier manager | | Hugh O'Neill |
| Legislative basis for provision of the service – tick as appropriate | | Budget £1,946,233 |
| Statutory duty | ✓ | This is not captured or time coded, however an initial estimate would be £1.8million |
| Statutory power | | £ |
| Non-statutory service | ✓ | This is not captured or time coded, however an initial estimate would be £150,000 |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <p>Argyll and Bute Council Network and Standards Team manage the roads network and assets for the Argyll and Bute area.</p> <p>Legislation dictates we maintain a record of our roads asset inventory. In order to do this, officers carry out numerous duties including inspecting road assets ensuring they are safe and fit for purpose. The service's asset management systems ensure that limited resources can be invested in ways that give the best possible return. Forward-looking documents such as the Annual Status and Options Report (ASOR) provide forecasts on road conditions based on different levels of investment and likely levels of deterioration. This advanced asset management ensures that sound investment decisions are made. Data gathering, storage and interrogation is all carried out within this service area.</p> <p>Officers also provide elected members, partner agencies and local community groups with advice and guidance on a multitude of other areas such as FOIs/Community Participation Requests/safe routes to schools etc.</p> <p>A significant restructure is currently underway which merges both the roads and amenity operational teams into one delivery team. As part of the restructure, an operational control hub is also being established. The control hub will bring together all programming, scheduling, monitoring and planning functions. This will reduce duplication across the area teams and brings budget savings through further staff reductions as agreed at the February 2018 budget meeting.</p> | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>The formation of the Hub will allow the reduction of a further member of staff which is currently sitting as a vacant post giving a saving of £39K.</p> <p>Implications/risks:</p> <ul style="list-style-type: none"> • Current staffing levels/resources are not affected. Reduction of one in the number of posts on the establishment. | | |
| For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction | | |

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|------------------------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Sub saving description | 39 | 1 | 1 | 39 | 1 | 1 | 39 | 1 | 1 |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 39 | 1 | 1 | 39 | 1 | 1 | 39 | 1 | 1 |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|---|---|-----------------------------------|
| Head of Roads and Amenity Services | | Ref: RAS 11 |
| Name of service delivery area | | School Crossing Patrollers |
| Responsible 3rd Tier manager | | Hugh O'Neill |
| Legislative basis for provision of the service – tick as appropriate | | Budget |
| Statutory duty | | £ |
| Statutory power | | £ |
| Non-statutory service | ✓ | £ 170,000 |

Part A – Please provide a summary of current service and how it is delivered

Argyll and Bute Council provides dedicated school crossing patrollers to primary schools throughout the full area. This is not a statutory requirement, A recent policy change removed lunchtime crossing cover. This policy change also included the removal of school crossing patrollers from locations in and around Argyll and Bute where there are controlled crossing facilities. Cover is now only provided in the morning and at school closing times.

Current service provision:

- School crossing patrollers at start and end of school day for primary school routes where required.
- Management of school crossing patrollers.

Part B - Please summarise the savings proposal for consideration

This is a non-statutory service and the proposal is to withdraw it completely.

Parents are responsible for accompanying their children to school and roads are designed to provide pedestrians with safe routes.

Implications/risks:

- Reputational risk to the council where communities have come to expect the council to deliver this service.
- Reduced contribution to the objective for the area that people live in safer and stronger communities.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|------------------------|------------|-------------|-----------|------------|-------------|-----------|------------|-------------|-----------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Sub saving description | 115 | 6.91 | 28 | 170 | 6.91 | 28 | 170 | 6.91 | 28 |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 115 | 6.91 | 28 | 170 | 6.91 | 28 | 170 | 6.91 | 28 |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|---|---|---|
| Head of Roads and Amenity Services | | Ref: RAS12 |
| Name of service delivery area | | Street Lighting |
| Responsible 3rd Tier manager | | Hugh O'Neill |
| Legislative basis for provision of the service – tick as appropriate | | Budget £1,168,881 |
| Statutory duty | ✓ | We do not capture this information, however an estimate is £1 million |
| Statutory power | | £ |
| Non-statutory service | ✓ | We do not capture this information, however an estimate is £170,000 |

Part A – Please provide a summary of current service and how it is delivered

The Roads Scotland Act 1984 S35 states:

- (1) The Local Roads Authority shall provide and maintain lighting for roads or proposed roads which are or will be maintainable by them and which in their opinion ought to be lit.

Statutory duties:

Existing lighting stock

- Maintain existing street lights (there is only a requirement to maintain what is in place. There is no requirement to provide additional street lighting).
- Maintain essential navigation lights for piers and harbours – SLA in place to meet national standards – This links in with Template for Piers and Harbours and is funded from piers and harbours.
- Maintain traffic lights, pedestrian crossings, signs at designated school zones
- Maintain flashing 20mph signs
- Maintain all lit signs
- Maintain lit bollards
- Energy charges for existing lighting stock met by the Council

New lighting

- Where the road is adopted, street lights in new developments are also adopted and maintained. Subsequent energy charges are borne by the council.

Non statutory elements:

Design of new developments

- Review and approve designs from developers, where developers have carried out their own designs, re street lighting proposals
- Inspection of new installations
- Offer design service for small developments – recharge as per earlier policy changes

Miscellaneous requests

- Reposition single columns for residents where requested (and appropriate) – this is a chargeable service
- Install bunting and flags, cross street banners, hanging baskets etc as requested – this is a rechargeable service
- Reposition CCTV cameras as requested by the Police - recharged
- Support for events – switch on/off lights – recharged

- Repair, install, switch on, and take down festive lighting – not currently charged but only has one year to run (2018) until handed over to the various community groups. Beyond 2018/19 any requests will be fully recharged.
- Consideration will be given to bid for the design and build for new lighting in new developments.

Currently the service is completing a refit to LED of approximately 14,000 lights. This innovative project saves approximately 50% of the council's energy bill and also significantly contributes to carbon reduction.

Part B - Please summarise the savings proposal for consideration

The approved Street Lighting Budget is £1,168,881, within this the Electricity Budget is £716,000. Savings against this have already been taken through the LED project. Reduced energy consumption and corresponding energy costs are used to fund the loans charges for the LED project.

Whilst the overall budget is £1,168,881, the controllable budget is £452,881. The remainder is tied up in energy costs and loans charges.

A saving of £50K is proposed, delivered by prioritising safety-related and urgent repairs, reducing material-intensive, non-urgent repairs and a reduction in materials and equipment used. This equates to an 11% reduction on the controllable budget. There would be no change to staffing levels due to the relatively small team size and the geography of Argyll and Bute.

Implications/risks:

- This saving would impact on routine lighting maintenance levels and response times for non-emergencies.
- While the LED project has significantly reduced the amount of reactive maintenance (dark lamps etc.), there are still significant issues to be resolved surrounding cable faults, fifth core cables and aging columns. A number of the columns will be addressed through the LED project, but there will still be a significant ongoing maintenance requirement for lighting installations.
- Removing £50k from this budget and prioritising on an operational basis may result in longer response times for non-emergency repairs.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|------------------------|-----------|-----|---------|-----------|-----|---------|-----------|-----|---------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Sub saving description | 50 | | | 50 | | | 50 | | |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 50 | | | 50 | | | 50 | | |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|---|-------------------------|
| Head of Roads and Amenity Services | | Ref: RAS15 |
| Name of service delivery area | | Warden Service |
| Responsible 3rd Tier manager | | Tom Murphy |
| Legislative basis for provision of the service – tick as appropriate | | Budget £275,743 |
| Statutory duty | ✓ | £75,000 estimated cost |
| Statutory power | ✓ | £180,000 estimated cost |
| Non-statutory service | ✓ | £20,000 estimated cost |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <p>This service is delivered across four geographical areas by nine staff using eight vehicles. As part of the 2017/18 budget proposal, four additional wardens were put in place on a temporary twelve months basis, these temporary roles have now all ended. The duties provided by the Warden Service include: litter enforcement; fly tipping; dog control; dog fouling; stray dogs; car parking enforcement; abandoned vehicle removal; enforcement of waste collections; commercial waste duty of care; Local Environmental Audit and Management System (LEAMS); pest control; education (informative talks to schools and community groups); promoting public campaigns; attending public events; working with partner agencies i.e. landlords, housing associations; speaking to businesses on customer habits e.g. cigarette butts outside pubs; travelling persons' sites (liaising with people on site, internal and external agencies); supply of black bags and arranging uplift while people in situ; monitoring area for waste deposits; second domestic bin monitoring; monitoring and approval of assisted pull-outs; graffiti investigations and removal; fly posting investigations and removal; community clean-ups; enforcement of fixed penalty notices and reports to the Procurator Fiscal; and liaising with housing associations and other agencies such as Police Scotland, SEPA and SSPCA.</p> <p>The Warden Service is involved in delivering a wide range of tasks which have a high public expectation in local service delivery.</p> <p>The Argyll and Bute Council area covers 2667 square miles. With the nine permanent wardens this equates to one warden covering 296.3 square miles. With the reductions proposed in this template, this would increase the area to 667 square miles per warden on average.</p> | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>The budget for the warden service consists of staff costs and vehicles. Removing £140k/50% of the budget will result in removing half of the team.</p> <p>Due to legal requirements the following statutory tasks cannot be reduced or cease:</p> <ul style="list-style-type: none"> • Dog control • Stray dogs • Abandoned vehicles – could be dealt with by the Roads Department • LEAMS (local environmental audit and management system) <p>Implications/risks:</p> <ul style="list-style-type: none"> • The remainder of the warden duties would be significantly reduced. • There would be a risk to income from commercial waste contracts • There would be a risk of increased cost, reduced income and detrimental effect to the environment through less compliance with recycling. • Reduced level of service could result in reputational damage and an increase in the number of complaints to the council. | | |

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|------------------------|------------|----------|----------|------------|----------|----------|------------|----------|----------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Sub saving description | 105 | 5 | 5 | 140 | 5 | 5 | 140 | 5 | 5 |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 105 | 5 | 5 | 140 | 5 | 5 | 140 | 5 | 5 |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|--|---|
| Chief Executive | | Ref: SSRVW01 |
| Name of service delivery area | | Management Review |
| Responsible manager | | Executive Director of Customer Services/Chief Executive |
| Legislative basis for provision of the service – tick as appropriate | | Budget |
| Statutory duty | | £32.5m |
| Statutory power | | £ |
| Non-statutory service | | £ |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <p>The total council revenue budget is £234m. £71.5m is the responsibility of the two Education Heads of Service and £41.5m is covered by the three Heads in Development and Infrastructure Services. The other five Heads of Service in Customer Services and the Chief Executive's Unit cover mainly support services with a budget of £32.5m. The council relies on a range of professional support services to enable frontline services to continue to deliver and to ensure that the council meets the complex regulatory requirements, set down in statute, required of a democratic, public sector body. Support Services have evolved over time in response to statutory requirements, service change and customer feedback.</p> <p>The current senior management arrangements with support service activities grouped under five Heads of Service have been in place since 2010. The most recent review of the support services as a whole was undertaken in 2013/14 when there was between 20—25% of savings made to each service along with some changes in responsibilities and alignment. Since then, changes have been restricted to service reviews or savings through service choices driven to meet savings targets set for each service – with no system wide consideration of any cross cutting impacts, amalgamations or delivery of savings through re-design. Potential synergies through bringing together groups of staff with common skill sets and the possibilities of reducing hand-offs between services where projects or pieces of work are of a multi-service nature have been identified. In addition, savings over that period have been concentrated on lower graded staff which has created perceptions of inequality across management layers.</p> <p>The Heads of Support Services and their respective teams looked across all the 25 service activity template areas which had been created as part of the budget re-construction exercise. This was to avoid any narrow single service focus, challenge the status quo and encourage the suggestion of new solutions. The aim was to generate cost effective synergies which could be achieved through the re-grouping and integration of service “chunks” with the consequent removal of potential management and supervisory duplication of tasks and knowledge.</p> <p>Following the initial stage of the review looking at potential synergies across the five heads of service remits that provide Support Services (Heads of Facility Services; Improvement and HR; Governance and Law; Strategic Finance; and Customer and Support Services) potential opportunities/ impacts on the remits of Heads of Service in Development and Infrastructure were identified. This has prompted a wider review of the senior management structure of the council which is exploring these opportunities and which will deliver a wider range of potential savings.</p> | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>The outcome of the assessments by relevant management teams is the identification of a reduced number of service groupings which can be classified under thematic headings, which are based on an analysis of the nature, form and scope of the work carried out by staff when undertaking the service activity. It focuses on close relationships and connectivity in both the type of transactions undertaken and the skill sets and knowledge required of individuals and teams. Significantly, there was a largely consensus view across the range of services that this could be delivered. Assembling</p> | | |

services into a revised set of groupings provides more integrated and cohesive cohorts of skill sets, experience and knowledge which should translate into a robust intelligent client team to promote and protect the council's best interests. It should also develop a transferable skills base that should enhance career development and opportunities for support staff in this area in the longer term.

Whilst the final detail of the service groupings and consequently posts that will be affected is under development, there is a confidence that this is likely to result in a reduction in the total number of heads of service of two posts and a minimum of four 3rd tier posts in 2019/20 with the strong potential of further reductions being identified in future years.

As with all savings, there are risks associated with reducing the number of senior management posts within the council and members will be conscious of the reduction in capacity of the organisation to manage the wide range of services, responsibilities and communications. There is similarity to the reduction in the capacity of the organisation more generally over the last ten years. It will further broaden the range of services that any chief officer or 3rd tier manager is responsible for, making it increasingly likely that the subject specialists will sit at 4th tier or below. This is already a significant feature in the council but will be made even more evident.

The Support Services Review and then wider management review highlighted an opportunity to generate further savings which protect front line services. Given they have emerged from a bottom up approach they result in savings in management posts through the synergies of seamlessly joining up service teams, as a number of management posts could potentially be removed by implementing the proposed changes. These are not without impact on the overall management capacity of the organisation but, in the context of the financial position facing the council, require to be considered. Overall, this review is proposing a recurring annual full year saving of around £500,000 and assumes a part year delivery, in 2019/20 of £375K. The review has considered the wider management structure of the council and offers further potential efficiencies arising from a broader review covering the full council management structure. This work is well advanced and is expected to influence the final shape of the proposals for support services and to offer further efficiency savings for future years.

Taking forward these proposals would support the Chief Executive to report back on the wider management structure of the council, and this, together with permanent arrangements for the Education Service, would be encompassed within a future report.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|----------------------------|------------|----------|----------|------------|----------|----------|------------|----------|----------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Management rationalisation | 375 | 6 | 6 | 500 | 6 | 6 | 500 | 6 | 6 |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 375 | 6 | 6 | 500 | 6 | 6 | 500 | 6 | 6 |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|---|-----|---|
| Head of Customer and Support Services | | Ref: CSS02 |
| Name of service delivery area | | Customer Service Points |
| Responsible 3rd Tier manager | | Robert Miller, Customer Service Engagement and Transformation Manager |
| Legislative basis for provision of the service – tick as appropriate | | Budget |
| Statutory duty | | £ |
| Statutory power | | £ |
| Non-statutory service | YES | £ 398,976.55 (2018/19) |

Part A – Please provide a summary of current service and how it is delivered

The Customer Service Points (CSPs) work alongside the Customer Service Centre (CSC) to provide mediated access for customers to the full range of council services; complementing the self service channels provided by the Web and Digital Service Teams. The council's nine CSPs have 17.56 FTE employees and provide the face to face (FTF) access that is still used by those customers who prefer not to use digital and also provide a FTF payment service that collected £2.56m in 2018/19. The nine CSPs are located in: Lochgilphead, Oban, Mull, Dunoon, Rothesay, Islay, Campbeltown, Helensburgh and Tiree. The CSPs are the base for the Registration Service and twelve CSP agents also act as registrars when needed, balancing out those workloads in an efficient way and providing essential cover to ensure statutory responsibilities are met.

In addition to the CSPs staffed with council agents, the service funds part time third sector agents based in council-owned premises on Jura and Colonsay, as part of the council's commitment to remote communities. The CSPs also provide the Blue Badge Service on behalf of the Health and Social Care Partnership, manage digital interview facilities for the Passport Office to facilitate the issuing of new passports in our remote communities and provide interview facilities for Police Scotland for those communities with no rural police station. In 2016 a cost comparison with the national SOCITM benchmark costs found the cost per FTF transaction in ABC to be £6.62 compared to the SOCITM cost of £8.62. Since 2016 the CSP headcount has reduced by 3.5 and Rothesay and Tiree CSPs were moved to part time opening.

Due to intertwined CSP and Registration delivery it is important to consider the workloads across both when evaluating the savings proposals below and these are shown in the table below:

| Registration District/CSP | TOTAL REGISTRATION | TOTAL CIVIL CEREMONIES | Ranking by Registration Activity | Total CSP Service Requests Logged* | Ranking by CSP Request Activity |
|---|--------------------|------------------------|----------------------------------|------------------------------------|---------------------------------|
| CAMPBELTOWN (3 FTE) | 202 | 13 | 5 | 9363 | 3 |
| COLL (HBR*) | 0 | 0 | 13 | 0 | N/A |
| COLONSAY (HBR + Funding) | 3 | 1 | 12 | 0 | N/A |
| DUNOON (3 FTE) | 400 | 78 | 4 | 10862 | 2 |
| HELENSBURGH (6 FTE) | 942 | 111 | 1 | 26632 | 1 |
| ISLAY (2.8 FTE) | 89 | 15 | 8 | 6516 | 5 |
| ISLE OF BUTE (1.5 FTE) | 185 | 21 | 6 | 2815 | 7 |
| JURA (HBR + Funding) | 4 | 1 | 11 | 0 | N/A |
| KILFINICHEN (HBR) | 15 | 3 | 10 | 0 | N/A |
| LOCHGILPHEAD (3 FTE) | 431 | 140 | 2 | 4026 | 6 |
| OBAN (3FTE) | 451 | 81 | 3 | 8420 | 4 |
| TIREE (0.4 FTE) | 23 | 4 | 9 | 596 | 9 |
| TOBERMORY (2 FTE) | 95 | 36 | 7 | 2749 | 8 |
| TOTALS | 2840 | 504 | | 71979 | |
| *FTE cover CSP & Registration duties, HBR = Home Based Registrars | | | | *Excludes Reception tasks | |

Part B - Please summarise the savings proposal for consideration

Certain Customer Service Points could be further rationalised in terms of hours and employee numbers; largely due to lower customer service demand and the fact they don't provide a busy gateway to other services sharing the building. Islay, Campbeltown, Mull, Rothesay, Jura, Colonsay and Tiree are thus in scope

for rationalisation. These CSPs cannot be shut as they are still required for registration activities, passport and blue badge interviews and have occupants from other services. Closure would also represent a significant reduction in physical council presence in these areas. The proposal is therefore to:

1. Retain Helensburgh, Oban and Dunoon as at present with existing staffing and opening hours as these sites are high traffic, act as significant gateways to other services in the building and provide a lead registration office in each Area. They also have marriage/ceremony rooms to help meet statutory responsibilities in that respect.
2. Retain Lochgilphead with existing opening hours as it too is a gateway office, Registration District and has a marriage room, but much lower CSP traffic. Hence an existing 0.5 FTE LGE6 CSP agent post would be converted into a 0.5FTE LGE6 Marriage Officer post to further boost registration income for the West Area on a self-financing basis.
3. Move to part time service point hours at Mull, Campbeltown and Islay CSPs on the same basis as that currently in place for Rothesay (9am- 12.30), which would also be retained as is. Maintain registration staffing at these offices, but reduce service point staffing; with all retained staff becoming cross disciplinary agents/registrars. This also keeps marriage/ceremony facilities and existing Passport/Blue badge provision in these towns. Support Budget at these CSPs could be cut by £5kpa as a result of reduced opening hours.
4. Remove 0.5 FTE LGE6 CSP Agent from Campbeltown as a result of moving to part time opening. Cover can come from the nearby CSC. Repurpose the current 0.8 FTE LGE6 CSP agent on Islay to become a CSC agent to help cope with additional contacts arising from moving CSPs to part time working, but who can also provide CSP cover on Islay if needed. Remove 0.5 LGE6 CSP Agent from Mull as a result of moving to part time opening, although there is no ready cover at this CSP.
5. Close Tiree Service Point, cease funding for Jura and Colonsay Service Points and move to a solely home based registration service on these islands; as currently happens on Coll. Self service digital access to council services will provide an alternative given low volumes. This would save a 0.4 LGE6 CSP Agent post plus a £25k funding contribution; although the council owns the buildings and will need to maintain them unless they are offered as a community buy out resource.

Implications/risks:

- Reduced physical council presence on Tiree, Jura, Colonsay.
- Reputational risks.
- Building maintenance costs continue if no alternative use found for council-owned buildings.

For this alternative delivery model please indicate proposed savings and any FTE/Headcount reduction.

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|--|----------------|------------|----------|----------------|------------|----------|----------------|------------|----------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Reduce Agents at Campbeltown (0.5), Mull (0.5) and Tiree (0.4) | £18,200 | 1.4 | 1 | £36,400 | 1.4 | 1 | £36,400 | 1.4 | 1 |
| Repurpose L'gilphead CSP agent to self fund Marriage Officer | £6,500 | 0.5 | 1 | £13,000 | 0.5 | 1 | £13,000 | 0.5 | 1 |
| Contribution to local CSP on Colonsay and Jura | £12,500 | 0 | 0 | £25,000 | 0 | 0 | £25,000 | 0 | 0 |
| Reduced CSP Support costs | £2,500 | 0 | 0 | £5,000 | 0 | 0 | £5,000 | 0 | 0 |
| TOTAL | £39,700 | 1.9 | 2 | £79,400 | 1.9 | 2 | £79,400 | 1.9 | 2 |

Assumes savings in 2019/20 will commence from 1st October.

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|---|--|
| Head of Customer and Support Services | | Ref: CSS03/05 |
| Name of service delivery area | | Administration of Council Tax and Housing Benefit, Scottish Welfare Fund, Welfare Reform and Anti-Poverty |
| Responsible 3rd Tier manager | | Fergus Walker |
| Legislative basis for provision of the service – tick as appropriate | | Budget |
| Statutory duty | x | £1,382,481 |
| Statutory power | | £ |
| Non-statutory service | | £ |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <p>The following services are administered across the council area:</p> <ul style="list-style-type: none"> • 50,000 council tax and water/sewerage accounts • 6,600 live claims for Housing Benefit (HB) and Council Tax Reduction (CTR) • Paying out £21.3m in HB and £5.4m in CTR • Billing £65m in council tax, water and sewerage charges <p>Front office services are delivered by the Customer Service Centre. Benefits staff are based across all the main towns and islands. Council tax staff are located in Campbeltown. A new council tax and benefits system went live in February 2018. This has reduced annual support and maintenance charges and will shortly provide enhanced online capabilities.</p> <p>Universal Credit Full Service (UCFS) is live in the area. Working age claimants will move from Housing Benefit when they have a specific change in circumstances between 2019 and 2023 and following managed migration starting Nov 2020. Around 40% of the Council's caseload are pension age claimants and will remain on Housing Benefit. CTR will continue to be administered for both pensioners and working age claimants for the foreseeable future. The Housing Benefit Administration grant funding provided by the DWP for 2018/19 is £319,323 which covers around 30% of the cost of the benefits service. This is expected to reduce significantly over the next four years with caseload reduction.</p> <p>The Debt Recovery Team oversees collections of Council Tax and Non-Domestic Rates debt passed to the contracted Sheriff Officers following summary warrant and also collections via attachments of benefit orders and water direct. There is c £26m council tax debt and £8m NDR debt placed with Sheriff Officers.</p> <p>CIPFA Directors of Finance performance indicators 2016/2017 show:</p> <ul style="list-style-type: none"> • Council Tax: Gross cost of collecting Council Tax per chargeable dwelling is £6.85, well below Scottish average of £9.09; in year collection of council tax is 95.79% similar to Scottish average of 95.98%. • Benefits: Gross cost of Administration (GCA) per case is £60.22, well above Scottish average of £38.33. This is adversely affected by the level of distribution of staff across the area. The time for processing new claims for HB performance is 21 days which is below Scottish average of 22 days. The time for processing a change is five days compared to an average of six days. <p>The Scottish Welfare Fund (SWF) is a national statutory scheme delivered by local authorities. It provides a safety net to people on low incomes. The Scottish Government provides administration funding of £64,863 for 2018/19 and distributes £438,740 programme funding. Our costs exceed the funding provided. The service currently sits in the Discretionary Benefit team which also administers Discretionary Housing Payments (DHP). Each year we receive around 1,500 Crisis Grant applications and 750 Community Care Grant applications.</p> <p>The service currently supports the Welfare Reform Working Group (WRWG) and the Anti-Poverty Strategy action plan. The group will be reformed as a Financial Inclusion and Advice Group from April 2019 and service input will continue to be required.</p> | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>The cost of delivering the Benefits service is one of the highest in Scotland. There is a need to reduce these costs in particular. There are two significant factors that drive up these costs: 1) the service is delivered on a decentralised basis making the delivery of support to those distributed staff challenging and expensive; 2) the high level of specialist support staff for training, quality assurance (QA), and subsidy work</p> <p>We plan to reduce the number of assessment staff by three FTE – phased over two years. This can be achieved as follows:</p> <ul style="list-style-type: none"> • Increase joint working between council tax and benefits staff to reduce handovers. There are currently around 250 processes per month where Council Tax liability changes affect benefit entitlement. | | |

| | | | | | | | | | |
|------------------------------------|------------|------------|---|------------|------------|---|------------|------------|---|
| Service Restructure as above | 60 | 3.6 | | 135 | 5.6 | | 135 | 5.6 | |
| Additional income and cost savings | 65 | 0 | 0 | 65 | 0 | 0 | 65 | 0 | 0 |
| TOTAL | 125 | 3.6 | | 200 | 5.6 | | 200 | 5.6 | |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|--|---|-------------------|
| Head of Customer and Support Services | | Ref: CSS04 |
| Name of service delivery area | Non-Domestic Rates (NDR), Sundry Debt, BIDs and MACC billing and collection, and Cash Collection | |
| Responsible 3rd Tier manager | Fergus Walker | |
| Legislative basis for provision of the service – tick as appropriate | Budget | |
| Statutory duty | x | £424,904 |
| Statutory power | | £ |
| Non-statutory service | x | £(not split out) |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <p>A combined Non-Domestic Rates and Sundry Debts team of 5 FTE is centrally located in Campbeltown. This team is generic to provide cover across both areas. It bills £38.5m annually in NDR across around 8,000 subjects and £27.4m annually in sundry debt income (nearly 35,000 invoices). Most sundry debtors input is done remotely by users distributed across the council. This team processes some invoices for smaller departments, and does all billing and follow up. Legal Services assist in chasing unpaid sundry debts.</p> <p>A cash and income collection team of 3.5FTE is based in Campbeltown. They handle all cash received through the post, control all transfers for cash received directly into the council's bank accounts including direct debits, standing orders, via post offices, DWP deductions, debit and credit card payments, and sheriff officer payments, and do daily bank reconciliations. They oversee bankings from Customer Service Points and other locations such as schools and Leisure Centres.</p> <p>CIPFA Director of Finance Performance Indicators show that:</p> <p>Non-Domestic Rates (NDR) (Statutory)</p> <ul style="list-style-type: none"> • Cost of Collecting NDR per dwelling is £26.78 which is slightly above the Scottish average of £24.04. Costs vary largely with volume of NDR collected. Collections of NDR are excellent and average c 99% in common with all councils. <p>Sundry Debt (Non-statutory)</p> <ul style="list-style-type: none"> • The cost of collecting Sundry Debt as a % of the total value is 0.59% which is above the average of 0.37%. This varies primarily with value of debt being collected. • Collection rates are good. Income received as a % of the opening Sundry debt is 84.27% very close to Scottish average of 84.73%. • Our proportion of Debt Outstanding that is more than 90 days old is 29.86% - lower than the Scottish average of 40.73% <p>The NDR and Sundry Debt Team bill and collect Business Improvement District (BIDS) levies under an operating agreement which provides the legal framework for this work. BID4OBAN and PA23BID have both recently successfully re-balloted and will be around for at least another five years. The income of £13,000 per annum for this work, along with cash collection income from MACC, funds a 0.5 FTE post to do this work. This work is non-statutory.</p> <p>We issue debtors invoices to businesses and residents at the Sound of Kintyre for sewerage charges on behalf of MACC. The council is paid £11 per invoice for the administration and collection of the revenue under an operating agreement which is due to expire on 31 March 2019. This generates income of £3,000 per annum for the council.</p> | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>Ongoing essential core functions are:</p> <ul style="list-style-type: none"> • The administration of Non-Domestic Rates (NDR) and Business Improvement Districts (BIDS) • The administration of the council's Sundry Debt invoicing system and the recovery of debt. • The effective recording of all council income and the reconciliation of the council's bank accounts. <p>The minimum level of service for this service would mean the removal of 1FTE cash post. This is a due to increased efficiencies in the new bank reconciliation model to be implemented in 2018/19.</p> | | |

Income could be increased through provision of new billing and collection services in similar ways to those for the existing BIDs and for MACC, absorbing that work within the existing team and therefore saving at least £6,500 per annum through increased income.

In addition we propose investigating e-billing for NDR (not available in current system) to save printing, postage and stationery; reviewing payment patterns (improved impact on cash flow); charging penalties for non-return of information (not currently legal but expected to come in as a Barclay review recommendation).

We are proposing a further change which is largely cost neutral and which does not change the number of staff but which would assist with the smooth running of the service alongside the changes proposed for CSS03/5 (council tax, benefits, SWF and anti-poverty). This would be to combine the NDR and sundry debt team leader posts into a single post, with the systems admin team (in other template) taking up some of the work of the previous posts. In addition, there is a new more senior post proposed at LGE11. This will take on some of the responsibilities in the old Revenues Supervisor post which is being combined with the Benefits Performance and Development Manager post into a single new Council Tax and Benefits Operations Manager. This change to the structure of the service would save approximately £21,000.

| Summary of FTE changes | 2019-20 (and beyond) |
|---|----------------------|
| Remove 1 NDR / sundry debt team leader post and replace with 1 NDR and Income Manager | 0 |
| Remove 0.5 Cash Supervisor | -0.5 |
| Remove 0.5 clerical assistant (Cash) post | -0.5 |
| Total | -1.0 |

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|--------------------------------|-----------|----------|---------|-----------|----------|---------|-----------|----------|---------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Sub saving Service Restructure | 11 | 1 | | 21 | 1 | | 21 | 1 | |
| TOTAL | 11 | 1 | | 21 | 1 | | 21 | 1 | |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|---|---|----------------------|
| Head of Customer and Support Services | | Ref: CSS08-09 |
| Name of service delivery area | Procurement and Commissioning Team | |
| Responsible 3rd Tier manager | Anne MacColl-Smith | |
| Legislative basis for provision of the service – tick as appropriate | Budget | |
| Statutory duty | X | £970,404 |
| Statutory power | | £ |
| Non-statutory service | | £ |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <p>Procurement support is provided to council services to procure required supplies/services/works to fulfil their statutory duties and non-statutory services, ensuring that the support adheres to the statutory duties referred to in the relevant procurement legislation.</p> <p>This support is delivered through Performance Improvement Officers, Category Management Officers, Trainee Purchasing Officers and Purchasing Assistants. This corporate team works via a category management structure which means that they provide direct support to the council's service teams to ensure best value is achieved. Service teams therefore have a lead procurement officer for their needs. The team has developed over the past six years via the council's Growing Our Own project. The team has recruited graduate trainees who receive training and mentoring over a three- year period whilst sitting their procurement exams. Once qualified they are able to progress in the team structure and this ensures we have qualified, suitably trained experienced staff delivering procurement services for the council.</p> <p>70 key contracts are contract managed by the service teams who are responsible for them. Training and support is provided by the Procurement Team to ensure that this is carried out effectively and efficiently. The introduction of the PCS-T Contract Management system will further improve this process. The roll-out of this new system is taking place in late 2018-19.</p> <p>PCT have a proven track record of achieving procurement savings through carrying out high quality front end procurement activity via market testing, category strategies, developing quality tender documentation, evaluation and contract award. Procurement savings achieved during 2017/18 totalled £3,822,889 (cash) and £78,719 (non-cash), for contracts active during the period. For new contracts awarded during the year, where budget information was available, savings against revenue budgets totalled £147,974 and £601,639 against capital budgets. However, once the contracts are awarded there is no real input from the PCT into the contract delivery by the supplier and therefore potential benefits could be missed by the council.</p> | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>The alternative delivery model proposed maintains the existing FTE, albeit the skill sets and posts will develop and change. At this stage it is anticipated that £250k annual procurement savings are achievable as a result of the new team structure and emphasis on contract and demand management.</p> <p>Detail</p> <p>PCT use a standard savings toolkit to ensure consistent methods of recording savings. The aim of the toolkit is to help monitor and track the savings. The proposed restructure of the PCT is to ensure there is sufficient officer capacity to ensure we monitor those savings and contracts are delivered on time and on budget. These savings will be shared with the Head of Strategic Finance to enable Strategic Finance to have sight of savings being achieved on an ongoing basis and in agreement with the Director of Customer Services agree a mechanism to deduct savings from services budgets from financial year 2019/20 onwards.</p> | | |

The alternative delivery model will enable PCT to challenge services – how and what they are buying? What is being delivered? Are we maximising benefits? Do we need to buy at all? The model will allow the PCT to increase its focus on savings during the term of the contract and support services to challenge how/why they are buying good/supplies to deliver their outcomes.

PCT are proposing to introduce two new roles into the team – the Contract and Demand Management Officer post and PIO Procurement (Commissioning). The Contract and Demand Management Officer post will require to be job evaluated.

The alternative delivery model would introduce five new posts into the team as follows:-

1. One PIO Procurement (Commissioning) LGE12
2. Four contract and demand management officer posts (to be job evaluated) and will remove five existing posts.

The new model will consist of one new performance improvement officer, Procurement (Commissioning) being MCIPs qualified to ensure the statutory legal requirements are still being delivered, supported by one category management officer (existing post) and two new contract and demand officer posts replacing the existing contract monitoring officer posts.

The other two contract and demand management officer posts will be located in both the construction and environment category and corporate and education category. The new model within the commissioning team puts a clearer focus on the statutory procurement function and aligns it with the construction and environment and corporate and education categories.

The removal of the two existing performance improvement officer posts and the two contract and supplier monitoring officer posts within the commissioning side of the team will fund the restructure together with a vacant clerical assistant post.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|------------------------|------------|-----|---------|------------|-----|---------|------------|-----|---------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Sub saving description | 250 | 0 | 0 | 250 | 0 | 0 | 250 | 0 | 0 |
| Sub saving description | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 250 | | | 250 | | | 250 | | |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|----|--|
| EqSEIA Required | No | |
| EqSEIA complete | | |
| Sent to equality@argyll-bute.gov.uk | | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|---|---|--------------------------|
| Head of Customer and Support Services | | Ref:CSS10 |
| Name of service delivery area | | Creditors Section |
| Responsible 3rd Tier manager | | Anne MacColl-Smith |
| Legislative basis for provision of the service – tick as appropriate | | Budget |
| Statutory duty | X | £276,303 |
| Statutory power | | £ |
| Non-statutory service | | £ |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <p>The council has a legal duty to ensure suppliers are paid within 30 days or the supplier may enforce a punitive statutory interest charge. Councils across Scotland have a target of paying invoices within 30 days of receipt of goods or receipt of invoice, whichever is the later. All councils in Scotland are benchmarked in terms of their payment performance and a table is compiled annually. We as a council have exceeded our payment target of 94.5% for 2017/18 and it is anticipated that we will meet our target of paying a minimum of 95% of invoices within 30 days of invoice receipt for 2018/19. We also have a legal duty to pay elected members' allowances and expenses and to maintain/publish public information regarding these.</p> <p>Under the Construction Industry Scheme all council approved sub-contractors are classified into one of three categories. Two of these categories are potentially liable to the tax deduction of either 20% or 30% depending on the information provided on the respective invoice. The deducted amounts are paid at the end of each tax month to HMRC and the supplier is advised accordingly. Failure to adhere to this legislation can result in substantial penalties being incurred by the council.</p> <p>All invoices that have one of five Value Added Tax treatments shown should, under government legislation, be correctly processed in order for the council's monthly VAT return to be submitted to HMRC correctly. If an error is subsequently identified a mis-declaration must be made to HMRC. The penalties for not adhering to this legislation could be significant.</p> <p>All of the above services are provided by the Creditors Team consisting of ten people. The majority of staff carry out predominantly processing duties while the three senior members of staff are responsible for ensuring adherence to all of the above legislation.</p> | | |
| Part B - Please summarise the savings proposal for consideration | | |
| <p>The Creditors Team will continue to meet all its current statutory requirements however will deliver services under an alternative delivery model. There are further opportunities for the team to restructure, reducing their head count from ten to nine at the start of 19/20 financial year (this will be achieved due to temporary 35 hour per week contract ceasing as at 31st March 2019) and then from nine to eight at the start of 20/21 financial year with the loss of a 28-hour per week temporary contract. These are dependent on successful development of automated payment processes. These are as follows:-</p> <ul style="list-style-type: none"> • Two new interfaces developed between separate software systems to reduce the number of invoices that require to be keyed manually. • Develop full use of My View system for travel and subsistence claims for all council employees and potentially elected members, although this may take longer to introduce. This will reduce the volume of claims to be processed manually, currently amounting to 150-200 monthly. • Increased use of purchase cards (where appropriate in procurement process).The Creditors Team has introduced the use of corporate purchase cards which will reduce costs and provide new rebates to the council based on the spend via our purchase card usage in 18/19 and 19/20. The Creditors Team will engage pro-actively with services to increase the number of suppliers paid by purchase cards. • Replace petty cash claims with purchase card payments where possible. | | |

- Implementation of 'No System Purchase Order No Payment'. Departmental co-operation is essential; the project has already begun to ensure smooth transition for 19/20.
- In line with the change proposed by Facility Services cease support for milk subsidy claims or request financial benefit from subsidy received
- Introduce an automated system for new EMA (Education Maintenance Allowance) and School Clothing Grant recipients. Refunds for Council Tax and NDR are currently automated so the introduction of a similar style system will result in efficiencies both in terms of staff and payment time.
- Ensure that all Council Tax and NDR refunds are made by BACS. This will produce savings in postage, stationery and IT costs.

Implications/risks

- The reduction of the second FTE is dependent on successful delivery of the key interfaces as described above.
- There would be some upfront capital costs in delivering these which will be met from an earmarking of resource from the 2019-20 budget.
- Social Work and Property Services would be required to work alongside ICT and the Creditors Team in delivering these interfaces. Shortage of resources in these services has delayed this work previously.

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|---|-----------|----------|----------|-----------|------------|----------|-----------|------------|----------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Removal of 1 FTE in 19-20 and 1 FTE in 20-21 in Creditors these are creditors posts | 16 | 1 | 1 | 35 | 1.8 | 2 | 35 | 1.8 | 2 |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 16 | 1 | 1 | 35 | 1.8 | 2 | 35 | 1.8 | 2 |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | | | | | | | | |
|--|----------------|---------------------------------|------------------|----------------|------------|----------|----------------|------------|----------|
| Head of Education: Lifelong Learning and Support | | | Ref: ED02 | | | | | | |
| Name of service delivery area | | Central/Management Costs | | | | | | | |
| Responsible 3rd Tier manager | | Susan Tyre | | | | | | | |
| Legislative basis for provision of the service – tick as appropriate | | | Budget | | | | | | |
| Statutory duty | | | £ | | | | | | |
| Statutory power | | | £ | | | | | | |
| Non-statutory service | √ | | £403,660 | | | | | | |
| Part A – Please provide a summary of current service and how it is delivered | | | | | | | | | |
| <p>The former Community Services establishment included a management trainee and part time admin assistant post which are vacant and there are no plans to recruit. Deletion of these posts have no impact in the current service delivery.</p> | | | | | | | | | |
| Part B - Please summarise the savings proposal for consideration | | | | | | | | | |
| <p>Vacant posts were inherited from the Community Services Directorate in 2018, following an internal restructure of Directorates. These have been absorbed within the Education Central Support team and have provided an opportunity to realise savings. It is proposed that two vacant posts (1.5FTE) are removed from the current structure to deliver a saving of approximately £49k.</p> | | | | | | | | | |
| For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction | | | | | | | | | |
| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Vacant Post Removal | 49 | 1.5 | 0 | 49 | 1.5 | 0 | 49 | 1.5 | 0 |
| | | | | | | | | | |
| TOTAL | 49 | 1.5 | 0 | 49 | 1.5 | 0 | 49 | 1.5 | 0 |
| Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate | | | | | | | | | |
| EqSEIA Required | | | | | No | | | | |
| EqSEIA complete | | | | | | | | | |
| Sent to equality@argyll-bute.gov.uk | | | | | | | | | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|---|--|--|
| Head of Education | | Ref: ED05 |
| Name of service delivery area | Education Community Learning - Service Redesign | |
| Responsible 3rd Tier manager | Martin Turnbull | |
| Legislative basis for provision of the service – tick as appropriate | | Budget |
| Statutory duty | | £ |
| Statutory power | | £ |
| Non-statutory service | √ | £1.3M – CLD may be considered a non-statutory service, however there are statutory and regulatory requirements on the Council - <ul style="list-style-type: none"> • Provide adequate and efficient provision of CLD in their area (The Education (Scotland) Act 1980). • To assess need and publish a CLD plan every three years (CLD (Scotland) Regulations 2013). • CLD provision is inspected by HMI (Education Scotland) who publish CLD specific area inspection reports based on their findings. |

Part A – Please provide a summary of current service and how it is delivered

Community Learning & Development is a professional practice that enables adults and young people to identify their own individual and collective goals, to engage in learning and to take action to bring about change for themselves and their communities.

- Adult learning provides a range of learning opportunities for over 16's that fall under the thematic headings of Employability, Confidence and Wellbeing and Progression. These themes include accredited learning and literacy and numeracy support.
- Youth Services work with young people, aged 11 to 25 to improve their life chances through learning, personal development and active citizenship. Developing the Young Workforce (DYW) and Opportunities for All focus on preparing young people for the world of work, supporting them into positive destinations and reducing youth unemployment.

The service is delivered by teams of qualified CLD Workers and Assistants consisting of 41 posts (30.31FTE).

Adult Learning and Youth Services now operate together under the title of Community Learning and are located within the Education Service. Since the two services were aligned progress has been made towards developing shared plans and outcomes, however there is a need to redesign the service structure to address issues around line management, remits, career progression/development, and staff retention.

Part B - Please summarise the savings proposal for consideration

The Community Learning Manager was instructed by the Transformation Board to develop service delivery models based on specific budget allocations. This proposal is based on one of the models produced for that exercise.

This service redesign aims to achieve the saving target of £330k, whilst also ensuring a structure is implemented that will provide a robust framework for service delivery within the budget available. The majority of the Community Learning Budget is allocated to staffing costs and the proposed savings will be achieved by the following reduction in posts –

- 1 FTE x LGE 12 Managers Post
- 2 FTE x LGE 9 CLD Posts
- 7.51 FTE x LGE 7 Admin/Youth Work Assistants/Adult Learning Assistants
- An overall reduction of 0.56 FTE in LGE 8 Literacy and Numeracy provision.

The loss of these posts will result in a significant reduction in capacity, which will directly impact on the level of service on offer to vulnerable and disadvantaged young people and adults.

The proposed model deploys Community Learning practitioners (1 x Adult Learning, 1 x Youth Work, 0.5 x Literacy and Numeracy) in each of the six population centres of Helensburgh, Dunoon, Bute, Lochgilphead, Campbeltown and Oban. There will be a limited outreach provision offered to other rural and island communities.

An extra LGE 11 team leader post will be created to make up three team leader posts along with a new LGE 9 Community Learning Improvement Officer post.

In addition to the savings to be achieved on staffing a £20k reduction in revenue budgets will include Young Scot Membership, Outdoor Advisor costs, Playscheme Travel Passes and Adult Learning Course provision. Talks will be held with Young Scot to negotiate a reduced annual payment to ensure Young Scot Cards continue to be available to young people.

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|-------------------------------------|------------|--------------|-----------|------------|--------------|-----------|------------|--------------|-----------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Community Learning Service Redesign | 248 | 10.07 | 18 | 330 | 10.07 | 18 | 330 | 10.07 | 18 |
| TOTAL | 248 | 10.07 | 18 | 330 | 10.07 | 18 | 330 | 10.07 | 18 |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | | |
|--|-----|--|
| EqSEIA Required | Yes | |
| EqSEIA complete | Yes | |
| Sent to equality@argyll-bute.gov.uk | Yes | |

RE-CONSTRUCTING THE COUNCIL'S BUDGET

| | | |
|---|---|---|
| Head of Education, Learning and Teaching | | Ref: ED06 |
| Name of service delivery area | | Instrumental Music Tuition Service |
| Responsible 3rd Tier manager | | Alison MacDonald, Education Manager |
| Legislative basis for provision of the service – tick as appropriate | | Budget |
| Statutory duty | | £ |
| Statutory power | | £ |
| Non-statutory service | √ | £ 334,391 |
| Part A – Please provide a summary of current service and how it is delivered | | |
| <p>The Music Tuition service in Argyll and Bute is provided for the following groups of instruments which are locally determined: strings, piping, pipe band drumming, woodwind and brass. All children in P4/5 receive an offer of one year of free music tuition that will comprise of at least 26 lessons or a progressive class music experience totalling at least 12 hours. A lesson is 25 minutes long, may be individual, or group depending on local circumstance. Out of 850 pupils in that age group offered tuition this year, 399 (47%) took it up. Thereafter, parents have the option of continuing to purchase the service unless the pupil qualifies for free tuition within one of the following two exemption categories:-</p> <ul style="list-style-type: none"> • Receive free school meals • SQA candidates <p>In addition to those categories, pupils are able to continue with music lessons by purchasing additional lessons. Music is unique amongst school subjects in offering subsidised additional tuition outwith routine class timetabling. The pattern of service delivery is largely historically based and there is no common provision across the secondary estate and associated primary clusters. 13.34 FTE music instructors are employed to deliver the service. Additionally, Head Teachers can choose to augment provision from within the DMR school budgets to enhance local provision.</p> <p>The net annual budget for 2018/19 is £334,391. A historical saving of £109,000 from the Music Service Review proposal agreed in 2013 had been creating a recurring annual overspend, however, at the Council budget meeting in February 2018 it was agreed that this cost pressure would be funded from the mainstream revenue budget. The total income budget for 18/19 is made up of £132,646 from pupil fee income, £30.6k from an Argyll Piping Trust grant and a historical £10k additional grant income for administration.</p> <p>In 15/16, 1227 pupils received lessons. In 16/17, a budget decision was taken to increase the fees by 50%. In 17/18 the number of pupils taking lessons had dropped to 957 (05/2/2018), a 22% reduction. Over the same period, the percentage of pupils receiving free lessons has risen from just over 40% to 51%. Over the last two years, the number of pupils who did not continue after the free introductory year was 48% and 33% respectively.</p> <p>The term charge for lessons in 2018/19 is £80 equating to an annual cost of £240. There is a small percentage reduction for a sibling and, due to an Argyll Piping Trust subsidy, piping lessons in some areas of Argyll and Bute cost £116.49 annually, a 50% discount. The total additional income generated following the 50% price increase was only 10% due to the drop off in pupil uptake.</p> <p>The number of pupils receiving the service in February 2018 in each secondary cluster and number of staff in each is shown in the undernoted table. It should be noted that overall, nine out of ten pupils do not receive music instruction. 14% of pupils above P4 accessed instrumental music tuition. The percentage of pupils receiving lessons is highest in South Kintyre and Mid Argyll. In these areas the percentage is double that in Bute and Cowal and Oban and Lorn. Only one in twenty pupils receive instruction in Helensburgh and Lomond and North Kintyre.</p> | | |

February 2018:

| Area | Roll | Number of pupils learning an instrument | % of pupils learning an instrument | FTE staff |
|----------------------|------|---|------------------------------------|-----------|
| South Kintyre | 882 | 171 | 19.4 | 2.1 |
| Bute & Cowal | 2252 | 176 | 7.8 | 2.74 |
| Helensburgh & Lomond | 3011 | 151 | 5 | 2 |
| Mull | 352 | 43 | 12.2 | 0.4 |
| Mid Argyll | 963 | 174 | 18 | 2.2 |
| North Kintyre | 188 | 8 | 4.3 | 0.2 |
| Oban & Lorn | 1925 | 175 | 9 | 2.6 |
| Islay | 404 | 59 | 14.6 | 1.1 |
| Total | 9977 | 957 | 9.6 | 13.34 |

Tiree, Coll, Colonsay, Lismore, Jura and Luig are not included in the numbers above as these schools receive money from YMI for Islands Projects. Tiree has a piping tutor funded by the community who comes in from Glasgow.

Part B - Please summarise the savings proposal for consideration

Consideration has been given to seeking a contribution from secondary school clusters for DMR funds and/or Pupil Equity Funding to pay for part of the service but this is not viewed as a viable option. The alternative options are to try and increase fee income or reduce staffing costs. Fee increases over the last three years have resulted in a year on year drop in pupil numbers using the service and over the last two years no material increase in income. Consequently, a reduction in staffing numbers is considered the most effective manner in which to achieve savings from the service. It is proposed that over a two year period there is a reduction of 1.3 posts from the overall staff group of 13.34 FTE. The 13.34 FTE staff group are all employed on teacher terms and conditions. In January 2011 the Council removed the employment guarantee for teachers and the Council's Redundancy Policy and procedures now specifically confirms common application to all employees. The Joint Secretaries were approached and confirmed that the matter is for local determination, not for national determination. Therefore, there is provision to make music instructors redundant, but the Union is opposed to the position. Expressions of interest in voluntary redundancy could be sought. These staff are not included in the annual teacher number count.

Implications/risks:

- Reputational risk
- Service availability as a result of proposed staff changes

For this alternative delivery model please indicate the proposed savings and any FTE/Headcount reduction

| | 2019-20 | | | 2020-21 | | | 2021-22 | | |
|------------------------|-----------|----------|----------|-----------|------------|------------|-----------|------------|------------|
| | £'000 | FTE | H/count | £'000 | FTE | H/count | £'000 | FTE | H/count |
| Reduce staffing cost | 27 | 1 | 1 | 61 | 1.3 | TBC | 61 | 1.3 | TBC |
| Sub saving description | | | | | | | | | |
| Sub saving description | | | | | | | | | |
| TOTAL | 27 | 1 | 1 | 61 | 1.3 | TBC | 61 | 1.3 | TBC |

Please confirm whether an Equality and Socio Economic Impact Assessment (EqSEIA) is (a) required and (b) if it has been completed in respect of this proposal – tick as appropriate

| | |
|--|-----|
| EqSEIA Required | Yes |
| EqSEIA complete | Yes |
| Sent to equality@argyll-bute.gov.uk | Yes |

APPENDIX 7
SERVICE SUMMARY OF BUDGET POSITION 2019-20

| Department | Service | 2018-19 | Additional Pay | Other Base | Settlement | Updated Base | Employee | Non-Pay | Cost and | Live Argyll | Measures to | Adjustment to | Social Work | 2019-20 Draft |
|---|---|----------------|----------------|--------------|--------------|----------------|--------------|--------------|--------------|-------------|----------------|---------------|----------------|----------------|
| | | Budget | Inflation | Budget | Commitments | Budget | Budget | Inflation - | Demand | Management | Balance the | HSCP | Pressures | |
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Council Departments: | | | | | | | | | | | | | | |
| Chief Executive's Unit | Chief Executive | 813 | 3 | 0 | 25 | 841 | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 862 |
| Chief Executive's Unit | Strategic Finance | 1,642 | 14 | 0 | 0 | 1,656 | 64 | 0 | 0 | 0 | (21) | 0 | 0 | 1,699 |
| Customer Services | Director of Customer Services | 18,951 | 4 | (215) | 0 | 18,740 | 29 | 345 | 349 | 113 | (452) | 0 | 0 | 19,124 |
| Customer Services | Customer and Support Services | 8,163 | 45 | 0 | 0 | 8,208 | 304 | 0 | 19 | 0 | (192) | 0 | 0 | 8,339 |
| Customer Services | Facility Services | 12,792 | 48 | (427) | 0 | 12,413 | 382 | 189 | 137 | 0 | (88) | 0 | 0 | 13,033 |
| Customer Services | Governance and Law | 1,980 | 16 | (4) | 0 | 1,992 | 81 | 0 | 0 | 0 | 0 | 0 | 0 | 2,073 |
| Customer Services | Improvement & Strategic HR | 2,818 | 17 | 0 | (6) | 2,829 | 109 | 0 | 0 | 0 | 0 | 0 | 0 | 2,938 |
| Development and Infrastructure Services | Director of Development & Infrastructure Services | 131 | 4 | 0 | 0 | 135 | 17 | 0 | 0 | 0 | (116) | 0 | 0 | 36 |
| Development and Infrastructure Services | Economic Development | 4,087 | 20 | (62) | 0 | 4,045 | (73) | 0 | 0 | 0 | (355) | 0 | 0 | 3,617 |
| Development and Infrastructure Services | Planning and Regulatory Services | 5,914 | 41 | 0 | 0 | 5,955 | 228 | 0 | 68 | 0 | (465) | 0 | 0 | 5,786 |
| Development and Infrastructure Services | Roads and Amenity Services | 21,404 | 75 | (958) | 0 | 20,521 | 697 | 257 | 266 | 0 | (1,883) | 0 | 0 | 19,858 |
| Education | Education | 75,236 | 70 | (18) | 79 | 75,367 | 4,091 | 16 | 608 | 0 | (775) | 0 | 0 | 79,307 |
| Non Departmental: | | | | | | | | | | | | | | |
| Joint Boards | Joint Boards | 1,374 | 0 | 0 | 0 | 1,374 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,374 |
| Other Operating Income & Expenditure | Elected Members | 1,106 | 14 | (1) | 0 | 1,119 | 27 | 0 | 0 | 0 | 0 | 0 | 0 | 1,146 |
| Other Operating Income & Expenditure | Sundry Services | 899 | 0 | 204 | 0 | 1,103 | 1 | 86 | 13 | 0 | (656) | 0 | 0 | 547 |
| Other Operating Income & Expenditure | Unfunded Pensions | 1,554 | 0 | 0 | 0 | 1,554 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,554 |
| Non Controllable Costs: | | | | | | | | | | | | | | |
| Insurances | | 1,101 | 0 | 0 | 0 | 1,101 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,101 |
| Non Domestic Rates | | 4,462 | 0 | 0 | 0 | 4,462 | 0 | 138 | 0 | 0 | 0 | 0 | 0 | 4,600 |
| Apprenticeship Levy (Council) | | 563 | 0 | (19) | 0 | 544 | 0 | 0 | 0 | 0 | (80) | 0 | 0 | 464 |
| Capital Charges (loans charges) | | 14,923 | 0 | 1,647 | 0 | 16,570 | 0 | 0 | 0 | 0 | (1,298) | 0 | 0 | 15,272 |
| COUNCIL TOTALS | | 179,913 | 371 | 147 | 98 | 180,529 | 5,978 | 1,031 | 1,460 | 113 | (6,381) | 0 | 0 | 182,730 |
| Health and Social Care Partnership: | | | | | | | | | | | | | | |
| Integration Services | Chief Officer | (12,202) | 1 | 0 | 1,980 | (10,221) | (58) | (287) | 0 | 0 | 0 | 0 | (3,183) | (13,749) |
| Integration Services | Adult Care | 54,641 | 103 | (145) | 188 | 54,787 | 743 | 970 | 968 | 0 | 0 | 0 | 0 | 57,468 |
| Integration Services | Children & Families | 13,548 | 61 | (44) | 0 | 13,565 | 355 | 83 | 226 | 0 | 0 | 0 | 0 | 14,229 |
| Integration Services | Head of Strategic Planning and Performance | 402 | 3 | 0 | 0 | 405 | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 420 |
| SOCIAL WORK TOTAL | | 56,389 | 168 | (189) | 2,168 | 58,536 | 1,055 | 766 | 1,194 | 0 | 0 | 0 | (3,183) | 58,368 |
| Rounding | | 1 | | | | 1 | | | | | | | | |
| TOTAL | | 236,303 | 539 | (42) | 2,266 | 239,066 | 7,033 | 1,797 | 2,654 | 113 | (6,381) | 0 | (3,183) | 241,098 |
| Funding: | | | | | | | | | | | | | | |
| Scottish Government Funding | | | | | | | | | | | | | | 190,215 |
| Additional Funding for Teachers Pensions (Estimate) | | | | | | | | | | | | | | 1,458 |
| Council Tax Income | | | | | | | | | | | | | | 50,207 |
| Council Tax - Saving Options | | | | | | | | | | | | | | 250 |
| General Fund Reserves | | | | | | | | | | | | | | 0 |
| OVERALL FUNDING SURPLUS / (GAP) | | | | | | | | | | | | | | 1,032 |