

REVENUE BUDGET OVERVIEW 2020-21 to 2022-23

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 2020-21. It also provides budget estimates for 2021-22 and 2022-23; within the report the mid-range estimates are noted, with the best case and worse case estimates included in Appendix 1.
- 1.2 The Local Government Finance Circular 1/2020, published on 6 February 2020, provides detail of the provisional total revenue and capital funding allocations for 2020-21.
- 1.3 The Scottish Budget announcement is followed by the Budget Bill Stage 1 debate in Parliament which, in recent years has resulted in the Cabinet Secretary advising of a package of further measures covering local taxation and local government finance. However when the Minister for Public Finance and Digital Economy made her announcement in Parliament on 6 February 2020 she was clear that all available monies were included in the announcement including the use of their reserves balances. Therefore funding figures in this report are based on the 6 February 2020 announcement with no assumptions made about any possible additional funding.
- 1.4 If you compare the settlement of £195.364m to the cash funding in 2019-2020 the funding reduction is £0.332m or 0.17%. If you take into account the funding that has been allocated this year for specific additional responsibilities that require us to incur more costs the funding reduction is £2.725m or 1.39%.
- 1.5 The Council Tax budget for 2019-20 was set at £50.457m. This included a 4.79% increase and a 0.50% growth in the Council Tax base. This is the starting position for 2020-21. In terms of the growth in the Council tax base it had previously been assumed within the budget outlook that growth would be between 0.25% and 0.75% with a mid-range of 0.5%. As reported to the Policy and Resources Committee on 17 December 2019 this assumption was updated following a review of actual growth since 2015. The growth assumption has been updated to reduce the mid-range scenario to 0.25% and the best case to 0.5%. These revised assumptions will continue to be in place for 2021-22 and 2022-23 and 0.25% growth has been built into 2020-21 budget amounting to £0.126m.
- 1.6 The budget for 2019-20 has been rolled forward into 2020-21 and the main changes to the 2020-21 base budget are summarised below:

- Add the £2.366m of expenditure relating to the teacher's pay deal which took effect in 2019-2020.
- Add back £0.100m of loans charge savings reflecting prudential borrowing for roads as agreed during the budget meeting on 22 February 2018.
- Remove budget allocations of £0.030m for Argyll and Islands Tourism Cooperative as the SLA is ending on 31 March 2020.
- Remove budget allocation of £0.040m from the Oban Mod base budget as agreed at the budget meeting on 21 February 2019.
- Reduce budget allocation to events and festivals by £0.023m as agreed at the budget meeting on 21 February 2019.
- Reduce budget allocation to Supporting Communities by £0.008m as agreed at the budget meeting on 21 February 2019.
- Reduce the local plan enquiry cost pressure by £0.046m as agreed on 21 February 2019.
- Reduction in income for off street parking of £0.347m as reported to the Policy and Resources Committee on 17 October 2019.
- Adjusted for the £0.582m of costs associated with delivering funding commitments established by the 2019-20 budget settlement.

- 1.7 The employee cost increases for 2020-21 amount to £4.733m and this includes pay inflation, increments, employee base changes and the increase to teachers pensions.
- 1.8 Only unavoidable/inescapable inflation has been included within 2020-21 and this amounts to £1.294m. This includes utilities, non-domestic rates, catering purchases, contract inflation, and landfill tax.
- 1.9 There are a number of cost and demand pressures for 2020-21, amounting to £0.435m summarised as follows:
- Housing Benefit Administration Grant £0.060m
 - Asbestos Management Plan £0.087m
 - SEEMIS Membership Fee £0.015m
 - Further extend roll out SKYPE for Business to Education £0.075m
 - Oracle Support Costs £0.018m
 - Planning Fees £0.060m
 - Climate Change Levy £0.070m
 - Consolidation of Living Wage – project costs £0.050m
- 1.10 The Local Government Finance Circular 1/2020 advises of additional funding of £100m that is allocated for Health and Social Care and Counselling Services. In a letter issued by the Directorate of Health Finance and Governance on 6 February 2020 it was made clear that the funding should be additional to the 2019-20 budget and as a result the payment to the health and social care partnership is effectively protected from any reduction to their base budget.
- 1.11 The management fee for Live Argyll has previously been agreed to 2020-21. The increase between 2019-20 and 2020-21 is £0.096m.

1.12 The budget gap prior to any measures to balance the budget is £8.541m in 2020-21.

1.13 There are a number of measures to balance the budget that have previously been agreed, summarised as follows:

- Management Operational Savings reported to Council on 26 October 2017 with increased savings in 2020-21 of £0.326m.
- Management Operational Savings reported to Council on 21 February 2019 with decreased savings in 2020-21 of £0.452m.
- Policy savings options reported to Council on 22 February 2018 with increased savings in 2020-21 of £1.286m.
- Policy savings options reported to Council on 21 February 2019 with increased savings in 2020-21 of £0.472m.

1.14 A Member decision is required as to the level of Council Tax to set for 2020-21. When preparing the scenario analysis an assumption has been made for a 4.79% increase in the best case scenario, 3.00% in the mid-range and no increase in the worst case. A mid-range increase of 3.00% would result in £1.517m of additional income.

1.15 There are a number of other measures to balance the budget that are for Council approval, summarised as follows:

- General inflationary increase to fees and charges resulting in £0.309m of additional income.
- New management/operational savings reported to Council on 17 October 2019 amounting to £1.371m.
- New policy savings options within Council control reported to Council on 17 October 2019 and subsequently amended after officers developed them further, amounting to £2.050m.
- New policy savings options outwith Council control reported to Council on 17 October 2019, subsequently adjusted, amounting to £0.454m.
- One off fleet savings of £0.278m.
- Loans fund savings of £2.500m.

1.16 If Members agreed to all the proposals noted within this report there would be a balanced budget in 2020-21 with a surplus of £1.570m.

1.17 The budget gap over 2021-22 and 2022-23 across each scenario is summarised in the table below.

Budget Gap	2021-22 £000	2022-23 £000	Total £000
Best Case	4,565	4,525	9,089
Mid-Range	8,241	7,919	16,160
Worst Case	12,768	12,381	25,149

1.18 In view of the future savings requirements officers will be look to identify savings for future years, through a structured programme of service

redesign. This will take cognisance of the unique challenges faced by the Council and reflect on service redesign already delivered in previous years. In particular there will be a focus on greater digital transformation and commercialisation.

- 1.19 A review of the Council's Loans Fund has been completed which identified recurring re-profiling gains of £2.500m per annum over the next 10 years and a one-off re-profiling gain of £20.561m. The Council is asked to consider options for the use of the one-off benefit to manage a range of current and future cost pressures.
- 1.20 Four funding requests have been received from organisations where funding has previously been provided. The Council is asked to consider the funding requests as outlined within Appendix 8.

REVENUE BUDGET OVERVIEW 2020-21 to 2022-23

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 2020-21. It also provides budget estimates for 2021-22 and 2022-23; 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 2020-21 to 2022-23 have been presented to Members throughout the year. Reports were presented to the Policy and Resources Committee on 16 May 2019, 15 August 2019, 17 October 2019 and 17 December 2019 in addition to a further update at a Members Seminar held on 27 January 2020.

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

- 3.1.1 The full UK Budget was expected to be announced on 6 November 2019 with the Scottish Budget on 12 December 2019, however, due to the 2019 General Election, the UK Budget was deferred and is not due to be announced until 11 March 2020. The draft Scottish Budget for 2020-21 was announced by the Minister for Public Finance and Digital Economy on 6 February 2020. The budget announcement was for one year only.
- 3.1.2 The Local Government Finance Circular 1/2020, published on 6 February 2020, provides detail of the provisional total revenue and capital funding allocations for 2020-21. 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 on 5 March 2020.
- 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 £11.336 billion which includes:
- £201 million revenue and £121.1 million capital to support the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours by 2020.
 - In addition to the £160 million available in 2019-20, a further £100 million to be transferred from the health portfolio to the Local Authorities in-year for investment in health and social care and mental

health services that are delegated to Integration Authorities under the Public Bodies (Joint Working) (Scotland) Act 2014. This brings the total transferred from the health portfolio to support health and social care integration to £811 million in 2020-21. The additional £100 million for local government includes a contribution to continued delivery of the real Living Wage (£25 million), uprating of free personal and nursing care payments (£2.2 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£11.6 million), along with further support for school counselling services whether or not delegated under the Public Bodies (Joint Working) (Scotland) Act 2014 (£4 million).

- Baselining of the £90 million added at Stage 1 of the Budget Bill for 2019-20.
- The ongoing £88 million to maintain the pupil:teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme.
- Provision for the Teachers Pay (£156 million) and Pensions (£97 million).
- £5.3 million for Barclay implementation costs.
- A new capital £50 million Heat Networks Early Adopters Challenge Fund to support local authorities who are ready to bring forward investment-ready heat networks.

3.1.4 A letter from the Minister of Public Finance and Digital Economy, dated 6 February 2020, confirmed that local authorities will continue to have the flexibility for 2020-21 to increase Council Tax up to a maximum of 3% in real-terms (4.84% cash).

Scottish Government Funding for Argyll and Bute Council

3.1.5 The funding excluding ring-fenced grants for 2019-20 noted within the February 2019 budget pack was £190.215m plus an expected £1.458m of funding in relation to teachers pensions, giving a total estimated funding of £191.673m. Since this time, there has been a number of funding announcements from the Scottish Government which increased the funding by a further £4.023m to £195.696m, the biggest increases being in relation to teachers pay and pensions. The funding excluding ring-fenced grants for 2020-21, as advised in the provisional settlement, is £195.364m.

3.1.6 The table below represents the changes between 2019-20 and 2020-21.

	£000
Funding Budget 2019-20 as per budget pack (including the estimated funding for teachers pensions)	191,673
Counselling through schools	286
Teachers pensions (less than anticipated due to deferral of rate change by 5 months)	(438)
Teachers pay	2,366
Additional Support for Learning	219
Discretionary Housing Payments	578
Free Personal Care Under 65s	437
Other smaller increases	575
Updated Funding 2019-20 (FC 1/2020)	195,696
Updating of Indicators (this relates to the updating of the various funding indicators used to determine overall grant – they are updated based on a range of factors, but mainly population)	(1,163)
Other Changes	(1,170)
Assumed Council Tax Contribution	(163)
Loans Charges Support	(276)
Change to the floor	63
Indicators Removed/Reduced Monies	(337)
New Indicators/Additional Monies	2,714
Provisional Settlement 2020-21 (FC 1/2020)	195,364

3.1.7 If you compare the settlement of £195.364m to the cash funding in 2019-2020 the funding reduction is £0.332m or 0.17%. If you take into account the funding that has been allocated this year for specific additional responsibilities that require us to incur more costs the funding reduction is £2.725m or 1.39%.

3.1.8 The last three years has seen additional funding announced for Local Government following the provisional settlement, usually at Stage 1 of the parliamentary process. Stage 1 this year will take place week commencing 24 February with Stage 2 and 3 week commencing 2 March 2020. The additional funding over the last three years is noted in the table below.

Year	Argyll and Bute Council Share £000
2017-18	2,361
2018-19	2,884
2019-20	1,626
Average	2,290

3.1.9 Stage 1 in 2019-20 also provided councils with the flexibility to increase Council Tax by up to 4.79% and reduce the payment to Social Work by up to 2.2%.

- 3.1.10 When the Minister for Public Finance and Digital Economy made her announcement in Parliament on 6 February 2020 she was clear that all available monies were included in the announcement including the use of their reserves balances and therefore, if other political parties had an ask then this would need to be substituted for something already built into the settlement. It is impossible to predict whether deals reached during the parliamentary process could provide additional funding to Local Government this year and it would not be prudent to assume anything.
- 3.1.11 The Scottish Government gave a commitment last year to provide a three year settlement from 2020-21 onwards and this was welcomed. Due to the uncertainties and delays with the UK's withdrawal from the EU and the UK General Election, the budget announcement is for one year only. It is hoped that a three year budget will be provided next year as funding is one of the biggest areas of uncertainty which make future year planning difficult.
- 3.1.12 In considering the assumption related to future years funding, I have reflected on the past four years, taking into consideration the settlement commitments.
- 2017-18 funding reduction of 3.2%
 - 2018-19 funding reduction of 1.5%
 - 2019-20 funding reduction of 1.6%
 - 2020-21 funding reduction of 1.4%
- 3.1.13 I would consider a prudent estimate to be in the range of 1.4% (best case) and 2.4% (worst case) with a mid-range of 1.9%. The mid-range is based on an average of the settlements over the last 4 years with the best and worst case adjusted by +/-0.5%. I will keep this position under review and will revise as further information becomes available.

Council Tax

- 3.1.14 The Council Tax budget for 2019-20 was set at £50.457m. This included a 4.79% increase and a 0.50% growth in the council tax base. This is the starting position for 2019-20.
- 3.1.15 In terms of the growth in the council tax base it had previously been assumed within the budget outlook that growth would be between 0.25% and 0.75% with a mid-range of 0.5%. As reported to the Policy and Resources Committee on 17 December 2019 this assumption was updated following a review of actual growth since 2015. The growth assumption has been updated to reduce the mid-range scenario to 0.25% and the best case to 0.5%. These revised assumptions will continue to be in place for 2021-22 and 2022-23 and 0.25% growth has been built into 2020-21 budget amounting to £0.126m.
- 3.1.16 Councils now have discretion to increase Council Tax by a maximum of 3% in real-terms each year. Scottish Government have confirmed that this equates to 4.84% for 2020-21. 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 2019-20. The percentage increase in Council tax is noted in paragraph 3.10.2 and feeds into the final estimated budget surplus/(gap).

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

	Draft 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Council tax base 2019-20	50,457	50,457	50,457
Growth at 0.25% each year	126	252	379
Total Council Tax Income	50,583	50,709	50,836

UK Government Funding for Teachers Pensions

3.1.18 Reports to Policy and Resources Committee earlier in the year outlined the change in teachers pensions anticipated income and expenditure and also the delay in the implementing the new employer contribution rate within 2019. Due to the delay a surplus was created in 2019-20 and it was approved that this be used to help reduce the cost in future years. £0.118m was planned to be used in 2020-21 with the remaining £0.112 used in 2021-22 and this position remains. The teachers pension funding in 2020-21 was less than anticipated, therefore Members could take the view of using all of the earmarked reserve within 2020-21, however, this would give a larger cost pressure in 2021-22.

Total Funding

3.1.19 The table below summarises the total estimated funding over the next three years within the mid-range scenario.

	Draft 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Scottish Government funding	195,364	191,652	188,011
Council Tax income	50,583	50,709	50,836
Earmarked reserves for Teacher's Pension	118	112	0
Total Funding	246,065	242,473	238,847

3.2 Base Budget

3.2.1 As with previous years the base budget for 2020-21 is the current year's approved budget adjusted as follows:

- for any one-off items included within 2019-20 that aren't carried

forward into 2020-21;

- for any previously agreed items for future years; and
- for any funding adjustments since the 2019-20 budget was agreed.

- 3.2.2 The outturn for the 2019-20 budget, after factoring in savings from the loans fund, is projected to be a marginal surplus. Without the loans fund savings there would have been a £2.490m deficit however £1.310m of this related to social work, an amount which the Council recovers through repayments from the HSC. The remaining £1.180m relates to all other Council services and are either a consequence of one off in year issues or are issues which have adjusted for in the 2020-21 budget. Therefore the 2019-20 budget is considered to be an appropriate base for the 2020-21 budget.
- 3.2.3 The split of the base budget across services and other central commitments will be based on a snapshot of the copy budget for 2019-20 as this is the most up to date budget provision reflecting any coding improvements and virements up until this time.
- 3.2.4 The base budget for 2019-20 was £243.048m. The changes to the base budget are noted in the following paragraphs.
- 3.2.5 For teachers a pay deal was agreed covering the years 2018-19 to 2020-21. Additional funding was advised on 21 June in relation to 2019-20 which covers the impact of COSLA's original pay offer to increase it from 2% to 3% for those earning more than £36,500 in 2018-19. It also covers the policy intervention in relation to the main grade restructuring and the revaluation of all other SNCT paycales from 1 April 2019 as agreed with COSLA. This £2.366m adjustment relates to 2019-20 so has been treated as a base budget adjustment.
- 3.2.6 At the Council meeting on 22 February 2018 it was agreed to increase the loans charges budget by £0.100m to pay for prudential borrowing cost of £2.8m capital expenditure on roads.
- 3.2.7 At the Council meeting on 23 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. This agreement expires on 31 March 2020 so the remaining budget allocation of £0.030m has been removed. Any future budget allocation will be a matter for Members to consider.
- 3.2.8 At the Council meeting on 21 February 2019 it was agreed to remove the existing £0.040m base budget for the Royal National Mod from 2020-21 onwards.
- 3.2.9 The 21 February 2019 meeting also agreed to reduce the budget allocation to events and festivals by £0.023m and to Supporting Communities by £0.008m; both from 2020-21 onwards.
- 3.2.10 Also agreed on 21 February 2019 is a £0.046m reduction in the cost

pressure associated with the local plan enquiry.

3.2.11 A further adjustment to the base budget is a reduction in income from off street parking due to the cancellation of saving option TB08 as reported to the Policy and Resources Committee on 17 October 2019.

3.2.12 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
Additional Support Needs	219
Rapid Rehousing	107
Counselling in Schools	91
Discretionary Housing Payments	82
Social Welfare Fund	40
Sanitary Products in Schools	32
Barclay Review	36
Whole System Approach	(25)
Total Increases	582

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

	Draft 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Base Budget 2019-20	243,048	243,048	243,048
Teacher's Pay Deal Additional Cost	2,366	2,366	2,366
Increase loans fund	100	100	100
Remove AITC funding	(30)	(30)	(30)
Remove base budget for Oban Mod.	(40)	(40)	(40)
Reduce budget for events and festivals.	(23)	(23)	(23)
Reduce budget for Supporting Communities Fund	(8)	(8)	(8)
Local Plan Enquiry Cost Pressure of £0.068m agreed for 2019-20 to be reduced to £0.022m in 2020-21 and zero from 2021-22.	(46)	(68)	(68)

Reduce income from off-street parking (TB08 saving).	347	347	347
Funding Commitments	582	582	582
Revised Base Budget	246,296	246,274	246,274

3.3 Employee Costs

- 3.3.1 Financial Services 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 2020-21, the expectation would be that the budget would reflect the 2019-20 budget plus any increase due to incremental progression, inflation and any other unavoidable employee cost increases less previously approved employee budget savings. For 2020-21 there is an overall decrease in the employee budget base of £0.340m (excluding Social Work). This is a small amount and is mainly linked to a reduction in school rolls reducing the teacher FTE entitlement within schools. This is offset by some other increases relating to new entrants into the superannuation scheme.
- 3.3.3 The 2020-21 pay award is agreed at 3% and costs £3.929m. In terms of assumptions for future years there has been no change to previous assumptions that there will be pay awards within a range of 2.7% (base case) and 3.5% (worst case) with a mid-range of 3%.
- 3.3.4 The cost of employee increments for 2020-21 equates to £0.737m. 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 2020-21 the increment is based on the actual calculated cost. For future years the cost of employee increments is based on 50% of the 2020-21 increment in the best case scenario and 100% of the 2020-21 increment in the mid-range and worst case scenario.
- 3.3.5 The base budget includes the original estimated cost of the increase in the employer contribution rate for teachers pensions within 2019-20. The rate increase was deferred by 5 months and as a result the employer contribution rate was set higher than originally expected. The additional cost due to the rate increase is £0.407m within 2020-21. This has partly been funded by additional funding from Scottish Government as referred to within the funding section.
- 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 3.6.7.

	Draft 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Change to employee base	(340)	(340)	(340)
Pay Award	3,929	7,858	11,787
Increments	737	1,474	2,211
Teacher's Pension Increase	407	407	407
Total Employee Increases	4,733	9,399	14,065

3.4 Non-Pay Inflation

3.4.1 The position remains that only unavoidable/inescapable inflation has been included for 2020-21, 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 2020-21 for Council Services are noted below with further detail provided in Appendix 2.

Service	Inflation Category	Amount
Council Wide	Utilities – Electricity, Gas and Oil	218
Council Wide	Utilities – Water	10
Council Wide	Non-Domestic Rates	129
Council Wide	Vehicle Fuel	56
Education	Residential Schools	47
Commercial Services	Catering and Milk	177
Commercial Services	School and Public Transport	50
Legal and Regulatory Support	Community Pools	20
Legal and Regulatory Support	NPDO	223
Legal and Regulatory Support	Hub Schools	51
Customer Support Services	ICT	68
Roads and Amenity Services	Landfill Tax	95
Roads and Amenity Services	Waste PPP Contract	135
Roads and Amenity Services	Street Lighting Electricity	15
Total		1,294

3.4.2 In terms of the budget outlook for 2021-22 and 2022-23, 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 3.6.7.

	Draft 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Unavoidable/inescapable Non-Pay Inflation	1,294	2,588	3,882

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 2021-22 onwards at £0.250m per annum within the mid-range scenario and £0.500m per annum within the worst case scenario. The cost and demand pressures relating to the Health and Social Care Partnership are summarised within paragraph 3.6.7.

	Draft 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Housing Benefit Admin Subsidy	60	120	180
Asbestos Management	87	135	135
Planning Fees	60	0	0
Climate Change Levy	70	70	70
Consolidation of Living Wage	0	500	500
Consolidation of Living Wage – Project Costs	50	0	0
Oracle Support Costs	18	18	18
SEEMIS Membership Fee	15	16	18
SKYPE For Education	75	100	100
Unidentified/Unknown Cost and Demand Pressures	0	250	500
Total Cost and Demand Pressures	435	1,209	1,521

3.6 Health and Social Care Partnership (HSCP)

3.6.1 The Council agreed an allocation to the HSCP of £58.368m for 2019-20 at its meeting on 21 February 2019. On 7 March 2019, the Local Government Finance Order 2019 was published and it included funding

for Free Personal Care for Under 65s (£0.437m) and Change in Carers Act Extension (£0.009m). This additional funding is part of the £160m of Scottish Government funding that is to be passed onto Integration Authorities as part of the settlement conditions. This increases the payment to the HSCP to £58.814m. In terms of future years, the Council further agreed to indicative allocations for 2020-21 and 2021-22 and the basis of this funding was current year less 1%.

3.6.2 The Local Government Finance Circular 1/2020 advises of additional funding of £100m that is allocated for Health and Social Care and Mental Health services. In a letter issued by the Directorate of Health Finance and Governance on 6 February 2020 it was made clear that the funding should be additional to the 2019-20 budget and as a result the payment to the HSCP is effectively protected from any reduction to their base budget.

3.6.3 The breakdown of the additional £100m is:

- £82.2m Health and Social Care – A&B share £1.471m.
- £11.6m Implementation of Carer's Act – A&B share £0.209m.
- £4m Counselling Services – A&B share £0.091m.
- £2.2m Free Personal Care Under 65s – A&B share £0.056m.

3.6.4 The amounts for Health and Social Care £1.471m, Implementation of Carer's Act £0.209m and Free Personal Care for Under 65s £0.056m requires to be passed over to the HSCP. Delivery of Counselling Services falls within the remit of the Council.

3.6.5 A further settlement commitment for of £0.016m for Appropriate Adults requires to be passed over to the HSCP.

3.6.6 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 HSCP will increase by £0.011m in respect of this and the expenditure budget within the partnership will also increase to reflect the higher charge.

3.6.7 One further issue is in respect of the pay-back of prior year overspends. The Policy and Resources Committee on 16 May 2019 approved the pay-back arrangements by the HSCP to the Council to reflect the Social Work overspends in 2017-18 and 2018-19. Consequently the payment to the HSCP is currently to be adjusted by the amounts as set out in the table below.

Financial Year	Repayment 2017-18 Overspend £000	Repayment 2018-19 Overspend £000	Total Repayment £000
2019-20	100	0	100
2020-21	300	800	1,100
2021-22	755	1,000	1,755
2022-23	0	1,327	1,327
Total	1,155	3,127	4,282

3.6.8 As at the end of December, the HSCP is projecting a further overspend on Social Work of £1.310m for financial year 2019-20. In the event that, by 31 March 2020, this position is not recovered, the HSCP will not be able to repay the £0.100m set out in the table above and there would be a further 2019-20 overspend which would need to be repaid to the Council.

3.6.9 The HSCP Transformation programme has workstreams focused on supporting the delivery of existing savings but there is an expectation that they will become more transformational with a greater focus on delivering longer term change from 2021-22 onwards. In recognition of the delay in the transformation programme delivering longer-terms savings, the HSCP is requesting that the Council defers the pay-back of prior year overspends so that they will commence in 2020-21. In particular the Council is asked to consider a revised payment programme as follows:

	Repayment 2017-18 Overspend £000	Repayment 2018-19 Overspend £000	Repayment 2019-20 Estimated Overspend £000	Total Repayment £000
2020-21	200	300	0	500
2021-22	400	800	0	1,200
2022-23	355	900	0	1,255
2023-24	200	1,127	0	1,327
2024-25	0	0	1,310	1,310
Total	1,155	3,127	1,310	5,592

3.6.10 Members are asked to consider this request from the HSCP or an alternative revised payment schedule. In the event that the Council agree to the request the payments to the HSCP over the period 2020-21 to 2022-23, would be as summarised in the table below.

	Draft 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Baseline funding 2019-20	58,814	58,814	58,814
Adjust Fleet Capital Charges	11	11	11
HSCP Funding as per Finance Circular (Share of £100m)	1,736	1,736	1,736
Appropriate Adult Funding	16	16	16
Payment to HSCP	60,577	60,577	60,577
Less 2017-18, 2018-19 and 2019-20 overspend pay-back	(500)	(1,200)	(1,255)
Net Payment to HSCP	60,077	59,377	59,322

- 3.6.11 Members should note that the payment assumes 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 Head of Finance and Transformation and are summarised in the table below with further detail contained within Appendix 4. These pressures are not included within the Council's budget gap but are included within this report for information.

	Draft 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Pay Inflation	936	1,872	2,808
Pay Increments	82	164	246
Pay Base Adjustment	88	88	88
Non-Pay Inflation	1,035	2,110	3,268
Non-Pay Inflation on NHS posts recharged to Social Work	128	268	435
Older People Demand Growth	640	980	1,325
Younger Adults Demand Growth	539	817	1,087
National Care Home Contract	326	665	1,017
Social Work Emergency Standby	150	157	164
Criminal Justice Development funding	50	50	50
IJB Governance	95	99	103
Unknown Cost and Demand Pressures	250	500	750
Total Social Work Pressures	4,319	7,770	11,341

- 3.6.12 In addition there is a specific grant of £0.046m for Criminal Justice which is already incorporated in the HSCP net budget. This will help address the Criminal Justice cost pressure referenced in the table above.

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 2019-20 and 2020-21 is £0.096m which is based on the three year financial agreement.
- 3.7.2 The 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. The agreement comes to an end at 31 March 2021. In terms of future years the assumption has been made that the payment would reduce by 1.9% in the best case scenario (equal to our SG funding reduction estimate) in the mid-range scenario reduce by 1% and worst case would remain at a flat rate equal to the 2020-21 payment in the mid-range scenario.

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 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Base Budget	246,296	246,274	246,274
Employee Cost Changes	4,733	9,399	14,065
Non-Pay Inflation	1,294	2,588	3,882
Cost and Demand Pressures	435	1,209	1,521
Increase/(Decrease) to HSCP allocation	1,752	1,752	1,752
Increase/(Decrease) to Live Argyll payment	96	58	21
Total Net Expenditure	254,606	261,280	267,515
Total Funding	246,065	242,473	238,847
Budget Surplus / (Gap) Cumulative	(8,541)	(18,807)	(28,668)

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 2019-20 to 2020-21 amount to £0.326m.

- 3.9.2 Management/operational savings agreed in February 2019 resulted in a one off saving in 2019-20 and consequently an adjustment of £0.452m is required to remove this saving in 2020-21.
- 3.9.3 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 2019-20 to 2020-21 amount to £1.286m. Further policy savings agreed on 21 February 2019 resulted in an increase in savings of £0.472m between 2019-20 and 2020-21.
- 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 however it is looking less likely that these savings will be delivered in full by 2021-22. For the budget outlook, I have assumed zero delivery of savings in 2020-21 and, for 2021-22, 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 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Management/Operational Savings Agreed October 2017	326	326	326
Management/Operational Savings Agreed February 2019	(452)	(692)	(692)
Policy Savings Agreed February 2018	1,286	1,286	1,286
Policy Savings Agreed February 2019	472	547	547
Catering and Cleaning Service Choices	0	172	172
Total Measures to Balance the Budget	1,632	1,639	1,639

3.10 Measures 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 2020-21. The general increase to fees and charges is proposed at 3% for 2020-21, this was the increase applied in 2019-20. The general inflationary increase would give additional income of £0.309m. In terms of the outlook for 2021-22 and 2022-23 fees and charges have been estimated at between a 1% and 5% increase with 3% for the mid-range.
- 3.10.2 Between 2017-18 and 2019-20 councils had the discretion to increase

Council Tax by a maximum of 3% each year. In 2019-20 this was changed to allow councils the flexibility to increase the Council Tax by 3% in real terms, which equated to 4.79% in 2019-20. A letter from the Minister of Public Finance and Digital Economy, dated 6 February 2020, confirmed that flexibility would continue in 2020-21 meaning local authorities, for 2020-21, can increase Council Tax up to a maximum of 3% in real-terms (4.84% cash). This report assumes a 3% increase (based on the assumption in the mid-range scenario, however setting the Council Tax is a decision for the Council to take as part of the budget setting process. 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 4.84% increase in the best case scenario.

3.10.3 New management and operational savings options were identified by officers and presented to Council on 17 October 2019 which would deliver £1.371m in savings in 2020-21 and £1.413m in savings in future years. These saving options are set out in Appendix 5.

3.10.4 New policy saving options (within Council control) were identified by officers and presented to Council on 17 October 2019. Officers have continued to develop these options and there has been some adjustments to them as noted in the table below. These saving options are set out in Appendix 6.

	2020-21 £000	2021-22 £000	2022-23 £000
As reported in October 2019	2,112	2,531	2,531
ED04 – removed to protect grant funding	(9)	(13)	(13)
CSS02 – amended to correct a mathematical error	(24)	(24)	(24)
CSS03 – amended to allow for lead in time	(3)	0	0
RAIS07 – removed after EQSEIA	(26)	(26)	(26)
RAIS09 – amended to correct a year 2 figure	0	(48)	(48)
Revised Policy Savings Options	2,050	2,420	2,420

3.10.5 The number of FTEs affected by potential redundancy required the Council to undertake a statutory 45 day consultation. This has been concluded in accordance with the Council's redundancy policy and procedures seeking to avoid compulsory redundancy wherever possible.

3.10.6 A further 'Policy – Outwith Council Control' saving was presented to Council on 17 October 2019 which related to a proposal to transfer responsibility for the operation of four ferries from the Council to Transport Scotland. The £1.0m savings figure reported to Council on 17 October 2019 represented the shortfall between the GAE funding received by the Council to run the services and the cost to the Council of running them (further detail was included in a report to P&R Committee on 16 May

2019). Discussions relating to this proposal are ongoing with Transport Scotland however the projected savings have since been reduced from £1.0m to £0.454m. The original £1.0m projected savings were based on 2017-18 actual figures. Several changes have occurred since then.

Specifically:

- GAE has increased by £0.053m between 2017-18 and 2019-20, thereby reducing the cost to the Council.
- Income from ferries has increased by approximately £200k also reducing the net cost to the Council
- The Council has taken back the Islay to Jura service plus the ferry management from ASP allowing efficiencies to be made within the service.

3.10.7 Delays in procurement of fleet vehicles has resulted in the re-profiling of prudential borrowing which has resulted in a one-off saving in 2020-21 of £0.278m.

3.10.8 A review of the Council's Loans Fund has been completed, with assistance from our Treasury Advisors, Link Asset Services. The review followed a change in regulations that saw a move from a prescriptive basis on how the repayment values are to be calculated (maximum periods permitted for each asset class), to a prudent one with each local authority allowed to determine what is prudent. These changes provide greater flexibility for local authorities to repay the outstanding Loans Fund advances over a different period, if it can be justified as prudent to do so. The review has identified recurring re-profiling gains of £2.500m per annum over the next 10 years and a one-off re-profiling gain of £20.561m. Further information is contained within the Treasury Strategy. Section 3.13 of this report outlines recommendations for the use of the one-off re-profiling gain.

3.10.9 A summary of the savings identified are noted in the table below.

Saving Type	2020-21 £000	2021-22 £000	2022-23 £000
Management/Operational	1,371	1,413	1,413
Policy – within Council Control	2,050	2,420	2,420
Policy – Outwith Council Control	454	454	454
One Off Fleet Savings	278	0	0
Loans Fund Savings	2,500	2,500	2,500
Total	6,653	6,787	6,787

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 2020-21 £000	Mid- Range Estimate 2021-22 £000	Mid- Range Estimate 2022-23 £000
Estimated Budget Gap Prior to Measures to Balance Budget	(8,541)	(18,807)	(28,668)
Previously Approved Savings Measures	1,632	1,639	1,639
Fees and Charges 3% Increase	309	618	927
Council Tax 3% Increase All Years with Minor Adjustment for Growth in Council Tax Base	1,517	3,092	4,725
New Management/Operational Savings	1,371	1,413	1,413
New Policy Savings within Council Control	2,050	2,420	2,420
New Policy Savings outwith Council Control	454	454	454
One Off Fleet Savings	278	0	0
Loans Fund Savings	2,500	2,500	2,500
Budget Surplus / (Gap) Cumulative	1,570	(6,671)	(14,590)
Budget Surplus / (Gap) In Year	1,570	(8,241)	(7,919)

3.11.2 The table above demonstrates that if Members agreed to all the proposals already noted within this report there will be a balanced 2020-21 budget with a surplus of £1.570m but estimated significant savings required in 2021-22 and 2022-23.

3.11.3 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 Appendix 6 provides a summary of the draft budget for 2020-21 at service level.

3.12 Balancing Future Years Budget

3.12.1 The budget gap over 2021-22 and 2022-23 across each scenario is summarised in the table below.

Budget Gap	2021-22 £000	2022-23 £000	Total £000
Best Case	4,565	4,525	9,089
Mid-Range	8,241	7,919	16,160
Worst Case	12,768	12,381	25,149

3.12.2 In view of the future savings requirements officers will be look to identify savings for future years, through a structured programme of service redesign. This will take cognisance of the unique challenges faced by the Council and reflect on service redesign already delivered in previous years. In particular there will be a focus on greater digital transformation and commercialisation.

3.13 Options for Use of One-Off Gain from Loans Fund Review

3.13.1 As referenced at paragraph 3.10.8 the loans fund review has identified a one-off re-profiling gain of £20.561m. This gain has arisen from re-profiling the historic loan funds advances, ensuring that the loans fund repayments remain prudent. The one-off re-profiling gain can be taken in future years in any way the authority wishes, as long as it deems it to be prudent and does not result in a negative charge in the loans fund. This means that the gain release each year is limited to the principal repayments in year (currently circa £5m per annum).

3.13.2 At the beginning of a loans fund advance the principal repayment is less and this situation reverses as you move into the later years of the borrowing. This means that over the time of the loan the principal repayments will increase. As all the outstanding loans are effectively being consolidated with a 32 years average pay back, the principal repayments will continue to increase until 2036-37 (at the end of the repayment period for loans fund advances taken in 2004-05) and it would be prudent for the Council to make an allowance for this increase.

3.13.3 It is recommended that a provision is made for the increasing principal repayments over the next 10 years and based on a recurring loans fund revenue saving of £2.5m, a provision of £7.649m would be required. It should be noted that this provision will not cover the increasing principal repayments through to 2036-37, however it does provide the budget required over the next 10 years, giving the Council time to plan for the period beyond that and also allows the Council to address the short-term liabilities/cost pressures as noted below.

3.13.4 One of the short-term cost pressures noted below relates to a provision to support organisational change with a view to increasing the amount of revenue savings in the future. This cost pressures would support setting aside a provision to cover the next 10 years increase in principal repayments on the basis that we should be able to increase revenue savings to fund further increases beyond the 10 years.

3.13.5 The known liabilities/cost pressures that Council should give consideration to are noted within the table below, with further narrative in the paragraphs that follow, and it is recommended that the remainder of the one-off re-profiling gain is used to fund these.

	£000	£000
One-off re-profiling gain	20,561	
Provision for increased principal repayments	(7,649)	
Revised Gain		12,912
Revenue Pressures:		
Provision to Support Organisational Change	(500)	
Estimated cost of 2020-21 redundancies that are part of budget savings proposals	(1,200)	
Future Redundancies provision	(1,500)	
Spend to Save Route Optimisation	(100)	
		(3,500)
Capital Pressures:		
Funding Gap in Capital Programme	(2,619)	
Capital Programme Intolerable Red Risks	(574)	
Lismore Ferry	(200)	
Campbeltown Flood Protection Scheme	(1,406)	
Significant Strategic Change Projects	(4,613)	
		(9,412)
Remaining One-off Gain		0

3.13.6 Further detail on the liabilities/cost pressures is noted below:

Provision to support organisational change: It would be prudent to set aside a provision in support of making change in the short term in preparing for the long term challenges. This is a relatively small provision taking into consideration the extent to which we will need to reshape the way we operate in the future in response to the ongoing financial pressures.

Redundancies: After amendments to reflect further officer development the savings options reported to Council in October assume a reduction of 55.09 FTE. Some of the posts are currently vacant and the Council has a good track record of re-deployment. If we assume that around 30 FTE may be made redundant and based on an average redundancy package of £40,000, a provision of £1.200m would be required. It would be prudent to consider making a provision for future redundancies and it is suggested that a further £1.5m is set aside.

Spend to save Route Optimisation: The Roads Service have also identified a spend-to-save option that would require £0.100m of investment that could result in a saving in 3-4 years' time estimated to be in the region of between £0.150m and £0.300m. This is in relation to route optimisation across service areas including bin collections, winter maintenance, street lighting repairs, inspections and cyclic work. The investment is required for new technology that would enable computer algorithms to plan and provide the most effective routing that would minimise the staff and vehicles required in the future, thereby releasing a recurring saving.

Funding Gap in Capital Programme: It was assumed that the same level of General Capital Grant in 2019-20 would be received in 2020-21, however, General Capital Grant has had a significant cut across all Councils and is £2.601m less than estimated. When this is added to the underspend in 2019-20 that can be offered up and an adjustment for a flooding allocation not included and capital receipts, the funding gap in the capital programme amounts to £2.619m.

Capital Programme Intolerable Red Risks: As part of the Service Asset Management plans, a number of intolerable red risks, amounting to £0.574m, have been identified that require additional funding over and above the block allocation. The most significant is in relation to the replacement of three key business applications.

Lismore Ferry: A paper was presented to P&R on 17 October 2019 advising of a replacement cost for the Lismore ferry of £0.500m. From January 2022 the current vessel will no longer meet the requirements of the Maritime and Coastguard Agency. There have been a number of discussions with Transport Scotland regarding transfer of ferries or alternatively additional funding to provide the ferries. At the time of writing, no additional funding has been confirmed for Argyll and Bute Council, however, there is £1m additional funding for ferries provided for within the Scottish Budget that has still to be distributed and the hope is that some of this funding is for Argyll and Bute Council. In the absence of any confirmation, work will need to commence on procuring a replacement for the MV The Lismore requiring capital funding of circa £0.200m.

Campbeltown Flood Protection Scheme: In total this scheme is estimated to cost around £9.330m and Scottish Government will fund 80% of this with the Council expected to contribute the balance of 20%. The Council have already committed some matched budget for investigation and design work and the remaining 20% contribution from the Council is £1.406m. A full business case will be brought to Council for approval, however, it would be prudent to set aside funding as currently the only way to fund the remaining 20% contribution is by reducing the roads reconstruction allocation in both 2021-22 and 2022-23. Should the Council not proceed with the scheme, then the Council will need to refund the Scottish Government the amount it has spent to date on investigation and design work which is anticipated to be £0.461m at the end of March 2020.

Significant Strategic Change Projects still to be finalised: There are major change projects where there is a high likelihood of the project requiring more budget than is currently in the capital programme in respect of Helensburgh Waterfront and Rothesay Pavilion. At this stage, figures are still to be finalised and some are commercially sensitive. There are also financial implications for rural and island authorities arising from the ban on Biodegradable Municipal Waste (BMW) being disposed of via landfill from 2025. It would be prudent to set aside a provision of £4.613m in recognition that the overall risk is likely to be higher and any funding

would not be released until it had been approved by Council.

3.14 Funding Requests

- 3.14.1 Four funding requests have been received from organisations where funding has previously been provided.
- 3.14.2 Argyll and the Isles Tourism Co-operative are seeking an additional investment from the Council for 2020-21 for core costs. AITC has a job to finish in 2020 concluding delivery against the current strategic framework Tourism Argyll and the Isles 2020 (TAI2020) and also preparing the next strategy beyond 2020. This time limited request and will enable the programme of work to be delivered by the end of 2020 and conclude TAI2020.
- 3.14.3 A report was presented to the Policy and Resources Committee on 17 December 2019 in relation to funding requests from two third sector recycling services. It was agreed that the funding requests be considered by Council.
- 3.14.4 A report was presented to the Council on 26 September 2019 and followed up by a further report to the Policy and Resources Committee on 17 December 2019 in relation to a funding request from Rothesay Pavilion Charity (RPC). After undertaking a review of the original business case, RPC believe that there is a revenue shortfall in Years 1 and 2 of the operating period 2020-21 and 2024-25. As instructed by the Policy and Resources Committee on 17 December 2019, a meeting has been arranged between the Policy Lead for Financial Services and Major Projects (Gary Mulvaney), Council Officers and the RPC Board; this is scheduled for Friday 14 February 2020. Officers will provide a briefing to Members following the meeting.
- 3.14.5 The Council is asked to consider the funding requests with relevant information provided within Appendix 8. The Appendix is marked as “exempt” from public papers as it includes commercial information related to third parties.

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 2020-21. It also provides estimates of the budget outlook for 2021-22 and 2022-23.
- 4.2 If Members agreed to all the proposals already noted within this report, this would produce a balanced budget in 2020-21 with a surplus of £1.570m.
- 4.3. There remains a significant budget gap in future years and officers will continue to explore options to generate future savings through service redesign.

4.4 The Council are asked to consider funding requests in relation to the AITC, Kintyre Recycling Limited, Fyne Futures and Rothesay Pavilion.

5. IMPLICATIONS

5.1 Policy – There are policy implications associated with the new saving options and also previously agreed savings options which impact 2020-21 and beyond.

5.2 Financial – The report outlines the budget position over 2020-21 to 2022-23.

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 – See below

5.5.1 Equalities – Equality and Socio-Economic Impact Assessments have been carried out where appropriate for savings options already agreed or developed.

5.5.2 Socio Economic Duty – Equality and Socio-Economic Impact Assessments have been carried out where appropriate for savings options already agreed or developed.

5.5.3 Islands Duty - Equality and Socio-Economic Impact Assessments have been carried out where appropriate for savings options already agreed or developed. This includes consideration of Islands Duties.

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
S95 Officer
13 February 2020

Policy Lead for Financial Services and Major Projects: Councillor Gary Mulvaney

APPENDICES:

Appendix 1 – 2021-22 and 2022-23 Budget Outlook Scenarios

Appendix 2 – Non-Pay Inflation Estimates 2020-21

Appendix 3 - Cost and Demand Pressures 2020-21 to 2022-23

Appendix 4 – 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

Appendix 8 – Funding Requests (Exempt Paper)

BUDGET OUTLOOK 2020-21 to 2022-23
COUNCIL - 27 FEBRUARY 2020

APPENDIX 1

	Draft	Best Case Scenario		Mid-Range Scenario		Worst Case Scenario	
	2020-21 £000	2021-22 £000	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000	2022-23 £000
Base Budget	243,048	243,048	243,048	243,048	243,048	243,048	243,048
Other Base Budget Adjustments	2,666	2,644	2,644	2,644	2,644	2,644	2,644
Settlement Commitments:							
-Additional Support Needs	219	219	219	219	219	219	219
-Rapid Rehousing	107	107	107	107	107	107	107
-Counselling in Schools	91	91	91	91	91	91	91
-Discretionary Housing Payments	82	82	82	82	82	82	82
-Social Welfare Fund	40	40	40	40	40	40	40
-Sanitary Products in School	32	32	32	32	32	32	32
-Whole System Approach	(25)	(25)	(25)	(25)	(25)	(25)	(25)
-Barclay Review	36	36	36	36	36	36	36
Revised Base Budget	246,296	246,274	246,274	246,274	246,274	246,274	246,274
Pay Award	3,929	7,465	11,001	7,858	11,787	8,513	13,097
Pay Increments	737	1,106	1,474	1,474	2,211	1,474	2,211
Change to employee base	(340)	(340)	(340)	(340)	(340)	(340)	(340)
Teachers Pensions Increase	407	407	407	407	407	407	407
Total Employee Cost Changes (Council Services)	4,733	8,638	12,542	9,399	14,065	10,054	15,375
Non-Pay Inflation - Council Services	1,294	2,588	3,882	2,588	3,882	3,338	5,382
Previously Agreed - HB Admin Grant	60	120	180	120	180	120	180
Asbestos Management Plan	87	115	115	135	135	155	155
SEEMIS membership fee	15	16	18	16	18	16	18
Skype for Education	75	100	100	100	100	100	100
Oracle support costs	18	18	18	18	18	18	18
Planning Fees	60	0	0	0	0	0	0
Climate Change Levy replaced Carbon Reduction Commitment	70	70	70	70	70	70	70
Consolidation of Living Wage	0	444	444	500	500	560	560
Consolidation of Living Wage - Project Costs	50	0	0	0	0	0	0
Allowance for Cost and Demand Pressures Future Years	0	0	0	250	500	500	1,000
Total Cost and Demand Pressures	435	883	945	1,209	1,521	1,539	2,101
Adjustment to Health and Social Care Partnership Payment	1,752	1,752	1,752	1,752	1,752	1,752	1,752
Adjustment to Live Argyll Management Fee	96	24	(47)	58	21	96	96
Total Estimated Expenditure PRIOR to measures to balance the budget	254,606	260,159	265,348	261,280	267,515	263,053	270,980
Scottish Government Grant	195,364	192,629	189,932	191,652	188,011	190,675	186,099
Earmarked Reserves for Teachers Pensions	118	112	0	112	0	112	0
Council Tax	50,583	50,836	51,090	50,709	50,836	50,709	50,836
Total Funding	246,065	243,577	241,022	242,473	238,847	241,496	236,935
Budget Surplus / (Gap) PRIOR to measures to balance the budget	(8,541)	(16,582)	(24,326)	(18,807)	(28,668)	(21,557)	(34,045)
Measures to Balance the Budget:							
Fees and Charges	309	822	1,335	618	927	412	515
Catering and Cleaning Longer Term Redesign (Service Choices February 2016)	0	446	446	172	172	172	172
Management/Operational Savings Identified October 2017	326	326	326	326	326	326	326
Management/Operational Savings Identified February 2019	(452)	(692)	(692)	(692)	(692)	(692)	(692)
Policy Savings Options agreed February 2018	1,286	1,286	1,286	1,286	1,286	1,286	1,286
Policy Savings Options agreed February 2019	472	547	547	547	547	547	547
Management Operational Savings reported October 2019	1,371	1,413	1,413	1,413	1,413	1,413	1,413
Policy savings within council control reported October 2019	2,050	2,420	2,420	2,420	2,420	2,420	2,420
Policy savings outwith council control reported October 2019	454	454	454	454	454	454	454
One-Off Fleet Savings	278	0	0	0	0	0	0
Loans Fund Savings	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Council Tax Increase	1,517	4,065	6,772	3,092	4,725	1,521	1,525
Total Measures to Balance the Budget	10,111	13,587	16,807	12,136	14,078	10,359	10,466
Budget Surplus / (Gap) Cumulative AFTER measures to balance the budget	1,570	(2,995)	(7,519)	(6,671)	(14,590)	(11,198)	(23,579)
Budget Surplus / (Gap) In Year AFTER measures to balance the budget	1,570	(4,565)	(4,525)	(8,241)	(7,919)	(12,768)	(12,381)

Non-Pay Inflation (Council)

APPENDIX 2

Service	Inflation Category	Basis of Inflation	2020-21 Inflation %	Base Budget 2020-21	2020-21 Inflation £000
Council Wide	Utilities - Electricity	This is a volatile areas and it is difficult to predict the inflation. Assumed inflation at 9.76% based on Scottish Government price risk index report as at June 2019.	9.76%	2,023,789	198
Council Wide	Utilities - Gas	This is a volatile areas and it is difficult to predict the inflation. Assumed CPI rate of 2% (July 2019) for 2020-21.	2.00%	454,059	9
Council Wide	Utilities - Oil	This is a volatile areas and it is difficult to predict the inflation. Assumed CPI rate of 2% (July 2019) for 2020-21.	2.00%	562,240	11
Council Wide	Utilities - Solid Fuel	This is a volatile areas and it is difficult to predict the inflation. Assumed CPI rate of 2% (July 2019) for 2020-21.	2.00%	17,860	-
Council Wide	Utilities - Water	Assumed inflation at CPI rate of 2% (July 2019) for 2020-21.	2.00%	504,580	10
Council Wide	Non Domestic Rates	Based on current RPI as at end of July 2018	2.80%	4,600,010	129
Council Wode	Vehicle Fuel	Based on advice from Fleet Manager	5.00%	1,125,534	56
Council Wide Total					413
Education	Pre-Primary Partner Provider Uplift	No increase required this year - provision for 1,140 hours is sufficient	0.00%	2,579,775	-
Education	Residential Schools	Scotland Excel negotiate contracts information received 10 Jan 2020 states 5% uplift as minimum.	5.00%	943,804	47
Commercial Services	Catering Purchases and Milk	Estimated 10% increase predicted as a result of price volatility. Estimated 10% is based on national estimates regarding increase in food prices following EU exit.	10.00%	1,769,380	177
Commercial 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
Legal and Regulatory Support	Community Pool Subsidies	For Atlantis Leisure subsidy agreement the annual increase is based on RPI at Sept so estimate based on anticipated RPI at Sept 2019 then Sept 2020. MacPool & Islay Pool inflation based on anticipated RPI at March 2020.	3.00%	659,337	20
Legal and Regulatory Support	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.	2.10%	15,382,057	223
Legal and Regulatory Support	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.	0.98%	5,228,658	51
Executive Director - Douglas Hendry - Total					568
Customer Support Services	ICT	Inflationary increases re renewals for support and maintenance of hardware and software	15.00%	454,657	68
Roads and Infrastructure	Landfill Tax	Calculation is based on a formula approach similar to last year.	3.07%	3,078,901	95
Roads and Infrastructure	Waste PPP Contract	85% of RPIX as at end of Q2 2018	2.32%	5,810,621	135

Service	Inflation Category	Basis of Inflation	2020-21 Inflation %	Base Budget 2020-21	2020-21 Inflation £000
Roads and Infrastructure	Street Lighting Electricity	The business case for the LED project assumed that inflation would be applied to street lighting electricity therefore inflation should be applied at the CPI rate of 2.1% (July 2019) for 2020-21.	2.10%	729,916	15
Executive Director - Kirsty Flanagan - Total					313
					1,294

COUNCIL COST AND DEMAND PRESSURES 2020-21 to 2022-23

APPENDIX 3

Department	Service	Cost/Demand Pressure	Best Case			Mid Range Scenario			Worst Case		
			2020-21 £000	2021-22 £000	2022-23 £000	2020-21 £000	2021-22 £000	2022-23 £000	2020-21 £000	2021-22 £000	2022-23 £000
Council Wide	Council Wide	Consolidation of Living Wage -There is an agreement by the Scottish Joint Council to consolidate the Scottish Local Government Living Wage into the council's Local Government Employee pay model by 2021. This will creates a cost pressure in relation to staff costs from 2021-22 onwards.	0	444	444	0	500	500	0	560	560
Council Wide	Council Wide	Consolidation of Living Wage - The development of th living wage consolidation proposal was carried out by a temporary project team funded via earmarked reserves. Implementation of the proposals will require a further temporary project team at a cost of £50,000 in 2020-21.	50	0	0	50	0	0	50	0	0
Council Wide	Council Wide	General provision for unidentified Cost and Demand Pressures	0	0	0	0	250	500	0	500	1,000
TOTAL			385	883	945	435	1,209	1,521	485	1,539	2,101

SOCIAL WORK COST AND DEMAND PRESSURES 2020-21 to 2022-23

APPENDIX 4

Service	Cost/Demand Pressure	Best Case			Mid Range			Worst Case		
		2020-21 £000	2021-22 £000	2022-23 £000	2020-21 £000	2021-22 £000	2022-23 £000	2020-21 £000	2021-22 £000	2022-23 £000
All Social Work	Estimated Pay inflation reflecting 3% pay uplift agreed for 2019/20.	936	1,778	2,620	936	1,872	2,808	936	2,028	3,120
All Social Work	Estimated Pay increments, best case absorbed in current staff changes, mid-range, half of 2019-20 cost and worst case same as 2019-20 cost.	82	123	164	82	164	246	82	164	246
	Change to employee base budget	88	88	88	88	88	88	88	88	88
All Social Work	Non-pay inflation, best and worst case based on unavoidable/inescapable inflation and worst case.	875	1,781	2,750	1,035	2,110	3,268	1,252	2,559	3,981
All Social Work	Non-pay inflation impact of payroll inflation on NHS posts which are recharged to Social Work.	128	268	435	128	268	435	128	268	435
Adult Care	Older People Demand Growth: 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 reflects a one-off adjustment to recognise part of the current budget deficit with no growth thereafter, the mid-range reflects 1.5% growth and the worst case reflects 3% growth.	311	311	311	640	980	1,325	970	1,659	2,370
Adult Care	Younger Adults Demand Growth: 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 reflects a one-off adjustment to recognise part of the current budget deficit with no growth thereafter, the mid-range reflects 1.5% growth and the worst case reflects 3% growth.	269	269	269	539	817	1,087	808	1,372	1,911
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% , the mid range reflects an increase of 4% (in-line with the 2019/20 NCHC increase) and the worst case 5%.	244	496	755	326	665	1,017	407	835	1,284

SOCIAL WORK COST AND DEMAND PRESSURES 2020-21 to 2022-23
APPENDIX 4

Service	Cost/Demand Pressure	Best Case			Mid Range			Worst Case		
		2020-21 £000	2021-22 £000	2022-23 £000	2020-21 £000	2021-22 £000	2022-23 £000	2020-21 £000	2021-22 £000	2022-23 £000
All Social Work	Social Work Emergency Standby: A review of the Social Work Emergency Standby service was completed during 2019/20 which included consultation work with staff and information gathering in relation to the approaches used by other local authorities. A new service design has been developed and will be piloted during 2019/20 using non-recurring funding as a test of change. This pressure reflects the estimated cost of fully implementing the outcome of the review on a permanent basis. Adjustment has been made for inflation and pay increments at 3% best case, 4.5% mid range and 6% worst case.	150	155	160	150	157	164	150	159	169
Adult Services	Greenwood Hostel Overnight Staffing: Building on previous reviews of staff work patterns in the partnership's 24/7 care establishments, taking into account the law in relation to sleepover payments and breaks between shifts, a cost pressure has been identified in relation to staffing arrangements at Greenwood Hostel in Campbeltown where additional staff are required to comply with employee law and safe working in relation to staff and residents at the hostel. Adjustment has been made for inflation and pay increments at 3% best case, 4.5% mid range and 6% worst case.	0	0	0	0	0	0	0	0	0
Criminal Justice	Criminal Justice Redesign: The Scottish Government has provided funding for transitional arrangements in relation to changes in the Criminal Justice Service for several years and continues to do so. Until 2019/20, this funding had been routed separately from the Council's general grant and an allowance had been built into the 2019/20 for this funding method, assuming the separate allocation would be added to the budget. Unfortunately, the method changed and the funding was instead allocated as part of the general grant and the funding was not added to the Criminal Justice budget as expected but absorbed into the overall social work budget. The transition work remains ongoing and the Criminal Justice service is continuing to have to pick up these costs. This was covered on a one-off basis from an earmarked reserve in 2019/20 but the additional funding requires to be re-established from 2020/21 onwards to continue to support the redesign of Criminal Justice services.	50	50	50	50	50	50	50	50	50
Integrated Joint Board	Integrated Joint Board Governance: The Integrated Joint Board requires additional governance support from the Council. This has been agreed between Douglas Hendry, Executive Director and Joanna MacDonald, Chief Officer. The cost pressure consists of 2 additional posts plus other support costs. Adjustment has been made for inflation and pay increments on the governance costs at 3% best case, 4.5% mid range and 6% worst case.	95	98	101	95	99	103	95	101	107
All Social Work	Provision for Unknown Cost and Demand Pressures	0	0	0	250	500	750	500	1,000	1,500

SOCIAL WORK COST AND DEMAND PRESSURES 2020-21 to 2022-23

APPENDIX 4

Service	Cost/Demand Pressure	Best Case			Mid Range			Worst Case		
		2020-21 £000	2021-22 £000	2022-23 £000	2020-21 £000	2021-22 £000	2022-23 £000	2020-21 £000	2021-22 £000	2022-23 £000
TOTAL UNFUNDED COST AND DEMAND PRESSURES		3,228	5,417	7,703	4,319	7,770	11,341	5,466	10,283	15,261

Template Ref	Department	Service	Service Delivery Area	Savings Option	2020-21			2021-22		
					Saving 2020-21 £000	FTE	H/Count	Saving 2021-22 £000	FTE	H/Count
CE01(c)	Chief Executives Unit	Chief Executive	Community Development / Community Planning Partnership	Revised marketing approach for Supporting Communities Fund focussing on local networks and digital channels such as Facebook.	4.0	0.00	0.00	4.0	0.00	0.00
FS01(a)	Chief Executives Unit	Head of Financial Services	Revenues & Benefits	Additional income from DWP for new work in relation to pensions and earnings verification	20.0	0.00	0.00	20.0	0.00	0.00
CS04	Executive Director (Douglas Hendry)	Head of Commercial Services	Programme Management	Cost recovery - CHORD capital costs	101.0	0.00	0.00	101.0	0.00	0.00
CS05(b)(c)	Executive Director (Douglas Hendry)	Head of Commercial Services	Property Services, Estates, Catering and Cleaning	Commercial Income from Renewable Energy, Estates Activities and Events	170.0	0.00	0.00	170.0	0.00	0.00
ED02(b)	Executive Director (Douglas Hendry)	Head of Education	Enterprise	Removal of budget in respect of skills for work transport expenses	5.6	0.00	0.00	9.0	0.00	0.00
ED05	Executive Director (Douglas Hendry)	Head of Education	HR Assistant	Alternative funding mechanism for 0.5FTE HR Assistant who supports Education and D&I in attendance / absence monitoring - will be funded via vacancy savings	12.9	0.00	0.00	17.0	0.00	0.00
ED08(a)	Executive Director (Douglas Hendry)	Head of Education	QIT - Additional Support Needs	Discontinuation of CALL Scotland contract	7.0	0.00	0.00	7.0	0.00	0.00
ED08(b)	Executive Director (Douglas Hendry)	Head of Education	QIT - Additional Support Needs	Discontinuation of CALL Scotland training allocation	2.8	0.00	0.00	2.8	0.00	0.00
ED09	Executive Director (Douglas Hendry)	Head of Education	Continuing Professional Development (Leadership)	Removal of Leadership budget used for funding training events	12.0	0.00	0.00	12.0	0.00	0.00
ED10	Executive Director (Douglas Hendry)	Head of Education	Support for Teachers	Removal of supported study budget	17.0	0.00	0.00	17.0	0.00	0.00
ED12	Executive Director (Douglas Hendry)	Head of Education	Classroom Assistants - Primary	Removal of underspent budget as a result of primary review	20.0	0.00	0.00	20.0	0.00	0.00
ED13	Executive Director (Douglas Hendry)	Head of Education	Classroom Assistants - Secondary	Removal of underspent budget as a result of secondary review	30.0	0.00	0.00	30.0	0.00	0.00
L&R01(b)	Executive Director (Douglas Hendry)	Head of Legal and Regulatory Services	Procurement	NPDO contract efficiency saving	120.0	0.00	0.00	120.0	0.00	0.00
L&R02	Executive Director (Douglas Hendry)	Head of Legal and Regulatory Services	Governance and Risk	Generate income by recharging for services provided	50.0	0.00	0.00	50.0	0.00	0.00
L&R04(a)&(b)	Executive Director (Douglas Hendry)	Head of Legal and Regulatory Services	Trading Standards	Agree with Food Standards Scotland to deliver feed regulation across Argyll & Bute / West Dunbartonshire which will achieve additional income	25.2	0.00	0.00	25.2	0.00	0.00
L&R05	Executive Director (Douglas Hendry)	Head of Legal and Regulatory Services	Electoral Registration	Realign Electoral Registration Budget	20.1	0.00	0.00	20.1	0.00	0.00
L&R06	Executive Director (Douglas Hendry)	Head of Legal and Regulatory Services	Committee Services	Review of administrative supplies and service spend	12.0	0.00	0.00	0.0		0.00
CSS01(a)	Executive Director (Pippa Milne)	Head of Customer Support Services	Communications	Carry out all public consultation in-house removing budget for consultant	5.0	0.00	0.00	12.0	0.00	0.00
CSS02(a)	Executive Director (Pippa Milne)	Head of Customer Support Services	Customer Service Centre and Registration Services	Increase in NRS (National Records of Scotland) fees in line with decision nationally to increase fees.	25.2	0.00	0.00	25.2	0.00	0.00
CSS02(b)(c)(d)	Executive Director (Pippa Milne)	Head of Customer Support Services	Customer Service Centre and Registration Services	Additional CSC/Registration	8.5	0.00	0.00	8.5	0.00	0.00
CSS02(e)	Executive Director (Pippa Milne)	Head of Customer Support Services	Customer Service Centre and Registration Services	Social Security Scotland - charging for use of accommodation	5.0	0.00	0.00	5.0	0.00	0.00
CSS02(f)	Executive Director (Pippa Milne)	Head of Customer Support Services	Customer Service Centre and Registration Services	Lease Inveraray marriage room as an office space	2.6	0.00	0.00	2.6	0.00	0.00
CSS02(k)	Executive Director (Pippa Milne)	Head of Customer Support Services	Customer Service Centre and Registration Services	Removal LAP server support	6.2	0.00	0.00	6.2	0.00	0.00
CSS02(l)	Executive Director (Pippa Milne)	Head of Customer Support Services	Customer Service Centre and Registration Services	Cease text in service and SMS service support	1.5	0.00	0.00	1.5	0.00	0.00
CSS02(m)(n)(o)	Executive Director (Pippa Milne)	Head of Customer Support Services	Customer Service Centre and Registration Services	CSC and Registration Cost Cutting	8.9	0.00	0.00	8.9	0.00	0.00
CSS02(p)	Executive Director (Pippa Milne)	Head of Customer Support Services	Customer Service Centre and Registration Services	Remove surplus photocopier budget from Colonsay and Jura CSPs	3.0	0.00	0.00	3.0	0.00	0.00
CSS03(a)(b)(c)	Executive Director (Pippa Milne)	Head of Customer Support Services	ICT	Remove surplus from ICT budget, remove expired server maintenance contract, and decommission old backup solution	62.0	0.00	0.00	62.0	0.00	0.00

Template Ref	Department	Service	Service Delivery Area	Savings Option	2020-21			2021-22		
					Saving 2020-21 £000	FTE	H/Count	Saving 2021-22 £000	FTE	H/Count
CSS03(d)(e)(f)(i)(j)(k)	Executive Director (Pippa Milne)	Head of Customer Support Services	ICT	Reduce staff travel, overtime, subscriptions and make further changes to infrastructure systems covering comms circuits, Guest Wi-Fi, and the PSN connection	50.7	0.00	0.00	50.7	0.00	0.00
CSS03(g)	Executive Director (Pippa Milne)	Head of Customer Support Services	ICT	Remove budget available for additional network upgrades to schools	87.0	0.00	0.00	87.0	0.00	0.00
CSS03(l)	Executive Director (Pippa Milne)	Head of Customer Support Services	ICT	Reduce print room copier and franking machine maintenance.	3.8	0.00	0.00	3.8	0.00	0.00
CSS03(m)	Executive Director (Pippa Milne)	Head of Customer Support Services	ICT	Replace ageing, red risk status video conferencing (VC) equipment with Skype, removing £50k capital investment need. Retain VC in Kilmory and the virtual meeting room to allow communication with external organisations still using VC.	7.0	0.00	0.00	7.0	0.00	0.00
CSS03(n)	Executive Director (Pippa Milne)	Head of Customer Support Services	ICT	Stop annual benchmarking service	4.7	0.00	0.00	4.7	0.00	0.00
CSS03(o)	Executive Director (Pippa Milne)	Head of Customer Support Services	ICT	Remove surplus from Workforce Deployment Infrastructure budget.	9.0	0.00	0.00	9.0	0.00	0.00
CSS04(a)	Executive Director (Pippa Milne)	Head of Customer Support Services	HR and OD	Investigated potential replacement of Pyramid	0.0	0.00	0.00	15.0	0.00	0.00
CSS04(b)-(f)	Executive Director (Pippa Milne)	Head of Customer Support Services	HR and OD	Reduction in sundry budgets e.g. travel, training etc.	25.0	0.00	0.00	25.0	0.00	0.00
DEG02	Executive Director (Pippa Milne)	Head of Development and Economic Growth	Transformation Projects and Regeneration	Removal of discretionary budget supporting cultural initiatives	63.9	0.00	0.00	63.9	0.00	0.00
DEG05(b)	Executive Director (Pippa Milne)	Head of Development and Economic Growth	Building Standards	Additional commercialisation through processing Building Warrant applications for other local authorities	50.0	0.00	0.00	50.0	0.00	0.00
DEG06(a)	Executive Director (Pippa Milne)	Head of Development and Economic Growth	Housing and Development Policy	Transfer staff costs to Strategic Housing Fund	146.3	0.00	0.00	146.3	0.00	0.00
DEG06(b)	Executive Director (Pippa Milne)	Head of Development and Economic Growth	Housing and Development Policy	Realign Temporary Accommodation Budgets to reflect spend	20.0	0.00	0.00	20.0	0.00	0.00
DEG06(c)	Executive Director (Pippa Milne)	Head of Development and Economic Growth	Housing and Development Policy	Reduce Local Housing Strategy Budget	25.7	0.00	0.00	25.7	0.00	0.00
RAIS06(b)	Executive Director (Pippa Milne)	Head of Roads and Infrastructure Services	Fleet	Increase work through fleet workshops	20.0	0.00	0.00	45.0	0.00	0.00
RAIS08	Executive Director (Pippa Milne)	Head of Roads and Infrastructure Services	Technical Support	Cost recovery for Capital Projects within Roads and Infrastructure	100.0	0.00	0.00	100.0	0.00	0.00
TOTAL MANAGEMENT/OPERATIONAL OPTIONS					1,370.6	0.00	0.00	1,413.1	0.00	0.00

Template Ref	Department	Service	Service Delivery Area	Savings Option	2020-21			2021-22		
					Saving 2020-21 £000	FTE	H/Count	Saving 2021-22 £000	FTE	H/Count
CE01(a)	Chief Executives Unit	Chief Executive	Community Development / Community Planning Partnership	Reduction in vacant administrative officer post by 0.4 FTE Removal of funding to TSI to support Community Development 10% reduction in funding to Fèisean nan Gàidheal	26.9	0.40	0.00	26.9	0.40	0.00
FS01	Chief Executives Unit	Head of Financial Services	Revenues & Benefits Internal Audit Accounting & Budgeting	Removal of vacant 1FTE LGE5 Local Tax Assistant Post Removal of vacant 0.5FTE LGE9 Internal Audit Post Reduction in posts due to changing processes, efficiencies and reduction in support	183.0	5.10	7.00	189.0	5.10	7.00
CS01	Executive Director (Douglas Hendry)	Head of Commercial Services	Estates & Property Development	Remodel Estates Staff Structure (removal of LGE11 post)	57.0	1.00	1.00	57.0	1.00	1.00
CS02	Executive Director (Douglas Hendry)	Head of Commercial Services	Estates, Programme Management and Property Services	Remodel business support in Estates, Programme Management and Property Services	54.0	2.00	2.00	54.0	2.00	2.00
CS03	Executive Director (Douglas Hendry)	Head of Commercial Services	Property Maintenance	Remodel Property officer team	79.0	2.00	2.00	79.0	2.00	2.00
ED01	Executive Director (Douglas Hendry)	Head of Education	PE Facilities	Removal of centrally held PE budget which is devolved to schools annually	73.0	0.00	0.00	73.0	0.00	0.00
ED02	Executive Director (Douglas Hendry)	Head of Education	Enterprise	Removal of budget devolved to schools to enhance teacher posts to PT grade to deliver enterprise Removal of budget for PPE and equipment required in relation to service delivery by Argyll College	15.6	0.00	0.00	25.0	0.00	0.00
ED03	Executive Director (Douglas Hendry)	Head of Education	Psychological Services	Removal of 1.8 FTE Educational Psychologist reducing the service	78.0	1.80	2.00	125.0	1.80	2.00
ED06	Executive Director (Douglas Hendry)	Head of Education	Quality Assurance and Moderation	Remove budget established to support schools in relation to moderation	27.1	1.00	1.00	43.5	1.00	1.00
ED07	Executive Director (Douglas Hendry)	Head of Education	Admin and Finance assistants	Aligning all Area Finance Assistants to term time	11.7	3.00	3.00	15.6	3.00	3.00
ED11	Executive Director (Douglas Hendry)	Head of Education	16+ Learning Choices	Removal of vacant 0.1 LGE14 post which was 0.9 grant funded previously (grant now ended)	6.1	0.10	0.00	6.1	0.10	0.00
ED14	Executive Director (Douglas Hendry)	Head of Education	Swimming Pool Subsidies	Removal of subsidy paid to Islay and Jura and Mid Argyll Community Enterprises	19.3	0.00	0.00	19.3	0.00	0.00
ED15	Executive Director (Douglas Hendry)	Head of Education	Additional Support Needs (activities)	Removal of Additional Support Needs (activities)	5.4	0.00	0.00	5.4	0.00	0.00
ED16	Executive Director (Douglas Hendry)	Head of Education	Clerical Assistants (Learning Centres) Primary	Removal of separate clerical assistant budget within Oban Learning Centre (Primary and Secondary) to align with other learning centres.	10.4	0.89	2.00	16.7	0.89	2.00
ED18	Executive Director (Douglas Hendry)	Head of Education	Reduction of Education Management Team	Reduction of 2 FTE from the Central Education Management Team	113.0	2.00	2.00	151.0	2.00	2.00
ED19	Executive Director (Douglas Hendry)	Head of Education	Community Learning and Development	Further review of Community Learning and Development	184.3	7.00	10.00	246.0	7.00	10.00
ED20	Executive Director (Douglas Hendry)	Head of Education	Pupil Support Assistants	Removal of pupil support assistant hours within primary schools	198.5	14.70	45.00	317.5	14.70	45.00
ED21	Executive Director (Douglas Hendry)	Head of Education	Early Years Provision	Third Sector Grant removal Review of Early Years staffing	106.5	0.40	1.00	110.4	0.40	1.00
L&R01	Executive Director (Douglas Hendry)	Head of Legal and Regulatory Services	Procurement	Realign Team	75.0	1.00	1.00	75.0	1.00	1.00
L&R03	Executive Director (Douglas Hendry)	Head of Legal and Regulatory Services	Advice Services	Reduction in staff costs within welfare rights team (equivalent to 0.5FTE)	18.1	0.50	1.00	18.1	0.50	1.00

Template Ref	Department	Service	Service Delivery Area	Savings Option	2020-21			2021-22		
					Saving 2020-21 £000	FTE	H/Count	Saving 2021-22 £000	FTE	H/Count
CSS01	Executive Director (Pippa Milne)	Head of Customer Support Services	Communications	Remove vacant Communications Apprentice post budget which has also provided corporate PR materials (banners etc)	16.2	0.60	1.00	16.2	0.60	1.00
CSS02	Executive Director (Pippa Milne)	Head of Customer Support Services	Customer Service Centre and Registration Services	Restructure Customer Service Centre Staffing to reflect increased digital customer engagement	35.5	2.00	2.00	49.0	2.00	2.00
CSS03	Executive Director (Pippa Milne)	Head of Customer Support Services	ICT	Remove 1 ICT Desktop Engineer post, providing cover from other areas	35.0	1.00	1.00	38.0	1.00	1.00
DEG01(a)	Executive Director (Pippa Milne)	Head of Development and Economic Growth	Economic Growth	Removal of LGE11 post in the European and External Policy Team	51.6	0.00	0.00	51.6	1.00	1.00
DEG04	Executive Director (Pippa Milne)	Head of Development and Economic Growth	Transformation Projects and Regeneration	Removal of an LGE11 development officer from the Transformation Projects and Regeneration Teams	51.6	1.00	1.00	51.6	1.00	1.00
DEG05(a)	Executive Director (Pippa Milne)	Head of Development and Economic Growth	Building Standards	Raise additional fees by adopting the current Building Cost Information Service (BCIS) guide for the cost of building work. Regular service users have been informed of this change.	50.0	0.00	0.00	50.0	0.00	0.00
DEG07	Executive Director (Pippa Milne)	Head of Development and Economic Growth	Development and Economic Growth	Removal of Building Standards Manager following 3rd tier management review in Development and Economic Growth	69.2	1.00	1.00	69.2	1.00	1.00
RAIS02	Executive Director (Pippa Milne)	Head of Roads and Infrastructure Services	School Crossing Patrollers	Remove all the service from the 25 crossing points operated by the Council	113.0	6.60	28.00	151.0	6.60	28.00
RAIS03	Executive Director (Pippa Milne)	Head of Roads and Infrastructure Services	Burials and Cremations	Increase burial charges by 20% and cremation fees by 15%	140.0	0.00	0.00	140.0	0.00	0.00
RAIS04(a)	Executive Director (Pippa Milne)	Head of Roads and Infrastructure Services	Traffic Management	Review of existing parking charges, potentially increasing up to 20%	138.0	0.00	0.00	138.0	0.00	0.00
RAIS09	Executive Director (Pippa Milne)	Head of Roads and Infrastructure Services	Public Conveniences	Closure of up to 25 public conveniences subject to ongoing monitoring of use and demand, as per the Environmental, Development and Infrastructure Committee decision in December 2018.	8.0	0.00	0.00	12.0	0.00	0.00
TOTAL POLICY OPTIONS (within Council control)					2,050.0	55.09	114.00	2,420.1	56.09	115.00
RAIS01	Executive Director (Pippa Milne)	Head of Roads and Infrastructure Services	Council Run Ferries	Transfer of the four council run ferry services to Transport Scotland as per the council's decision of 27th June 2019. If this is not achieved by 31/3/20 there will be a risk to the ongoing delivery of these services.	454.0	TUPE	TUPE	454.0	TUPE	TUPE
TOTAL POLICY OPTIONS (out with Council control)					454.0	0.00	0.00	454.0	0.00	0.00
TOTAL POLICY OPTIONS					2,504.0	55.09	114.00	2,874.1	56.09	115.00

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Community Planning and Community Development		Ref: CE01
Name of service delivery area	Community Planning and Community Development, Chief Executives Unit	
Responsible 3rd Tier manager	Rona Gold	
Savings Target:	£26,900	
Summary of Savings Proposals for Consideration		
<p>The identified savings (7%) can be made from 1 April 2020. Impacts are perceived to be minimal as they are in line with current developments and ways of working, see details below.</p> <p>The identified savings (totalling £26,912) are:</p> <p>£10,362 Efficiencies in staffing costs Following a review of the administration officer post within the team, at the point of a vacancy with this post in 2018, the post reduced from 5 days to 3 days to reflect business need. This new working arrangement is proving effective within the team.</p> <p>£15,000 Funding to the Third Sector Interface Removal of small amount of funding to the Third Sector Interface to support work of Community Development. The TSI has recently been restructured and its focus is on delivering core work as directed and funded by Scottish Government. In 2019/20 we will work with the TSI to explore better models of working together to best provide support to community groups in Argyll and Bute, making best use of resources and reducing duplication.</p> <p>£1,550 Support to Fèisean nan Gàidheal A 10% reduction in 2020/21 to the support provided to Fèisean nan Gàidheal. This is in line with reductions in grants to non-Gaelic community groups in Argyll and Bute, e.g. Supporting Communities Fund reduced by circa 10% each year between 2017/18 – 20/21.</p>		
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.		

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
(a)Reduction in vacant administrative officer post by 0.4 FTE	10.3	0.4	0	10.3	0.4	0
(b)Removal of funding to TSI to support Community Development	15.0	0	0	15.0	0	0
(d)10% reduction in funding to Fèisean nan Gàidheal	1.6	0	0	1.6	0	0
TOTAL	26.9	0.4	0	26.9	0.4	0

The 0.4 FTE is a vacant post

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	No	
Sent to equality@argyll-bute.gov.uk	No	

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Financial Services	Ref: FS01
Name of service delivery area	Financial Services
Responsible 3rd Tier manager	Anne MacDougall/Laurence Slavin/Fergus Walker
Proposed Savings Target:	£0.183
Summary of Savings Proposals for Consideration	
<p>Summarise what the savings options are, how they will be delivered, any lead in time for savings and the impact of delivering the savings.</p>	
<u>REVENUES AND BENEFITS</u>	
<p>1. Reduce 1FTE local tax assistant post – This saving will reduce the service within the council tax team and will result in a slight drop in the percentage number of processes completed when responding to service requests from council tax payers regarding their accounts in relation to the response times in the customer charter. Currently we process all information and respond to the taxpayer within 5 working days 69% of the time. This may drop to 60% of the time in the future with one less member of staff in post and could result in additional customer contact through the customer service centre. This will also increase the backlog at particular times of the year and measures will be taken to address this.</p>	
<u>INTERNAL AUDIT</u>	
<p>2. Reduce 0.5FTE internal audit post – Strategic Finance underwent a restructuring during 2018 and this included the internal audit function. A new full-time qualified post was created within the internal audit team partly to assist with the new scrutiny function and also to support the annual internal audit plan. A 0.5FTE LGE9 post was left vacant with the intention that the requirement for this post would be reviewed following the roll out of the scrutiny work. The team have rolled out new working practices which focus on both quality and efficiency and have now carried out two scrutiny reviews and also undertaken ad-hoc audit work not part of the annual audit plan. These have been delivered within the current resource level and therefore it has been determined that the vacant post can be removed permanently. There is no lead in time for this saving as the post is already vacant.</p>	
<u>ACCOUNTING AND BUDGETING</u>	
<p>3. There will be a reduction in 3.6FTE posts across the accounting and budgeting teams. The Council’s recent corporate management restructure has now reduced the number of directorates to three and the working model within Strategic Finance had a principal accountant assigned to each directorate and it makes business sense to reduce the principal accountants from 4FTE to 3FTE to match the directorates. A vacancy has recently arisen which means that this saving can be made with no redundancy implications. The workload involved in supporting the directorates will be shared across the remaining 3 principal accountants.</p> <p>As a result of staff turnover, there are currently vacancies of 3.1FTE within the service that have been frozen due to the future savings requirement. The service is able to offer up these posts as a saving by reducing some of the transactional work that is carried out.</p>	

- Currently significant time is spent re-profiling the year to date budgets. This will no longer be performed with only budget virements processed, however, there will be engagement with the front line services at the beginning of the financial year to ensure that the initial profile is as accurate as it can be. This will result in more year to date variances being reported through to SMT and Committee as the focus of attention will be on the forecast outturn position.
- All cost centres have a risk category attached to them and this determines the frequency of engagement with budget holders. This risk assessment will be reviewed with a view to moving others into the low risk category which will result in less officer time focusing on these cost centres.
- Time taken to respond to lower priority queries will increase. Where a query is time pressured, for example, figures required for a grant claim return, these will continue to be prioritised.
- Within the treasury function, there is a planned review of the current processes, paperwork and authorisations with a view to streamlining the function. This review will be accelerated to deliver the required savings. There should be no service impact as the review is focused on creating efficiencies.
- Through digital transformation activity the social work finance team will implement efficiencies over the next year digitising the team's paper records, reducing the effort involved in manual filing and sharing paper based documents.

Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
(b) Removal of 1FTE LGE5 local tax assistant post	16	1.0	1	22	1.0	1
(c) Removal of 0.5FTE LGE9 Internal Audit post	17	0.5	1	17	0.5	1
(d) – (g) Removal of 3.6FTE Accounting and Budgeting Staff	150	3.6	5	150	3.6	5
TOTAL	183	5.1	7	189	5.1	7

These posts are all vacant

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	No	
Sent to equality@argyll-bute.gov.uk	No	

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Commercial Services		Ref:CS01				
Name of service delivery area	Estates & Property Development					
Responsible 3rd Tier manager	David Allan					
Proposed Savings:	£57,000					
Summary of Savings Proposals for Consideration						
Remodel Estates Staff Structure						
<u>Background</u>						
Following appointment of current Estates Manger to Head of Commercial Service there is opportunity to remodel team. Estates is an income led service and transforming in culture over recent years to deliver meaningful new capital and revenue streams for the Council to invest in other priorities. Having a strong and commercially minded Estates manager is hugely important to capitalising on future income opportunities, savings and delivering property development.						
<u>Saving Option</u>						
Undertake an internal recruitment process to fill vacant Estates and Property Manager post (LGE14) – completed 18 th September 2019. Now that the Manager post has been filled it is the intention NOT to backfill the vacant LGE 11 post.						
<u>Lead in time</u>						
Can commence and be implemented immediately.						
<u>Impact of delivering saving</u>						
Loss of 1 FTE Surveyor would reduce capacity and resilience within team to deliver income, rent reviews, asset valuations, One Council corporate landlord approach, new lettings, sales, property development and insurance valuations. Timescales to conclude sales or rents (ie generate new income) are likely to be increase and projects will need to be prioritised if staff structure is reduced.						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
CS01 – Remodel Estates Staff Structure	57	1	1	57	1	1
TOTAL	57	1	1	57	1	1
This is a vacant post						
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						
EqSEIA Required	Yes					
EqSEIA complete	Yes					
Sent to equality@argyll-bute.gov.uk	Yes					

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Commercial Services			Ref:CS02			
Name of service delivery area		Estates, Programme Management & Property Services				
Responsible 3rd Tier manager		Craig Houston, John Gordon, David Allan				
Proposed Savings:		£54,000				
Summary of Savings Proposals for Consideration						
Remodel Business & Clerical Support in Estates, Programme Management & Property Services						
<u>Background</u>						
Commercial Services is a new department from 1 st July 2019 and brings together 3 teams who have previously not worked together but all share a property related focus – Estates, Programme Management (CHORD + HWD Projects and Property Management. <p>All teams carry an admin / business support resource and function (sometimes called Clerical Support, Admin Support, Administrative Assistant or other similar job title). There are currently 9 business support or admin personnel equating to 8.6 FTE. Some staff are also involved with secondments to capital projects or are temporary posts. Depending on nature of duties there can also be peaks in demand at times – during contracts, school holidays or end of projects. Staff range from LGE 4 to LGE 7.</p> <p>Existing duties include 24h access to property help desk, responding to routine enquiries via phone and email, general business support, general financial control, project specific financial monitoring and reporting to external funders (e.g. ERDF, RECGF, HLF etc) and project support depending on team.</p>						
<u>Saving Option</u>						
Move to shared and virtual business support team – work moved around teams, calls and emails routed via SKYPE and shared inbox. Removal of 2x LGE6 (or thereby equivalent) from current structure. Undertake a business admin review based on current and future demands, skills and priorities.						
<u>Lead in time</u>						
Requires review of Business Support to be undertaken in new Commercial Services dept. Delivery within 2020 as likely to require competitive selection, redundancy consultation and review of job descriptions.						
<u>Impact of delivering saving</u>						
Reduction of resources likely to increase response times for dealing with enquiries or responding to business support tasks. Increase time in completing projects, completing sales / leases and requiring professional officers to undertake administrative functions.						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
CS02 – Remodel Business Support in Estates	54	2	2	54	2	2
TOTAL	54	2	2	54	2	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						

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

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Commercial Services		Ref:CS03
Name of service delivery area	Property Maintenance	
Responsible 3rd Tier manager	Craig Houston	
Savings Target:	£79,000	
Summary of Savings Proposals for Consideration		
Remodel Property Officer Team		
<u>Background</u>		
Property Maintenance Team currently consists of a 1xManager and 4x Property Officers supported by Business Admin team including property helpdesk.		
<p>4 X Property Officers (all LGE 9) aligned to each administration area although priority work will be moved around between areas. Core role of Property Officers is to provide technical input to emergency property incidents (including being 'on call'), deliver planned property maintenance, undertake property condition surveys and review deliver of work by contractors, ensuring workplace environment complying with H&S. The team are also commercial and income generating returning around £50,000 last year from inspection of insulation projects and Clerk of Works at NPDO schools.</p>		
<u>Saving Option</u>		
Remodel team from 4 to 2 FTE Property Officers.		
Move to priority based service. Role of the remaining officers would need to be revised as the provision of service on a like-for-like basis could not be sustained.		
<u>Lead in time</u>		
Saving can be realised from 2020/21 following a competitive selection process and evaluation of new JDPS for new role based on priorities and responsibilities.		
<u>Impact of delivering saving</u>		
Reducing the number of posts and asking remaining Property Officers to cover larger geographies will reduced service to client departments and property users. Activities and projects will need to be prioritised across both planned and reactive maintenance. Central Repairs Account work would be significantly impacted and ensuring works are programmed, monitored and controlled to match the budget together with client and service priorities could not be guaranteed. Routine or inspection visit's based on risk to properties or general contact with building users (for example regular meetings with Head Teacher's or follow ups) will be significantly reduced or stopped leading to a more re-active than pro-active service.		
The staff involved provide an on-call service to cover a 24 hour emergency repair call line. Reducing the numbers of staff who can provide the service would mean that staff are on-call more frequently and that would impact on their current work-life balance and ability to deliver 'on site' response is removed.		
Require higher graded staff in Property Services and Estates to be available to assist Property Help Desk.		
The planned and reactive works required to keep the Council's operational buildings functioning are delivered by Term Contractors. A reduction in the number of Property Officers would mean that audit and scrutiny of Term Contractor performance would need to be reduced and possibly stopped.		
The Council's asset management procedures require condition surveys to be undertaken at a rate of approximately 100 per annum. In addition the Scottish Government have introduced new requirements on the collection of core fact condition and suitability data associated with the School		

Estate throughout Scotland. The reduction in staff combined with the new requirements means that additional external resource would be required and therefore must be understood and accounted for in any decisions in moving forward.

Reduced ability to create commercial income or sell services from this team.

Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
CS03 – Remodel Property Officer Team	79	2	2	79	2	2
TOTAL	79	2	2	79	2	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.

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

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education			Ref: ED01			
Name of service delivery area		PE Facilities				
Responsible 3rd Tier manager		Susan Tyre				
Proposed Saving:		£73,001				
Summary of Savings Proposals for Consideration						
<u>Background</u>						
Education has a centrally held budget against which schools can put in bids for additional funding. Additional activities often supported through this budget include; travel costs to take pupils swimming, hire of local halls by small primary schools where delivery of PE within the school is very limited.						
<u>Saving Option</u>						
Removal of this centrally held budget						
<u>Lead in time</u>						
Due to current commitment the saving could be made from academic session 20-21.						
<u>Impact of delivering saving</u>						
Many of our schools do not have space to carry out quality PE and have to hire local halls and the additional costs involved has come from this central budget.						
Schools have been able historically to put in bids for additional funding to carry out PE activities that include requests for funding towards swimming costs/transport as well as other innovative PE developments that they wish to introduce to schools – without this budget schools will have to deliver their core PE activities from within existing devolved budgets, which will put additional pressure on other activities.						
There are 22 smaller schools that don't have the facilities to deliver core PE and this budget covers the cost of hiring village halls where pupils can receive quality indoor PE.						
Where schools offer swimming as part of the curriculum and can do so only by having this budget available to them, alternative provision will have to be made to deliver the 2 hours.						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Additional PE budget	73	0	0	73	0	0
TOTAL	73	0	0	73	0	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						
EqSEIA Required		Yes				
EqSEIA complete		Yes				
Sent to equality@argyll-bute.gov.uk		Yes				

020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education		Ref:ED02 – Removal of Enterprise Budget				
Name of service delivery area	Education					
Responsible 3rd Tier manager	Martin Turnbull					
Proposed Saving:	£25,000					
Summary of Savings Proposals for Consideration						
<p><u>Background</u> This budget has been used to support the development and delivery of youth enterprise provision in secondary schools, specifically –</p> <ul style="list-style-type: none"> • Personal Protective Equipment (PPE) for pupils attending college courses or work placements. • Additional funding devolved to schools to enhance teacher posts to Principal Teacher grade to lead on enterprise provision. This funding has already been phased out and withdrawn from 6 schools as staff have moved on, however 4 schools (Tarbert, Campbeltown, Islay and Tiree) still receive the enhancement. <p><u>Saving Option</u> The full budget allocation will be removed.</p> <p><u>Lead in time</u> Can commence and be implemented immediately.</p> <p><u>Impact of delivering saving</u> The cost of funding pupil PPE and travel will require to be met by school budgets. The promoted element of the Principal Teacher posts will have a conservation period of 3 years and the 4 schools (Tarbert, Campbeltown, Islay and Tiree) will require to meet this cost within school budgets.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
PPE Equipment	6.2	0	0	10	0	0
Removal of PT enhancement	9.4	0	0	15	0	0
TOTAL	15.6	0	0	25	0	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						
EqSEIA Required	Yes					
EqSEIA complete	Yes					
Sent to equality@argyll-bute.gov.uk	Yes					

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education		Ref: ED03
Name of service delivery area	Psychological Services	
Responsible 3rd Tier manager	Roslyn Redpath	
Proposed Saving:	£124,906	
Summary of Savings Proposals for Consideration		
<u>Background</u>		
<p>The Psychological Service is established as statutory services within the Education (Scotland) Act 1980 (as amended). The service supports the council’s compliance with the requirements of the Education (Additional Support for Learning) (Scotland) Acts 2004 and 2009 and the Standards in Scotland’s Schools etc. Act 2000 particularly in relation to the presumption of mainstream education. The service also supports compliance with the requirements of the Scottish Schools (Parental Involvement) Act 2006. The Educational Psychology Service provides significant support for the effective implementation of the Children and Young People Act 2014.</p> <p>Increasing numbers of children and young people are being identified as having additional support both nationally and locally, including mental health difficulties and autism spectrum disorders. If the saving is taken, service redesign will be required to ensure that the needs of vulnerable children and young people continue to be addressed.</p>		
<u>Saving option</u>		
Reduced of 1.8 full time equivalent (FTE) educational psychologists from a team of 6.8 FTE educational psychologists.		
<u>Lead in Time</u>		
To allow fulfilment of current commitments saving would be achieved from 1 July 2020 at the end of the school session.		
<u>Impact of delivering savings</u>		
<p>Reduction in the very specialist training, expertise and experience of educational psychologists directed at supporting staff, implementing early interventions strategies and intervening directly with children at an early stage, potentially leading to:</p> <ul style="list-style-type: none"> • an inability to provide regular, planned visits to schools to meet the needs of children and young people, families and staff within their local community. • reduction in the capacity to provide professional learning interventions for school staff and partners. • an increased risk of disruptive behaviour, truancy and exclusion from school • increased incidences of self-harm and mental health difficulties resulting in onward referrals to CAMHS and other specialist services which already have long waiting lists • inability to contribute to the local multiagency Autism diagnostic teams with the potential impact of these teams being unable to operate. • possible reduction in attainment levels as a result of reduced support to teachers around the most effective methodologies for addressing underachievement. • increased demand for ASN assistant support for individual pupils • increased parental complaints • increased references to the Additional Support Needs Tribunal for Scotland, from a very low level at present • reduction in the capacity to contribute to strategic groups such as Adoption and Fostering Panel, Joint Resource Group, ACEs strategic planning group. • increased demand for specialist provision leading to poorer outcomes for children and young people and an associated financial risk in providing costs of external day and residential placements. 		

- reduced ability to ensure social and educational inclusion for pupils with identified needs through the provision of local services.
- potential failure to meet statutory requirements.

Service Redesign

To minimise impact of would need to be carefully considered including consultation with key stakeholders however, a potential model may include the following features:

- Psychologists could be allocated to areas rather than directly to schools.
- A pre-assessment protocol could operate on a regular basis to consider school requests for intervention.
- Requests would be prioritised directing service provision only to the greatest need.
- Telephone consultation would be available to schools rather than engagement with educational psychologists in person where the knowledge of the school environment is developed.
- Service delivery is likely to be weighted towards a consultative approach rather than allowing more direct and sustained intervention around children and families.

Time spent on strategic planning will have to be protected, further reducing time available for school level interventions.

Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Reduction of 0.8 Psychologist	78	1.8	2	125	1.8	2
TOTAL	78	1.8	2	125	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

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

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education		Ref: ED06				
Name of service delivery area	Quality Assurance and Moderation					
Responsible 3rd Tier manager	Susan Tyre					
Proposed Savings:	£43,500					
Summary of Savings Proposals for Consideration						
Background						
This budget was established for session 2018/19 to support schools in relation to moderation. Budget was mainly used to fund a temporary secondment to support schools with assessment and moderation.						
Saving Option						
To remove budget in relation to Quality Assurance and Moderation						
Lead in time						
Saving would be made from August 2020						
Impact of delivering saving						
There has been a National drive to meet a shared understanding of the standards required in each of the levels of Curriculum for Excellence. To develop the shared understanding there has been a considerable focus at National and Local Authority level of bringing teachers together to assess and moderate pieces of work eg written work to establish a common understanding of each of the levels and establish a consistent standard.						
This budget has supported work with teacher groups across each of the areas within Argyll and Bute.						
The risk in removing this budget would be that schools will no longer have central support to develop quality moderation as part of the assessment in learning. Assessment and Moderation Facilitators already in place in most schools would be required to take this agenda forward.						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Remove funding for Assessment and Moderation post	27.1	1.0	1.0	43.5	1.0	1.0
TOTAL	27.1	1.0	1.0	43.5	1.0	1.0
This is a vacant post						
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						
EqSEIA Required	Yes					
EqSEIA complete	Yes					
Sent to equality@argyll-bute.gov.uk	Yes					

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education		Ref: ED07				
Name of service delivery area	Admin and Finance Assistants					
Responsible 3rd Tier manager	Susan Tyre					
Proposed Savings:	£15,633					
Summary of Savings Proposals for Consideration						
Background						
<p>The Admin and Finance Assistants (AFAs) work in each cluster within the Authority to advise and assist school management in relation to budgets and administration. At present there are 8 AFAs (6fte) with 3 working full time (Helensburgh, Mid Argyll/CGS and Oban). AFAs are based in the main Secondary School in each cluster.</p>						
Saving Option						
To make the remaining 3 full time AFAs term time from August 2020						
Lead in time						
Saving would be made from August 2020						
Impact of delivering saving						
<p>The full time AFAs work with the School Service Support Manager on Corporate initiatives during holiday periods which have included: redesign of School Fund; Invigilator Fees; Management Circulars. They also process any timesheets that are required to be actioned for all areas of the Authority.</p> <p>The 3 full time AFAs operate within the 3 largest secondary schools and as such operate a supervisory roll with a number of other LGE staff who work within these establishments full time (clerical assistants, technicians)</p> <p>Removal of these posts at full time status will have an impact on school support team.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
3 remaining full time AFAs moving to term time	11.7	3	3	15.6	3	3
TOTAL	11.7	3	3	15.6	3	3
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						
EqSEIA Required	Yes					
EqSEIA complete	Yes					
Sent to equality@argyll-bute.gov.uk	Yes					

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education			Ref: ED11			
Name of service delivery area		16+ learning Choices				
Responsible 3rd Tier manager		Martin Turnbull				
Proposed Saving:		£6,136				
Summary of Savings Proposals for Consideration						
<p><u>Background</u> This budget was previously utilised as the Argyll and Bute Council contribution (0.1) towards a Scottish Government grant funded (0.9) post of 16+ Lead Officer. The funding has ended and the post no longer exists.</p> <p><u>Saving Option</u> The full budget allocation of £6,136 will be removed.</p> <p><u>Lead in time</u> Can commence and be implemented immediately.</p> <p><u>Impact of delivering saving</u> There are no staffing implications and the remaining duties of the post have been dispersed within the department.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Removal of 0.1 of 16+ Lead Officer Post	6.1	0.1	0	6.1	0.1	0
TOTAL	6.1	0.1	0	6.1	0.1	0
This is a vacant post						
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					

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education			Ref: ED14			
Name of service delivery area		Swimming Pool Subsidies (Islay & Jura and Mid Argyll)				
Responsible 3rd Tier manager		Susan Tyre				
Proposed Saving:		£19,300				
Summary of Savings Proposals for Consideration						
Background						
<p>This is a subsidy payment made to two local community swimming pools within the Authority that enables the provision of swimming to be made in that area. The swimming pools are based in Islay and Mid Argyll and are run by Islay & Jura Community Enterprise Ltd and Mid Argyll Community Enterprise Company.</p> <p>Islay and Jura - Schools get use of swimming pool in the mornings as part of the subsidy. Mid Argyll – Schools in the local area get use of swimming pool at a subsidised rate in light of this payment although they do still continue to pay over and above the subsidy.</p> <p>In addition there are 3 year Service Level Agreements between the Council and the 2 Community Enterprises which involve annual payments of:-</p> <ul style="list-style-type: none"> • Islay and Jura £82K • Mid Argyll £59K 						
Saving Option						
Removal of subsidy payment by Education						
Lead in time						
Can commence and be implemented immediately						
Impact of delivering saving						
Reputational risk to the council not supporting local Enterprise Companies. Would also impact on the ability of schools to continue with swimming lessons on Jura and Islay, particularly if decision is made to remove PE budget at the same time.						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Islay & Jura Subsidy	10.5	0	0	10.5	0	0
Mid-Argyll Community Enterprise Subsidy	8.8	0	0	8.8	0	
Total	19.3	0	0	19.3	0	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						
EqSEIA Required	Yes					
EqSEIA complete	Yes					
Sent to equality@argyll-bute.gov.uk	Yes					

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education		Ref: ED15				
Name of service delivery area	Additional Support Needs (activities)					
Responsible 3rd Tier manager	Susan Tyre					
Proposed Saving:	£5,410					
Summary of Savings Proposals for Consideration						
<p><u>Background</u> This budget is allocated to schools to be used by pupils with additional support needs to access extra-curricular activities.</p> <p><u>Saving Option</u> Removal of budget.</p> <p><u>Lead in time</u> Can commence and be implemented immediately.</p> <p><u>Impact of delivering saving</u> Schools would require to fund these additional activities directly.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
ASN (activities)	5.4	0	0	5.4	0	0
TOTAL	5.4	0	0	5.4	0	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						
EqSEIA Required	Yes					
EqSEIA complete	Yes					
Sent to equality@argyll-bute.gov.uk	Yes					

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education		Ref: ED16				
Name of service delivery area	Clerical Assistants (Learning Centres) Primary and Secondary					
Responsible 3rd Tier manager	Susan Tyre					
Proposed Saving:	£16,700					
Summary of Savings Proposals for Consideration						
<p><u>Background</u> Historically there was a learning centre in Oban which had staffing allocated to it. There was a decision to relocate the pupils within the centre into Oban High and Rockfield Primary. The clerical hours were split between the two schools and have remained in place ever since. Now that the pupils are educated within mainstream the clerical allocation takes account of these pupils and the historical hours allocated should be removed to maintain parity with other schools across the Authority.</p> <p><u>Saving Option</u> Removal of budget</p> <p><u>Lead in time</u> This would take effect from the new school term in August 2020</p> <p><u>Impact of delivering saving</u> There would be an impact on the 2 schools involved adjusting to the new hours, however it will bring them in line with all other establishments as the hours are allocated on a formula basis.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Learning Centre Primary	4.3	0.38	1	6.9	0.38	1
Learning Centre Secondary	6.1	0.51	1	9.8	0.51	1
TOTAL	10.4	0.89	2	16.7	0.89	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						
EqSEIA Required	Yes					
EqSEIA complete	Yes					
Sent to equality@argyll-bute.gov.uk	Yes					

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education	Ref: ED18
Name of service delivery area	Reduction of Education Central Team
Responsible 3rd Tier manager	Anne Paterson/Louise Connor
Proposed Saving:	£150,639
Summary of Savings Proposals for Consideration	
<p><u>Background</u> The Education Service employ number of centrally based staff (both teaching and non-teaching) to support the service and ensure compliance with the legislation laid down by Scottish Government in relation to the delivery of Education across the Authority. The central Education team currently has a permanent establishment of 3 Education Managers, 9 Education Officers and 1 Education Support Officer.</p> <p><u>Saving Option</u> Reduce the number of centrally based staff by 2 fte. It is proposed that 1 Education Officer post and the Support Officer post will be removed.</p> <p><u>Lead in time</u> Due to academic year, post would be removed from August.</p> <p><u>Impact of delivering saving</u> This will greatly reduce central team support to schools and will reduce the capacity to meet the challenge of the national, regional and empowerment of schools agenda. The fewer officers there would be the more schools those officers would have to support, this would result in fewer visits being made to schools and therefore less engagement with head teachers to support the learning agenda to ensure the high quality learning and teaching of our young people.</p> <p>A summary of the risks aligned to this proposal are:</p> <ul style="list-style-type: none"> • Reduced capacity to support schools • Reduced support for learning and teaching agenda • Reduced support for improvement agenda • Reduced support for parental engagement • Reduced capacity to report on schools and educational improvement • Reduced capacity to build capacity in teachers and support staff • School visits reduced <p>The redeployment process for registered teaching staff will mitigate against the risks for individual postholders. There is the potential for staff to be redeployed to vacant school posts as they are GTCS registered. There would be an element of conservation in this proposal ie they would be employed in schools but remain on their current salary for 3 years.</p> <p>The Education Central Team provides challenge and scrutiny of the Education budget to ensure best value, currently £79.307m (32.78% of the Council budget)</p>	
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.	

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
EMT	113	2	2	151	2	2
TOTAL	113	2	2	151	2	2

These two posts are currently vacant

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

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

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education	Ref:ED19 – Community Learning Service
Name of service delivery area	Education
Responsible 3rd Tier manager	Martin Turnbull
Proposed Saving:	£245,720
Summary of Savings Proposals for Consideration	
<p><u>Background</u></p> <p>The Community Learning Service delivers community based learning activities for young people and adults. The service works extensively with the most vulnerable and disadvantaged members of our communities to create learning opportunities and address issues around employability, mental health and wellbeing, learner voice, digital skills, family learning and financial literacy. The Community Learning team work in partnership with a number of agencies and support the progress and success of a wide range of local and National strategies and policies.</p> <p>The service was subject to a 29% budget reduction in financial year 19/20 with a reduction in staffing of 17.1FTE posts and a major service redesign which was implemented in July 19.</p> <p>The Education (Scotland) Act 1980 requires each local authority in Scotland to ‘secure adequate and efficient provision’ of Community Learning and Development (CLD) in their area which includes Adult Learning, Youth Work and Community Development. Community Learning and Development (Scotland) Regulations 2013 requires each local authority in Scotland to ‘maintain and facilitate a process’ of assessing needs and priorities for CLD and whether these are being met, and to publish a plan every three years detailing what the council itself and other providers are doing to provide CLD.</p> <p><u>Saving Option</u></p> <p>The largest part of the Community Learning Budget is staffing costs so further reductions in budget will impact on the staffing compliment. Successful Community Learning activities are built on engagement with learners, knowing and understanding the area you work in and building networks with partners. Consequently, priority will be given to preserving frontline staff.</p> <p>To achieve the saving target it is anticipated that 10 posts (7FTE) will be removed from the Community Learning staff complement –</p> <p>1 x LGE11 FT Team Leader 3 x LGE9 FT Community Learning Workers 6 x LGE8 0.5 Literacies Development Workers</p> <p>Operational budgets will also be reduced by £38k and the service delivery model adapted to address the reduction in staffing.</p> <p><u>Lead in time</u></p> <p>Will be subject to Argyll and Bute redundancy procedures and statutory notice period.</p> <p><u>Impact of delivering saving</u></p> <p>The reduction in staff and the resulting drop in capacity means that it will not be feasible to continue to deliver a generic service across Argyll and Bute. The structure will require to be targeted and clearly define who the service works with focusing staff time and resources on the people and areas it can make the greatest impact. Community Learning will focus on working with young people aged 11 to 25 and specifically to raise educational attainment and achievement and to develop youth empowerment.</p>	

There will be a substantial reduction in Adult Learning provision and the only adult provision offered will focus on employability skills that equip people to secure and sustain positive destinations.

The proposed saving will and reduction in staff will directly impact on vulnerable and disadvantaged groups with a significant reduction in the following areas of Community Learning provision –

- Adult Literacies.
- ESOL.
- Classes or groups for vulnerable adults (physical/ mental health).
- Course provision including digital skills for adults over 25 years who are retired semi- retired not seeking employability.
- Upcycling and craft groups.
- Commercial certificated courses including Food Hygiene, First Aid, CSS, REHIS, and Driving Theory etc.
- Partnership working with agencies not involved in employability provision.
- Leisure based adult learning classes
- Certificated classes including First AID, Driving Theory, and Digital skills.
- DofE
- Youth Achievement Awards/Dynamic Youth Awards

Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Ref:ED19 – Community Learning Service	184.3	7	10	246	7	10
TOTAL	184.3	7	10	246	7	10

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

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

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education	Ref: ED20
Name of service delivery area	Pupil Support Assistants
Responsible 3rd Tier manager	Susan Tyre
Proposed Saving:	£317,559

Summary of Savings Proposals for Consideration

Background

These posts were introduced to support teachers within early level classes in larger primary schools with literacy and numeracy.

Saving Option

To remove all pupil support assistant posts.

Lead in time

Due to academic year, post would be removed from August.

Impact of delivering saving

Removal of these posts will add additional pressure to class teachers to improve literacy and numeracy and ‘closing the gap’.

Pupil Support Assistants help to identify early level pupils who would benefit from support in personal and social development and in developing numeracy, literacy and communication skills on an individual or small group setting in the classroom. Without these posts in place greater strain would be placed on teaching staff.

The support given by the pupil support assistants is targeted at those pupils who struggle within their early years in primary school with numeracy and literacy.

Pupil Support Assistants play a role in supporting Head Teachers to ensure that appropriate quality, performance and benchmarking criteria are developed and applied as a means of managing and monitoring young persons’ behavioural plans. They also contribute to the assessment of identified pupils’ achievement and attainment by assisting in the established procedures for assessing, recording and tracking pupil progress in early level classes.

Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Pupil Support Assistants	198.5	14.7	45	317.5	14.7	45
TOTAL	198.5	14.7	45	317.5	14.7	45

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

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

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Education	Ref: ED21																						
Name of service delivery area	Early Years Provision																						
Responsible 3rd Tier manager	Wendy Brownlie																						
Proposed Saving:	£110,389																						
Summary of Savings Proposals for Consideration																							
<p><u>Background</u> Third Sector grants have been made available annually to both statutory and non-statutory groups.</p> <p><u>Saving Option</u> Withdrawal of Third Sector Grants (unrelated to delivery of 1140hrs) This will remove grant funding used to support running costs for a number of third sector groups across all localities. None of these groups deliver statutory services for Education but do support children, young people and families.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Craignish Parent and Toddler Group</td> <td style="text-align: right;">£572.00</td> </tr> <tr> <td>ESCAPE*</td> <td style="text-align: right;">£3,000.00</td> </tr> <tr> <td>Fyne Families*</td> <td style="text-align: right;">£2,522.00</td> </tr> <tr> <td>Homestart Lorn</td> <td style="text-align: right;">£20,000.00</td> </tr> <tr> <td>Homestart MAJIK</td> <td style="text-align: right;">£21,250.00</td> </tr> <tr> <td>Islay and Jura Toy Library (ceased operation 2019/20)</td> <td style="text-align: right;">£8,000.00</td> </tr> <tr> <td>Kintyre Toy Library</td> <td style="text-align: right;">£4,000.00</td> </tr> <tr> <td>Oban Toy Cupboard</td> <td style="text-align: right;">£5,552.00</td> </tr> <tr> <td>Port Ellen Toddlers</td> <td style="text-align: right;">£390.00</td> </tr> <tr> <td>Sandbank Parent and Toddler Group</td> <td style="text-align: right;">£400.00</td> </tr> <tr> <td>Tarbert After School Care Club*</td> <td style="text-align: right;">£11,900.00</td> </tr> </table> <p><u>Lead in time</u> From start of financial year 2020/2021</p> <p><u>Impact of delivering saving</u> The non-statutory groups and organisations may not be in a position to continue or may have to reduce services.</p> <p>*These 3 groups provide afterschool care for local communities. Should this budget be removed these groups would have to increase charges in order to continue operating. The current access that these groups have to training would still be provided.</p> <p>There is a risk that withdrawing this funding will lead to some of these groups closing, activities ending and the inability to support new groups.</p> <ul style="list-style-type: none"> • Review of Early Years staffing <p>A revised Early Years structure has introduced strategic remits to our 4 Early Year family support workers. These remits include parenting and family learning. There is a 14hr LGE7 post yet to be recruited to which would be the savings put forward. There would be a greater strain on the remaining post holders should this post be removed.</p>		Craignish Parent and Toddler Group	£572.00	ESCAPE*	£3,000.00	Fyne Families*	£2,522.00	Homestart Lorn	£20,000.00	Homestart MAJIK	£21,250.00	Islay and Jura Toy Library (ceased operation 2019/20)	£8,000.00	Kintyre Toy Library	£4,000.00	Oban Toy Cupboard	£5,552.00	Port Ellen Toddlers	£390.00	Sandbank Parent and Toddler Group	£400.00	Tarbert After School Care Club*	£11,900.00
Craignish Parent and Toddler Group	£572.00																						
ESCAPE*	£3,000.00																						
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Oban Toy Cupboard	£5,552.00																						
Port Ellen Toddlers	£390.00																						
Sandbank Parent and Toddler Group	£400.00																						
Tarbert After School Care Club*	£11,900.00																						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.																							

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
(a) Third Sector Grant removal	100	0	0	100	0	0
(b) Review of EY Staffing	6.5	0.4	1	10.4	0.4	1
TOTAL	106.5	0.4	1	110.4	0.4	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

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

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Legal and Regulatory Services			Ref:LR01(a)			
Name of service delivery area	Procurement & Contract Management					
Responsible 3rd Tier manager	Anne MacColl-Smith					
Proposed Saving:	£75,000					
Summary of Savings Proposals for Consideration						
<u>Background</u>						
Following the disaggregation of the NPDO and HUB contract management function to Procurement and Commissioning there is the opportunity to review the structure with the removal of a post.						
<u>Saving Option</u>						
The Procurement Team are in the process of implementing their transformational redesign to implement contract and demand management activity throughout the council (19/20 requirement). The team are currently recruiting 4 new posts that will support the alternative model of supporting and delivering contract and demand management across all council services to achieve best value, cost avoidance and budget savings (target for 19/20 is £250k revenue budget savings).						
The disaggregation of the NPDO and HUB contract management function of the Special Projects Team and its move to Procurement and Commissioning ensures that, working closely with Legal Services, transformational change is maximised and achieved and further savings (including the removal of a post from the conjoined team) means that best value is delivered over the coming years.						
Potential Savings: £ 75K (with potential for additional savings in service delivery).						
<u>Lead in Time</u>						
The transfer of function has commenced thus the saving can be implemented immediately.						
<u>Impact of delivering saving</u>						
Loss of 1 FTE Senior post could potentially reduce capacity and resilience within the original Team this will be mitigated by the implementation of redesigned processes and delivery of the alternative model of support.						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Realign Team	75	1	1	75	1	1
TOTAL	75	1	1	75	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						
EqSEIA Required	Yes					
EqSEIA complete	Yes					
Sent to equality@argyll-bute.gov.uk	Yes					

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Legal & Regulatory Services		Ref: L&R 03
Name of service delivery area	Advice services	
Responsible 3rd Tier manager	Iain Jackson	
Proposed Saving:	£18,100	
Summary of Savings Proposals for Consideration		
<p><u>Background</u></p> <p>Following the review of advice services, which redesigned how the Council supported the provision of advice, achieving an overall budget reduction of 30%, the single remaining saving to be achieved is a reduction in 1FTE post within the Welfare Rights Team as of 31st March 2020.</p> <p>There is no ability to reduce the new contract with Argyll and Bute Citizens Advice Bureau, or reduce the Debt Counselling Team (current 1FTE). Given that staffing costs are principally the main costs associated with these budgets, the only potential saving is to reduce staff costs within the Welfare Rights Team. There is no opportunities for commercialisation.</p> <p>There are 5 core members within the Welfare Rights Team.</p> <p><u>Saving Option</u></p> <p>Removal of 0.5 FTE post within the Welfare Rights Team.</p> <p><u>Impact of delivering saving</u></p> <ol style="list-style-type: none"> 1. The key risk is that vulnerable clients will be adversely affected by not being able to access effective advice services, and the inability of the Council to deliver its Advice and Anti-poverty strategies. The redesign of advice services came into effect on 1st April 2019, and will take some time to “bed-in” and develop. 2. Risks: Inadequate capacity to cope with the following: <ul style="list-style-type: none"> • Increased demand as a result of the roll out of Universal Credit. Across Argyll and Bute this resulted in 118 additional enquiries between 19/09/2018 and 31/03/2019., equating to approximately 10.9% additional enquiries per annum. This additional support is required for vulnerable clients. As legacy benefits are still in place, there has been no corresponding decrease in other work • Any amendments or changes to the advice services model. This may include revisions to the vulnerability assessment criteria, triage systems for welfare rights and debt counselling, advice services, the capacity to cope with client demand, the contractual arrangements. • Contract monitoring arrangements for the new contract are more resource intensive than the previous contract • Money Skills Argyll Project comes to an end in 2020 and there is a potential that this may shift clients to other services, therefore creating an unmet demand 		
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.		

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Reduction of welfare rights post	18.1	0.5	1	18.1	0.5	1
TOTAL	18.1	0.5	1	18.1	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

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

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Customer Support Services			Ref: CSS01			
Name of service delivery area		Communications				
Responsible 3rd Tier manager		Jane Jarvie				
Proposed Savings:			£16,200			
Summary of Savings Proposals for Consideration						
<p>Background The Communications Team budget comprises staff and associated costs, a budget for Citizen’s Panel and licensing for the Vuelio communications software. There is no budget for promoting the area as a place to live and work, although this has become an increasing part of the team’s role. There is no budget either for promotion of council initiatives or marketing materials such as conference banners. The team used the 0.6FTE admin post to employ a digital marketing Apprentice who has now completed their qualification and moved to a permanent post.</p> <p>Proposal Remove the vacant 0.6FTE LGE6 admin post £16,200.</p> <p>Impact There will be no budget available for the employment of admin support for Comms or to employ future Modern Apprentices.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Remove 0.6 LGE6	16.2	0.6	1	16.2	0.6	1
TOTAL	16.2	0.6	1	16.2	0.6	1
This is a vacant post						
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				No		
Sent to equality@argyll-bute.gov.uk				No		

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE – POLICY SAVINGS

Head of Customer Support Services		Ref: CSS02
Name of service delivery area	Customer Service Centre & Registration Services	
Responsible 3rd Tier manager	Robert Miller	
Proposed Saving:	£48,968 over 2 years	
Summary of Savings Proposals for Consideration		
<p>POLICY SAVINGS</p> <p>Background The Customer Service Centre continues to improve customer satisfaction by increasing digital automation and self-service access to Council Services and information online. This means that over time the posts required in the team will change both in numbers and in the type of skills required. The team is made up of Customer Service Centre staff based in Campbeltown, Customer Service Point and Registration staff based in area offices, the Web Team and a small Customer Service Digital Team.</p> <p>Proposal Reduce Dunoon Service Point by 0.5FTE LGE6 post saving £13,529. This post used to do Parking Fine contacts but that has been assimilated into mainstream customer contact management.</p> <p>Convert 2 Customer Service Centre posts to Digital Engagement Agents. This will have an initial additional cost (-£5148). Then in Autumn 20/21, following the expected resultant fall in call volumes, remove 1 LGE 6FTE Customer Service Centre post. This will achieve a saving of 13,529 in 20/21 and 27,058 in 21/22. Reduce a further CSC agent post by 0.5 FTE – this to be achieved by cutting hours voluntarily in two posts, therefore no reduced headcount. This can take place from April 2020 due to existing falls in mediated contacts.</p> <p>Impact The removal of 0.5FTE Customer Service Point post in Dunoon can be supported without impact on service delivery as the work has been assimilated by the Customer Service Centre.</p> <p>Converting 2 CSC posts to Digital Engagement posts is an enabler to achieve the other savings and continue the Council’s Channel Shift journey in Customer engagement. They will be pro-active digital agents servicing new Artificial Intelligence and outreach technologies that are being introduced. This model then reduces mediated contact volumes from customers by giving more pro-active information and allowing automated agents to deal with more enquiries 24/7. The analytical nature of the posts will mean they have been regrade to LGE7. This will cost £5148 more in 2020/21 (difference between LGE 6 and LGE7 for two agents), but will allow the CSC to lose 1.5 agent (0.5 immediately through reduced hours of 2 agent posts (requested by them) and 1.0 from October 2020 as contact volumes fall. This will be achieved through voluntary means.</p>		
<p>Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.</p>		
Empty space for profile of delivery of savings		

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Remove 2 CSC LGE6 Agent Posts	0 (see below)	2	2	0	2	2
Convert 2 CSC posts above to LGE7 Digital Agent posts (cost of regrade LGE6 to LGE7)	-5.1	-2	-2	-5.1	-2	-2
Remove 1.5 CSC Agent post (one from October 2020)	27.1	1.5	1 (the rest is reduction in hours)	40.6	1.5	1
Remove 0.5 CSC Agent Post Dunoon	13.5	0.5	1	13.5	0.5	1
TOTAL	35.5	2.0	2	49.0	2.0	2

There is currently 1 FTE post vacant.

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	

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Customer Support Services			Ref: CSS03			
Name of service delivery area		ICT				
Responsible 3rd Tier manager		Gerry Wilson				
Proposed Saving:			£38,000			
Summary of Savings Proposals for Consideration						
<p>Background There are currently 13 IT Engineers (Desktop) across Argyll and Bute, and this proposal would see that number reduce to 12 posts. The service keeps records on Time to Fix dating back 4 years. These show the average time to fix is 3.38 hours against a target time of 5 hours. The service recently ran with 12 desktop engineers for a 12 month period during which time the Time to Fix statistics remained well within target and with no concerns expressed by any of the desktop team regarding their workload.</p> <p>Saving Option Remove 1 x Desktop Engineer from the ICT Establishment, post based in Campbeltown.</p> <p>Achieved by redundancy process engagement for desktop engineer post and subsequent removal of post from establishment from 1st April 2020.</p> <p>Lead in Time There will be a 1 month lead in time to allow for redundancy notice.</p> <p>Impact of delivering saving Loss of this post will impact upon ICT support and service delivery in Campbeltown/Kintyre and Islay/Gigha area but 1 x Desktop Engineer will continue to cover the area. Whilst this means that service users in Campbeltown/Kintyre/Islay/Gigha may experience slightly longer response times than they do at present, this is not expected to be any longer than the average response time for Argyll and Bute as a whole. Additional support could be drafted from Lochgilphead based Desktop engineers if needed. Management believe the saving could be achieved without any adverse impact on the workload of the staff who remain in post.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Desktop Engineer	35	1	1	38	1	1
TOTAL	35	1	1	38	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				No		
Sent to equality@argyll-bute.gov.uk				No		

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Development and Economic Growth			Ref: DEG01			
Name of service delivery area		Economic Growth				
Responsible 3rd Tier manager		Ishabel Bremner				
Proposed Saving:			£51,584			
Summary of Savings Proposals for Consideration						
Background						
<p>This post is required to undertake the financial due diligence and compliance of all European funded projects and programmes delivered by Argyll and Bute Council, which will undoubtedly be subject to Scottish Government and European audits particularly as the UK is due to leave the EU on 31st January 2020.</p>						
Saving Option						
<p>It is proposed that a saving of £51,584 will be made in 2020/21 with the removal of the revenue funding for the LGE11 post in the European and External Policy Team. The loss of the post will be deferred by one year by using budget the department has available to them to allow compliance work on EU funding to be undertaken.</p>						
Lead-in Time						
<p>A one-off sacrifice of Economic Growth service discretionary budget to the value of £51,584 will be incurred for 2020/21, with the post taken as a saving going forward from 1st April 2021/22.</p>						
Impact of Delivering Saving						
<p>This approach will mitigate the significant risk to the council if the post was removed for the year 2020/21. For example, as the council is the Accountable Body for the Argyll and the Islands LEADER programme, failure to meet European funding audit requirements (includes the necessity for separation of duties under the project claims process which needs to be concluded by December 2020) could incur extrapolated fines which could potentially exceed the original funding awarded (£4.9m). The loss of service budget for a one year period will impact on the services ability to undertake feasibility projects and support one off funding requests by organisations involved in economic activities.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Removal of revenue funding for 2020/21 for LGE11 post and removal of LGE11 post 2021/22.	51.6	0	0	51.6	1.0	1
TOTAL	51.6	0	0	51.6	1.0	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		

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Development and Economic Growth			Ref: DEG04			
Name of service delivery area		Transformation Projects and Regeneration				
Responsible 3rd Tier manager		Audrey Martin				
Proposed Saving:			£51,584			
Summary of Savings Proposals for Consideration						
Background						
The proposal is to remove an LGE11 development officer post from the Transformation Projects and Regeneration team. The post provides support to the delivery of the work of the team including securing external funding (CARS, RCGF) and the delivery of strategic economic regeneration projects both council and third party and this would include the town centre fund projects.						
Saving Options						
A saving of £51,584 will be made in 2020/21 with the removal of a permanent LGE11 development officer post from the Transformation Projects and Regeneration Teams. This post provides support to the delivery of the work of the team including securing external funding (CARS, RCGF) and the delivery of strategic economic regeneration projects both council and third party and this would include the town centre fund projects.						
Lead in time						
The post will be removed from the hierarchy from 1st April.						
Impact of delivering savings						
It is proposed that an equivalent post will be created to undertake the Lochgilphead CARs initiative which is fully funded as a capital project for a five year period starting on the 1 st of april 2020. That said, the impact of the reduction of one post will be a reduced ability to support the future development and delivery of existing place based economic regeneration focused projects and working pro-actively with communities wishing to take forward new place based projects.						
In addition, the capacity of the projects team will ultimately be reduced which will make it increasingly difficult to take forward new regeneration activities, or respond to new funding opportunities such as the Government’s Town Centre Fund or place based projects concerning the Rural Growth Deal.						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Sub saving description	51.6	1	1	51.6	1	1
TOTAL	51.6	1	1	51.6	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					

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Development and Economic Growth			Ref: DEG05 (a)			
Name of service delivery area		Building Standards				
Responsible 3rd Tier manager		Martin Matheson				
Proposed Saving:			£50,000			
Summary of Savings Proposals for Consideration						
<p>Building Standards will raise additional fees by adopting the current Building Cost Information Service (BCIS) guide for the cost of building work when assessing the fees paid for Building Warrants. To support the local building industry and aid development we have continued to use the 2013 BCIS guide. Moving to the current version will generate an additional £50k in fee income on an annual basis based on the number and type of Building Warrants being received as each building warrant will now be more expensive. This will be implemented from immediate effect and will have no risk to the council and regular service users have been informed of this change via our newsletter.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Using updated BCIS cost guide	50	0	0	50	0	0
TOTAL	50	0	0	50	0	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			No			
Sent to equality@argyll-bute.gov.uk			No			

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Development and Economic Growth			Ref: DEG07			
Name of service delivery area		Development & Economic Growth : Removal of Building Standards Manager following 3 rd Tier Management Review in Development and Economic Growth service				
Responsible 3rd Tier manager		N/A				
Proposed Saving:			£69,200			
Summary of Savings Proposals for Consideration						
<p><u>Background</u> Following the merger of the Planning, Housing and Regulatory Services portfolio of services with Economic Development and Strategic Services a review of middle management is being taken forward. The merged service currently has seven service managers covering specific professional disciplines.</p> <p><u>Saving Option</u> There is an opportunity to reduce this number in a phased manner that takes account in the reduced capacity of senior management following the loss of the Head of Planning, Housing and Regulatory Services. The first phase involves the removal of the Building Standards Service Manager post from the 1st April 2020 through a voluntary redundancy. It is intended that Building Standards service will be placed under the management of the current Regulatory Services Service Manager with specialised oversight of the service undertaken by a 4th tier officer in Building Standards.</p> <p><u>Lead-in-time</u> This will be implemented from the 1st of April 2021.</p> <p><u>Impact of Delivering Saving</u> As with all reduction in management activity there are risks associated with having less capacity within the service. It should be noted that Building Standards have been successful in raising income through their commercial activity which has helped supplement income through their fee generation in Argyll and Bute. It is also anticipated that this commercial activity will have to continue to meet previous agreed saving targets which will require development of existing building standards staff to continue to generate income.</p> <p>Building Standards is however a good fit with regulatory services and the current Regulatory Services Service Manager now has some additional capacity following the transfer of trading standards and advice services.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Removal of Building Standards Manager	69.2	1	1	69.2	1	1
TOTAL	69.2	1	1	69.2	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	

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Roads and Infrastructure			Ref: RAIS 02			
Name of service delivery area		School Crossing Patrollers				
Responsible 3rd Tier manager		Hugh O'Neill				
Proposed Saving:			£151,000 over 2 years			
Summary of Savings Proposals for Consideration						
<p>Remove all of the service from the 25 crossing points operated by the council. This equates to 28 individual posts (three currently vacant), three locations have two crossers due to road layout. In total this is equivalent to 6.6 FTEs.</p> <p>Argyll and Bute Council provides dedicated School Crossing Patrollers (SCP) to primary schools throughout the full area. This is not a Statutory Requirement for the Local Authority. There is no statutory duty placed on the local authority but it is a parental/carer responsibility to ensure their children get to school safely. At the point of last survey, based on pedestrian/vehicle volumes, no sites in the area reached the criteria trigger for the provision of a controller.</p> <p>School Crossing Patrols have previously been reviewed and this has resulted in Lunchtime Crossing cover being removed as well as the removal of school crossing patrollers in various areas where controlled crossing facilities (such as pelican crossings) are located, meaning cover is only provided in the morning and at school closing times.</p> <p>A 3 month lead-in time has been allowed to deliver the saving.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Remove school crossing service	113	6.6	28	151	6.6	28
TOTAL	113	6.6	28	151	6.6	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		

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Roads and Infrastructure		Ref: RAIS 03
Name of service delivery area	Burials and Cremations	
Responsible 3rd Tier manager	Tom Murphy	
Proposed Saving:	20% and 15% increase and total additional income £140k (£80k burials and £60k cremations)	

Summary of Savings Proposals for Consideration

Background

We have benchmarked burial and cremation charges across all Scottish Councils. For burials the range is £351 to £1,107, the average is £783 with ABC charging £693. For cremation the range is £365 to £1,070, the average is £792 with ABC charging £685.

Saving Option

Increase burial charges by 20% and increase cremation fees by 15%. Argyll and Bute Council are in the lower quartile for charges. This increase in cost brings ABC prices nearer to other neighbouring authorities whilst still providing a competitive rate.

The table below outlines the price comparison with neighbouring authorities based on current fees and charges. Note this saving option is proposing to implement above inflation increases to both coffin interments and cremations. Coffin lairs has been included in the table below for comparative purposes only – there is no proposal to increase these charges other than with the standard inflationary charge that the Council may consider. It can be seen that we currently charge less for both coffin interment and cremation than our neighbouring authorities.

	Coffin Interment	Cremation	Coffin Lair
Argyll & Bute	£693.00	£685.00	£818.00
Inverclyde	£892.00	£701.00	£961.00
WDC	£731.00	£695.00	£952.00
Highland	£931.00	£931.00	£582.00

Impact of delivering savings

Price comparisons with neighbouring authorities against a proposed increase of 20% for burials and 15% for cremations are noted in the table below. Discussions with other authorities have indicated an inflationary increase of between 3% and 5% may apply in 2020-21, therefore the figures in the table below, compare our revised fees to fees with an assumed 4% increase for the neighbouring authorities: the actual increase for the neighbouring authorities will not be confirmed until they set their budget.

	Coffin Interment	Cremation
Argyll & Bute (proposed)	£832.00	£788.00
Inverclyde (assumed 4% increase)	£927.68	£729.04
WDC (assumed 4% increase)	£760.24	£722.80
Highland (assumed 4% increase)	£968.24	£968.24

Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Increase burial fees	80	0	0	80	0	0
Increase cremation fees	60	0	0	60	0	0
TOTAL	140	0	0	140	0	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	Yes	
EqSEIA complete	Yes	
Sent to equality@argyll-bute.gov.uk	Yes	

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Roads and Infrastructure Services			Ref: RAIS 04			
Name of service delivery area		Parking charges on and off street				
Responsible 3rd Tier manager		Hugh O'Neill				
Proposed Saving:			£138,000			
Summary of Savings Proposals for Consideration						
<p>Parking charges to increase by 20% for both on and off street: this increase to apply to all charges including permits and long stay tickets. These increases are proposed to existing charging car parks.</p> <p>Note: 2019-20 approved budget will not be fully achieved due to TROs not being progressed. Revised income stream has been based on 2018-19 outturn adding on the 20% increase.</p> <p>Increasing an existing charge is achieved by notice which does not require a Traffic Regulation Order (TRO). This process is relatively straightforward.</p> <p>Any TRO will be driven on a road safety and demand led basis. Any new TRO to be considered on their individual merit with a business case produced for each setting out all costs (Non-Domestic Rates, utility costs, upkeep and maintenance based on an asset management approach of whole life costs, associated enforcement and management costs etc.).</p> <p>As an alternative, if charges were increased by 10% there would be an increase in income of £69,000.</p>						
Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.						
	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Increase parking charges by 20%	138			138		
TOTAL	138	0	0	138	0	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			No			
Sent to equality@argyll-bute.gov.uk			No			

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Roads and Infrastructure Service		Ref: RAIS 09
Name of service delivery area	Public Conveniences	
Responsible 3rd Tier manager	Tom Murphy	
Proposed Income Generation:	£12,000 over 2 years	

Summary of Savings Proposals for Consideration

Background

A review of public conveniences was carried out and the toilets split into 3 main categories reflecting estimated footfall.

	HIGH	MEDIUM	LOW
Mid-Argyll	Inveraray; Lochgilphead; Tarbert	Ardrishaig; Tayvallich; Kilmartin	Crinan
Kintyre		Machrihanish; Southend; Bolgam Street	Clonaig
Islay	Bowmore; Bridgend; Port Ellen		Portnahaven
Lorn	Ganavan Oban North Pier*	Pulpit Hill	Taynuilt
Mull	Fionnphort*	Bunessan; Calgary	Salen; Ulva
Tiree		Scaranish	
Bute	Chapel Hill; Port Bannatyne	High Street	Kilchattan Bay
Cowal	Colintraive; Glenmorag; Sandbank; Tighnabruaich	Innellan; Kames; Lochgoilhead; Sandy Beach	Carrick; Glendaruel
Helensburgh and Lomond	Helensburgh Pier		Rhu
TOTAL	16	15	10

*part of Piers and Harbours

The proposals within this template follow on from the decision of the Environment Development and Infrastructure Committee (EDI) on 6 December 2018 at which time they agreed to the principle of charging. <https://www.argyll-bute.gov.uk/moderngov/ieListDocuments.aspx?Cid=546&Mid=8506&Ver=4>

It also takes account of the current budget position.

This proposal is to charge at the 16 high footfall facilities detailed in the table above via paddle door systems. It is proposed that the charge be increased from 30p to 50p for these facilities. A 50p charge appears to be becoming the standard charge for use of PCs.

The investment in charging infrastructure is estimated to be in the region of £110,000 and this will be met from existing capital budget within Roads and Infrastructure.

The 15 facilities marked as medium use in the table above will be retained, continuing with the use of honesty boxes as means of generating income

The 10 facilities marked low use in the table above will be closed by 31 October 2020. These buildings will be mothballed. The saving in relation to these is delivered from reductions in operating costs such as water, energy etc. Servicing of these facilities is undertaken by operatives engaged in a range of duties so there will be no cashable staff saving. Officers will develop a programme to promote these for community ownership through existing asset transfer mechanisms and report this back to committee

It is estimated that we should be able to generate £78,000 income annually for PCs. It is possible that we could generate substantially more within the high footfall PCs, however, we have assumed 60% income rate as per the industry recommendation for door access control. Currently £6,000 is already generated, giving rise to additional income of £72,000.

The income budget for public toilets is currently £74,000 per annum. The estimated income for the full financial year 2019-20 is £6,000, giving rise to a shortfall in income of £68,000. This is primarily due to not currently charging in most PCs due to the legal advice around turnstiles. Any saving proposal needs will need to firstly meet the shortfall of income, before a saving can be realised. The savings figure therefore reflects the additional income over and above £68k.

It is unlikely that the full year income will be achieved within 2020-21 but on the basis that the service are currently absorbing an under-recovery of income, the saving option assumes that they continue to do this in 2020-21 until all the infrastructure to allow for charging is in place.

Implications

If this saving is not approved, there will be an ongoing cost pressure of £68,000 relating to under recovery of income.

Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Current Budget Shortfall	(68)	0	0	(68)	0	0
Proposal 1 – High useage PCs increase to income and Medium useage honesty boxes	72	0	0	72	0	0
Proposal 2 – closure of 10 PCs	4	0	0	8	0	0
TOTAL	8	0	0	12	0	0

The investment in charging infrastructure is estimated to be in the region of £110,000 and this will be met from existing capital budget within Roads and Infrastructure.

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	

2020-21 BUDGET PREPARATION – SAVINGS TEMPLATE

Head of Roads and Infrastructure		Ref: RAIS 01 – Council Run Ferries
Name of service delivery area	Ferries Transfer as per Council Decision March 2012 Note - this is out with the council's control, the transfer requires action from Scottish Government to transfer the service. There is a risk to other council services should the transfer not take place by 1 st April 2020.	
Responsible 3rd Tier manager	Stewart Clark	
Proposed Saving:	£454,000 (outwith our control)	
Summary of Savings Proposals for Consideration		
<p><u>Background</u></p> <p>The Council agreed a policy position seeking to transfer ferries to Transport Scotland providing that this could be done at no detriment to the Council in March 2012; at that time, the Council approved the proposal to undertake the Routes and Services Needs Assessment and subsequent Business Case Process that would allow the Council and Transport Scotland to consider the transfer of responsibilities for the four council-operated ferry services.</p> <p>This was further considered by the The Policy and Resources Committee in May 2019 which:</p> <ol style="list-style-type: none"> 1. Agreed that the Council continue to pursue the transfer of ferries to Transport Scotland. 2. Agreed that the transfer should be on the basis of no transfer of revenue funding. <p><u>Saving Option</u></p> <p>The savings are based on a transferring the 4 Council run ferries to Transport Scotland, this is in line with the Council's policy position on council run ferries. The Council has the power to run ferries, which it is exercising - but has no duty. Transferring the ferries with no financial detriment to the Council would reduce a burden of c£454k subsidy based on 2020-21 forecast. The Council submitted documentation in line with the six stages requested from Transport Scotland in 2017 – of late, discussions between the Council and Transport Scotland have resumed in earnest, with CMAL now carrying out a survey of Council assets. The latest advice from Transport Scotland is that they are basing plans on completing the overall decision-making process by the end of this financial year i.e. both the Council and Transport Scotland will have reached a decision on whether the transfer should take place and the terms of the arrangement – both legal and financial.</p> <p>When this saving was reported to Council in October the saving was estimated at £1m. This was the subsidy paid by the Council in 2017-18. Through a combination of estimated increased GAE, removal of contract payments to ASP and ferry fare income for the Islay-Jura service now coming directly to the Council (as part of previous savings initiatives) the predicted subsidy for 2020-21 is circa £454,000.</p> <p>Discussions between the Council and Transport Scotland have now been ongoing for a number of years. Orkney and Shetland Councils have also been involved in similar discussions. If, for whatever reason, the transfer of Council ferries does not proceed, then the Council may have to consider diminution of service in order to reduce overall losses. Future options for consideration would be raising ferry fares, time-tabling i.e. reducing the frequency of scheduled services and, indeed, the complete withdrawal of services in the case of Lismore Island which has an alternative Calmac service. Ultimately, the provision of ferry services to the islands of Jura, Luing, Easdale and Lismore (passenger service) may be at increased risk, due to lack of a sustainable funding model.</p> <p>The council is waiting for Scottish Government to respond before we consider firming up any alternative options if these are required. It should be noted that there is a risk to other council services</p>		

should the transfer not take place by 1st April 2020. The risk has a current value of circa £454k subsidy based on 2020-21 forecast.

Note – the savings detailed in this template are dependent on Scottish Government.

Profile of delivery of savings, taking into consideration any lead in time. The estimated reduction in FTE/Headcount should also be noted.

	2020-21			2021-22		
	£000	FTE	H/count	Cumulative £000	FTE	H/count
Transfer of Ferries to Transport Scotland	454	TUPE Transfer		454	TUPE Transfer	
TOTAL	454	TUPE Transfer		454	TUPE Transfer	

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	No	
Sent to equality@argyll-bute.gov.uk	No	

APPENDIX 7
SERVICE SUMMARY OF BUDGET POSITION 2020-21

Department	Service	2019-20 Budget £000	Other Base Budget Adjustments £000	Settlement Commitments £000	Updated Base Budget £000	Employee Budget Changes £000	Non-Pay Inflation - Inescapable £000	Cost and Demand Pressures £000	Live Argyll Management Fee Increase £000	Measures to Balance the Budget £000	Adjustment to HSCP Allocation £000	Social Work Pressures Absorbed by HSCP £000	2020-21 Draft Budget £000
Council Departments:													
Chief Executive's Unit	Chief Executive	985	(8)	0	977	(35)	0	0	0	(66)	0	0	876
Chief Executive's Unit	Head of Financial Services	4,187	0	122	4,309	155	0	60	0	(307)	0	0	4,217
Executive Director (Douglas Hendry)	Executive Director (Douglas Hendry)	(255)	0	0	(255)	6	0	0	0	0	0	0	(249)
Executive Director (Douglas Hendry)	Head of Commercial Services	8,592	0	0	8,592	367	262	111	96	(521)	0	0	8,907
Executive Director (Douglas Hendry)	Head of Education	78,918	3,030	342	82,290	2,728	138	38	0	(1,077)	0	0	84,117
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	18,990	0	0	18,990	2	274	0	0	(289)	0	0	18,977
Executive Director (Pippa Milne)	Executive Director (Pippa Milne)	(229)	0	0	(229)	14	0	0	0	0	0	0	(215)
Executive Director (Pippa Milne)	Head of Customer Support Services	8,028	0	0	8,028	218	68	143	0	(405)	0	0	8,052
Executive Director (Pippa Milne)	Head of Development and Economic Growth	8,534	(135)	107	8,506	140	3	61	0	(1,079)	0	0	7,631
Executive Director (Pippa Milne)	Head of Roads and Infrastructure Services	29,266	273	0	29,539	602	383	11	0	(2,537)	0	0	27,998
		0	0	0		0	0	0	0	0	0	0	
		0	0	0		0	0	0	0	0	0	0	
Non Departmental:													
Joint Boards	Joint Boards	1,436	0	36	1,472	0	0	0	0	0	0	0	1,472
Other Operating Income & Expenditure	Elected Members	1,141	0	0	1,141	28	0	0	0	0	0	0	1,169
Other Operating Income & Expenditure	Sundry Services	1,165	(667)	(25)	473	509	35	11	0	(125)	0	0	903
Other Operating Income & Expenditure	Unfunded Pensions	1,554	0	0	1,554	0	0	0	0	0	0	0	1,554
		0	0	0		0	0	0	0	0	0	0	
		0	0	0		0	0	0	0	0	0	0	
Non Controllable Costs:													
Insurances		1,101	0	0	1,101	0	0	0	0	0	0	0	1,101
Non Domestic Rates		4,600	0	0	4,600	0	129	0	0	0	0	0	4,729
Apprenticeship Levy (Council)		465	0	0	465	0	0	0	0	0	0	0	465
Capital Charges (loans charges)		15,756	162	0	15,918	0	0	0	0	(2,191)	0	0	13,727
COUNCIL TOTALS		184,234	2,655	582	187,471	4,734	1,292	435	96	(8,597)	0	0	185,431
Health and Social Care Partnership:													
Integration Services	Chief Officer	372	0	1,527	1,899	(24)	(175)	1,474	0	0	0	(4,071)	(897)
Integration Services	Adult Care	44,043	3	225	44,271	711	1,203	326	0	0	0	0	46,511
Integration Services	Children & Families	13,979	8	0	13,987	404	137	0	0	0	0	0	14,528
Integration Services	Head of Strategic Planning and Performance	420	0	0	420	15	0	0	0	0	0	0	435
SOCIAL WORK TOTAL		58,814	11	1,752	60,577	1,106	1,165	1,800	0	0	0	(4,071)	60,577
Rounding					0	(1)							4
TOTAL		243,048	2,666	2,334	248,048	5,839	2,457	2,235	96	(8,597)	0	(4,071)	246,012
Funding:													
Scottish Government Funding													195,364
Council Tax Income													50,583
Council Tax - Saving Options													1,517
General Fund Reserves													118
OVERALL FUNDING SURPLUS / (GAP)													1,570