

BUDGET PLANNING 2021-22 AND BEYOND

1. EXECUTIVE SUMMARY

- 1.1 This report provides information on the proposed approach to the revenue budget process and identification of savings to balance the budget for 2021-22.
- 1.2 The latest budget outlook report identifies that the estimated mid-range budget gap for 2021-22 after measures to balance the budget is £4.528m. The budget process is focused on balancing the budget in 2021-22 but will lay foundations for the budget process for future years.
- 1.3 The Council's total budget for 2020-21 amounts to £247.9m split £168.2m non-controllable (68%) and £79.6m (32%) controllable. The non-controllable budgets are those where there is limited or no opportunity for savings. The controllable budgets are those within services where there is more scope to consider whether the service can be delivered differently with a reduced amount of budget.
- 1.4 The approach to bringing forward proposals to balance the budget in 2021-22 is split into three areas:
- A short review of some non-controllable budgets where there may be an opportunity to carry out a review to realise some savings. This applies to NPDO and Hub Schools contract, loans fund, utility costs and vacancy savings target.
 - More detailed reviews on a themed basis for budgets that are classified as controllable. The themes are digital by default, amenity services, leisure, fleet and school and public transport.
 - Identification of efficiencies across all service areas.
- 1.5 The Strategic Management Team also consider that there are three further themes that would benefit from reprioritisation reviews and these are HR/OD, economic growth and modernising education phase 1. It is not the principal aim that these reviews will identify savings, however, savings may result from the review process.
- 1.6 In addition to the above mentioned, there are also a number of other significant areas of project work that the Council are undertaking, not with the aim of delivering savings. The full project portfolio is summarised within Appendix 4.
- 1.7 It is proposed that a cross party Budget Working Group is established to provide scrutiny on the identification of savings options with early engagement with services users and stakeholders to help inform and develop savings options within the financial envelope.

- 1.8 The Business Continuity Committee is asked to:
- a) Agree to the overall budget approach for 2021-22 and the themed reviews as identified in paragraph 4.11.
 - b) Agree to the establishment of a cross party budget working group and its composition.
 - c) Approve the draft budget timetable as outlined in Appendix 5.

BUDGET PLANNING 2021-22 AND BEYOND**2. INTRODUCTION**

- 2.1 This report provides information on the proposed approach to the revenue budget process and identification of savings to balance the budget for 2021-22.

3. RECOMMENDATION

- 3.1 The Business Continuity Committee is asked to:
- a) Agree to the overall budget approach for 2021-22 and the themed reviews as identified in paragraph 4.11.
 - b) Agree to the establishment of a cross party budget working group and its composition.
 - c) Approve the draft budget timetable as outlined in Appendix 5.

4. DETAIL***Estimated Budget Gap***

- 4.1 The budget outlook report has been updated reflecting the most up to date assumptions and the in-year budget gap within the mid-range scenario over the next 5 years is noted below. The table provides information on the budget gap prior to any measures to balance the budget, measures to balance the budget (which include previously agreed savings and estimated increase to fees and charges and Council tax) and the remaining estimated budget gap.

Year	Original Estimated Budget Gap £000	Measures to Balance the Budget £000	Revised Estimated Budget Gap £000
2021-22	6,672	2,144	4,528
2022-23	8,754	1,977	6,777
2023-24	9,123	2,049	7,074
2024-25	8,692	2,122	6,570
2025-26	9,121	2,198	6,923
Total Estimated Gap over 5 years	42,362	10,490	31,872

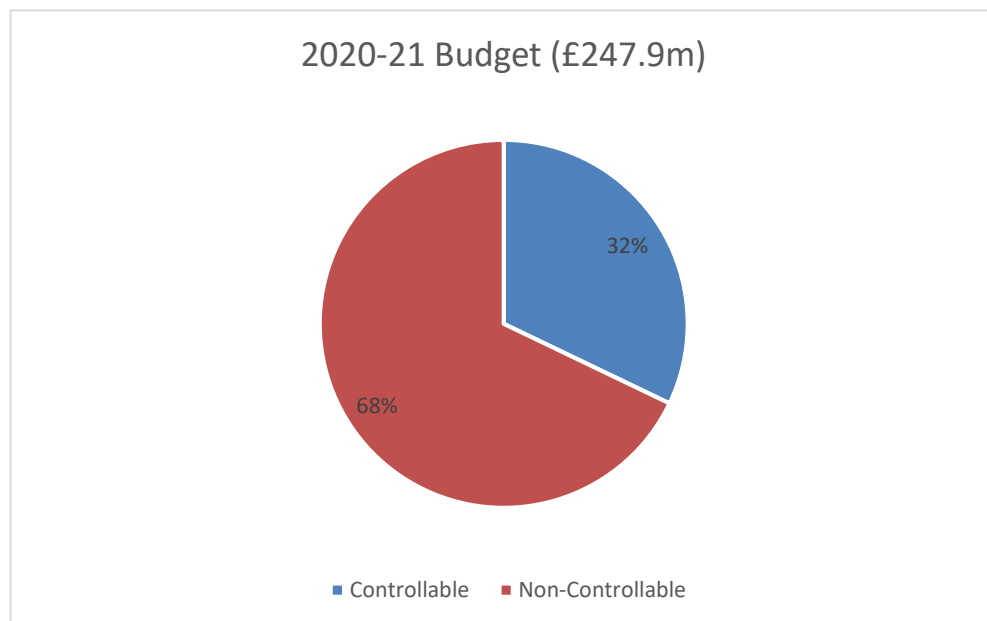
- 4.2 It was the intention that the budget process for 2021-22 would commence earlier in the year and would look at service redesign over a planned three year period. The COVID-19 pandemic has meant that a number of staff have had to focus on the immediate response to the pandemic and are now focusing on the recovery and there is a significant in year (2020-21) budget shortfall that needs to be addressed. It was also hoped that that there would have been a multi-year

settlement in 2020-21, however, this did not happen mainly as a result of the exit from EU deliberations and a General Election being called. It remains to be seen whether there will be a multi-year settlement later this year which would give much more certainty as to the estimated budget gap in future years.

- 4.3 As a result of the above, the budget process is now focused on balancing the budget in 2021-22 but will lay foundations for the budget process for future years.

Budget Breakdown

- 4.4 The Council's current budget has been analysed into controllable and non-controllable budgets. The non-controllable budgets are those where there is limited or no opportunity for savings. The controllable budgets are those within services where there is more scope to consider whether the service can be delivered differently with a reduced amount of budget.
- 4.5 Internal recharges have also been removed when analysing the budgets in order that the controllable budget represents the budget amounts within a service that they are able to influence, for example, catering charges have been removed from the schools budget as it is the catering service that control the overall expenditure and approach to delivering this service.
- 4.6 The Council's total budget for 2020-21 amounts to £247.9m split £168.2m non-controllable (68%) and £79.7m (32%) controllable as shown in the chart below. A further breakdown of controllable and non-controllable is shown in the chart in Appendix 1. (It should be noted that the breakdown differs from that presented to the Business Continuity Committee in May 2020 as there has been some reclassifications and also some internal recharges removed as noted above.)



Non-controllable Budgets

- 4.7 There are some parts of the budgets categorised as non-controllable where there may be an opportunity to carry out a review to realise some savings. The areas to be considered are as follows:

Category	For Review
NPDO and Hub Schools Contract	Over the last few years, the NPDO and Hub Schools Contract has come in under budget due to the in-year contract management that is undertaken by the service. There is an option to consider the level of expected contract management efficiency that could be expected and this will be explored. Taking a saving of this nature would increase the risk of the contract coming in over budget, however, this will be taken into consideration when this is reviewed.
Loans Fund	A full review of the loans fund was undertaken last year, however, investment returns and borrowing costs, due to slippage in the capital programme, were better than anticipated at the end of 2019-20. A further review will be carried out to see whether there are any further one-off or recurring savings.
Utility Costs	A review will be undertaken on the Council's utility costs across the Council to assess whether there is scope to reduce the budget.
Vacancy Savings	Over the last few years the vacancy savings targets within services have been increased as a budget saving and the target continues to be met each year and sometimes exceeded within some services. A council wide review of vacancy savings will be undertaken to assess whether there are further vacancy savings that could be budgeted for.

- 4.8 Further information on the non-controllable budgets is included within Appendix 2.

Controllable Budgets

- 4.9 The controllable budgets have been split down to activities within services in order to focus attention. There are some activities that have been subject to savings in recent years and where there may be limited scope for further savings unless there is a significant change in policy. There are also some services where there is a statutory duty to provide the service and this limits the savings that can be achieved.
- 4.10 There are some activities that do lend themselves to a review and activities have been combined and will be reviewed on a themed basis. It is accepted that there may be some element of crossover between the themes and this will be managed to ensure there is no double counting of any savings. Further information on the controllable budgets is included within Appendix 3.

4.11 The table below highlights the themes recommended by the Strategic Management for review as part of this budget process. The themes have been selected taking into consideration the scope for savings, the budget quantum and the statutory/non-statutory elements within the themes.

Theme	Activities Included in Theme	Review
Digital by Default	Customer Service centre Shared Office Accommodation Staff Travel Elected Members ICT	The COVID-19 pandemic has seen a move to home working and remote/virtual meetings which have worked well and Council business has continued. The review will consider where there are opportunities to move more to digital, not re-open properties and save on travel costs in addition to office costs including printing which has significantly reduced during the lockdown.
Amenity Services	Amenity Operations and network & standards officer teams Public Conveniences	There is a significant budget associated with Amenity Services which will be reviewed with options presented to Members in due course. Some options will be about reducing the service.
Leisure	Shared Services and Partnerships Community Learning and Support	Discussions are already underway with Live Argyll and this review will be expanded to look at alternative ways of delivering the Community Learning service.
Fleet	Fleet Transport Team and Pool Cars	A review to be carried out on the process for purchasing or hiring vehicles ensuring the most optimum payback arrangements are entered into with

		residual values part of the review.
School and Public Transport	School and Public Transport School Crossing Patrols	The Council set aside a resource as part of the 2020-21 budget to explore the redesign of public and school transport and the introduction of shared transport, engaging with communities so that services better match their needs and reduce carbon emissions.

4.12 The Strategic Management Team also consider that there are three further themes that would benefit from reprioritisation reviews and these are noted in the table below. It is not the principal aim that these reviews will identify savings, however, savings may result from the review process.

Theme	Activities Included in Theme	Review
HR and Organisational Development	HR Organisational Development Payroll and Pensions	The HR and payroll team budget have been subject to significant cuts over the years and the Head of Service has now taken over responsibility for the HSCP HR function. There are also improvements to performance management agreed as part of the Best Value Review. There is merit in conducting a review to ensure that the resource is aligned in the most effective way.
Economic Growth	Central/Management Costs Economic Growth Projects, Renewables and Regeneration Strategic Transportation Airports	In response to COVID-19 and the economic recovery, it would be timely to review economic development to ensure resources are targeted to the correct area of business. This area of service is non-statutory and it would

		be open to Members to give consideration to reducing the budget allocated to Economic Growth.
Modernising Education Phase 1	All Education Services	The education service have already worked up a change programme that is more medium to long term, however, there is potential for a review at an early stage that will focus on support for teaching and learning.

- 4.13 All services, in particular those not subject to a themed review, will still be expected to look for efficiencies and report these as and when identified. Applying a 2% target to each controllable budget has the potential to deliver savings of £1.592m. This would assist in reducing the amount of savings required from the themed reviews within 2021-22 which may allow some time for them to be delivered more effectively.

Other Council Projects

- 4.14 The report identifies a number of themed reviews that will be carried out over the coming months. In addition to these themed reviews there are also a number of other significant areas of project work that the Council are undertaking, not with the aim of delivering savings, and it is helpful for Members to see the full project portfolio. This is shown in the diagram within Appendix 4.

- 4.15 The further areas of project work include:

- Rural Growth Deal which is moving towards Heads of Terms stage.
- Waste Strategy review, due to the national ban of biodegradable municipal waste in 2025, the end of the Waste PP contract with Renewi in 2026 and the introduction of the Scottish Deposit Scheme.
- Performance Management Review in response to the findings within the Best Value Review.
- Financial Strategy is due for a refresh later in the year.
- Capital Strategy which is already underway.
- Major Projects which include Helensburgh Waterfront and the completion of Rothesay Pavilion.
- Employee Engagement in response to the findings within the Culture Audit.
- Member Development programme.
- Review of Community Engagement.
- Catering Project which is an ongoing piece of work that was taken forward as part of the Transformation Board with anticipated savings to

be delivered within 2021-22 already included within the budget outlook estimate.

- A review entitled "modernising education" is already underway as part of the work started by the Transformation Board. There are a number of sub-themes that are being worked on that will take some time to evaluate but will deliver savings in the medium to longer term. Phase 1 as noted in paragraph 4.11 will be progressed as part of the budget planning for 2021-22.
- Joint review between Social Work and Housing to explore opportunities for early intervention and best use of the private sector housing grant.

4.16 All these areas or review/project work create a significant project portfolio to be managed alongside delivering the day to day work.

Next Steps

4.17 Resource will be identified to work with the Head of Service on the themed review. This will provide an element of challenge whilst working with the service to develop proposals.

4.18 Part of the review process will be to engage with service users and stakeholders earlier in the process to help inform and develop options that meet the needs and aspirations within the financial envelope.

4.19 It is proposed that a Budget Working Group is established with 6 Members from the administration and 3 Members from the opposition, in total 9 Members in addition to 2 Trade Union representatives. Updates on progress with the reviews would be brought forward to the Budget Working Group and then onto Committee. Savings options will be brought forward to the Policy and Resources Committee on 10 December 2020. The Budget Working Group may continue to meet up until the budget meeting in February as proposals will be further developed and the settlement for 2021-22 should be known mid-December which will determine the savings required.

4.20 The draft budget timetable is attached as Appendix 5 to the report, with some key dates highlighted in the table below.

Date	Event	Purpose/Agenda
13 August 2020	BCC Committee	Present Latest Budget Outlook report and Consider Budget Process for 2021-22
September/October	Budget Working Group	Update on Themes being reviewed and potential options emerging.
September/October	Engagement with services users and key stakeholders	Engagement will be different for each themed review but this engagement is to help

		inform identification of savings options.
15 October 2020	P&R Committee	Update report on themed reviews and agree terms to engage with Trade Unions.
November to February	Budget Working Group	Meetings held to update on the further development of proposals.
10 December 2020	P&R Committee	Following user and stakeholder engagement budget options will be brought forward on themed reviews.
10 December 2020	Special Council	To agree budget options that have potential redundancy implications go forward to formal consultation with the Trade Unions.
After 10 December 2020	Trade Union Consultation	Consultation on posts that are at risk of redundancy – consultation to last 45 days.
11 February 2021	Budget Pack goes Public	
18 February 2020	P&R Committee	Consider budget proposals and make recommendations to Council.
25 February 2020	Council	Set Budget for 2021-22.

4.21 There would also be a series of Members Seminars on the budget and these are scheduled into the full timetable in Appendix 5.

5. CONCLUSION

5.1 The latest budget outlook report identifies that the estimated mid-range budget gap for 2021-22 after measures to balance the budget is £4.785m. This report provides information on the proposed approach to the revenue budget process and identification of savings to balance the budget for 2021-22.

5.2 A number of themes have been identified for review. The Council are also working on a number of other significant work areas, not least Rural Growth Deal, Waste Strategy and Helensburgh Waterfront project. This all adds into a significant project portfolio that will be managed.

5.3 It is proposed that a cross party Budget Working Group is established to provide scrutiny on the identification of savings options with early engagement with services users and stakeholders to help inform and develop savings options within the financial envelope.

6. IMPLICATIONS

6.1 Policy – None at this stage.

6.2 Financial – Identifies an approach to identifying options to balance the budget in 2021-22.

6.3 Legal – None at this stage.

6.4 HR – None at this stage.

6.5 Fairer Scotland Duty – None at this stage – any proposals will be fully assessed as required.

6.5.1 Equalities – None.

6.5.2 Socio-Economic Duty – None.

6.5.3 Islands Duty – None.

6.6 Risk – The approach reduces the risk that the Council will be unable to set a balanced budget in 2021-22.

6.7 Customer Service - None

Appendix 1 – Diagram of Non-Controllable and Controllable 2020-21 Budgets

Appendix 2 – Non-Controllable Budgets 2020-21

Appendix 3 – Controllable Budgets 2020-21

Appendix 4 – Project Portfolio July 2020

Appendix 5 – Draft 2021-22 Budget Timetable

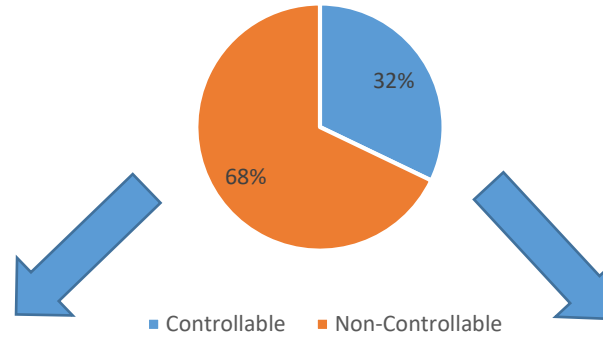
Kirsty Flanagan
Section 95 Officer
21 July 2020

Gary Mulvaney: Policy Lead for Financial Services and Major Projects

Appendix 1

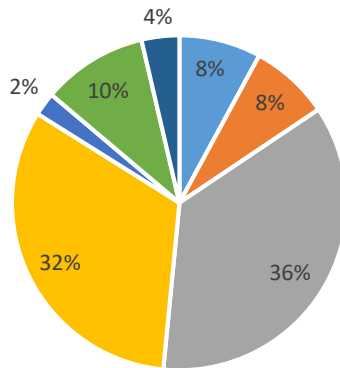
2020-21 Net Expenditure Budget – Controllable vs Non-Controllable

2020-21 Budget (£247.9m)



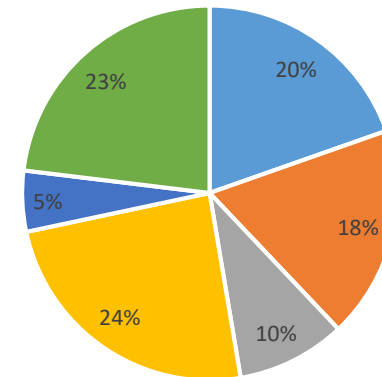
2020-21 Non-Controllable Budget (£168.2m)

- Loans Fund
- Other
- Social Work
- Teachers
- Utility Costs
- NPDO and Hub Schools
- Waste PPP



2020-21 Controllable Budget (£79.7m)

- Central and Support Services
- Commercial Services
- Development and Economic Growth
- Education (excluding teachers)
- Legal and Regulatory
- Roads and Infrastructure Services



Appendix 2

2020-21 Non-Controllable Budget

Category	2020-21 Budget £	Commentary
Apprenticeship Levy	464,502	0.5% levy on employee costs.
Audit Fee	255,908	Charge for the Annual External Audit.
Education Management System (SEEMIS)	287,333	Annual contract fee for the SEEMIS system.
Insurances	1,043,756	Annual budget for insurance costs including, vehicle, public liability, staff group life (excludes insurance costs associated with shared office accommodation as this is part of "Digital by Default" theme review).
Joint Boards	2,245,475	Payments to Scotland Excel, SPT and Valuation Joint Board.
Landfill Tax	3,148,536	Landfill Tax paid over to Central Government.
Loans Fund	13,294,983	Loans Fund principal, interest and investment income budget.
NDR	4,118,217	Non-domestic rates paid for properties (excludes NDR for shared office accommodation as this is part of "Digital by Default" theme review and Social Work as it's part of Social Work figure below).
NPDO and Hub Schools	17,139,513	Contract payments for NPDO and Hub Schools.
Other	1,009,420	Includes unfunded pensions, bank charges and other small areas of budget.
Social Work	60,488,037	Payment to HSCP for Social Work Services.
SQA Exam Fees	443,740	Contract payment for SQA Fees.
Statutory/Essential Repairs	1,319,367	Budget provided for statutory/essential repairs. This budget is fully committed/over committed and there is no saving possible otherwise it would ultimately increase capital costs.
Teachers	54,457,050	Cost of teachers direct costs. Has been moved to non-controllable due to the conditions around pupil-teacher ratios.
Utility Costs	3,788,444	Utility costs across all Council services (excluding Social Work).
Vacancy Savings	(1,401,788)	Target for vacant savings across services.
Waste PPP	6,138,069	Contract payment for Waste PPP Project.
Total	168,240,563	

Appendix 3

2020-21 Controllable Budget at Activity Level

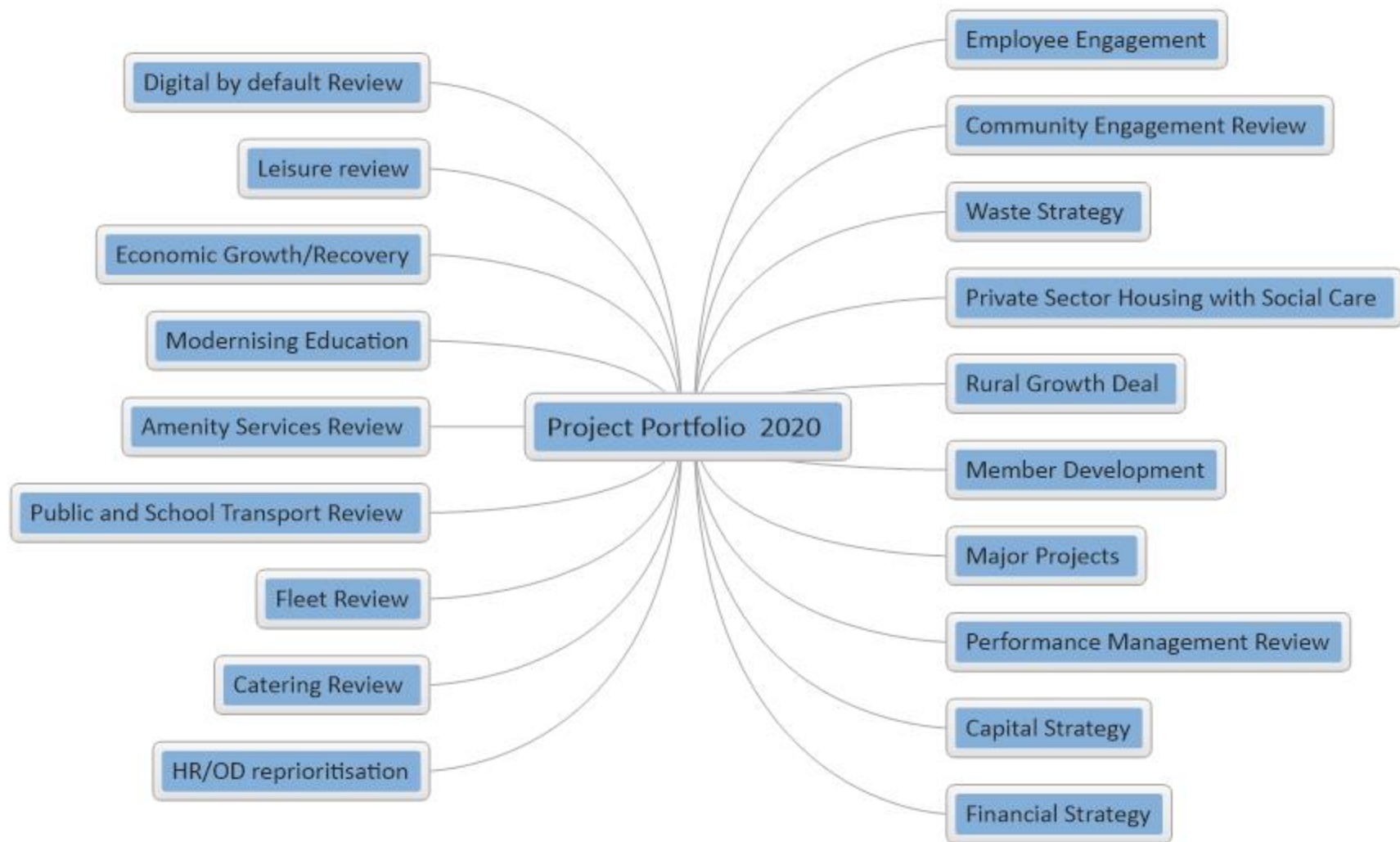
Department	Service	Activity	2020-21 Budget £	Commentary	Review as Part of Theme
Chief Executive's Unit	Chief Executive	Central/Management Costs	307,893	Chief Executive and associated costs.	
Chief Executive's Unit	Chief Executive	Community Planning and Development	495,422	Includes Community Planning Partnership, Community Development and Grants to Third Sector.	
Chief Executive's Unit	Chief Executive	Social Enterprise	60,127	Mainly staff cost.	
Chief Executive's Unit	Head of Financial Services	Accounting and Budgeting	1,709,873	Cost of delivering accounting and budgeting services, including statutory accounts, treasury management and revenue and capital budget preparation and monitoring.	
Chief Executive's Unit	Head of Financial Services	Internal Audit	237,269	Internal audit and scrutiny function.	
Chief Executive's Unit	Head of Financial Services	Revenues and Benefits	2,338,748	Deals with Council Tax, NDR, Housing Benefits and Social Welfare Grants	
Executive Director (Douglas Hendry)	Executive Director (Douglas Hendry)	Central/Management Costs	316,794	Director and associated costs.	
Executive Director (Douglas Hendry)	Head of Commercial Services	Catering & Cleaning	7,890,126	This services continues to be subject to review and future savings are included within the budget outlook report.	
Executive Director (Douglas Hendry)	Head of Commercial Services	Central/Management Costs	147,529	Head of Service and associated costs.	
Executive Director (Douglas Hendry)	Head of Commercial Services	Shared Services & Partnerships	4,476,070	A review is currently underway with Live Argyll as per the request of Council at the budget meeting in February 2020.	Review under "Leisure" theme
Executive Director (Douglas Hendry)	Head of Commercial Services	Estates and Property Services	553,565	Includes estates team, design team, one council property approach, rental properties and surplus properties.	
Executive Director (Douglas Hendry)	Head of Commercial Services	Shared Office Accommodation	1,516,927	Council shared office accommodation, this will be reviewed as part of the Digital by Default Theme.	Review under "Digital by Default" theme
Executive Director (Douglas Hendry)	Head of Education	Additional Support Needs	5,241,468	A review entitled "Modernising Education" is already underway and there are a number of sub-themes that are being worked on that will take some time to evaluate but will deliver savings in the medium to longer term. Phase 1 will be progressed as part of the budget for 2021-22 and this will be to look at all "Support for Teaching and Learning".	Review under "Modernising Education Phase 1" theme
Executive Director (Douglas Hendry)	Head of Education	Central/Management Costs	371,493		
Executive Director (Douglas Hendry)	Head of Education	Curriculum (2-18years)	809,379		
Executive Director (Douglas Hendry)	Head of Education	Early Learning and Childcare	1,759,783		
Executive Director (Douglas Hendry)	Head of Education	Early Learning and Childcare (ELC) Settings	3,535,431		
Executive Director (Douglas Hendry)	Head of Education	Education Non-Schools	337,451		
Executive Director (Douglas Hendry)	Head of Education	Life Long Learning and Support	1,148,217		

Department	Service	Activity	2020-21 Budget £	Commentary	Review as Part of Theme
Executive Director (Douglas Hendry)	Head of Education	Performance, Improvement and Collaboration	107,786	A review entitled "Modernising Education" is already underway and there are a number of sub-themes that are being worked on that will take some time to evaluate but will deliver savings in the medium to longer term. Phase 1 will be progressed as part of the budget for 2021-22 and this will be to look at all "Support for Teaching and Learning".	Review under "Modernising Education Phase 1" theme
Executive Director (Douglas Hendry)	Head of Education	Primary Schools	2,751,515		
Executive Director (Douglas Hendry)	Head of Education	Secondary Schools	2,306,529		
Executive Director (Douglas Hendry)	Head of Education	Special Schools/Learning Centres	255,399		
Executive Director (Douglas Hendry)	Head of Education	Community Learning and Support	745,169	Includes Youth and Adult Services	Review under "Leisure" theme
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	Central/Management Costs	244,111	Head of Service and associated costs in addition to caretaker budget.	
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	Civil Contingencies	96,390	Central civil contingency budget	
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	Elections	32,959	Small elections budget, materials etc.	
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	Facilitating School Improvement	283,788	NPDO and Schools Hub Team with a small budget for consultants.	
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	Governance	789,677	Central and area governance, members services, community councils, childrens panel	
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	Governance, Risk and Safety	498,516	Health and Safety and Risk Management	
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	Legal Services	614,411	Legal Services, Licensing, Insurance	
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	Procurement, Commissioning and Contracts	1,049,415	Procurement and Commissioning Team	
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	Trading Standards and Advice Services	574,479	Trading Standards, Money Advice, Welfare Rights	
Executive Director (Kirsty Flanagan)	Executive Director (Kirsty Flanagan)	Central/Management Costs	285,902	Director and associated costs.	
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	Central/Management Costs	291,587	Head of Service and associated costs.	
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	Corporate Communications	298,336	Budget for communications team, the team are already a small team and there is limited scope to achieve further savings.	
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	Customer Service Centre	1,264,279	Opportunity to explore if there are any opportunities arising from home working and use of digital	Review under "Digital by Default" theme
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	HR	501,746	HR Team budget has been cut significantly over the years. Consider as part of a wider reprioritisation review.	Reprioritisation review "HR/OD/ICT"
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	ICT	3,879,625	ICT team budget has been subject to cuts over previous years and the COVID-19 pandemic has highlighted how important ICT is for business. This area will be reviewed as part of the "Digital by Default" theme.	Review under "Digital by Default" theme

Department	Service	Activity	2020-21 Budget £	Commentary	Review as Part of Theme
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	Organisational Development	1,290,519	ICT team budget has been subject to cuts over previous years. With the changes proposed for the PIF, this budget could be review along with HR to ensure resources are targeted to the correct area of business.	Reprioritisation review "HR/OD/ICT"
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	Payroll and Pensions	365,747	A review of this team is currently being carried out prior to the team moving over to financial services.	Reprioritisation review "HR/OD/ICT"
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	Registration Services	129,584	Limited scope to deliver savings within registration services.	
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	Airports	1,098,874	Includes Argyll Air Services and Airports. The Council also receive GAE for Oban Airport which would reduce any realisable saving.	Reprioritisation review "Economic Growth"
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	Building Standards	-157,382	Budget area is already self financing.	
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	Central/Management Costs	509,457	Head of Service and Planning Management and associated costs. In response to COVID-19 and the economic recovery, It would be timely to review economic development to ensure resources are targeted to the correct area of business.	Reprioritisation review "Economic Growth"
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	Development Management	884,735	The relates to the planning teams. Income levels are extremely volatile and budgets have to be managed around that volatility which could also be adversely affected by the COVID-19 pandemic.	
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	Economic Growth	665,452	Includes the business gateway team, economic growth team and european team. In response to COVID-19 and the economic recovery, It would be timely to review economic development to ensure resources are targeted to the correct area of business.	Reprioritisation review "Economic Growth"
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	Environmental Health and Animal Health	1,138,489	Environmental Health teams across the area. This is an area of pressure to recruit but also will be an area of pressure in the response to the COVID-19 pandemic. This is little scope to make savings in the short-term.	
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	Housing	2,478,761	This includes private sector housing grant, homelessness and housing support services. The COVID-19 pandemic has seen increased pressure on the homelessness service and as a result there is limited opportunity to reduce this budget. A joint review will be undertaken with HSCP to explore opportunities for early intervention and best use of the private sector housing grant.	Review Private Sector Housing Grant jointly with HSCP service delivery.
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	Projects, Renewables and Regeneration	661,582	Includes events and festivals budget and staffing resource linked to projects. In response to COVID-19 and the economic recovery, It would be timely to review economic development to ensure resources are targeted to the correct area of business.	Reprioritisation review "Economic Growth"

Department	Service	Activity	2020-21 Budget £	Commentary	Review as Part of Theme
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	Strategic Transportation	211,184	Head of Service and Planning Management and associated costs. In response to COVID-19 and the economic recovery, It would be timely to review economic development to ensure resources are targeted to the correct area of business.	Reprioritisation review "Economic Growth"
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Amenity	2,740,421	This is an area of service that will be reviewed.	Review under "Amenity Services" Theme
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Operations and Network & Standards Officers Teams	2,371,157	This budget includes the cost of the Head of Services, operations team and administration staff. This will be reviewed alongside amenity services.	Review under "Amenity Services" Theme
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Depots	-777,966	There is an ongoing review/rationalisation of depots.	
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Ferries	1,050,720	Includes staff costs and repair/maintenance of ferries. It should be noted that this budgeted figure does not match what we would expect to get as additional direct funding in support of running ferries as it doesn't include the GAE income or the capital financing expenditure.	
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Fleet	-298,828	This is the cost of the fleet management service that is recharged across the Council. A review to be undertaken as to the process on purchasing/hiring fleet.	Review under "Fleet" theme
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Infrastructure Design	387,236	This budget is for coastal and flood protection and bridge assessment/maintenance.	
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Parking	-822,725	As per the budget decision in February 2020, officers to carry out a holistic review of parking arrangements across Argyll and Bute and develop proposals that take into account the needs of communities, business and visitors, addressing local demand, congestion, climate change and ease of use.	
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Piers & Harbours	-4,884,886	This relates to the piers and harbours budget that is essentially ring-fenced to be used within piers and harbours so limited scope for any revenue savings that could be used elsewhere within the Council.	
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Public Conveniences	232,794	This is an area that has been up for service savings in the past, however, as part of the response to COVID-19 the re-opening of public toilets will be reviewed, along with the costs during 2020-21. It will also be part of the amenity services theme review.	Review under "Amenity Services" Theme
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Roads & Infrastructure	7,301,355	Roads is one of the Council's priority areas and it is open to members as to how much resource is directed towards this priority area.	

Department	Service	Activity	2020-21 Budget £	Commentary	Review as Part of Theme
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	School and Public Transport	8,178,182	The Council set aside a resource as part of the 2020-21 budget to explore the redesign of public and school transport and the introduction of shared transport, engaging with communities so that services better match their needs and reduce carbon emissions. Due to the response to COVID-19 this review has been delayed, but will be progressed.	Review under "School and Public Transport" Theme
	Head of Roads and Infrastructure Services	School Crossing Patrols	160,727	Will be reviewed as part of the school and public transport theme	Review under "School and Public Transport" Theme
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Transport Team and Pool Cars	158,025	Will be reviewed as part of the fleet theme.	Review under "Fleet" theme
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	Waste	2,574,236	A review of the waste strategy is underway due to the national ban of biodegradable municipal waste in 2025, the end of the Waste PP contract with Renewi in 2026 and the introduction of the Scottish Deposit Scheme.	
Council Wide/Central Expenditure	Council Wide	Staff Travel	677,219	The COVID-19 pandemic has meant that there has been significantly reduced travel costs incurred during the period of lockdown whilst council business and meetings have continued successfully via remote and home working. There is an opportunity to reduce the staff travel budgets in future years with the default position being no travel unless absolutely necessary. This will be reviewed as part of the "Digital by Default" theme.	Review under "Digital by Default" theme
Council Wide/Central Expenditure	Central Expenditure	Elected Members	1,169,585	Similar to the staff travel budget noted, above, the COVID-19 pandemic has created savings of travel and subsistence incurred by elected members. There may be an opportunity to realise a small saving if some of the Council business could continue via remote/virtual means. This will be reviewed as part of the "Digital by Default" theme.	Review under "Digital by Default" theme
Grand Total			79,619,437		



Appendix 5

Budget Process 2021/22

Date	Event	Purpose/Agenda
10 August 2020	Members Budget Webinar	Present Budget Update 2020/21 report and also report on budget process for 2021/22.
13 August 2020	BCC	Updated Budget Outlook 2021/22 to 2025/26 – this will include an update to cost and demand pressures and inflation assumptions. Report on areas being considered for savings for the 2021/22 budget.
September/October	Budget Working Group	Update on Themes being review and potential options emerging.
September/October	Engagement with service users and key stakeholders	Engagement will be different for each themed review but this engagement is to help inform identification of savings options.
15 October 2020	Members Seminar/Webinar	To advise all Members on progress with the budget and the savings options being considered.
15 October 2020	P&R Committee	Updated Budget Outlook 2021/22 to 2025/26 – this will include an update to cost and demand pressures and inflation assumptions. Update report on themed reviews and agree terms to engage with Trade Unions.
End October 2020 (to be confirmed)	UK Government Autumn Statement	
November 2020	Budget Working Group	Meetings held to update on the further development of proposals.
December 2020	Scottish Government Draft Budget Announcement and Finance Circular published with provisional settlement detail	
December 2020	Budget Working Group	To provide update on budget announcement and further information on proposals for 2021/22 budget.
December 2020	Member Seminars	To provide update on budget announcement and further information on proposals for 2021/22 budget.
10 December 2020	P&R Committee	Updated Budget Outlook 2021/22 to 2025/26 - this will include an update on employee costs following salary template exercise.

		Following user and stakeholder engagement budget options will be brought forward on themed reviews.
10 December 2020	Special Council	To agree budget options that have potential redundancy implications go forward to formal consultation with the Trade Unions.
After 10 December 2020	Trade Union Consultation	Consultation on posts that are at risk of redundancy – consultation to last 45 days.
January 2021	Budget Working Group	Discuss proposals for 2021/22 budget.
End January 2021	Members Seminar	To update members on budget proposals.
4 February 2021	Budget Pack Finalised	
11 February 2021	Budget Pack goes public	Budget pack included in release of P&R papers.
18 February 2021	P&R Committee	Consider budget proposals and make recommendations to Council.
25 February 2021	Council	Set Budget