
UPDATE ON 2021/22 SAVINGS THEME REVIEWS

1. INTRODUCTION

- 1.1 This purpose of this report is to provide an update on the theme reviews identify saving options to be considered as part of the 2021/22 budget.

2. RECOMMENDATION

- 2.1 The Policy and Resources Committee is asked to note the update on the Council's approach to identifying savings options to be considered as part of the 2021/22 budget process.

3. DETAIL**Estimated Budget Gap**

- 3.1 The budget outlook report has been updated to reflect the most up to date assumptions and the in-year budget gap within the mid-range scenario over the next 5 years. The table below 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 Budget (£000)	Revised Estimated budget Gap £000
2021/22	6,529	1,972	4,557
2022/23	8,595	1,977	6,618
2023/24	8,961	2,049	6,912
2024/25	8,548	2,122	6,426
2025/26	9,012	2,198	6,814
Total Estimated Gap over 5 years	41,645	10,318	31,327

2021/22 Budget Process

- 3.2 A report to the Business Continuity Committee on 13 August 2020, highlighted the approach being adopted to bring forward proposals to balance the 2021/22 budget with this summarised as:

1. Detailed reviews on a themed basis for budgets that are classified as controllable.

2. Review of areas of non-controllable budgets where there may be an opportunity to realise some savings.
3. Identification of 2% efficiencies across all service areas.

3.3 For the controllable and non-controllable reviews a target range has been established such that, if each review delivers savings at the mid-point of the range the total quantum of savings, added to the 2% efficiencies will deliver the £4.6m savings required in 2021/22.

3.4 The themes, theme leads and target ranges are set out in the sections below

3.5 Controllable Themes

Theme	Focus	Target Range (£000)	Lead
Digital By Default	More digital working, asset rationalisation, travel and office costs	350-700	A Fleming
Amenity Services	Service redesign and reduction	270-540	K MacDonald
Leisure	Live Argyll and Community Learning Service	260-520	D MacVicar
Fleet	Purchasing and hiring vehicles and managing life cycle costs	290-580	J Blake
School and Public Transport	Service redesign including shared transportation	415-830	External Consultants
Property	Review of savings in Council's property portfolio	76-152	R McLaughlin

3.6 Non-Controllable Themes

Theme	Focus	Target Range (£000)	Lead
Vacancy Savings	Review to assess whether current target can be increased.	50-150	L Slavin
NDR Savings	Review of Council wide budgets for NDR on Council properties.	150-250	A Macdougall
Loans Fund	Review to determine if further savings from those taken in 2019/20 can be taken.	200-400	A Macdougall
NPDO / Hub Schools Contract	Assess potential to increase expected level of contract management efficiency.	100-300	D Logan

Utility Costs	Review to assess scope to reduce utility costs budget.	25-50	P Gillies
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3.7 2% Efficiency Targets

Service	Target (£)	Lead
Chief Executive	6,158	P Milne
Executive Director Douglas Hendry	6,336	D Hendry
Executive Director Kirsty Flanagan	5,718	K Flanagan
Community Planning	11,111	R Gold
Financial Services	85,717	L Slavin
Commercial Services	291,685	R McLaughlin
Education	387,393	A Paterson, L Connor
Legal and Regulatory Services	83,675	D Logan
Customer Support Services	160,429	J Fowler
Development and Economic Growth	149,823	F Murray
Roads and Infrastructure	367,409	J Smith
Staff and Elected Member Subsistence	36,936	J Fowler

Budget Working Group (BWG)

- 3.8 A cross party BWG has been established to engage with theme leads and provide a sounding board to assist in the development and identification of savings options. The BWG consists of six Members from the administration, three Members from the opposition and two Trade Union representatives.
- 3.9 The BWG does not have any decision making authority but can report to, and make recommendations, to either the Council or the Policy and Resources Committee. Its primary purpose is to assist process which will identify savings options to be considered as part of the 2021/22 budget process and provide a degree of scrutiny over options as they are being developed.
- 3.10 The BWG met for the first time on 30 September and further meetings are scheduled on 29 October and 24 November. Theme Leads attend the meetings to provide updates on progress and consult on emerging saving options. At the meeting on 30 September, officers presented preliminary ideas on options developed to date and on the direction of travel that the themes are taking. The BWG agreed that all the themes should be pursued further.

Timescales

- 3.11 The table below sets out the key dates for the development of savings options.

Date	Event	Purpose
30 September	Budget Working Group	Update and discussion on Themes being reviewed and potential options emerging. Theme Leads to attend for their specific areas

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	Policy and Resources Committee	Update report on themed reviews
29 October	Budget Working Group	Further update and discussion on the development of proposals.
24 November	Budget Working Group	Further update and discussion on the development of proposals.
7 December	Members Seminar	To advise all Members of options brought forward
10 December	Policy and Resources Committee	Theme review budget options brought forward

4. IMPLICATIONS

- 4.1 Policy – None from this report but potential to have policy implications depending on options agreed to balance the budget.
- 4.2 Financial – None from this report but there will be financial implications based on the options agreed to balance the budget.
- 4.3 Legal – None at this stage.
- 4.4 HR – None at this stage.
- 4.5 Fairer Scotland Duty:
 - 4.5.1 Equalities – None at this stage.
 - 4.5.2 Socio-Economic Duty – None at this stage.
 - 4.5.3 Islands Duty – None at this stage.
- 4.6 Risk – None from this report but potential to have risk implications depending on options agreed to balance the budget.
- 4.7 Customer Service – None.

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15 October 2020

Gary Mulvaney: Policy Lead for Financial Services and Major Projects