

REVENUE BUDGET OVERVIEW 2023-24 to 2027-28

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 2023-24. It also provides budget estimates for 2024-25 to 2027-28; 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 11/2022, published on 20 December 2022, provides detail of the provisional total revenue and capital funding allocations for 2023-24. The Council's provisional General Revenue Grant is £219.275m (there is also £11.619m of Revenue Specific Grants).
- 1.3 Following the issue of the Finance Circular, we have been advised of three further changes: a reduction to the empty property relief funding of £0.014, the re-instatement of the teachers' pay award funding for 2021-22 of £0.506m and the allocation of funding for the HSCP relating to the Real Living Wage in Adult Social Care of £1.840m. This gives a revised funding total for 2023-24 excluding ring-fenced grants of £221.607m.
- 1.4 The Council Tax budget for 2022-23 was set at £55.262m. In terms of the growth in the council tax base, throughout the year a growth of 1.5% was assumed within the mid-range scenario (1.0% in worst case and 2.0% in best case) with the growth in future years between 0.25% and 0.75% (mid-range 0.50%) pending a further assessment during 2023-24. The 1.5% growth in 2023-24 amounts to an estimated increase of £0.829m.
- 1.5 The budget for 2022-23 has been rolled forward into 2023-24 and the main changes to the 2023-24 base budget are summarised below:
- Remove one-off cost pressure of £0.350m to cover the Local Government Election.
 - Remove one-off Management/Operational savings of £2.174m.
 - Recognition of the 2021-22 Teachers pay award being agreed at a higher cost than the original estimate by £0.121m.
 - Recognition of the 2022-23 SJC pay award being agreed at a higher cost than the original estimate by £5.873m (Council).
 - Recognition of the 2022-23 SJC pay award being agreed at a higher cost than the original estimate by £0.912m (net HSCP).
 - Reversal of the 1.25% additional employer's national insurance increase amounting to £0.858m.

- Addition of £0.435m Scottish Government Policy Directions.
 - Removal of Discretionary Housing Payments Budget £0.807m pending the funding allocation being announced.
- 1.6 The employee cost increases for 2023-24 amount to £5.205m and this includes pay inflation, increments and employee base changes.
- 1.7 Only unavoidable/inescapable inflation has been included within 2023-24 and this amounts to £4.355m. This includes utilities, catering purchases, contract inflation, and landfill tax.
- 1.8 There are a number of cost and demand pressures for 2023-24, amounting to £4.428m summarised as follows:
- Housing Benefits Admin Grant £0.040m
 - Oracle Fusion running costs £0.040m
 - Internal Audit fees £0.051m
 - Payroll system implementation £0.085m
 - Empty Property Relief devolution £0.157m
 - NDR revaluation of properties £0.590m
 - SEEMIS Membership Fees £0.009m
 - Undelivered office rationalisation saving £0.292m
 - Software support for new HR system and backfill for project team £0.150m
 - Waste - additional costs from current waste model £0.156m
 - Waste – increase to tipping fees and haulage costs for H&L residual waste £0.646m.
 - Rightsize House Loans budget £0.019m
 - Loss of income Glen Loin car park £0.015m
 - Increased bandwidth for schools £0.026m
 - ACHA IT support contract £0.040m
 - Increased cost of salt for winter maintenance £0.196m
 - Increased fuel costs £0.078m
 - Loss of parking income at Helensburgh Leisure Development £0.024m
 - Rightsize Council insurances budgets £0.414m
 - Additional Pressure 0.5% of Council Budget to manage in-year pressures £1.400m.
- 1.9 The revised payment to the Health and Social Care Partnership, reflects 2022-23 in year adjustments and the net changes to the settlement in respect of Social Work that we have been directed to pass over to the Health and Social Care Partnership. The revised payment amounts to £76.253m.
- 1.10 The budget gap prior to any measures to balance the budget is a deficit of £13.082m in 2023-24.
- 1.11 There are a number of measures to balance the budget that have previously been agreed at the Council's budget meetings in 2021 and

2022 which have a net effect of reducing the 2023-24 budget gap by £0.151m.

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

- General inflationary increase of 6% to fees and charges resulting in £0.838m of additional income.
- A 3% reduction to the 2022-23 Live Argyll Management fee that was deferred a year amounting to £0.122m.
- A 3% reduction to the 2023-24 Live Argyll Management fee amounting to £0.119m.
- New management/operational savings amounting to £2.962m.
- New policy options savings amounting to £6.464m.

1.13 The assumption throughout the year in respect of Council Tax was an approval of an increase equivalent to 3%. The setting of Council Tax should happen on the same day as the Council sets its revenue budget as once all proposals are considered, the Council Tax represents the balance required to balance the budget. In order to balance the budget based on the proposals included within this report, the Council will need to raise Council Tax by a further 1.33% to 4.33%. This balances the budget with a gap in future years.

1.14 The budget gap over the period 2024-25 to 2027-28 across each scenario is summarised in the table below.

Budget Gap	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Total £000
Best Case	(4,378)	(3,381)	(5,283)	(2,459)	(15,500)
Mid-Range	(7,970)	(6,520)	(7,456)	(6,445)	(28,391)
Worst Case	(17,455)	(15,442)	(16,458)	(16,024)	(65,378)

1.15 The Council are asked to consider three funding requests summarised within Appendix 8. Members are asked to give consideration to these requests and how they would be funded.

REVENUE BUDGET OVERVIEW 2023-24 to 2027-28

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 2023-24. It also provides budget estimates for 2024-25 to 2027-28; 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 2023-24 to 2027-28 have been presented to Members throughout the year. Reports were presented to the Policy and Resources Committee on 16 June 2022, 11 August 2022, 13 October 2022 and 8 December 2022.

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

- 3.1.1 The Scottish Budget was announced by the Deputy First Minister on 15 December 2022 and the Local Government Finance Circular 11/2022 was published on 20 December 2022 providing detail of the provisional total revenue and capital funding allocations for 2023-24 (one year only). 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 2023 presented to the Scottish Parliament in early February 2023.
- 3.1.2 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 £13.2 billion which includes:
- £260m to support the local government pay deal and deliver additional funding to ensure that payment of SSSC fees for the Local Government workforce will continue to be made on a recurring basis.
 - £72.5m increase to the General Revenue Grant.
 - £105m to give effect to the devolution of Non-Domestic Rates Empty Property Relief.
 - Maintained key in-year transfers worth over £1 billion and added a further net £102m of resource to protect key shared priorities particularly around education and social care.

- £50m capital to help with the expansion of the Free School Meals policy.
- £100m to deliver a £10.90 minimum pay settlement for adult social care workers in commissioned services.
- Consolidation of £30.5m for the homelessness prevention fund.

Scottish Government Funding for Argyll and Bute Council

3.1.3 The funding excluding ring-fenced grants for 2022-23 noted within the February 2022 budget pack was £209.661m. The funding for 2023-24, excluding ring-fenced grants for 2023-24 is £219.275m as outlined within the Finance Circular.

3.1.4 Following the issue of the Finance Circular, we have been advised of three further changes: a reduction to the empty property relief funding of £0.014, the re-instatement of the teachers' pay award funding for 2021-22 of £0.506m and the allocation of funding for the HSCP relating to the Real Living Wage in Adult Social Care of £1.840m. This gives a revised funding total for 2023-24 excluding ring-fenced grants of £221.607m.

3.1.5 The table below represents the changes between 2022-23 and 2023-24:

	£000	£000
Funding Budget 2022-23 as per budget pack		209,661
<i>SG Policy Commitments – Health and Social Care</i>		
Social Care Investment	3,635	
Social Work capacity in adult services	402	
Adult Disability	45	
Whole Family Wellbeing	439	
		4,521
<i>SG Policy Commitments – Council:</i>		
Discretionary Housing payments	807	
Scottish Child Bridging payments	414	
Removal of Curriculum Charges	105	
Removal of Music Tuition Charges	118	
Free School Meals expansion and school holidays	834	
Summer Programme	135	
Teacher Pay Award 2021-22	528	
Home Energy Efficiency	75	
Scottish Child Bridging Payments	276	
Green Growth Accelerator	26	
Pay Deal	2,504	
DHP Benefits Cap and Admin	25	
Educational Psychologists	11	
Council Tax Reduction Data Extract	9	
Easter Study Support	42	
Teachers Induction Scheme	109	

Self Isolation Assistance Service	12	
		6,030
Updated Funding 2022-23 (FC 11/2022)		220,212
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)		(1,658)
Increase to Core Budget		2,145
Assumed Council Tax Contribution		(254)
Loans Charges Support		(276)
Change to the floor		390
Indicators Removed/Reduced Monies		(148)
Indicators Removed as one-off		(1,068)
Indicators Still to be Distributed (Teachers pay award now distributed see line below)		(1,431)
SG Policy Commitments – Health and Social Care		391
SG Policy Commitments – Council		973
Rounding		(1)
Provisional Settlement 2023-24 (FC 11/2022)		219,275
Adjustment to Empty Property Relief		(14)
Teachers Pay Award 2021-22		506
Real Living Wage – Adult Social Care		1,840
Updated Provisional Settlement 2023-24		221,607

3.1.6 If you compare the settlement of £221.607m to the finalised cash funding in 2022-23 the funding has increased by £2.332m. However, this is not a like-for-like comparison as there is some funding in 2022-23 that was one-off and some funding for 2023-24 that still has to be distributed as outlined in the table below. The like-for-like comparison is an increase of £3.379m or 1.52%.

	£000	£000
2022-23 Settlement	220,212	
Interim Care	(366)	
Child Bridging Payments	(690)	
Self Isolation Assistance	(12)	
2022-23 Settlement for comparison		219,144
2023-24 Settlement	221,607	
Teachers Induction	109	
Discretionary Housing Benefit	807	
2023-24 Settlement for comparison		222,523
Increase		3,379
Increase %		1.52%

3.1.7 A further comparison could exclude the funding that has been directed for Scottish Government Policy (£0.391m, £0.973m, £1.840m and

Empty Property Relief Adjustment (£0.014m)) as although this is an increase in cash, the funding has to be used for directed purposes and therefore cannot be used to support the Councils core funding. This would change the comparison to an increase of £0.189m (0.09%).

3.1.8 In considering the assumption related to future years funding, I have reflected on the funding change in the last 4 years after accounting for new policy commitments:

- 2020-21 funding reduction of 0.3%
- 2021-22 funding increase of 0.39%.
- 2022-23 funding decrease of 0.01%
- 2023-24 funding increase of 0.09%

The spending review published in May 2022 has indicated that the total budget for Local Government would remain flat cash until 2026-27.

The previous funding assumption was based on a range of between a 0.5% reduction (best case) and 1.5% (worst case) with a mid-range reduction of 1.0%. In light of the settlement over the last few years and the estimates indicated within the spending review I consider that this is now a bit pessimistic and I have revised to between a flat cash (best case) and 1.0% reduction (worst case) with a mid-range reduction of 0.5%. I consider it still prudent to assume a small reduction within the mid-range scenario. The assumptions will be reviewed and updated as necessary during 2023-24 as more information becomes available.

3.1.9 The Scottish Government agreed additional funding to support the 2022-23 pay award, some of which was capital. £120.6m is to be paid within 2022-23 and also 2023-24 and then this will be baselined into the revenue settlement. Our share of the funding in 2022-23 was £2.157m, and due to distribution changes, has reduced to £2.134m in 2023-24. It is assumed there will be no distribution changes when this is transferred to the revenue baseline in 2024-25 and thereafter the funding assumptions apply. As this will be paid as capital funding in 2022-23 and 2023-24, the Council will require to make a few substitutional accounting adjustments between capital and reserves.

Council Tax

3.1.10 The Council Tax budget for 2022-23 was set at £55.262m. This included a 3% increase and a 0.5% growth in the council tax base. This is the starting position for 2023-24.

3.1.11 In terms of the growth in the council tax base, throughout the year a growth of 1.5% has been assumed within the mid-range scenario (1% in worst case and 2% in best case). The 1.5% growth in 2023-24 amounts to an estimated increase of £0.829m. The growth in future years is estimated at 0.5% in the mid-range scenario with the best and worst cases being 0.75% and 0.25% respectively.

3.1.12 Throughout the year there was an assumption of an approval of a 3% increase in Council tax in 2023-24 in all scenarios. The setting of Council Tax is picked up later in the report.

3.1.13 The estimated council tax income (excluding future year Council Tax increases) over the next five years is noted in the table below.

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Council tax budget 2022-23	55,262	55,262	55,262	55,262	55,262
Growth at 1.5% in 2023-24 and 0.50% thereafter	829	1,109	1,391	1,674	1,959
Total Council Tax Income	56,091	56,371	56,653	56,936	57,221

Total Funding

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

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Scottish Government funding	221,607	220,499	219,396	218,300	217,209
Funding for 22-23 pay award (Paid via capital in 2023-24, then baselined)	2,134	2,134	2,123	2,112	2,101
Council Tax income	56,091	56,371	56,653	56,936	57,221
Total Funding	279,832	279,004	278,172	277,348	276,531

3.2 Base Budget

3.2.1 As with previous years the base budget for 2023-24 is the current year's approved budget adjusted for any:

- one-off items included within 2022-23 that are not carried forward into 2023-24;
- previously agreed items for future years; and
- funding adjustments since the 2022-23 budget was agreed.

3.2.2 The split of the base budget across services and other central commitments is based on a snapshot of the copy budget for 2022-23 as this is the most up to date budget provision reflecting any coding improvements and virements up until this time.

3.2.3 The base budget for 2023-24 is £269.127m. The changes to the base budget are as follows:

- Removal of one-off cost pressure of £0.350m for the Local Government Election in 2022-23
- Removal of one-off Management/Operational savings of £2.174m
- Recognition of the 2021-22 Teachers pay award being agreed at a higher cost than the original estimate by £0.121m
- Recognition of the 2022-23 SJC pay award being agreed at a higher cost than the original estimate by £5.873m (Council)
- Recognition of the 2022-23 SJC pay award being agreed at a higher cost than the original estimate by £0.912m (net HSCP)
- Reversal of the 1.25% additional employer's national insurance increase amounting to £0.858m.

3.2.4 Although the majority of the funding from the Scottish Government is not strictly ring-fenced, there are many elements of the funding that are directed to deliver on Scottish Government policy. The base budget needs to be adjusted to reflect the additional costs for delivering on these directions and the budget increase is limited to the funding provided. The adjustments for the Council are listed in the table below and it should be noted that any relating to the HSCP are detailed at section 3.6 of the report.

	Increase / (Decrease) £000
Early Learning and Childcare	(60)
Child Bridging Payments	(414)
Local Heat and Energy Efficiency Strategies	75
Free School Meals P6/7 expansion	165
School Clothing Grants	14
Empty Property Relief Devolution	608
Instrumental Tuition	28
Curriculum Charges	9
Scottish Disability Assistance	10
Net Increase	435

3.2.5 The funding for Discretionary Housing Payments has not yet been distributed and will be advised later in the year. The DHP budget has

been removed from the base pending confirmation of the funding for 2023-24. Once the funding is known, the budget will be added back in equal to the level of funding.

3.2.6 The revised base budget over the next five years is summarised in the table below.

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Base Budget 2022-23	269,127	269,127	269,127	269,127	269,127
Remove one-off cost pressure from 2022-23	(350)	(350)	(350)	(350)	(350)
Remove one-off management/operational savings from 2022-23	2,174	2,182	2,182	2,182	2,182
Teachers Pay Award	121	121	121	121	121
Pay Award - Council	5,873	5,873	5,873	5,873	5,873
Pay Award – net HSCP	912	912	912	912	912
Reversal of NIC increase	(858)	(858)	(858)	(858)	(858)
SG Policy Directions	435	435	435	435	435
Removal of DHP budget pending funding allocation	(807)	(807)	(807)	(807)	(807)
Revised Base Budget	276,627	276,635	276,635	276,635	276,635

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 2023-24, the expectation would be that the budget would reflect the 2022-23 budget plus any increase due to incremental progression, inflation and any other unavoidable employee cost increases less previously approved employee budget savings. For 2023-24 there is an overall decrease in the employee budget base of £0.607m (excluding Social Work). This is due to a number of reasons including a change to ELC hours, grant funding of staff associated with the universal free school meals expansion and increments and inflation being funded by 1140 hour grants.

3.3.3 The 2023-24 pay award has not been agreed yet and therefore an estimate will require to be built into the budget. In terms of assumptions, I have assumed a pay award in 2023-24 of 3.5% in the mid-range scenario (2% in best case and 5% in worst case). For future years, the mid-range scenario has been scaled back to 2% on the basis that it is expected that as inflation reduces, pay awards could also reduce. It is acknowledged that as the pay award is not yet agreed it could differ from this estimate so a financial risk has been recognised within the Financial Risks Analysis Report.

3.3.4 The cost of employee increments for 2023-24 equates to £0.657m. 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 2023-24 the increment is based on the actual calculated cost. For future years the cost of employee increments is based on 50% of the 2023-24 increment in the best case scenario and 100% of the 2023-24 increment in the mid-range and worst case scenario.

3.3.5 The changes to the employee budgets estimated over the next five 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 3.6.5.

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Change to employee base	(607)	(607)	(607)	(607)	(607)
Pay Award	5,155	8,204	11,314	14,486	17,721
Increments	657	1,314	1,971	2,628	3,285
Total Employee Increases	5,205	8,911	12,678	16,507	20,399

3.4 Non-Pay Inflation

3.4.1 The position remains that only unavoidable/inescapable inflation has been included for 2023-24, 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 2023-24 for Council Services are noted below with further detail provided in Appendix 2. The total of £4.355m is a decrease of £0.214m on the £4.569m reported to the Policy and Resources Committee on 8 December 2022. This is due to the removal of the general contingency for unidentified/insufficient inflation estimates (£0.250m) partially offset by an increase to Landfill Tax rate affecting the Waste PPP (£0.030m), an increase in RPI impacting Community Pool Subsidies (£0.004m) and an adjustment to the pre-primary partner uplifts of £0.002m.

Service	Inflation Category	Amount
Council Wide	Utilities – Electricity, Gas, Oil and Solid Fuel	1,219
Council Wide	Vehicle Fuel	61
Council Wide	Insurances	162
Education	Residential Schools	90
Education	Pre-Primary Partner Uplift	358
Commercial Services	Catering and Milk	307
Commercial Services	Central Repairs – Outside Contractor	66
Legal and Regulatory Support	Community Pools	84
Legal and Regulatory Support	NPDO	878
Legal and Regulatory Support	Hub Schools	94
Customer Support Services	ICT	172
Roads and Amenity Services	Landfill Tax	66
Roads and Amenity Services	Waste PPP Contract	465
Roads and Amenity Services	Street Lighting Electricity	174
Roads and Amenity Services	Bitumen	159
Total		4,355

3.4.2 In terms of the budget outlook for 2024-25 to 2027-28 the estimated impact of unavoidable / inescapable non-pay inflation has been calculated based on projected inflation rates at this point in time. The worst case scenario is 0.5% higher than the value included within the mid-range and the best case is 0.5% less than the mid-range scenario. This position will be monitored closely and reported to the Policy and Resources Committee throughout the year.

3.4.3 The overall additional budget requirement for non-pay inflation estimated over the next five years is summarised in the table below. Further detail is provided in Appendix 2. The estimated inflationary increases relating to the Health and Social Care Partnership are summarised within paragraph 3.6.5.

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Unavoidable/ inescapable Non-Pay Inflation	4,355	7,881	11,471	15,411	19,738

3.5 Cost and Demand Pressures

3.5.1 For a number of years, services have worked on the basis of having to contain any cost and demand pressures within current resources where possible. An allowance for unidentified cost and demand pressures has been included from 2024-25 onwards at £0.250m per annum within the mid-range scenario and £0.500m per annum within the worst case scenario.

3.5.2 For 2023-24, I have included an additional pressure equivalent to circa 0.5% of the Council budget (£1.400m). Due to the current volatility in prices, the increases in inflation and interest rates together with continuing increased demand, I consider it prudent that the Council include this additional pressure to manage both inflation and demand in-year pressures that are likely to arise. 0.5% of the Council budget is a reasonable estimate to make.

3.5.3 The estimated cost and demand pressures identified for Council services are noted in the table below, with further detail provided in Appendix 3. The cost and demand pressures relating to the Health and Social Care Partnership are summarised within paragraph 3.6.5.

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Housing Benefits Admin Grant	40	80	120	160	200

Oracle Fusion running costs	40	40	40	40	40
IFRS16 Implementation	0	18	18	18	18
Increase in external audit fees	51	51	51	51	51
New Payroll System Implementation	85	0	0	0	0
Empty Property Relief devolution	157	0	0	0	0
NDR revaluation	590	590	590	590	590
ASN Support	0	75	206	206	206
SEEMIS Membership Fees	9	11	13	16	16
Sustainable Rate for Partner Providers	0	327	327	327	327
Election Costs	0	0	0	0	300
Undelivered Office Rationalisation saving	292	292	292	292	292
Software support & project team for new HR system	150	(50)	(50)	(50)	(50)
Waste	156	49	243	(86)	284
Compliance with BMW Ban	0	0	608	2,433	2,433
Waste - Increase to tipping fees/haulage in H&L	646	646	646	646	646
Planning (Local Development Plan)	0	50	0	50	0
House Loans	19	19	19	19	19
Parking	15	15	15	15	15
IT - increased bandwidth in schools	26	26	26	26	26
IT - support contract with ACHA ceased	40	40	40	40	40
Increase in cost of Salt for Winter Maintenance	196	196	196	196	196

Cessation of Red Diesel usage	78	78	78	78	78
2 hour free parking at Helensburgh Pool	24	24	24	24	24
Rightsize Council insurance budgets	414	414	414	414	414
Allowance for pressures in future years	0	250	500	750	1,000
Additional Pressure 0.5% of Council Budget to manage in-year pressures	1,400	1,400	1,400	1,400	1,400
Total Cost and Demand Pressures	4,428	4,641	5,816	7,655	8,565

3.6 Health and Social Care Partnership (HSCP)

3.6.1 The Council agreed an allocation to the HSCP of £69.005m for 2022-23 at its meeting on 24 February 2022 and noted that the level of future years funding is subject to the level of Scottish Government funding and the Council's overall financial position in future years.

3.6.2 The changes to the payment during the year were as follows:

- Additional funding allocated by the Scottish Government after the Council set its budget that had to be handed over to the HSCP: £3.635m Adult Social Care Investment and £0.402m for Social Work Capacity in Adult Services.
- Agreement by P&R on 8 December 2022 that we would pass over a share of the £140m revenue funding and £120.6m capital funding that the Council received in respect of the 2022-23 pay award. Total transfer of £0.912m

This gave a revised payment in 2022-23 of £73.954m, excluding redeterminations which were also passed over to the HSCP for Adult Disability (£0.045m) and Whole Family Wellbeing (£0.439m).

3.6.3 The Local Government Finance Circular 11/2022 included additional funding to be passed over to the Health and Social Care Partnership for 2023-24 and funding that had now been removed as it was allocated on a one-off basis only. The net amount to be passed over to the HSCP is summarised below:

- £100m for the Real Living Wage in Adult Social Care – ABC share £1.840m.

- £15m for Personal and Nursing Care for Older People – ABC share £0.380m.
- £32m for Whole Family Wellbeing – ABC share £0.438m.
- Scottish Disability Assistance – HSCP share £0.011m.
- Removal of Interim Care funding that was given for 2022-23 on a one-off basis £0.366m.
- Adjustment to share of £120.6m capital funding for pay award, due to distributional change – reduction of £0.004m.

3.6.4 The revised payment to the Health and Social Care Partnership is noted below.

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Funding agreed for 2022-23	69,005	69,005	69,005	69,005	69,005
2022-23 In-Year Adjustments	4,949	4,949	4,949	4,949	4,949
Revised 2022-23 Funding	73,954	73,954	73,954	73,954	73,954
2023-24 net additional funding to be passed to HSCP	2,299	2,299	2,299	2,299	2,299
Payment to HSCP	76,253	76,253	76,253	76,253	76,253

3.6.5 Members should note that the payment assumes that the HSCP will absorb any inflationary and cost and demand pressures. The latest estimated inflation and cost and demand pressures for Social Work have been discussed with the HSCP Chief Financial Officer. The mid-range estimates are summarised in the table below and further detail is contained within Appendix 4. These pressures are not included within the Council's budget gap but are included within this report for information. Note that these only extend to three years rather than the five years that the Council's budget outlook extends to. Extending the outlook to five years is a decision for the HSCP to take and their Chief Financial Officer is currently of the view that a five year planning window is not appropriate at the current time.

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000

Pay Inflation	1,174	1,868	2,576
Pay Increments	103	206	309
Non-Pay Inflation	3,615	6,679	9,784
Non-Pay Inflation on NHS posts recharged to Social Work	96	197	303
Younger Adults Demand Growth	459	928	1,407
Learning Disability Budget Adjustment	498	997	1,495
Further investment in Learning Disability	500	1,000	1,500
Physical Disability Service Growth	62	123	185
Mental Health Budget Adjustment	35	69	104
Continuing Care for Looked After Young people	0	250	500
Kintyre Care Centre	750	750	750
Support families in claiming Disability payments	11	11	11
Whole family wellbeing investment	438	438	438
Social Work Pressures	7,741	13,516	19,362

3.7 Budget Gap PRIOR to Measures to Balance the Budget

3.7.1 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 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Base Budget	276,627	276,635	276,635	276,635	276,635
Employee Cost Changes	5,205	8,911	12,678	16,507	20,399
Non-Pay Inflation	4,355	7,881	11,471	15,411	19,738
Cost and Demand Pressures	4,428	4,641	5,816	7,655	8,565
Increase to HSCP allocation	2,299	2,299	2,299	2,299	2,299
Total Net Expenditure	292,914	300,367	308,899	318,507	327,636
Total Funding	279,832	279,004	278,172	277,348	276,531

Budget Surplus / (Gap) Cumulative	(13,082)	(21,363)	(30,727)	(41,159)	(51,105)
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3.8 Measures to Balance the Budget – Previously Agreed

3.8.1 There are a number of measures to balance the budget which have been previously agreed by Council and these are summarised in the table below.

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Management/ Operational Savings Agreed February 2021	20	20	20	20	20
Policy Savings Agreed February 2021	128	128	128	128	128
Policy Savings Agreed February 2022	3	6	6	6	6
Total Previously Agreed Savings	151	154	154	154	154

3.9 Measures to Balance the Budget – For Council Approval

3.9.1 There is a separate report included in the budget pack which relates to fees and charges together with the detailed schedule of charges for 2023-24. The general increase to fees and charges is proposed at 6% for 2023-24. The general inflationary increase would give additional income of £0.838m. In terms of the outlook for 2024-25 to 2027-28, fees and charges have been estimated at a 6% in the mid-range scenario (3% in worst case and 9% in best case).

3.9.2 As part of the 2022-23 budget setting process a 3% reduction to the Live Argyll management was agreed to be deferred until 2023-24. This equated to £0.122m and has now been built into the 2023-24 budget position. In addition to this a new 3% reduction relating to the 2023-24 management fee has also been built into the budget position which equates to £0.119m. It is for Council to agree the reduction in the management fee and the responsibility of the Live Argyll Board to consider and approve the options to deliver their service within their overall quantum of funding.

3.9.3 Savings options totalling £7.825m were included in the Budget Outlook that was reported to P&R on 8 December 2022. Further savings options were presented to P&R on 19 January 2023 amounting to £1.618m. There has been a reduction to one of the savings options by £0.045m and an increase to another by £0.028m, taking the overall value of savings identified to £9.426m.

3.9.4 The savings options have been classified as either:

- Management / Operational – meaning they do not result in either redundancies or any change in policy and can be implemented without Council approval
- Policy – meaning they require Council approval due to having staff or policy implications.

The management/operational savings are set out in Appendix 5 and the proposed policy savings are set out in Appendix 6.

3.9.5 A summary of the savings identified are noted in the table below. The savings reduce between 2023-24 and 2024-25 due to one-off savings included within 2023-24.

Saving Type	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Management/ Operational	2,962	426	461	461	461
Policy	6,464	6,657	6,755	6,944	7,580
Total	9,426	7,083	7,216	7,405	8,041

3.9.6 The number of staff 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.

3.9.7 As per paragraph 3.1.12 throughout the year there was an assumption of an approval of a 3% increase in Council tax in 2023-24 and a 3% increase in Council Tax in all scenarios beyond 2023-24. This estimate is included within the budget gap table below in Section 3.10.

3.10 Budget Gap AFTER Measures to Balance the Budget

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

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Estimated Budget Gap Prior	(13,082)	(21,363)	(30,727)	(41,159)	(51,105)

to Measures to Balance Budget					
Previously Agreed Savings	151	154	154	154	154
Fees and Charges 6% Increase	838	1,686	2,545	3,416	4,298
Live Argyll Management Fee 3% reduction deferred from 2022-23	122	122	122	122	122
Live Argyll Management Fee 3% reduction 2023-24	119	119	119	119	119
NEW Management/Operational Savings	2,962	426	461	461	461
NEW Policy Savings Options	6,464	6,657	6,755	6,944	7,580
Council Tax 3% Increase	1,683	3,450	5,278	7,170	9,127
Budget Surplus / (Gap) Cumulative	(743)	(8,749)	(15,293)	(22,773)	(29,244)
Budget Surplus / (Gap) In Year	(743)	(8,006)	(6,544)	(7,480)	(6,471)

3.10.2 The setting of Council Tax should happen on the same day as the Council sets its revenue budget as once all proposals are considered, the Council Tax represents the balance required to balance the budget. The figures in the table above assume a 3% increase to Council Tax. In order to balance the budget based on the proposals included within this report, the Council will need to raise Council Tax by a further 1.33% to 4.33%. This balances the budget with a gap in future years as noted in the table below.

	Draft 2023-24 £000	Mid- Range 2024-25 £000	Mid- Range 2025-26 £000	Mid- Range 2026-27 £000	Mid- Range 2027-28 £000
Budget Surplus / (Gap) in Year as noted in 3.10.1 above	(743)	(8,749)	(15,293)	(22,773)	(29,244)
Further increase to Council Tax of 1.33% (total 4.33%)	743	779	803	827	853

Final Budget Surplus / (Gap) Cumulative	0	(7,970)	(14,490)	(21,946)	(28,391)
Final Budget Surplus / (Gap) In Year	0	(7,970)	(6,520)	(7,456)	(6,445)

3.10.3 Appendix 7 provides a summary of the draft budget for 2023-24 at service level.

3.10.4 Members should note the recurring nature of proposals and how this impacts future year's budget estimates. As an example, should Council reject a budget saving that is recurring in nature, say for £0.150m and replace with a one-off measure, the next year budget gap will be increased by £0.150m.

3.11 Balancing Future Years Budget

3.11.1 The budget surplus / (gap) in the period 2024-25 to 2027-28 across each scenario is summarised in the table below.

Budget Gap	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Total £000
Best Case	(4,378)	(3,381)	(5,283)	(2,459)	(15,500)
Mid-Range	(7,970)	(6,520)	(7,456)	(6,445)	(28,391)
Worst Case	(17,455)	(15,442)	(16,458)	(16,024)	(65,378)

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 2023-24. It also provides estimates of the budget outlook for the period 2024-25 to 2027-28.

4.2 All proposals included within this report result in a balanced budget for 2023-24.

4.3. There remains a significant budget gap in future years and officers will continue to explore options to generate future savings or additional income.

4.4 The Council are asked to consider three funding requests summarised within Appendix 8. Members are asked to give consideration to these requests and how they would be funded.

5. IMPLICATIONS

5.1 Policy – There are policy implications associated with the new saving options and also previously agreed savings options which impact 2023-24 and beyond.

- 5.2 Financial – The report outlines the budget position over 2023-24 to 2027-28.
- 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 Climate Change – The Council is committed to addressing climate change and reviews of how Services are delivered is ongoing within the available budget resources.
- 5.7 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.
- 5.8 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
Executive Director /Section 95 Officer
9 February 2022

Policy Lead for Finance and Commercial Services: Councillor Gary Mulvaney

APPENDICES:

- Appendix 1 – 2023-24 – 2027-28 Budget Outlook Scenarios
- Appendix 2 – Non-Pay Inflation Estimates 2023-24
- Appendix 3 - Cost and Demand Pressures 2023-24 to 2027-28
- 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

For further information contact Anne Blue, Head of Financial Services
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NON-PAY INFLATION (COUNCIL)

Appendix 2

Service	Category	Basis of Inflation	Inflation Percentage	Mid Range 2023/24
Council Wide	Electricity	Due to current market condition for electricity 30% increase mid range, with a 0.5% tolerance for best and worst case.	30.00%	720,750
Council Wide	Gas	Due to current market condition for gas 50% increase mid range, with a 0.5% tolerance for best and worst case.	50.00%	247,358
Council Wide	Heating Oils	Due to current market condition for heating oils 50% increase mid range, with a 0.5% tolerance for best and worst case.	50.00%	133,424
Council Wide	Solid Fuel	Due to current market condition for solid fuel 25% increase mid range, with a 0.5% tolerance for best and worst case.	25.00%	57,594
Council Wide	Water Charges	Current rate of inflation with a 0.5% tolerance for best and worst case.	10.10%	59,016
Council Wide	Vehicle Fuel	Historic rate carried forward from last year - will be reviewed during 2022-23	4.97%	60,871
Council Wide	Central Repairs - Outside Contractors	Based on labour and materials costs survey data from the Royal Institute of Chartered Surveyors (RICS) and information from the property team on the typical allocation of their costs between labour and materials.	3.39%	65,993
Council Wide	Insurances	Current rate of inflation with a 0.5% tolerance for best and worst case.	10.10%	162,172
Council Wide Total				1,507,178
Education	Pre-Primary Partner Provider Uplift	Reflects estimated rate based on a combination of the recently announced increase in the Real Living Wage rate for staff costs and relevant uplifts for non-staff costs.	9.86%	357,850
Education	External School Placements	Based on prior year uplifts	8.00%	90,261
Commercial Services	Catering Purchases	Figure used by facility services based on national estimates for year 1 with a 0.5% tolerance for best and worst case.	15.00%	306,954
Legal & Regulatory Support	Leisure SLA-MAKI/Islay Pools	Based on RPI at February 2022 with a 0.5% tolerance in the best and worst case scenarios.	8.18%	13,757
Legal & Regulatory Support	Leisure SLA-Atlantis	Based on RPI at September 2022 with a 0.5% tolerance in the best and worst case scenarios.	12.64%	70,009
Legal & Regulatory Support	NPDO-Variable Element	Based on year on year RPI uplift with a 0.5% tolerance for best and worst case.	8.18%	599,843
Legal & Regulatory Support	NPDO-Utilities Rebate	RPI at February 2022 with a 0.5% tolerance for best and worst case.	8.20%	-23,945
Legal & Regulatory Support	NPDO-Electricity	Due to current market condition for electricity 30% increase mid range, with a 0.5% tolerance for best and worst case.	30.00%	134,896
Legal & Regulatory Support	NPDO-Gas	Due to current market condition for gas 50% increase mid range, with a 0.5% tolerance for best and worst case.	50.00%	79,654
Legal & Regulatory Support	NPDO-Heating Oil	Due to current market condition for heating oils 50% increase mid range, with a 0.5% tolerance for best and worst case.	50.00%	34,401
Legal & Regulatory Support	NPDO-LPG	Due to current market condition for LPG 25% increase mid range, with a 0.5% tolerance for best and worst case.	25.00%	17,967
Legal & Regulatory Support	NPDO-Water	Current rate of inflation with a 0.5% tolerance for best and worst case.	10.10%	35,412
Legal & Regulatory Support	HUB-Variable Element	Based on year on year RPI uplift with a 0.5% tolerance for best and worst case.	8.18%	93,883
Executive Director Douglas Hendry - Total				1,810,942
Customer and Support Services	ICT	Historic rate carried forward from last year - will be reviewed during 2022-23	15.00%	172,329
Roads and Infrastructure	Waste PPP-Private Contractor Inflation	Based on RPIX at February 2022 with a 0.5% tolerance for best and worst case.	7.09%	465,049
Roads and Infrastructure	Waste PPP-Central Government Inflation	Based on Landfill Tax increase between 22/23 and 23/24 with a 0.5% tolerance for best and worst case.	3.55%	66,419
Roads and Infrastructure	Roads - Bitumen for Road Surfacing	Based on price increases in 2022/23 with a 0.5% tolerance for best and worst case.	40.00%	158,512
Roads and Infrastructure	Electricity - Street Lighting	Due to current market condition for electricity 30% increase mid range, with a 0.5% tolerance for best and worst case.	30.00%	174,458
Executive Director Kirsty Flanagan - Total				1,036,767
Total Non-Pay Inflation in the Mid Range				4,354,887

COUNCIL COST AND DEMAND PRESSURES 2023-24 to 2027-28

APPENDIX 3

Department	Service	Cost/Demand Pressure	Best Case					Mid Range Scenario					Worst Case				
			2023-24 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	2023-24 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	2023-24 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000
Chief Executive's Unit	Financial Services	Universal Credit "Full" Service went live in Sept 2018, but managed migration has been deferred to 2021 and will not be completed until 2024. The DWP will reduce the Housing Benefit Administration Subsidy they pay to the Council as some claimants come off of Housing Benefit processed by Council staff and go onto Universal Credit processed by the DWP. The Council's caseload has reduced marginally since implementation of Universal Credit but it is hard to predict just how quickly the rest of the working age caseload will migrate from Housing Benefit to Universal Credit between now and 2024. These figures represent our best estimates at this time.	40	80	120	160	200	40	80	120	160	200	40	80	120	160	200
Chief Executive's Unit	Financial Services	Implementation of new financial ledger system - Oracle Fusion Project	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Chief Executive's Unit	Financial Services	Implementation of new IFRS16 system to manage leases and accounting requirements of the IFRS Finance Leases accounting standard.	0	18	18	18	18	0	18	18	18	18	0	18	18	18	18
Chief Executive's Unit	Financial Services	Increase in external audit fees reflecting the impact on audit costs of the increasing requirements, expectations and scrutiny of the audit profession.	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51
Chief Executive's Unit	Financial Services	Implementation of new Payroll System to manage the Council's monthly pay roll. Cost relates to the creation of a small project team for one year to configure and test the new system, prepare and test the data transfer from the current system and deliver end user training and post-implementation support to the payroll team.	85	0	0	0	0	85	0	0	0	0	85	0	0	0	0
Chief Executive's Unit	Financial Services	Non Domestic Rates revaluation by the Assessors	590	590	590	590	590	590	590	590	590	590	590	590	590	590	590
Chief Executive's Unit	Financial Services	Devolved Empty Property Relief Funding Shortfall - there is a shortfall of £139k in the Devolved Empty Property Relief Budget for 2023/24 which has been caused by a combination of a significant increase in the value of relief afforded following the bankruptcy of a local factory and the timing of the bankruptcy coming after the Scottish Government agreed the funding allocation model currently used to allocate national funding for the relief to Councils. Officers are in contact with the Scottish Government regarding this matter and are seeking additional funding to meet the expected funding shortfall, reflected in the best case scenario. The mid-range and worst case scenarios reflect the impact if no additional funding is forthcoming and the factory premises remains unused.	0	0	0	0	0	157	0	0	0	0	157	0	0	0	0
Executive Director - Douglas Hendry	Education	The demand for ASN support in Argyll and Bute has continued to grow with a significant increase in, and early identification of children and young people presenting with complex additional support needs, including mental health difficulties. It is anticipated that growth continues over the next 5 years however the extent of this growth is difficult to determine. Scottish Government statistics show that the number of pupils identified with ASN has increased markedly since 2010 and there continue to be year on year increases. These increases are likely due to continued improvements in recording and the introduction of the additional need types 'Child plans' and 'Other' in 2011. Scottish Government statistical datasets show that the percentage of school roll in mainstream schools of pupils with ASN has increased by approximately 3% year on year. Within many authorities, this means increased numbers of children accessing specialist provision.	0	0	198	198	198	0	75	206	206	206	0	145	444	444	444
Executive Director - Douglas Hendry	Education	The SEEMIS group, provider of the Council's Education Management Information System, recently reviewed their long term financial plan and refreshed it to cover the period 2021/22 to 2025/26. As a result of this exercise there were implications on Membership fees with a cost pressure on the Education service arising from financial year 2023/24. Indicative membership fees were provided for financial years 2021/22 to 2022/23 and these have been factored in accordingly.	9	11	13	16	16	9	11	13	16	16	9	11	13	16	16
Executive Director - Douglas Hendry	Education	The Council has had a requirement to deliver 1140 hours of Early Learning and Childcare from August 2021. The Council has been notified that the ring fenced funding will be reduced by £1.124m from 2022-23. Also, as part of the 1140 expansion programme, the Scottish Government 'Funding Follows the Child' guidance, requires local authorities to set a rate locally that is paid to funded providers in the private and third sectors, including childminders, to deliver the funded entitlement that allows them to deliver a high quality ELC experience for all children. This rate should be sustainable and reflect national policy priorities, including funding to enable payment of the real Living Wage to all childcare workers delivering the funded entitlement and have a margin for re-investment built in. The service has worked hard to mitigate the effects of this and has reduced expenditure as far as possible. However there remains a funding gap, the service are able to cover the over spend for 2022-23 and 2023-24 from carry forwards so the cost pressure is requested from 2024-25 onwards. The service will continually review their plans looking for efficiencies where possible.	0	327	327	327	327	0	327	327	327	327	0	327	327	327	327
Executive Director - Douglas Hendry	Legal and Regulatory Services	Estimated cost (to be borne by the Council) of carrying out local Government elections in May 2027 (and in financial year 2027/28). Operating approx. 100 polling stations and carrying out poll and count for 11 Multi member wards – requiring 11 separate counts	0	0	0	0	250	0	0	0	0	300	0	0	0	0	350

COUNCIL COST AND DEMAND PRESSURES 2023-24 to 2027-28

APPENDIX 3

Department	Service	Cost/Demand Pressure	Best Case					Mid Range Scenario					Worst Case					
			2023-24 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	2023-24 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	2023-24 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	
Executive Director - Douglas Hendry	Commercial Services	Our Modern Workspace has delivered a reduction in spend on shared offices including mothballing, some office closures and relocation based on staff survey and feedback. However PROP01 forecast savings did not account for legacy projects (TB-17 from 2017) being unfulfilled and was also optimistic with NDR savings of 100% in the current property market which is fragile. There has also been a reprioritisation of buildings as a result of staff survey and feedback which has meant that some of the buildings identified for rationalisation cannot be achieved.	134	134	134	134	134	134	134	134	134	134	134	134	134	134	134	134
Executive Director - Douglas Hendry	Commercial Services	Our Modern Workspace has delivered a reduction in utility consumption through a systematic approach to mothballing and office closures. Unfortunately the utilities element of PROP01 savings cannot be harvested and accredited to the Service due to the unprecedented inflationary increases in utility costs. The original forecast savings to be made on utilities pre-date a number of global influences such as the war in Ukraine, Covid-19 and the Cost of Living Crisis that have had material impact, resulting in this saving being undeliverable due to pressure on the overall utilities budget.	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158
Executive Director - Kirsty Flanagan	HR	Costs for a project team for a new HR system & Backfill. This is a total new system build.	100	-50	-50	-50	-50	150	-50	-50	-50	-50	200	-50	-50	-50	-50	-50
Executive Director - Kirsty Flanagan	Waste	Additional costs derived from the current waste model. Note that the treatment of waste going forward has not been fully costed due to uncertainty as to how the council will deal with the Bio Municipal Waste ban and the Deposit Return Scheme. Pressure has increased due to an updated waste model.	88	39	165	(107)	193	156	49	243	(86)	284	224	59	321	(65)	374	374
Executive Director - Kirsty Flanagan	Waste	Achieving compliance with ban on biodegradable municipal waste in 2025. This is the estimated revenue costs from potential scenarios, remaining in or coming out of the current waste PPP contract. Coming out of the Waste PPP contract would create an additional one-off cost. There are also capital cost implications that are not included within these estimates. Due to the complexity of the model, estimates are subject to change. The best case scenario reflects option 4 detailed in the report to the Environment, Development and Infrastructure Committee on 01/12/2022. The mid range and worst case scenarios reflects option 3 included in the same report and take into account the risk that the SG will not agree a derogation.	0	0	0	462	925	0	0	608	2,433	2,433	0	0	608	2,433	2,433	2,433
Executive Director - Kirsty Flanagan	Waste	Increase to tipping fees and haulage costs for H&L residual waste. Scottish Government laid an Amendment Order on Friday 1 July 2022 which came into force at 1700 on 1 July which indicates that Landfill tax will be due on materials previously not chargeable and we have now received notification of an increase in the cost.	478	478	478	478	478	646	646	646	646	646	839	839	839	839	839	839
Executive Director - Kirsty Flanagan	Planning	Local development plan will require to be done under the new Planning legislation which is a revised process from the current one and will have a 10 year life. The new process has 2 stages where there is likely to be a cost pressure - a gate check followed by an examination some time later.	0	50	0	50	0	0	50	0	50	0	0	50	0	50	0	0
Executive Director - Kirsty Flanagan	Housing	Rightsize budget for House Loans which is a historic budget which has simply been rolled forward year on year	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
Executive Director - Kirsty Flanagan	Parking	Loss in income at Glen Loin Car park, Arrochar due to end of lease and responsibility for car park returning to owners, Luss Estates	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Executive Director - Kirsty Flanagan	IT	Increased bandwidth for schools to allow digital transformation to support the move to online learning	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26
Executive Director - Kirsty Flanagan	IT	IT Support contract ceased with ACHA. £40k income received from this annually will now not be received.	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Executive Director - Kirsty Flanagan	Roads	Increased cost of Salt for Winter Maintenance, average usage of 15,000 tonnes of salt over the winter period would equate to £163k of additional costs.	176	176	176	176	176	196	196	196	196	196	216	216	216	216	216	216
Executive Director - Kirsty Flanagan	Roads	Change at 1 April 2022 to stop the use of Red Diesel in certain vehicles has resulted in an unavoidable increase in fuel costs in Roads and Infrastructure.	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78
Executive Director - Kirsty Flanagan	Roads	Helensburgh Leisure Development - 2 hour free parking period resulting in the loss of parking income	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
Council Wide	Council Wide	Rightsize budget for Council insurances which is a historic budget that requires to be increased in line with the current insurance costs.	414	414	414	414	414	414	414	414	414	414	414	414	414	414	414	414
Council Wide	Council Wide	General provision for unidentified Cost and Demand Pressures	0	0	0	0	0	0	250	500	750	1,000	0	500	1,000	1,500	2,000	2,000
Council Wide	Council Wide	0.5% of Council Budget to manage in-year pressures relating to inflation and demand.	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
TOTAL			3,965	4,118	4,434	4,717	5,720	4,428	4,641	5,816	7,655	8,565	4,759	5,184	6,845	8,877	10,156	

SOCIAL WORK COST AND DEMAND PRESSURES - 2023-24 to 2025-26

APPENDIX 4

Service	Cost/Demand Pressure	Best Case			Mid Range			Worst Case		
		2023-24 £000	2024-25 £000	2025-26 £000	2023-24 £000	2024-25 £000	2025-26 £000	2023-24 £000	2024-25 £000	2025-26 £000
All Social Work	Estimated Pay inflation reflecting a best case of 2%, mid range of 3.5% and worst case of 5%.	671	1,355	2,053	1,174	1,868	2,576	1,677	3,438	5,287
All Social Work	Estimated Pay increments, best case is that 50% of the incremental changes based on 2022/23 are absorbed and in the mid-range and worst case, the increase is in line with the increase in 2022/23.	52	103	155	103	206	309	103	206	309
All Social Work	Non-pay inflation, best and worst case based on unavoidable/inescapable inflation and worst case.	3,246	5,902	8,563	3,615	6,679	9,784	3,984	7,461	11,021
All Social Work	Non-pay inflation impact of payroll inflation on NHS posts which are recharged to Social Work.	96	197	303	96	197	303	106	217	335
Adult Care	Younger Adults Demand Growth (Excluding Physical Disability): There has been continuing increase in demand for care and support services for profoundly disabled younger adults (ie under 65) whose parents have historically provided care but are no longer able to. The best case assumes a 1% increase in spending reflecting the limited service capacity in the area, the mid-range reflects 2% growth and the worst case reflects 3% growth.	194	390	588	388	785	1,190	583	1,184	1,804
Adult Care	Younger Adults Demand Growth - Physical Disability: There has been continuing increase in demand for care and support services for profoundly disabled younger adults (ie under 65) whose parents have historically provided care but are no longer able to. The best case assumes a 1% increase in spending reflecting the limited service capacity in the area, the mid-range reflects 2% growth and the worst case reflects 3% growth.	35	71	107	71	143	217	106	216	329
Adult Services	Learning Disability Budget Adjustment - The Learning Disability Supported Living and Residential budgets are carrying a recurring unbudgeted commitment of circa £1.495m which is contributing to the recurring overspend on the Social Work budget. To address this situation, it is proposed to realign the budget over the three year period from 2023/24 to 2025/26 whilst also reviewing cases and redesigning services. The adjustment will be reviewed annually to reflect spending reductions delivered as well as any changes to funding and practice resulting from the implementation of the Independent Review of Adult Social Care.	498	997	1,495	498	997	1,495	498	997	1,495
Adult Services	Further investment in Learning Disability Budget totalling £250k per annum, the mid range £500k per annum and the worst case £750k per annum given immediate and on-going budget pressures in this service area.	250	500	750	500	1,000	1,500	750	1,500	2,250

Service	Cost/Demand Pressure	Best Case			Mid Range			Worst Case		
		2023-24 £000	2024-25 £000	2025-26 £000	2023-24 £000	2024-25 £000	2025-26 £000	2023-24 £000	2024-25 £000	2025-26 £000
Adult Services	Physical Disability Budget Adjustment - The Physical Disability budget is carrying a recurring unbudgeted commitment of circa £316k which is contributing to the recurring overspend on the Social Work budget. To address this situation, it is proposed to realign the budget over the three year period from 2023/24 to 2025/26 whilst also reviewing cases and redesigning services. The adjustment will be reviewed annually to reflect spending reductions delivered as well as any changes to funding and practice resulting from the implementation of the Independent Review of Adult Social Care.	62	123	185	62	123	185	62	123	185
Adult Services	Mental Health Budget Adjustment - The Mental Health budget is carrying a recurring unbudgeted commitment of circa £197k which is contributing to the recurring overspend on the Social Work budget. To address this situation, it is proposed to realign the budget over the three year period from 2023/24 to 2025/26 whilst also reviewing cases and redesigning services. The adjustment will be reviewed annually to reflect spending reductions delivered as well as any changes to funding and practice resulting from the implementation of the Independent Review of Adult Social Care and any additional funding provided to address mental health issues as a consequence of the COVID pandemic.	35	69	104	35	69	104	35	69	104
Children and Families	Continuing Care demand for Looked After young people who are cared for by the HSCP. The best case scenario is that the expected additional demand can be funded from within existing resources as a result of planned improvements to the service delivery model (eg shift away from high cost external residential care to local foster and kinship care), the mid case reflects £250k per annum and the worst case reflects £500k per annum.	0	0	0	0	250	500	250	500	750
All Social Work	Allowance for unknown cost and demand pressures which could arise. The best case assumes unknown pressures totalling £250k per annum, the mid range £500k per annum and the worst case £750k per annum.	0	0	0	0	0	0	0	0	0
Adult Services	Kintyre Care Centre - cost pressure as a result of transfer of KCC facility to HSCP Management.	750	750	750	750	750	750	900	900	900
All Social Work	Investment in activity to support families to prepare and submit claims for the Child & Adult Disability Payments - increase in funding.	11	11	11	11	11	11	11	11	11
Children and Families	Investment in Whole Family Wellbeing in line with Scottish Government funding provided for 2023/24.	438	438	438	438	438	438	438	438	438
TOTAL COST AND DEMAND PRESSURES		6,338	10,906	15,502	7,741	13,516	19,362	9,503	17,260	25,218

MANAGEMENT/OPERATIONAL SAVINGS

APPENDIX 5

Ref	Service Area	Saving Summary	2023/24			2024/25			2025/26		
			Saving £'000	FTE	H/Count	Saving £'000	FTE	H/Count	Saving £'000	FTE	H/Count
MGT1	Council Wide	Estimated saving in relation to additional voluntary contributions to the pension scheme.	100	0.0	0.0	100	0	0	100	0	0
MGT2	Earmarked Reserves/Capital Fund	Utilisation of Capital Fund to support capital works instead of drawing down from previous earmarked reserves, thereby, releasing a one-off saving from earmarked reserves into revenue.	1,536	0.0	0.0	0	0	0	0	0	0
MGT3	Financial Services	One -off saving identified from the loans fund modelling as a result of utilising an amount that was previously earmarked from the loans fund but is no longer required, volatility of interest rates, high cash levels and slippage within the capital programme meaning less borrowing is required at this stage.	685	0.0	0.0	0	0	0	0	0	0
MGT4	Commercial Services	Increase to commercial income and events	5	0.0	0.0	40	0	0	75	0	0
MGT5	DEG - Development Management	Additional Planning Fees from major applications - one off saving.	340	0.0	0.0	0	0	0	0	0	0
MGT6	Roads and Infrastructure	Increase unbudgeted income from Commercial Waste (rightsizing of income budgets).	250	0.0	0.0	250	0	0	250	0	0
MGT7	HR &OD	Pause A&B Manager programme for 1 year while the approach is redesigned which would provide a one-off saving then rightsizing would allow potential future recurring savings which cannot be quantified at this stage.	20	0.0	0.0	To be explored further			To be explored further		
MGT8	Registrars	Introduced pilot for funerals service. The findings of the pilot will inform any future income projections. £6k represents the area the pilot is being undertaken for a limited time period.	6	0.0	0.0	6	0	0	6	0	0
MGT9	Registrars	Reflecting on the pattern of income generated over the last 5 years (rightsizing of income budgets).	10	0.0	0.0	10	0	0	10	0	0
MGT10	Governance, Risk and Safety	10% inflation on recharge to HSCP for Governance Services.	10	0.0	0.0	10	0	0	10	0	0
MGT11	Internal Audit	HSCP contract due for renewal in March 2024. Increase charge to HSCP for Internal Audit Services in line with benchmark of other Local Authorities.	0	0.0	0.0	10	0	0	10	0	0
			2,962	0.0	0.0	426	0.0	0.0	461	0.0	0.0

Ref	Service Area	Saving	Detail	Risks	2023/24			2024/25			2025/26		
					Saving £'000	FTE	H/Count	Saving £'000	FTE	H/Count	Saving £'000	FTE	H/Count
FIS2324-001	Treasury Management	Service Concessions - Alteration to accounting treatment to align the repayment of borrowing relating to new schools over their asset life. Guidance from Scottish Government now permits this change of accounting treatment. Further detail will be provided to Council in due course.	Councils were previously required by statutory guidance to charge the debt element of service concession arrangements to their accounts over the contract period, in our case, 25 years and 30 years. As part of supporting the additional costs during the height of the COVID pandemic and also to support ongoing recovery, the Scottish Government agreed a financial flexibility that would allow service concessions debt to be paid over the life of the asset rather than the contract period. This will generate a recurring saving in the revenue budget and these figures are based on a 60 year pay back.	Loans will be repaid over a longer time period.	4,831.0	0.0	0.0	4,861.0	0.0	0.0	5,028.0	0.0	0.0
EDU2324-001	Education	Estimated saving due to change in pupil numbers	Removal of additional teacher numbers required during COVID to reduce class sizes and also to support recovery. This option is possible due to falling pupil rolls and a robust staffing allocation process in relation to statutory class sizes which has allowed more permanent contracts to be issued.	Larger class sizes closer to statutory limits bringing this in line with a number of other Local Authorities therefore any risks are unlikely.	700.0	0.0	0.0	700.0	0.0	0.0	700.0	0.0	0.0
CSS2324-001	Customer Engagement Team	Operating an appointment only service for those still struggling digitally in line with our drive to use digital technology to its fullest while being mindful of the needs of those unable to access this kind of technology. Closure of Customer Service Points (CSPs) for walk in appointments.	Three components resulting in £318k annual saving: 1. Close the doors of all CSPs (Customer Service Points) to walk in customers and operate an appointment only service and move to digital only receptions at Kilmory and Helensburgh Civic Centre. Most CSPs would need to be retained as offices, as they house other services and/or are the locations of Registration District Offices. However offering only structured appointments would allow more efficient use of resources and incentivise the shift to digital. 2. Closure of the part time CSPs on the smaller islands, which would mean shutting the CSP on Tiree and withdrawing the funding for Jura and Colonsay Development Companies who run the part time CSP service there on the council's behalf. Also removing 4 part time Home Based Registrar post on these three islands, plus Coll and merging the Registration Districts with other ones. 3. Reducing the CSC Agent resources in the Contact Centre by 15% and accepting a lower standard of responsiveness and less resilience for unusual peaks of demand. . The above is the minimum viable service that still provides an appointment based face to face contact option for digital strugglers and the minimum statutory Registration Service using digital remote registration processes recently given legislative approval by the Scottish Parliament.	1. Significantly reduced capacity to deal with customer enquiries. 2. Reduced resilience to deal with significant peaks of customer demand. 3. Reduced capacity to assist with emergency responses. 4. Very vulnerable customers may struggle to make appointments. 5. Reduced council service/footprint on smaller Islands. 6. Very limited capacity to assist other Services with one off and seasonal processing exercises. 7. Numerous small-scale CSP based activities carried out for other Services would need to be "rehomed"; e.g. Lair Management, Minibus Hires, Toilet Radar Keys, document scanning as front doors to offices would be locked. 8. Physical receptionists at Kilmory and Helensburgh and CSPs acting as de facto reception at multi service offices such as Manse Brae and Oban Civic Centre would be removed and alternative measures would need to be put in place direct with Services for visitor management. 9. There may be an impact on Registration income as most CSP staff double up as Registrars or Assistant Registrars. 10. Impact on remaining staff dealing with increased workloads.	191.0	10.6	13.0	318.0	10.6	13.0	318.0	10.6	13.0
DEG2324-001	Building Standards	Long-term vacant 0.5FTE building standards surveyors post that arose through an employee reducing their working hours is no longer requires in structure.	This post has been vacant for 2 years and the building standards service continues to operate and provide services despite this vacancy. The changes arising from the Covid pandemic (e.g. virtual inspections, new ways of working etc.) and the reduction in building warrants/downturn in the building sector/cost of living crisis have assisted in managing workloads with available resource.	1. Recruitment of professional officers is a concern across Argyll and Bute and nationally, and this includes building standards surveyors. The saving removes the potential for the post-holder to increase their working hours in the future, without additional income. 2. There is a potential impact on service capacity to provide commercialisation, should there be a significant increase in building warrants or dangerous buildings statutory activities.	24.0	0.5	0.0	24.0	0.5	0.0	24.0	0.5	0.0
DEG2324-002	Economic Growth (GIS)	Reduce discretionary budget to minimum. Retain budget to pay memberships to SCDI, SLAED & HOPS but remove remainder of discretionary budget.	The Economic Growth Service retains an element of discretionary funding to allow the service to enable match funding activity, contribute to feasibility studies, pay membership fees and undertake one off expenditure to assist with larger projects such as CARs and TH work. It is proposed to reduce this fund to only cover business and professional memberships. The main impact will be a reduction of the capability of the service to contribute to feasibility funding and other requests for assistance or to do additional works in relation to economic growth activities or recovery of the economy. This would mean the service having to apply for additional resources as and when required. There will be no ability to pay a contribution to the Argyll and the Isles Countryside Trust ACT (currently £14.5k) or undertake economic marketing activity for Argyll and Bute.	1. Inability to move quickly when undertaking feasibility works 2. Loss of core funding to ACT 3. Inability to market Argyll and Bute for economic opportunities	36.0	0.0	0.0	36.0	0.0	0.0	36.0	0.0	0.0
EDU2324-002	2-18 Curriculum	Removal of non-statutory Cultural Coordinator post.	Cultural co-ordinator in post works 0.8 fte of which Education fund 0.4FTE and the grant is match funded by Creative Scotland/YMI. Removal of Cultural Co-ordinator in Schools provision which supports schools to develop creative projects. Part of the remit is to engage with external providers to facilitate funding for taking forward projects related to the arts, creativity and the development of Expressive Arts within Curriculum for Excellence.	Removal of this post would mean that there would be no capacity to work with Creative Scotland and to provide culture and arts based activities for our children and young people unless schools prioritised this to enhance their core curriculum. The cultural co-ordinator manages the Argyll Arts Collection which includes overseeing loan agreements, press releases etc. This work would have to be picked up by other staff as would be the support with the YMI Grant which has to be evaluated and feed back to Scottish Government every year.	15.0	0.8	1.0	15.0	0.8	1.0	15.0	0.8	1.0

Ref	Service Area	Saving	Detail	Risks	Saving	FTE	H/Count	Saving	FTE	H/Count	Saving	FTE	H/Count
					£'000			£'000			£'000		
EDU2324-003	2-18 Curriculum	Remove funding to support parent and toddler groups and other non statutory third sector.	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.	The non-statutory groups and organisations may not be in a position to continue or may have to reduce services.	86.0	0.0	0.0	86.0	0.0	0.0	86.0	0.0	0.0
FIS2324-002	Revenues and Benefits	The Service has identified savings through rightsizing of budgets, an organisational restructure with investment in modern apprenticeships and temporary staff designed to boost income from the billing of additional local taxes and the recovery of associated debt. In addition efficiency savings from increased productivity, increased levels of process automation and moving more customers to transact with the service over the internet will allow previously outsourced review works to be carried out internally.	Budgets can be realigned with certainty in relation to additional income from the DWP with no associated risks. Changes to the organisational structure will assist in driving improvements in efficiency and productivity across the service generating opportunities for new employees to join the service and for more experienced staff who have volunteered for redundancy to go in the years ahead.	1. The current cost of living crisis continues for a significant period of time making the environment for collecting debt even more challenging than it is already. While these budgets can be realigned with certainty other areas of anticipated income recovery levels may become harder to achieve. 2. The new productivity targets are not embedded in the service and expected efficiencies are not realised. 3 Migration of Housing Benefit claims to Universal Credit is further delayed by the DWP beyond December 2024 and the level of automation that we hope to achieve by 2025/2026 is not realised. This would mean that the Council would need to retain Assessor staff to help it continue to fulfil its statutory duty in respect of Housing Benefit processing	493.0	0.0	0.0	466.0	2.5	3.0	397.0	3.0	3.0
RIS2324-001	School Crossing Patrollers	Support Communities to move to different approaches to delivering School Crossing Patrols through engagement with Parent Council and Communities.	Support community and PTA groups to operate school crossing services including assessment of use of existing facilities – anecdotally there appear to be fewer children walking to school post pandemic than pre pandemic. Below are the listed number of School Crossing Locations which give a Head count of 20 for each area: Mid Argyll Kintyre & Islay – 2 Oban, Lorn & the Isles – 1 Helensburgh and Lomond – 14 Bute & Cowal – 3 In addition to the above there are 8 vacant posts that the Service have been unable to recruit to for some time.	Limited take up from parent/teacher association groups (PTA) and ability to maintain a sustained interest for PTAs to self-deliver school crossing patrollers. An alternative model, should there be limited interest from the PTAs, would be to stop service. A limited resource would need to be retained by the council to carry out training and ensure that a compliant and safe service is maintained.	88.0	8.4	20.0	151.0	8.4	20.0	151.0	8.4	20.0
					6,464.0	20.3	34.0	6,657.0	22.8	37.0	6,755.0	23.3	37.0

2023-24 BUDGET PREPARATION – SAVING OPTION

HEAD OF FINANCIAL SERVICES			Ref: FIS2324-001					
Service Delivery Area			TREASURY MANAGEMENT – LOANS FUND					
Saving Title			Service Concessions					
Summary of Savings Proposal								
<p>This relates to a change in the accounting treatment of borrowing for new schools under Service Concession arrangements. Guidance from Scottish Government now allows the repayment of borrowing within the loans fund to be done over the asset life instead of the life of the contract.</p>								
Impact and Risk Associated with Proposed Saving								
<p>Councils were previously required by statutory guidance to charge the debt element of service concession arrangements to their accounts over the contract period, in our case, 25 years and 30 years. As part of supporting the additional costs during the height of the COVID pandemic and also to support ongoing recovery, the Scottish Government agreed a financial flexibility that would allow service concessions debt to be paid over the life of the asset rather than the contract period. This will generate a recurring saving in the revenue budget and these figures are based on a 60 year pay back in line with the asset life of new schools within the Treasury Management Strategy.</p>								
Current Status of Developing the Option and Next Steps								
<p>Financial Services have liaised with external Treasury advisors who provided calculations to identify the value of savings. They have no concerns regarding the 60 year pay-back period therefore this saving could be implemented immediately.</p>								
Saving								
2023-24			2024-25			2025-26		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
4,831	0	0	4,861	0	0	5,028	0	0

2023-24 BUDGET PREPARATION – SAVING OPTION

Head of Customer Support Services		Ref: CSS2324-001
Service Delivery Area	Customer Engagement Team	
Saving Title	Minimising Face to Face Customer Service Delivery	
<p>Summary of Savings Proposal</p> <p>This proposal has three components that together result in a £317,739 annual saving:</p> <ol style="list-style-type: none"> Close the doors of all CSPs (Customer Service Points) to walk in customers and operate an appointment only service and move to digital only receptions at Kilmory and Helensburgh Civic Centre. Most CSPs would need to be retained as offices, as they house other services and/or are the locations of Registration District Offices. However offering only structured appointments would allow more efficient use of resources and incentivise the shift to digital. This would allow a reduction in headcount that would provide £233,454 savings as follows: <ul style="list-style-type: none"> Oban lose LGE9 Supervisor if managed from Mull and an LGE6 post is uprated to LGE7 Service Point Officer in Oban to support the Mull based supervisor Islay to lose 1 LGE6 CSP Agent Post (0.9FTE) Lochgilphead to lose 1 LGE6 CSP Agent Post Helensburgh to lose 1 LGE6 CSP Agent/Reception post Campbeltown to lose 1 LGE6 CSP Agent Post Kilmory to lose 1.5FTE LGE6 Agent/Reception posts Dunoon to lose 0.5FTE LGE6 CSP Agent Post Bute to lose 0.5FTE CSP Agent Post. Closure of the part time CSPs on the smaller islands, which would mean shutting the CSP on Tiree (0.4 FTE LGE6) and withdrawing the funding for Jura and Colonsay Development Companies who run the part time CSP service there on the council's behalf. Also removing 4 part time Home Based Registrar post on these three islands, plus Coll and merging the Registration Districts with other ones. Savings will be £31,038 as follows: <ul style="list-style-type: none"> £18,745 Funding for Development Companies on Jura and Colonsay £8093 For 0.4 FTE LGE6 and office expenses on Tiree £4,200 saving of net cost for 4 Home Based Registrars Reducing the CSC Agent resources in the Contact Centre by 15% and accepting a lower standard of responsiveness and less resilience for unusual peaks of demand. Savings will be £53,247 from reduction of 1.8FTE LGE6. <p>The above is the minimum viable service that still provides an appointment based face to face contact option for digital strugglers and the minimum statutory Registration Service using digital remote registration processes recently given legislative approval by the Scottish Parliament. It is predicated on the continuing optimisation of digital engagement channels that have seen face to face interactions fall to under 40% of pre-pandemic levels. The risks are detailed below.</p>		
<p>Impact and Risk Associated with Proposed Saving</p> <ol style="list-style-type: none"> Significantly reduced capacity to deal with customer enquiries, with inevitable reduction in speed and quality of response and consequent probability of increased customer dissatisfaction resulting in more complaints and thus reputational damage. Reduced resilience to deal with significant peaks of customer demand due to seasonal, cyclical and one off operational demands such as the Scotland Loves Local Exercise, Short Term Lets go live, annual bin calendar renewals or weather events etc. 		

3. Reduced capacity to assist with emergency responses. CSC/CSP resource was used heavily for the pro-active communication and support request management elements of Caring for People and to aid NHS vaccination exercise.
4. The current reduced hours opening for walk in customers has already attracted much negative comment; particularly in respect of vulnerable customers. This solution would see doors to all council offices closed to walk in customers. Very vulnerable customers may struggle to make appointments.
5. Reduced council service/footprint on smaller Islands – previous attempts to reduce customer service and Registration services were met with resistance/dismay and gave rise to significant Island related concerns in the EqSEIA for loss of income, opportunity and absence of council presence. Servicing the islands remotely will also redirect resources from servicing of mainland communities e.g. doing a wedding on Colonsay will potentially take a mainland registrar offline for 3 days due to ferries etc.
6. Very limited capacity to assist other Services with one off and seasonal processing exercises e.g. we currently help Education process over 1000 Free School Meal and Clothing Grant applications each summer, undertake telecare quality outbound calling etc. This processing assistance could not be offered as resources would be fully deployed in customer contact management. Hence the saving in CSC/CSP would require additional resource elsewhere.
7. Numerous small-scale CSP based activities carried out for other Services would need to be “rehomed”; e.g. Lair Management, Minibus Hires, Toilet Radar Keys, document scanning as front doors to offices would be locked.
8. Physical receptionists at Kilmory and Helensburgh and CSPs acting as de facto reception at multi service offices such as Manse Brae and Oban Civic Centre would be removed and alternative measures would need to be put in place direct with Services for visitor management.
9. There may be an impact on Registration income as most CSP staff double up as Registrars or Assistant Registrars, therefore the loss of 6.4 FTE from this small service will constrain the ability to accept ceremony bookings; particularly at peak times. It also increases the risk of failed ceremonies due to fewer resources able to cover – with consequent reputational damage. The far smaller pool of registrars also has implications for progression and the ageing profile of our pool of registrars.
10. Impact on remaining staff dealing with increased workloads and higher numbers of dissatisfied angry customers, plus the number of times agents/registrars will be lone workers will increase, with consequent increase in risk.

Current Status of Developing the Option and Next Steps

This option will require:

- Obligatory staff consultation for those at risk of redundancy and application of the compulsory/voluntary redundancy procedures (12 headcount (9.7 FTE) posts to be cut, but circa 20 staff affected through potential selection exercises)
- Completion of an EqESIA including consultation with stakeholders such as the Development Companies currently funded to provide services on Colonsay and Jura
- Consultation with National Records of Scotland regarding the proposed registration changes to Home Based registration and merging of Registration Districts.
- Engagement with Property regarding offices on Colonsay, Jura and Tiree that are council owned but no longer required as Service Points. Also tenancy of Development Companies.

Saving (Assumes all savings for all 3 components above are taken)

2023-24			2024-25			2025-26		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
£191 (60% x £317,739*)	10.6	13	£318	10.6	13	£318	10.6	13

*As most savings are staff related they could not be fully realised in 2023/24 due to redundancy and restructuring timescales involved, therefore a 60% saving in year 1 is assumed.

2023-24 BUDGET PREPARATION – SAVING OPTION

HEAD OF DEVELOPMENT AND ECONOMIC GROWTH		Ref: DEG2324-001
Service Delivery Area	BUILDING STANDARDS	
Saving Title	Reduction of 0.5 FTE to building standards service	
Summary of Savings Proposal		
Removal of 0.5 FTE building standards surveyors post from building standards establishment, achieving an annual saving of £24000.		
Impact and Risk Associated with Proposed Saving		
<p>Impact:</p> <ol style="list-style-type: none"> 1. The proposed saving is a long-term vacancy within the building standards team which arose from alternations to working arrangements of a current employee. The post has been vacant for two years. 2. The building standards service continues to operate and provide services, despite this vacancy. The changes arising from the Covid pandemic (e.g. virtual inspections, new ways of working etc.) and the reduction in building warrants/downturn in the building sector/cost of living crisis have assisted in managing workloads with available resource. 3. The post is currently vacant. 4. Building Standards is self-funding from building warrant income. Income is effected by the costs of building materials post pandemic, the economy and the building market. Commercial income from other local authorities is necessary to provide a balanced budget and the service has been successful in securing work form other local authorities (currently East Lothian Council and Dundee City). Current staffing levels supports this commercialisation. 5. Building Standards staff morale will be affected by any staff reduction given the success in generating additional revenue, increasing the profile of Argyll and Bute Council and being highly regarded by LABSS and the other local authorities. 6. If commercial work is unsustainable in the longer-term, it would be necessary to downsize the team to balance the budget. Building Standards would deal solely with Argyll and Bute warrants, together with our statutory duties relating to dangerous buildings and enforcement. <p>Risks:</p> <ol style="list-style-type: none"> 1. Recruitment of professional officers is a concern across Argyll and Bute and nationally, and this includes building standards surveyors. The saving removes the potential for the post-holder to increase their working hours in the future, without additional income. 2. There is a potential impact on service capacity to provide commercialisation, should there be a significant increase in building warrants or dangerous buildings statutory activities. 		
Current Status of Developing the Option and Next Steps		
The post is currently operating at 0.5FTE, and the saving would mean a reduction of the post hours from 1 FTE. There is no direct impact on staffing or potential redundancy issue.		

Saving

2023-24			2024-25			2025-26		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
24	0.5	0	24	0.5	0	24	0.5	0

2023-24 BUDGET PREPARATION – SAVING OPTION

HEAD OF DEVELOPMENT AND ECONOMIC GROWTH			Ref: DEG2324-002					
Service Delivery Area			Economic Growth					
Saving Type			Policy					
Saving Title			Reduction of Discretionary Funds					
Summary of Savings Proposal								
<p>The Economic Growth Service retains an element of discretionary funding to allow the service to enable match funding activity, contribute to feasibility studies, pay membership fees and undertake one off expenditure to assist with larger projects such as CARs and TH work. It is proposed to reduce this fund to only cover business and professional memberships.</p>								
Impact and Risk Associated with Proposed Saving								
<p>The main impact will be a reduction of the capability of the service to contribute to feasibility funding and other requests for assistance or to do additional works in relation to economic growth activities or recovery of the economy. This would mean the service having to apply for additional resources as and when required.</p> <p>There will be no ability to pay a contribution to the Argyll and the Isles Countryside Trust ACT (currently £14.5k) or undertake economic marketing activity for Argyll and Bute.</p> <p>Risks:-</p> <ul style="list-style-type: none"> • Inability to move quickly when undertaking feasibility works • Loss of core funding to ACT • Inability to market Argyll and Bute for economic opportunities 								
Current Status of Developing the Option and Next Steps								
This could be implemented for the next financial year.								
Saving								
2023-24			2025-26			2026-27		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
36	0	0	36	0	0	36	0	0

2024-25 BUDGET PREPARATION – SAVING OPTION

HEAD OF EDUCATION			Ref: EDU2324-002					
Service Delivery Area			2-18 Curriculum					
Saving Title			Removal of non-statutory Cultural Co-ordinator post					
Summary of Savings Proposal								
<p>Cultural co-ordinator in post works 0.8 fte of which Education fund 0.4 fte and the grant is match funded by Creative Scotland/YMI.</p> <p><u>Saving Option</u> Removal of budget to fund cultural co-ordinator post</p> <p><u>Lead in time</u> Due to academic year, post would be removed from August.</p>								
Impact and Risk Associated with Proposed Saving								
<p>Removal of Cultural Co-ordinator in Schools provision which supports schools to develop creative projects. Part of the remit is to engage with external providers to facilitate funding for taking forward projects related to the arts, creativity and the development of Expressive Arts within Curriculum for Excellence.</p> <p>Removal of this post would mean that there would be no capacity to work with Creative Scotland and to provide culture and arts based activities for our children and young people unless schools prioritised this to enhance their core curriculum.</p> <p>The cultural co-ordinator manages the Argyll Arts Collection which includes overseeing loan agreements, press releases etc. This work would have to be picked up by other staff as would be the support with the YMI Grant which has to be evaluated and feed back to Scottish Government every year.</p>								
Current Status of Developing the Option and Next Steps								
<p>Discussions have taken place with the member of staff to outline the proposal that is in place relating to the post. Next steps, should this option be taken would be to carry out the statutory HR processes in relation to redeployment. Timescale would be to be complete by June 2023.</p>								
Saving								
2024-25			2025-26			2026-27		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
15	0.8	1	15	0.8	1	15	1	1

2023-24 BUDGET PREPARATION – SAVING OPTION

HEAD OF EDUCATION		Ref: EDU2324-003																																	
Service Delivery Area	Early Years																																		
Saving Title	Remove funding to support parent and toddler groups and other non-statutory third sector																																		
Summary of Savings Proposal																																			
<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 border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="padding: 5px;">Name of Project</th> <th style="padding: 5px;">Area</th> <th style="padding: 5px;">Amount Awarded</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Innellan and Toward Family Centre</td> <td style="padding: 5px;">Bute & Cowal</td> <td style="padding: 5px;">£14,905.00</td> </tr> <tr> <td style="padding: 5px;">BASIC</td> <td style="padding: 5px;">Helensburgh & Lomond</td> <td style="padding: 5px;">£10,000.00</td> </tr> <tr> <td style="padding: 5px;">Tarbert After School Care*</td> <td style="padding: 5px;">MAKI</td> <td style="padding: 5px;">£10,135.00</td> </tr> <tr> <td style="padding: 5px;">School's Out Oban</td> <td style="padding: 5px;">OLI</td> <td style="padding: 5px;">£9,540.00</td> </tr> <tr> <td style="padding: 5px;">Meadows Under Fives</td> <td style="padding: 5px;">MAKI</td> <td style="padding: 5px;">£12,839.50</td> </tr> <tr> <td style="padding: 5px;">Kintyre Toy Library</td> <td style="padding: 5px;">MAKI</td> <td style="padding: 5px;">£2,271.00</td> </tr> <tr> <td style="padding: 5px;">Patchwork 2 to 5 Nursery</td> <td style="padding: 5px;">Bute & Cowal</td> <td style="padding: 5px;">£2,321.92</td> </tr> <tr> <td style="padding: 5px;">Cairndow Community Childcare</td> <td style="padding: 5px;">Bute & Cowal</td> <td style="padding: 5px;">£20,000.00</td> </tr> <tr> <td style="padding: 5px;">Oban Toy Library</td> <td style="padding: 5px;">OLI</td> <td style="padding: 5px;">£3,745.00</td> </tr> <tr> <td style="padding: 5px;">Fyne Friends</td> <td style="padding: 5px;">MAKI</td> <td style="padding: 5px;">£858.98</td> </tr> </tbody> </table>			Name of Project	Area	Amount Awarded	Innellan and Toward Family Centre	Bute & Cowal	£14,905.00	BASIC	Helensburgh & Lomond	£10,000.00	Tarbert After School Care*	MAKI	£10,135.00	School's Out Oban	OLI	£9,540.00	Meadows Under Fives	MAKI	£12,839.50	Kintyre Toy Library	MAKI	£2,271.00	Patchwork 2 to 5 Nursery	Bute & Cowal	£2,321.92	Cairndow Community Childcare	Bute & Cowal	£20,000.00	Oban Toy Library	OLI	£3,745.00	Fyne Friends	MAKI	£858.98
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<p><u>Lead in time</u> From start of financial year 2022/23</p>																																			
<p>Impact and Risk Associated with Proposed Saving</p> <p>The non-statutory groups and organisations may not be in a position to continue or may have to reduce services.</p> <p>*This group provide afterschool care for local communities. Should this budget be removed this group would have to increase costs in order to continue operating. The current access that this group has 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>																																			

Current Status of Developing the Option and Next Steps

Would require consultation with groups outlined above should this option be approved.

Saving

2023-24			2024-25			2025-26		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
86	0	0	86	0	0	86	0	0

2023-24 BUDGET PREPARATION – SAVING OPTION

HEAD OF FINANCIAL SERVICES		Ref: FIS2324-002
Service Delivery Area	REVENUE AND BENEFITS	
Saving Title	Revenue and Benefits – Income Generation and Business Process Review	
<p>Summary of Savings Proposal</p> <p>During 2022-23 the Revenue and Benefits Service undertook a Business Process Review (BPR) in conjunction with an external consultant. This proposal is the outcome from that process and combines the realigning of budgets, an organisational restructure with investment in modern apprenticeships and temporary staff designed to boost income from the billing of additional local taxes and the recovery of associated debt. In addition efficiency savings from increased productivity, increased levels of process automation and moving more customers to transact with the service over the internet will allow previously outsourced review works to be carried out internally saving money for the Council and protecting jobs.</p>		
<p>Impact and Risk Associated with Proposed Saving</p> <p>Impact:</p> <ul style="list-style-type: none"> • Delay in DWP timescales for the transfer of Housing Benefit claims to Universal Credit allows the Council to realign income budgets with certainty. This allows us to budget confidently for additional income from the DWP with no associated risks. • Making permanent a temporary 1 FTE LGE7 Housing Benefit Overpayment Recovery Officer provides a net saving for the service given the value of the income the post generates every year. • Changes to the organisational structure will assist in driving improvements in efficiency and productivity across the service generating opportunities for new employees to join the service and for more experienced staff who have volunteered for redundancy to go in the years ahead. This plan sees 4FTE staff join the service in 2023/2024, 2 as Modern Apprentices, with 2.5FTE posts being redundant in 2024/2025 and 3FTE redundant in 2025/2026. These redundancies will be met by a mixture of vacant posts and staff volunteering for redundancy. <p>Risks:</p> <ul style="list-style-type: none"> • The current cost of living crisis continues for a significant period of time making the environment for collecting debt even more challenging than it is already. This makes some of the anticipated income recovery levels harder to achieve. • The new productivity targets are not embedded in the service and expected efficiencies are not realised • Recruitment of suitably qualified staff can be challenging at present. • Migration of Housing Benefit claims to Universal Credit is further delayed by the DWP beyond December 2024 and the level of automation that we hope to achieve by 2025/2026 is not realised. This would mean that the Council would need to retain Assessor staff to help it continue to fulfil its statutory duty in respect of Housing Benefit processing. 		

Current Status of Developing the Option and Next Steps

The option has been fully developed and presented to Executive Leadership Team. We are now at a stage where we have identified 64 actions for change in order to bring about the changes required across the service. Some of these will be quick and easy changes to make, others will need careful planning to introduce new policies and processes and embed changes to working practices.

The service is currently are working with its HR Business Support Manager to coordinate and plan the process for the staffing changes that will be required across the piece.

Saving

2023-24			2024-25			2025-26		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
493	0	0	466	2.5	3	397	3	3

2023-24 BUDGET PREPARATION – SAVING OPTION

HEAD OF ROADS AND INFRASTRUCTURE			Ref: RIS2324-001					
Service Delivery Area			Roads - Network and Standards					
Saving Title			School crossing patrollers					
Summary of Savings Proposal								
<p>Support community and PTA groups to operate school crossing services including assessment of use of existing facilities – anecdotally there appear to be fewer children walking to school post pandemic than pre pandemic.</p> <p>Below are the listed number of School Crossing Locations which give a Head count of 20 for each area:</p> <p>Mid Argyll Kintyre & Islay – 2 Oban, Lorn & the Isles – 1 Helensburgh and Lomond – 14 Bute & Cowal – 3</p> <p>In addition to the above there are 8 vacant posts that the Service have been unable to recruit to for some time.</p>								
Impact and Risk Associated with Proposed Saving								
<p>Limited take up from parent/teacher association groups (PTA) and ability to maintain a sustained interest for PTAs to self-deliver school crossing patrollers. An alternative model, should there be limited interest from the PTAs, would be to stop service.</p> <p>A limited resource would need to be retained by the council to carry out training and ensure that a compliant and safe service is maintained.</p>								
Current Status of Developing the Option and Next Steps								
<p>Limited progress on this option pending confirmation of political support. It is envisaged there will be some sensitivity around this activity becoming public and the next meaningful steps would require an element of public engagement in order to make meaningful progress.</p>								
Saving								
2023-24			2024-25			2025-26		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
88	8.4	20	151	8.4	20	151	8.4	20

APPENDIX 7
SERVICE SUMMARY OF BUDGET POSITION 2023-24

Department	Service	2022-23 Budget	Other Base Budget Adjustments	Settlement Commitments	Updated Base Budget	Employee Budget Changes	Non-Pay Inflation - Inescapable	Cost and Demand Pressures	Live Argyll Management Fee Adjustment	Measures to Balance the Budget	Social Work Pressures Absorbed by HSCP	2023-24 Draft Budget
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Council Departments:												
Chief Executive's Unit	Chief Executive	894	15	0	909	29	0	0	0	0	0	938
Chief Executive's Unit	Head of Financial Services	5,126	177	(199)	5,104	294	51	322	0	(187)	0	5,584
Executive Director (Douglas Hendry)	Executive Director (Douglas Hendry)	(61)	4	0	(57)	98	0	0	0	0	0	41
Executive Director (Douglas Hendry)	Head of Commercial Services	9,688	536	0	10,224	549	844	361	(241)	(125)	0	11,612
Executive Director (Douglas Hendry)	Head of Education	93,810	2,808	(248)	96,370	2,582	978	(30)	0	(803)	0	99,097
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	18,845	958	0	19,803	80	982	0	0	(4,841)	0	16,024
Executive Director (Kirsty Flanagan)	Executive Director (Kirsty Flanagan)	(270)	3	0	(267)	9	0	0	0	0	0	(258)
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	8,132	275	0	8,407	332	88	216	0	(242)	0	8,801
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	7,649	249	75	7,973	303	30	20	0	(432)	0	7,894
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	29,167	984	0	30,151	823	1,103	1,093	0	(1,159)	0	32,011
Non Departmental:												
Joint Boards	Joint Boards	1,496	0	0	1,496	0	0	0	0	0	0	1,496
Other Operating Income & Expenditure	Elected Members	1,172	(6)	0	1,166	94	0	0	0	0	0	1,260
Other Operating Income & Expenditure	Sundry Services	878	7	0	885	(7)	117	1,443	0	(100)	0	2,338
Other Operating Income & Expenditure	Unfunded Pensions	1,554	0	0	1,554	0	0	0	0	0	0	1,554
Non Controllable Costs:												
Insurances		1,192	0	0	1,192	0	162	414	0	0	0	1,768
Non Domestic Rates		4,301	200	0	4,501	0	0	590	0	0	0	5,091
Apprenticeship Levy (Council)		527	0	0	527	18	0	0	0	0	0	545
Capital Charges (loans charges)		12,060	750	0	12,810	0	0	0	0	(685)	0	12,125
COUNCIL TOTAL		196,160	6,960	(372)	202,748	5,204	4,355	4,429	(241)	(8,574)	0	207,921
Health and Social Care Partnership:												
Social Work	Chief Officer	1,942	(505)	1,847	3,284	(143)	0	7,741	0	0	(8,838)	2,044
Social Work	Acute and Complex Care	17,748	181	0	17,929	182	0	0	0	0	0	18,111
Social Work	Children & Families	15,394	503	438	16,335	448	0	0	0	0	0	16,783
Social Work	Health and Community Care	37,505	715	14	38,234	599	0	0	0	0	0	38,833
Social Work	Strategic Planning and Performance	453	19	0	472	10	0	0	0	0	0	482
SOCIAL WORK TOTAL		73,042	913	2,299	76,254	1,096	0	7,741	0	0	(8,838)	76,253
Rounding												4
TOTAL		269,202	7,873	1,927	279,002	6,300	4,355	12,170	(241)	(8,574)	(8,838)	284,178
Funding:												
Scottish Government Funding												223,741
Council Tax Income (Includes part of saving - FIS2324-002)												58,901
Utilisation of Capital Funds (Saving - MGT2)												1,536
OVERALL FUNDING SURPLUS / (GAP)												0

FUNDING REQUESTS

1. Introduction

1.1 Three funding requests have been received to be considered as part of the Budget as outlined below.

2. CHARTS

2.1 CHARTS are requesting £75,000 from Argyll and Bute Council to fund a delivery plan which has been designed to build resilience and profile across the region's culture, heritage and arts sector.

2.2. In 2021-22 the Council awarded emergency funding (£67,000) to allow the organisation to stabilise, develop its organisational structure and strengthen its operations. In 2022-23 a further £75,000 was provided which levered an additional £317,000 of external funding with potential for further project income before the end of the year. This demonstrates the significant return on Council investment that has enabled CHARTS to continue its successful project delivery and fundraising initiatives. The request in 2023-24 will help to build on these successes with the aim of developing networks that regenerate the cultural economy.

2.3 In addition, Creative Scotland were expected to have released their three year funding programme however this has been delayed again and their newly announced two year funding programme to address this vacuum has not been launched.

2.4 The request is for 1 year of funding at £75,000. Members are asked to give consideration to this request and how it would be funded.

3. Mid Argyll Community Pool (MACPool)

3.1 MACPool's funding request from Argyll and Bute Council is two-fold:

- £30,000 in addition to the 2023-24 Service Level Agreement (SLA) payment to address unprecedented utility and property repairs.
- A three year commitment of SLA funding.

3.2 MACPool supports 600 swimmers per week to learn to swim, for recreation, to keep active and to aid recovery from injury or illness.

3.3 A SLA is currently in place with MACPool and the Council currently contribute approximately £70,000 per annum to support the running of the facility. This payment is increased by RPI each year which for 2023-24 is estimated to be £9,000. MACPool are advised whether they will receive this funding in March each year and notified of the value at that time which makes it difficult to plan, budget or show other potential funders that they are a going concern. The

request is that this is committed for three years on the same terms as it is currently operated.

- 3.4 It is predicted in 2023-24 the facility will have an operating deficit of over £60,000 principally due to unprecedented rises in utility and other property related costs. A plan is in place to mitigate this deficit and in 2022 they have upgraded their site, improving, enhancing and modernising its facilities to ensure they can adapt and support our community for years to come – as well as maximising income. The £30,000, in addition to the SLA payment, will in part address the forecast shortfall and Council will continue to support MACPool access public sector or Third Sector frameworks for purchasing utilities during 2023-24.
- 3.3 The request is for 1 year of funding at £30,000, in addition to the SLA payment, and a three year SLA including a RPI increase each year. Members are asked to give consideration to this request and how it would be funded.

4. Mactaggart Leisure Centre, Islay

- 4.1 Mactaggart Leisure Centre are requesting £30,000 from Argyll and Bute Council to support ongoing rises in utility costs.
- 4.2 Mactaggart Leisure Centre facilities include a swimming pool, gym, sauna and activity room. Their activities rely on high usage of utilities therefore they have faced significant inflationary increases over the last 2 years which has put pressure on their ability to operate.
- 4.3 The request is for 1 year of funding at £30,000.