



Highland Choices Roghainnean Gàidhealach

Ambitious - Sustainable - Connected
Adhartach - Seasmhach - Ceangailte



The Highlands

Highland is a great place to live, work and do business, home to 233,000 people and welcoming thousands of visitors each year.

The Highland Council has a gross budget of over **£586m** in 2020/21. In real terms our expenditure has been decreasing and we have had to make reductions in our spend over the past 6 years, but we carry out hundreds of functions and provide many essential services across a region covering a third of Scotland.



Continuing to invest in Highland

Despite having managed £109m out of the budget over the past 6 years, the Council has invested in the Highlands and has delivered a number of major projects with significant benefits for communities across the Highlands.

We will continue to invest in Highland, listening to what is important to you. We are doing all we can to protect key services which are supporting our daily lives such as bin collections, urgent road repairs, winter maintenance and looking after the most vulnerable in our communities.



Our priorities

Making the best of our resources

We know in real terms we will have less money in future and we want to focus our resources getting the best possible outcomes for our key priorities:



Our community

Making the Highlands a prosperous, healthy and safe place to live and learn. Supporting the most vulnerable and developing excellent opportunities for everyone to reach their potential.



Our environment

Making the Highlands an attractive place to live, with good, affordable housing, good infrastructure, efficient transport, culture and leisure facilities, waste management and protecting our beautiful landscape.



Our economy

Making the Highlands a place for business to thrive; creating jobs, developing skills, attracting investment, digital connectivity and good air links. Making Highland a welcoming place to visit.



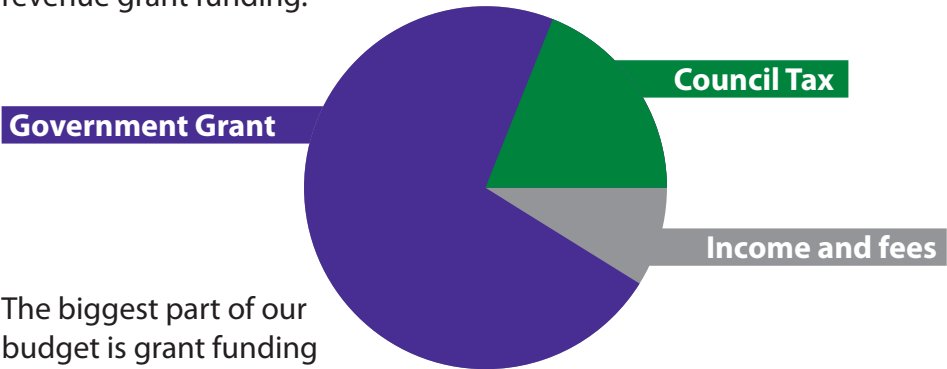
Our staff

Developing a talented, skilled and flexible workforce to work with you to help promote Highland and ensure a successful future.

Ambitious - Sustainable - Connected

How our budget is made up

Our funding is made up from 3 main sources of funding. Council Tax; income from fees and charges; and Scottish Government revenue grant funding.

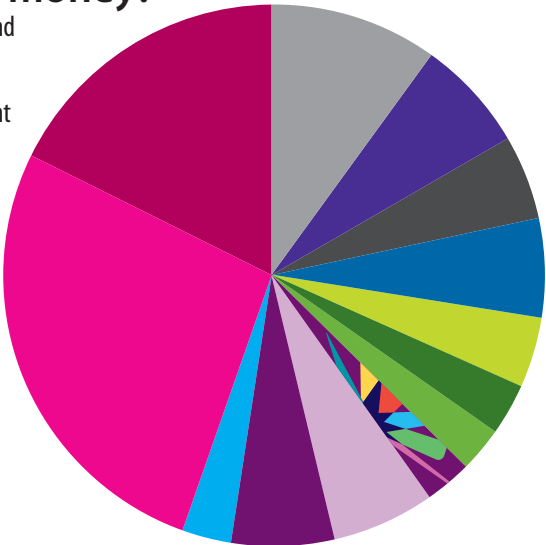


The biggest part of our budget is grant funding from the Scottish Government.

Over the last few years our budget has been reducing in real terms, and we have had increasing costs as a result of inflation, pay and fuel. At the same time we have tried to balance this by increasing our income. We would need a budget of £612m in 2020/21 to stand still. Our estimated available funding totals £586m which means we have a budget gap of around £26m.

How do we spend your money?

- Adult Social Care - funds paid to NHS Highland
- Schools (nursery, primary and secondary)
- Catering, Cleaning and Facilities Management
- Additional Support Needs for Young People
- Children's Services
- High Life Highland
- Roads
- Transport
- Waste & Environmental Services
- Property
- Other frontline service spend
- Corporate and Support Functions
- Loans charges



Where the money goes

Education



£154.0m
203 schools
31,000 pupils

Adult social care



£100.6m
(delivered by
NHS Highland)

Borrowing costs



£56.8m
investment in
schools & roads

Children's services



£35.1m

Additional Support



£35.0m
12,071 pupils

Waste and Environment



140,000 tonnes
of waste,
108,000 households
£24.1m

Welfare



£17.8m
extra benefit for
those in need

Libraries, sport and culture



through High Life
Highland £16.2m

Your Council

We have:

- **31,000** pupils;
- **203** schools;
- **120,000** households and businesses we collect waste from;
- **1,400** bridges;
- **14,000** council homes;
- **100** harbours and marine facilities;
- **4,000 miles** of local roads;
- over **1,000 miles** of footpaths.

Roads



£14.6m
4,000 miles

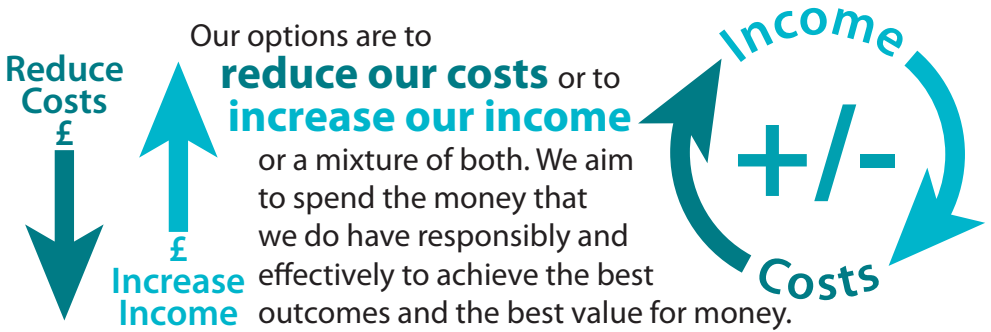
School Transport



£8.8m

Looking ahead

There is a significant budget gap facing us over the next 3 years but we are confident we can meet that challenge by taking a range of actions:



We know you want us to be working hard to save money, becoming more **efficient**, **simplifying processes** and **reducing waste** through **redesign** and **technology**. We are also continuing to **reduce management** and **external costs**.

A pink piggy bank is shown with several circular icons floating around it, each representing a cost-saving strategy: 'Simplifying processes', 'Efficient', 'Reducing waste', 'Redesign', 'External Costs', 'ICT', and 'Reduce Management'.

We are also looking at new ways of raising money, including a **tourist levy** and making better use of things we own.



Increasing income is a key part of our budget. Many of you have told us that you would be prepared to pay a bit more to protect essential services and jobs.



Change is inevitable

With less money available to us it is clear that we are going to have to do things differently and some activities may cease.

What you have told us

Over the past year, the Senior Members and the Chief Executive have been out talking with individual members of the public, community groups, as well as our own staff across the Highlands. As a result of the feedback, we identified a number of key themes and these are forming the basis of real change in how the council works, how the council prioritises and how we spend the budget.

What you told us

Theme 1 – Making the Council more Efficient

A loud and clear message is that we need to be far more efficient, streamline our processes and cut out waste. You want us to focus our resources on getting the best outcomes and the best value for money.

Theme 2 – Developing a more Commercial Council and increasing Income generation

You want us to be more commercially minded and many people we have spoken to have said they are prepared to pay a bit more to protect essential services and jobs.

Theme 3 – Redesign and Continuous Improvement

You want us to be outward looking, to be more productive and make better use of digital tools and learning from best practice elsewhere.

Theme 4 – Flexible workforce

Both communities and our staff told us that we need a more flexible and agile workforce, with appropriate training and skills and levels of autonomy, delivering services locally.

A strong message also came through about the importance of building trust with communities and involving local views in making decisions. We plan to get the best value and the best outcomes for the money we spend.

Budget Themes



Theme 1

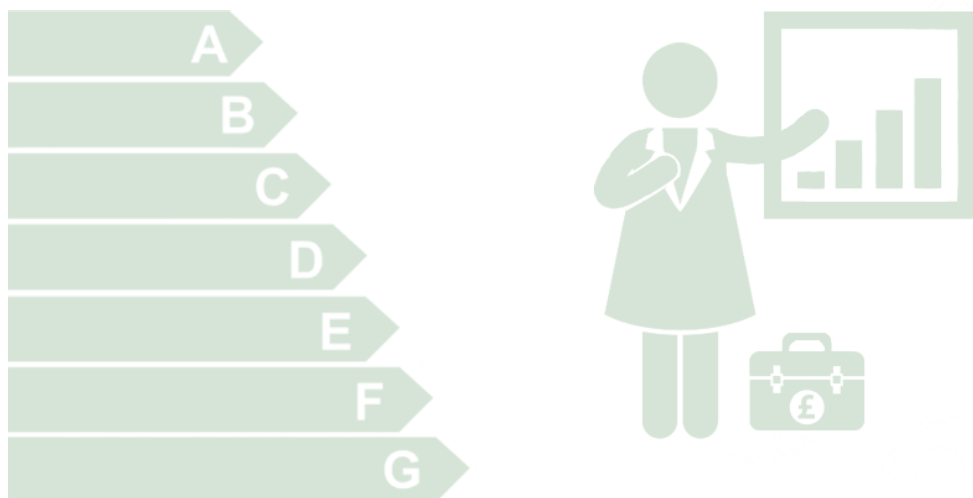
Making the Council more efficient

Efficiency is one of the strong themes from the public - people want to see less waste and more efficiency in every part of the Council.

The Council is taking the approach of setting budgets to reflect desired outcomes while benchmarking against national standards. We have been focusing on budget management with tighter controls on how and what we spend and this has led to significant savings being achieved in being more efficient” to “savings being achieved and making us more efficient.

We are continuing to look at what further savings can be made through efficiency across more services through our Transformation and Change Programme.

We are committed to providing best value in everything we do.



What we did

- We introduced Video Conferencing and Skype, saving members and staff long journeys to attend meeting reducing congestion, carbon and cost.
- We introduced car club, replacing use of personal vehicles with a combination of all electric and hybrid cars reducing carbon and costs saving £400k so far. Further projects will seek to reduce our commercial fleet, reducing carbon and cost.
- We are growing our in-house team of trades people to undertake more repairs our-selves to our properties. This will mean we can maintain our buildings better with our reducing budget.
- We have returned 34 looked after children to Highland since June 2018, avoiding placement costs of over £5M and providing a better environment for our young people.
- An Asset rationalisation project has started which will identify where Council properties can be sold or transferred and services co-located to save on property costs.
- Route optimisation for waste collection is helping to increase efficiency.
- We made 2/3 of our budget savings by the start of summer.
- A stand-alone website for Fostering and adoption was built to provide a smoother application process. 43 initial enquiry forms have been received since launch
- Shared procurement work is looking at cutting the cost of expensive contracts.
- Provision of web access to 20,606 annual Pension statements has enabled £30k pa of savings on costs on administration time, postage and paper.
- Changes to our Out of hours phone services has been restructured, to shorten waiting times.

Budget Themes

Theme 2

Developing a more Commercial Council and increasing Income generation

Feedback from our consultation in the past has shown that most people would be prepared to pay a bit more to protect services, jobs and the local economy and reduce the need for cuts. Increasing income remains a key theme in our budget strategy.

What we did

- We now charge an interest fee for companies who pay us late, and we charge for invoicing - this has generated over £167k so far and anticipate to reach £180k.
- We have consulted on the introduction of a Tourist Visitor Levy.
- We are generating our own electricity to reduce our energy bills and carbon emissions.
- There has been development of commercial property investment opportunities for 2020 onwards.
- A review of Plant hire has improved and simplified the process and addressed an overspend.
- As well as a site refresh of Great Glen Way website: www.highland.gov.uk/greatglenway we have introduced selling adverts to organisations using an online form.
- A Planning Pre-application online form has just been launched with the addition of payment for listed building work and other chargeable work.
- We made an improved home page for Choice based lettings: www.bit.ly/Hcchoicebasedlettings - with a widget to display properties in a slideshow to promote interest and drive click-through rates.
- We are increasing charges for some of our services and improving how we manage commercial waste collections.



Theme 3

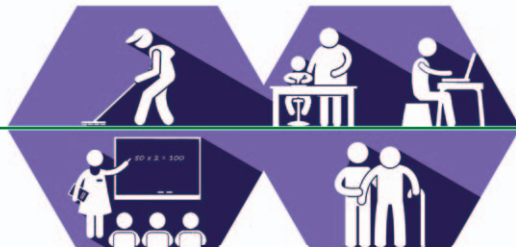
Redesign and continuous improvement

The Council needs to adapt to change and do things differently to get improved results. Public and staff feedback highlighted many complicated processes which could be simplified and streamlined, learning from recognised best practice and successful processes elsewhere. Redesign projects across a broad range of service delivery, have delivered some positive results, producing some substantial savings and improvements to services, with staff themselves at the centre of redesign.

What we did

- We have redesigned our in house repair service to reduce external costs.
- We carried out a redesign of waste services, to improve efficiency and reduce waste - including optimisation of routes, increasing recycling, reducing single-use plastics and preparation for the landfill ban.
- Transition Coordinator recruited to develop Education packages and manage £408k of Scot Govt funding for Looked After Children's education.
- A Re-design review to drive efficiencies and to deliver improvements in Community Transport and Engagement has led to the first community-led solution to transport needs in Gairloch.
- There has been improved education attainment outcomes with excellent exam results in Highland in 2019.
- The Blue Badge applications process has been changed so that an application which used to take 2 weeks now takes 24 hours.
- We have started to look at how to streamline the administration for our bereavement services.
- We have changed multiple forms used for online fees & charges saving staff time and resource.

Budget Themes



Theme 4

Flexible, well-managed workforce

We know how hard it is retaining our young folk in Highland and provide good work opportunities to all. That is why we have always avoided compulsory redundancy as a way to manage our workforce. Instead we have through vacancy controls, efficiency reviews and natural turnover reduced the size of the workforce and protected jobs. Vacancy controls are not easy, but this is helping us to reduce the size of the workforce over time and protect jobs. Staff training and development are fundamental to this. We have significantly reduced senior and middle management posts across the Council in recent years saving over £3.5M and a new senior management structure has been put in place to reduce costs and increase a geographical focus.

Reductions to our budget means our workforce numbers will be less over the coming years so we need to plan to have a flexible workforce with the right skills and training, with the right staff in the right place to deliver services into the future. We have been bringing more service delivery in-house, reducing reliance on contractors and using staff resource and training to do this.

Our staff feedback underlines the need for appropriate support, training, systems and equipment to work efficiently as well as service management visibility.



What we did

- We have developed and completed a Workforce Strategy.
- The implementation of a new in-house Trades Team will reduce costs in pilot areas.
- Appointment of a talent attraction officer to assist with recruitment to hard to fill posts.
- Appointment of additional HR staff to assist managers in helping staff return to work in good health.
- Roll-out of updated ICT equipment to help with flexible working.
- A new Communications and Engagement Strategy focuses on leadership and improving internal communications with increased staff engagement across the Highlands and increased access to information online.
- Leadership and culture training and development.
- There has been a senior management restructure, with geographical, as well as service responsibilities.
- Digital Services Team re-structure to address issues with development, retention and recruitment of staff and to drive efficiency and improvement.
- We are running a successful modern apprenticeship programme, creating new opportunities for working in public service.

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New areas of focus



We are now working on preparing a budget for 2020-21. This will build on the four key themes from engagement feedback and will link to our Council vision:

Ambitious – Investing for the future with a focus on outcomes.

Sustainable – Prevention strategies to support sustainable communities and avoid future spend – and protecting jobs and the local economy.

Connected – Building capacity in our communities and in our staff through partnership and collaboration.

New areas of focus include:

Transformational change:

The Council is leading on projects across the Highlands to build and strengthen the economy. We have also begun a programme of transformation to restructure the Council and to focus on specific projects which will enable us to deliver more savings and efficiencies. The Council agreed a change fund as part of the 2019-20 budget in order to resource the changes required. Leadership and culture is also a key theme in the development of our workforce.

Reducing our property costs:

We have around 2000 property assets across the Highlands.

One of the key projects underway is set to reduce Council Estate to deliver £1.7M savings, to protect Council jobs and services. We have a large property estate across the Highlands and reducing our estate will reduce property maintenance costs, risks and liabilities, as well as release property for potential re-use, transfer, or redevelopment.

The project will look at all properties to identify some for closure, and those that are suitable to provide space for additional Council staff and services relocating from buildings targeted



for closure. This will involve new ways of working including mobile and flexible working.

Reducing procurement costs:

This project will make direct savings to corporate and service budgets through a range of initiatives including: review of current procurement policies; more favourable prices for goods and services by working with suppliers; making better use of agreed purchasing frameworks. Savings have already been identified in the existing utilities contracts and will be realised this financial year.



Reducing energy costs:

We need to take urgent action to respond to increasing energy costs (10-14% by 2020/21 which would mean additional £1M+ spend).



We will reduce energy consumption through good practice, compliance and behaviour change. We will also reduce energy costs and generate income through the development and implementation of a 5 year Energy Strategy & Action Plan, improving the condition and quality of lighting across the Council estate as part of a long term re-investment programme, and through the implementation of viable renewable schemes, including commercial ventures.

Tourist visitor levy:

A Highland consultation on tourist visitor Levy (TVL) was carried out in the autumn of 2019, to provide the basis for implementing a Levy (subject to Scottish Government legislation). Income from a tourist levy could help us to invest in local infrastructure. This project will also look at commercial opportunities for new income from Tourist Developments such as charging for camper van and parking/facilities.





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Photo: Flow Country by The Peatlands Partnership