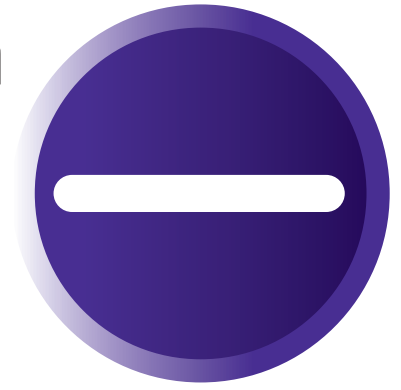


The impact of Covid-19 Lockdown on The Highland Council

Buaidh Glasadh-sluaigh Covid-19 air Comhairle na Gàidhealtachd



How has the lockdown impacted on our communities



- Many people finding themselves vulnerable
- Food poverty and hardship
- In need of financial assistance and advice
- Mental health – stress, anxiety, isolation and worsening of existing conditions
- Businesses requiring support
- Interruption to education and exams
- Childcare problems for those in key roles
- Loss of jobs and businesses
- Uncertain futures
- Bereavements

How has the lockdown impacted on our communities positively



- + Increase in volunteering and goodwill
- + Funding streams for hardship, community resilience and business
- + Less pollution
- + More family time
- + Greater awareness of our neighbours
- + Exercising more
- + Learning new things
- + Innovation and resourcefulness
- + Improving digital skills
- + Valuing things we take for granted
- + Controlling spread of the virus

Our response

→ Working with resilience partners on key issues:



GOV.UK



**POLICE
SCOTLAND**
Keeping people safe



→ Working with partner providers:



→ New areas of activity:

- Helplines
- Food projects
- Hardship and welfare projects
- Business grants
- Childcare for key workers
- Community Hubs
- Virtual education



How has Covid-19 impacted the Council

Our capacity – dealing with a crisis



“Business as usual” suspended for a long time



Urgent development of network capacity and digital skills

Our staff



Shielding, wellbeing, working from home, doing different roles, learning new skills, teamwork

Our new normal



New ways of working and mapping the path ahead

Our Budget



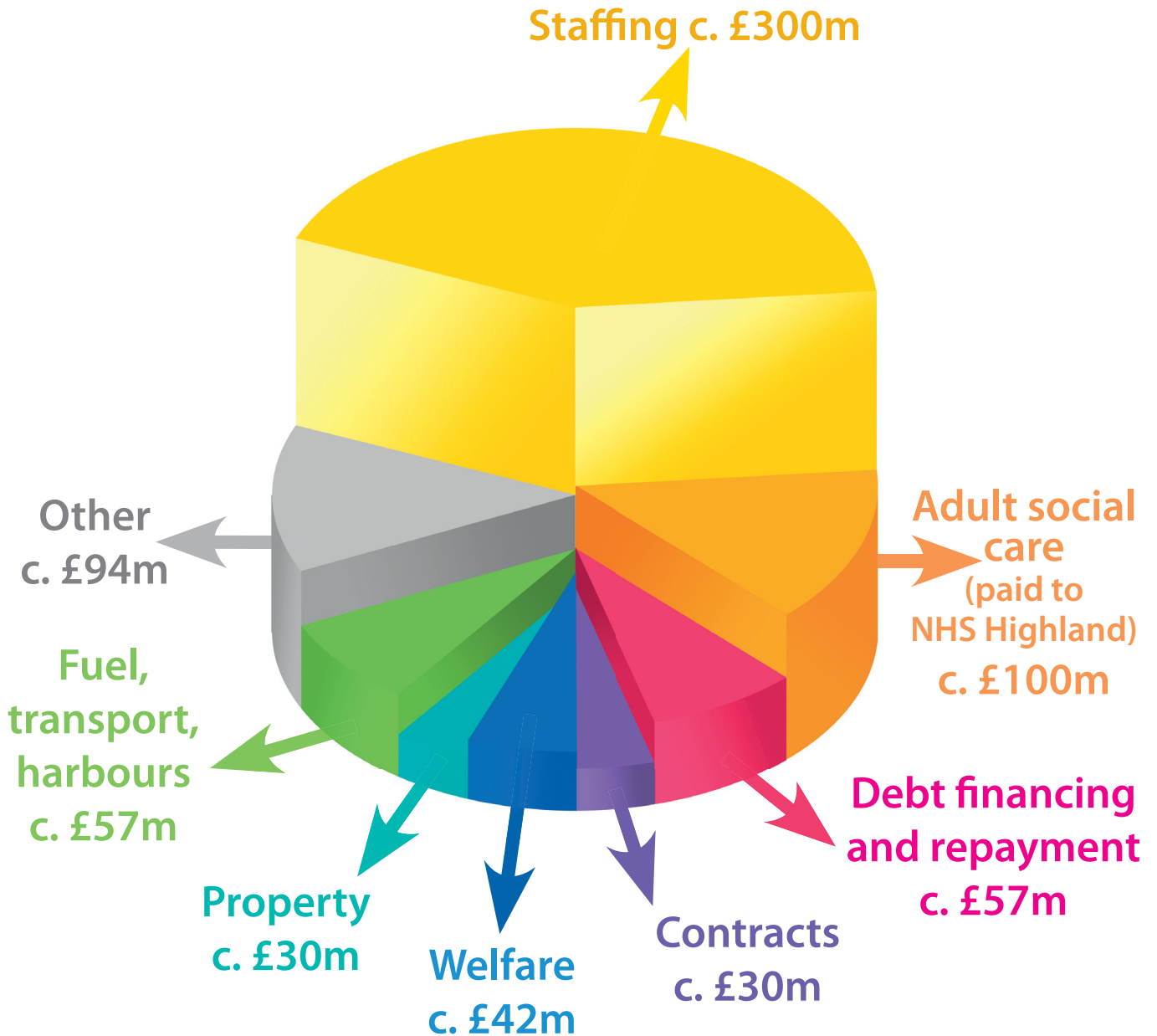
Loss of income and increased costs



Understanding what we spend

Total annual revenue budget c. £710m

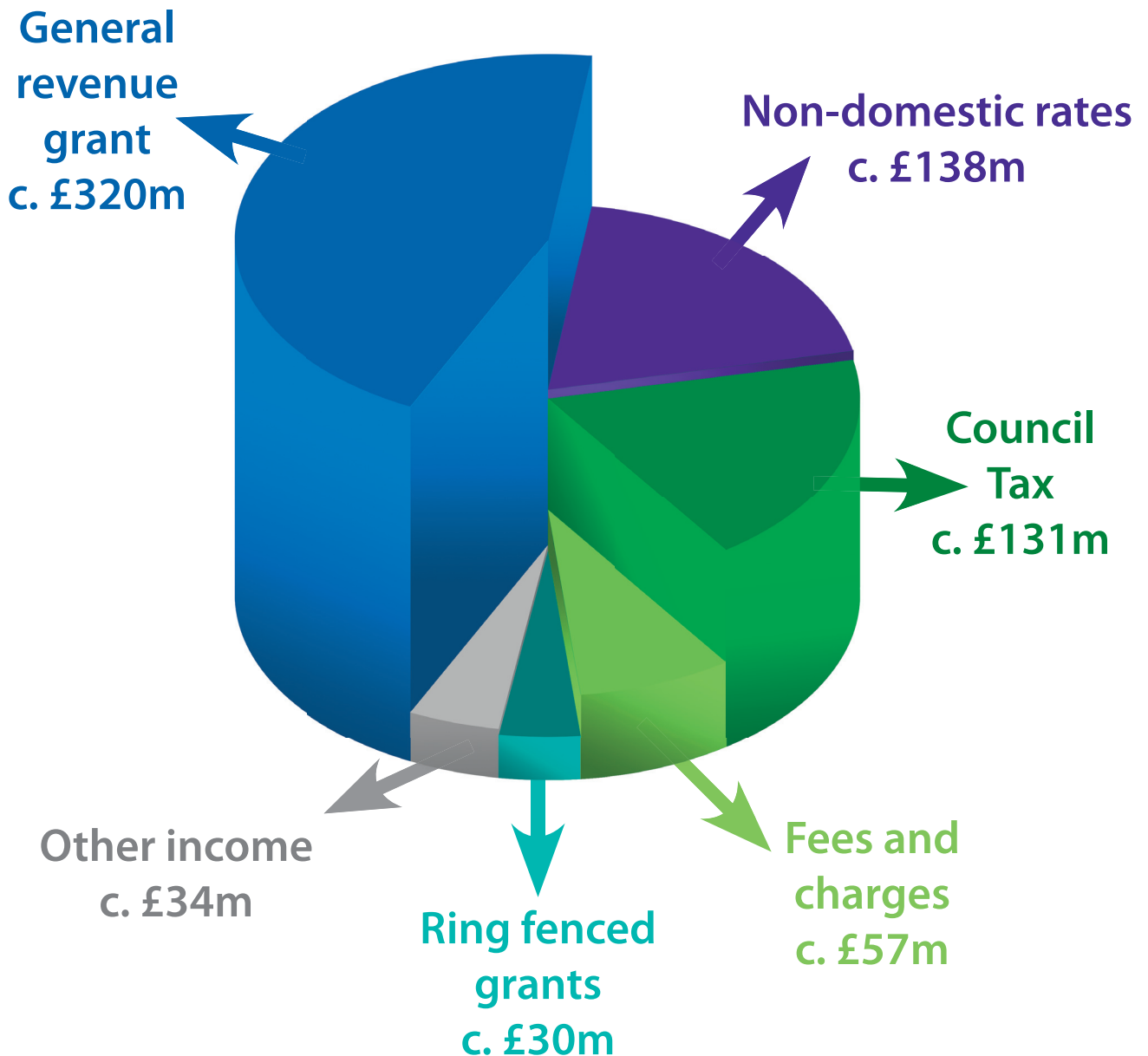
Biggest areas of spend:



Understanding our income

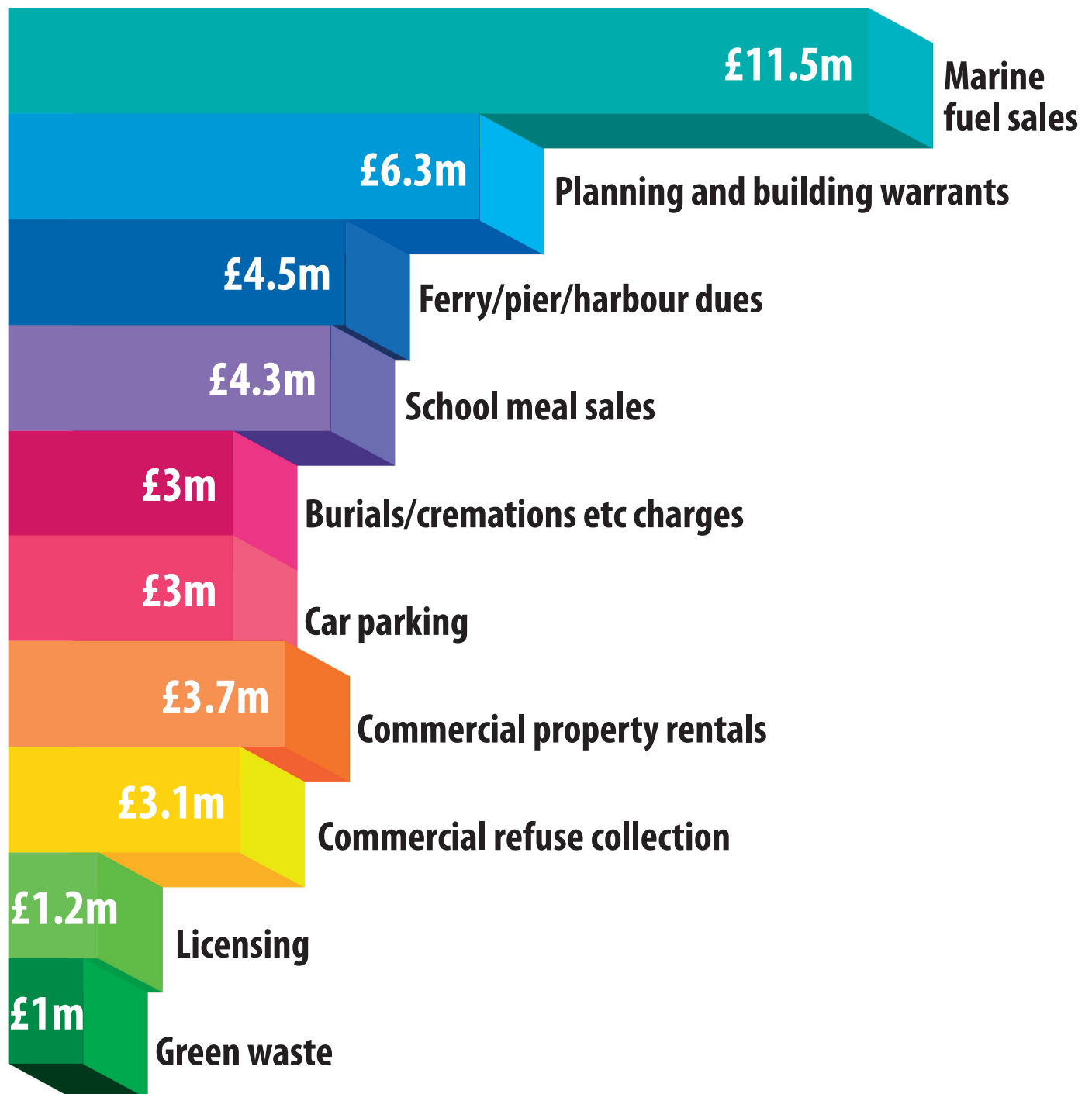
Total annual revenue income c. £710m

Biggest areas of **income**:



Fees and charges income

All of our income sources are likely to be significantly impacted, many without corresponding cost reductions:



Financial impact of Covid-19

- There has been a reduction in some costs (such as travel, energy and consumables) **£3m**

But.... We have lost and will lose more income

- Fees and Charges income potentially over **£25m**
- Council Tax income potentially **£5m**
- Capital Recharges up to **£13m**
- Partners' (HLH & Eden Court) loss of income

and we have additional costs:

- Increased costs **£25m** (including child care, social care, welfare, construction and new service provision).

Planned Budget Savings we may struggle to deliver - up to £8m

Budget gap is uncertain but could be - up to £97m

Success story...

- ✓ The Council has saved over **£35m** in the past 18 months
- ✓ Reversing a £2.3m overspend in 2018/19 to a **£7.6m** underspend in 2019/20
- ✓ Delivering over **£8m** savings in 2018-19
- ✓ Delivering **£18m** of savings in 2019-20 (year 1 of a 3-year £37.5m savings plan)
- ✓ Raised critical level of Reserves from £7.9m to **£15.5m**
- ✓ Established a change fund

We were on track to save another £16m this year, but £8m of this is now at risk.

Capacity...

What does this success story tell us...

- We have the capacity to deliver savings and improvement
- We have done this so far without redundancies
- Our Reserves, now increased to £15.5m, are still below our target level of 3% of budget
- We need to rebuild our Resilience (the impact of Covid-19 will be with us for a long time to come)
- We continue to have responsibility for new services (child care, shielding, housing etc)
- Our capacity to deliver further savings of this magnitude is limited.

Measures to address the gap

Recruitment
Suspended

Agency
Suspended (Approval required)

Overtime
Suspended

Increase in hours / variations
Suspended

Purchase cards
Critical users only

Purchase orders required for all orders

Review of contracts

Reduce number of budget holders

**Non essential spending
puts jobs at risk!**

(exceptions will require executive approval)

Protect wellbeing, save jobs, support communities

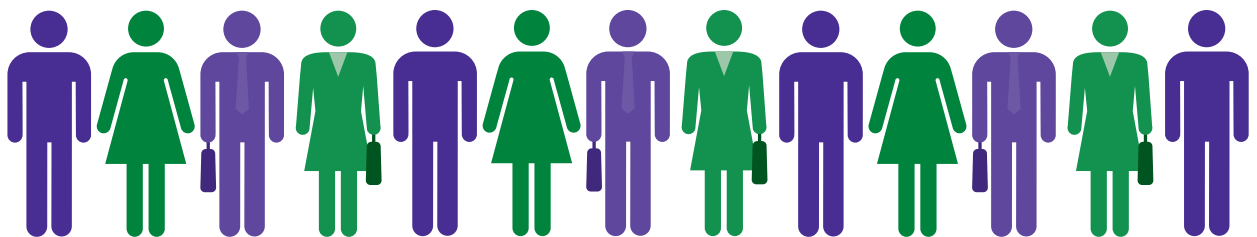
We will do our best to protect wellbeing, save jobs and support communities.

Every **£1** spent by Council
creates **£3** in communities

Council jobs are vital to
Highland economy

Excess spend puts jobs at risk

£25k = 1fte
(Full time equivalent)



Recovery and renewal

- This crisis will have a huge impact on Highland economy and people for a long time
- Resilience and response to the crisis will continue
- Potential for further peaks and lockdowns
- The Council has an important role to play in leading and enabling recovery and renewal
- We need to build on our strengths and opportunities
- We will continue to learn and develop
- Everyone has a part to play

Your views

We want to know what you think about how the Council can learn and grow from this crisis.

What have you learned?

How can we improve what we do?

What should we stop doing?

What can we do differently?

How can we be more efficient?

Look out for the **staff survey** coming soon.

