

Ambitious Highland Gàidhealtachd Àrd-Amasach

Ambitious

Sustainable

Connected

Health and Prosperity Strategy
Ro-innleachd Slàinte is Soirbheis **2021-22**

Contents

1	Introduction	3
----------	---------------------	---

2	Drivers for change	4
----------	---------------------------	---

Figure 1	Highland Council Organisational Framework	7
-----------------	---	---

Figure 2	How the Council Budget is spent	8
-----------------	---------------------------------	---

3	Strand 1	
	An Investment Strategy for Health and Prosperity	9

Phase 1	Proposed areas for investment	10
----------------	-------------------------------	----

3	Strand 2	
	Recovery, Improvement and Transformation Fund	12

	The Improvement and Transformation Programme	13
--	--	----

	Programme Governance	14
--	----------------------	----

	Recovery, Improvement and Transformation Fund Project Sponsors and Strategic Committees	16
--	---	----

	1. Economy	17
--	-------------------	----

	2. Asset Rationalisation & New Ways of Working	18
--	---	----

	3. Service Redesign	19
--	----------------------------	----

	4. Digital Transformation	20
--	----------------------------------	----

	5. Social Care	21
--	-----------------------	----

	6. Climate Change	22
--	--------------------------	----

	7. Waste	23
--	-----------------	----

	8. Roads and Transport	24
--	-------------------------------	----

	9. Procurement and Contracts Management	25
--	--	----

	Resourcing the Recovery, Improvement and Transformation Programme	26
--	---	----

	Programme - next steps	27
--	------------------------	----

	Proposed Recovery, Improvement and Transformation Programme	28
--	---	----

3	Strand 3	
	Key themes for delivering the Budget	

	Savings Proposals 2021-2023	31
--	-----------------------------	----

	Theme 1	31
--	---------	----

	Theme 2	32
--	---------	----

	Theme 3	34
--	---------	----

	Appendix A	
	Visitor Management Strategy	36

	Appendix B	
	Economic Prosperity Fund	39
	Universal Credit take-up rates	44
	Highland - Pension Credit take-up	45

A strategic approach

This strategy sits alongside the suite of reports already considered and approved by Members over the course of the last 24 months which, taken together, provide a framework for the Council's strategies, plans and approaches. "Ambitious Highland – Health and Prosperity Strategy for Highland" builds on the success of 'Sustainable Highland' presented last year, whilst also reflecting the unprecedented challenges that the Highlands has faced and continues to face in terms of the national Covid pandemic and the UK's exit from the EU. It provides a focus for what needs to be done in the immediate term to enhance the Highland economy and community wellbeing from recovery into full health, whilst also delivering improved performance and medium to long term financial planning and sustainability.

An agile and responsive Council

The past year has shown that the Council is an agile organisation, capable of responding effectively to a fast changing operating context. Many new services have been put in place in direct response to the pandemic, often at the request of the Scottish Government or NHS, from Humanitarian assistance, to the delivery of business support grants and welfare support, vaccination centres, virtual learning and childcare hubs for some of our most vulnerable children and young people. Resources have been moved to wherever they have been needed most, whilst many of the Council's core "business as usual" functions have continued to be delivered alongside. Staff and Members have shown they are flexible, responsive and care deeply about the communities they serve. Effective relationships have been strengthened with our key resilience partners, particularly NHS Highland.

Managing the financial impacts

The impact of the pandemic on public resources has been unprecedented. All levels of the public sector have had to learn fast and react quickly. In terms of the financial impact, the Council's efforts have been focused outwardly on community and business support and internally on business continuity and curtailing all discretionary activity not directly associated with the Covid response in order to protect the Council's resources as much as possible. Over time, sources of funding have come through at various stages to offset many of these pressures, however the Council still needs to operate within significant uncertainty and risk. Nevertheless, the combination of external support and internal budgetary prudence has meant that the Council is now in a position to invest in one-off initiatives to directly mitigate the worst effects of the pandemic and support sustained recovery and growth in the Highlands. This Investment Strategy is set out in Section 3.

Investing in Recovery

Investing in recovery will need to address the four Covid harms. These are direct health harms, indirect health harms, societal harms and economic harms.

The Health and Prosperity Strategy builds on the work of the Recovery Programme using a threefold approach:

- 1) an ambitious investment plan, providing one-off injections of funding to projects aimed at enhancing the Highland infrastructure, economy and wellbeing;
- 2) a transformation programme, aimed at delivering improved performance, business improvement and sustainable budget reductions, whilst also maximising efficiency of internal processes and functions to deliver medium term financial sustainability; and
- 3) a range of recurring savings across a number of themes, which will close the Council's budget gap and protect jobs.

2 Drivers for change

Ambition

The 2021/22 Budget Strategy is about having ambition for the Highlands: identifying opportunities to invest in the health and prosperity of the region to support the Highland population and grow the Highland economy to support a longer term recovery; fulfilling the Council's commitment to tackle climate change; looking for ways to transform the organisation to deliver improved services; creating a positive working environment for our staff to underpin a high performing organisation; and delivering a medium term financial plan.

The Council's Investment Strategy and Improvement and Transformation Programme will be at the centre of this ambitious approach, and significant resource is being provided to take forward the initiatives set out under these workstreams.

Performance improvement remains a priority and the last 18 months have shown the Council has been successful in addressing some of the areas that were a particular focus of the BVAR and CIPFA assessments – educational attainment has seen a significant improvement, and the Council's Reserves strategy has delivered a strong financial position that provides a platform for investment in 2021/22. This shows the Council has the capability to deliver quality improvement at pace even whilst dealing with a national pandemic.

There is still work to be done to improve our national benchmarking position across a range of service areas and this can be achieved by investing in core functions, based upon learning from the highest performing Councils in Scotland. Having fit for purpose systems and digital infrastructure are likewise essential for ensuring the Council can maximise resources. The Redesign Board's focus on workforce planning, including improvements in workforce data and growing our own talent will play an essential part in this too.

The **Guiding Principles** set out in last year's budget strategy still hold true:

- i Investment in change must deliver improvement.
- ii Performance improvement and financial sustainability are inextricably linked.
- iii Sustainable change takes time and a strategic approach must be taken to plan over the short, medium and long term.
- iv Most resource should be focused on where improvement is most needed.
- v The whole organisation needs to be supported to deliver high performing services.
- vi Investment in staff welfare and development is central to success.
- vii Organisations require the right systems to underpin and support their operation.
- viii Investment must reflect the priorities established through the Council Programme.
- ix Prevention is key to managing scarce resource and increasing demands
- x The status quo is not an option.

Recovery from Covid

The 4 harms of Covid have been stated as being the direct health impact of the virus; other health impacts; societal impacts; and economic impacts. All continue to pose a significant risk to the Council's overarching strategic objectives; to the delivery of core services; and to the health and wellbeing of our staff and the wider public. The Council has endeavoured to mitigate the 4 harms through action, targeted intervention and prioritisation of the ongoing delivery of key Council services; monitored, scrutinised and governed through the Council's Recovery Board and associated Recovery Action Plan. Good progress continues to be made against the Plan, and it will be important that this Programme continues to support the recovery from Covid. The new Programme aims to evolve the workstreams further under transformation, to best protect vulnerable communities, support the growth of the local economy and help sustain employment and skills acquisition as well as deliver modernised services for Highland residents.

The Highland Economy

The impacts of the pandemic continue to prove extremely challenging for the Highland economy. Economic recovery is a key strand in the Health and Prosperity Strategy and is both a focus for the Investment Fund and considered in more detail under Recovery and Transformation Section at Section 3.

Over the last 12 months the Council has focussed on prioritising support to businesses through the processing of the various new grants and dealing with the immediate labour market challenges. In tandem, an economic recovery strategy is being developed and support has been given to economic development initiatives, through engagement with partners, communities and Members. The changing context following Brexit has provided further challenges to economic recovery work and the opportunities for the region from the Shared Prosperity Fund will be an important part of work set out in the Economic Recovery Strategy.

Capital expenditure also has a positive effect on the Highland economy. Investment has continued

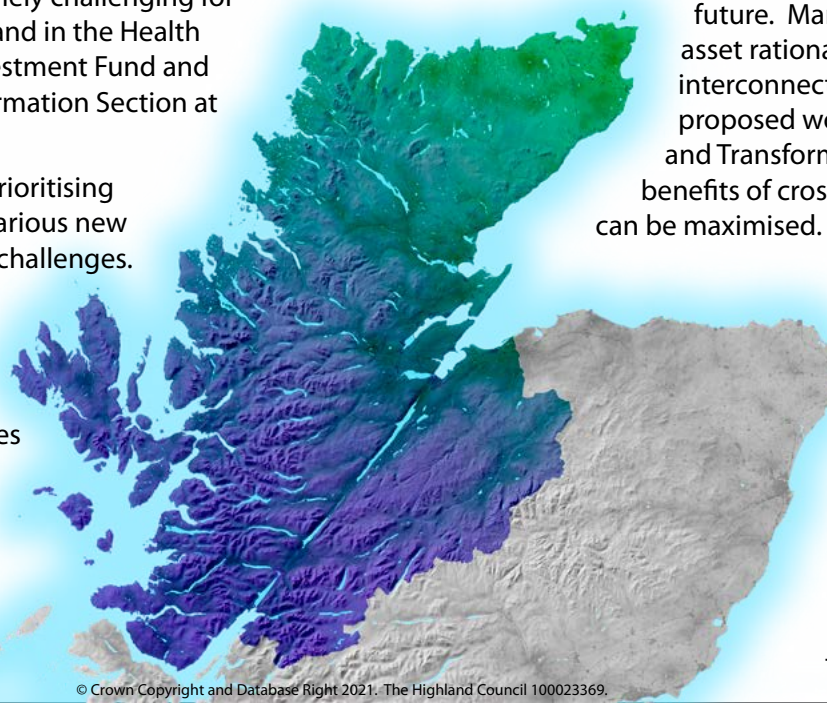
even through the Covid period, including examples like the Inverness West Link, Storr toilets and car park and many housing developments across the area, and the Council needs to take a prudent but positive approach to the future capital programme.

Climate Change

On 9th May 2019, The Highland Council declared a climate and ecological emergency and recommitted to achieving a carbon neutral Highlands by 2025. In addition, the Scottish Government has committed to ending Scotland's contribution to climate change by 2045, and from 2022/23, will require the Council to set out its own corporate target date for achieving net zero direct emissions, as well as how the Council will align its spending plans and use of resources to contribute to national emissions reduction targets.

There is a need to identify new green solutions through transformative planning, projects and initiatives that will not only deliver carbon reduction but also cost avoidance, revenue from energy production and a more self-sufficient estate, whilst ensuring that these interventions align with the principles of a Just Transition to a net zero carbon future. Many projects such as climate change, asset rationalisation and digital transformation are interconnected and so Climate Change is one of the proposed workstreams in the Recovery, Improvement and Transformation Programme to ensure that the benefits of cross-Service expertise and collaboration can be maximised.

It is recognised that surface transport is one of the key sectors which can be decarbonised quickest, and the Scottish Government has set a target for councils to decarbonise light commercial fleets by 2025, and heavy fleets by 2030. This will require dedicated resources and a coordinated programme of work to help unlock external funding opportunities to support and enable this transition.



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Community focused/place-based strategy

The Council's Organisational Framework (Figure 1) established the Place Based Strategy as one of the Council's key strategic approaches. Covid has demonstrated how important communities have been in delivering core services and protecting the vulnerable and that co-production and collaboration are critical. Investing in community support and volunteer coordination as agreed by the Council in July 2020 can now be resourced by Covid grant and as agreed by the Council in January 2021 any unspent Covid Ward Budgets can be carried forward into 2021/22. New and additional place-based investment to be distributed through Area Committees and Wards is referenced further in the Investment Strategy section of the Report at Section 3 below.

There are locally based approaches underway, for example Fort William 2040; Caithness mental health and wellbeing pathfinder and place planning initiative; Badenoch & Strathspey Heritage Horizons; Skye and Raasay Investment Strategy, City of Inverness and Area Development Strategy - driven forward by ECOs in their area remit. The Investment Fund provides potential for place-based approaches in action to have project-based support. This will be a focus for Phase 2 and 3 to provide time for schemes to be developed.

By building socio-economic profiles of our areas the Council will have better evidence and real life data to identify local priorities. These profiles include various national and local data sets, community views and practitioner and Member feedback.

During 2021 our programme of Community Asset Transfers will be supported, linked to our asset management strategy, and any participation requests responded to. Progress also needs to be made across Services to develop our approach to Participatory Budgeting. The requirement to disburse 1% of the Council's budget by this method, initially by 1st May this year has been postponed by a year where required. In addition to continuing joint work with our community planning partners regionally on resilience and recovery, we will continue to participate in our 9 community partnerships and fulfil our legal requirement to develop and deliver Locality Plans for our most disadvantaged communities. This includes the new work required of the Council to lead the development of the outstanding locality plans for Inverness for 2021/22.



Financial Context

Over the last two years the Council has taken significant steps towards shoring up its financial position with substantial increases in reserves over the course of 2019/20 and projected for 2020/21. At 20/21 year end those reserves are anticipated to be above the Council's previously agreed target level of 3% of core revenue budget and at the top of the range recommended by Audit Scotland. The positive actions taken have been recognised by the Council's external auditor in its annual audit report.

As highlighted in the main budget report presented to the Council on 4th March 2021, the current wider economic context has led the Council to revise its approach to risk with an increased level of general reserve requiring to be held in 2021/22.

Despite the need to hold an increased level of reserves, using 2021/22 excess reserves will allow for a significant programme of one-off investment as detailed later in this report. This investment needs to be phased to ensure a flexible and responsive budget can be amended to meet any challenges that arise and ongoing budget review throughout financial year 2021/22 will be vital.

In accordance with the CIPFA Financial Management Code, Members and officers must be mindful of ensuring the Council's medium to long term financial sustainability. A residual budget gap of over £20M is forecast for 2022/23 and 2023/24 as inflationary pressures will need to be addressed and future reductions in government funding settlements are anticipated.

As a result of that challenging outlook any investment made now must look to help ensure medium term financial sustainability and look to reduce costs in the future, rather than creating additional spending burdens over the medium term.

Despite the challenges that lie ahead, the Council has a real opportunity to improve outcomes for the people of the Highlands through its core revenue budget; reprofiled capital programme (which contains over £260M of scheduled investment over the next two years); Investment Strategy for Health and Prosperity; and the Recovery, Improvement and Transformation programme.

Figure 1 Highland Council Organisational Framework

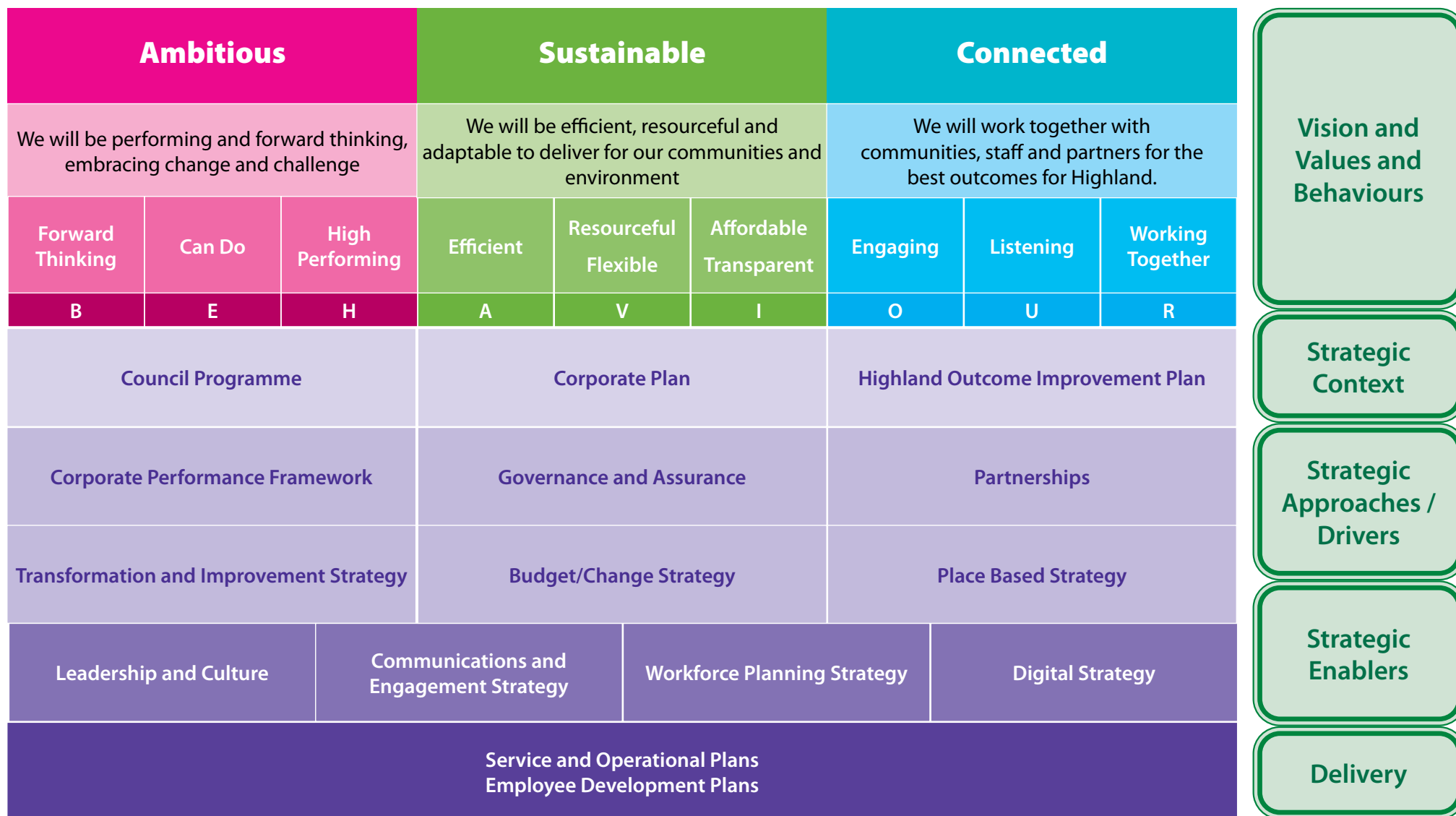
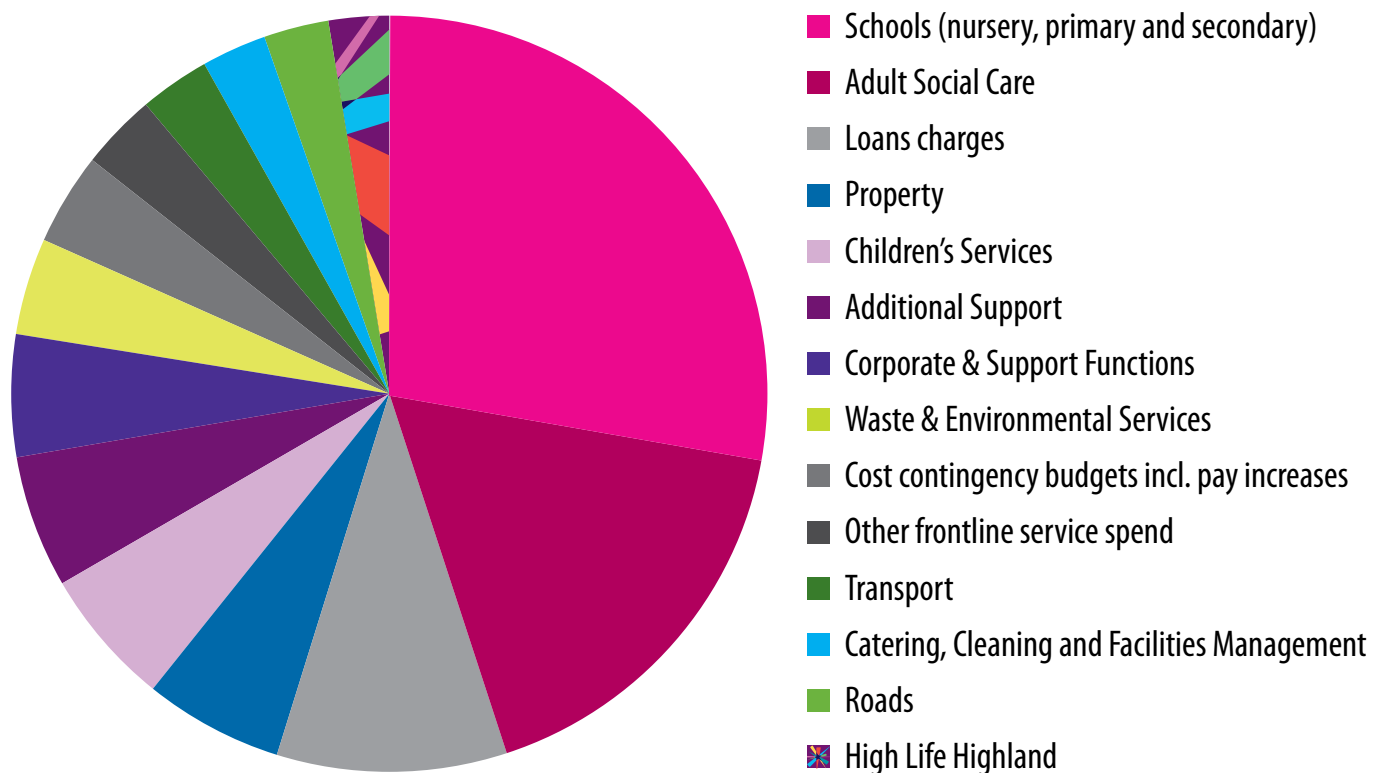


Figure 2 How the Council Budget is spent



Governance

The three elements of the budget strategy will include robust officer and political governance arrangements. The new Investment Strategy and the Change, Improvement and Transformation Fund will be overseen by Members using the programme management approach for high level monitoring through the Recovery Board which in turn is reported to Council. In addition, the individual projects will report to Strategic Committees to enable elected Members to have more detailed oversight and scrutiny. A detailed explanation of the operation of the governance arrangements is set out at the end of the next section.

The drivers for change provide the context for delivering an ambitious and expansive investment programme, whilst sound financial and budgetary management, during the last financial year, has provided the means. These elements, combined, enable the Council to deliver a 3 phase approach for Highland health and prosperity.

The progress of the virus, the impact of Brexit and the unclear path to recovery, all present significant uncertainty ahead and it is not possible to predict precisely how these might impact the Council's own financial position. Nevertheless, the Strategy for Health and Prosperity focuses on opportunity and having confidence in the capacity for the Highlands to recover and grow with the right investment stimuli. Phasing enables the Council to make decisions at key points in the year about whether and where to invest, depending the extent to which risks materialise or, indeed, if new funding streams come through. If the outlook remains positive, more investment can be released. If progress slows or stalls, finances can be protected. Just as importantly, there may be some initiatives that need to take longer to develop because they are more complex and so these would need to come to one of the later investment phases.

To make the most of the resource that is available, it will be essential to apply clear principles and criteria to identify the initiatives with the greatest potential impact.

The following investment principles have been applied:

- ▶ Clear aims
- ▶ Outcome focused
- ▶ Time limited
- ▶ Non-recurring
- ▶ Member governance, scrutiny and oversight

Phase 1

March 2021 - agree initiatives and initial tranche of investment of **£9.81M**;

Phase 2

June 2021 Budget Review. A report will be taken to the Council which will consider the final outturns for 2020/21 and provide an assessment of the UK settlement, risks around Covid and Brexit and an update on the medium-term financial plan. There will also be an update on the investment initiatives agreed in Phase 1 and options for further investment brought forward, if there is scope in the budget to do so.

Phase 3

September/October 2021 Budget Review. A report will be taken to the Council which will provide a further update on the investment initiatives agreed in Phase 1 and options for further investment brought forward, if there is scope in the budget to do so.

The following section sets out proposed areas for targeted one-off investment, combining both strategic and local elements, and including the aims agreed last year around the Highland Deal and Rural Transport, to provide benefits across the Highlands. In addition, addressing some historic under-investment in core operations will present the opportunity to manage risk downwards and avoid significant failure costs in later years.

Phase 1 - Proposed areas for investment

The proposed areas for investment in Phase 1 are:

£1.5M Visitor Management Strategy

A draft Visitor Management Plan and a Tourism Infrastructure Plan have been developed by a cross-service officer working group which, taken together, provide a longer-term Highland Visitor Management Strategy. Projects are broken down into three categories:

- i. **delivered within current resources;**
- ii. **extra funding required;** and
- iii. **extra staff required.**

A range of investment opportunities are identified in roads; parking management; visitor management; additional comfort schemes to increase public convenience provision; enhanced litter and waste collection services; provision for motorhomes; and public transport.

Governance for this strategy will be overseen by The Council utilising the Recovery Board for monitoring and evaluating progress. Potentially 3 Committees will have an involvement both in terms of policy and implementation of actions. Two of these are strategic committees: Economy and Infrastructure and Communities and Place; and there is also the Tourism Committee. Corporate Resources Committee will be accountable for the overall budget.

Further information about the Strategy is provided in **Appendix A** at the end of this report.

£6M Economic Prosperity Fund

Targeted support for business recovery and to address the lost job opportunities for all adults, especially our: young and vulnerable; school leavers without qualifications; school leavers without employment opportunities; graduates without careers; adults facing unemployment for the first time; and those aged 50+ with work experience who are vulnerable to the collapse of key business sectors. Our 10-point plan of key activities will focus on the following:

- 1** Grow the Highland Employer Recruitment Offer (HERO) to provide wage incentives to private sector businesses to support the initial employment of targeted out of work people creating jobs for a 12-month period.
- 2** Grow support for new business start-ups with new grants and loans managed through the Council's Business Gateway service and the Council's Enterprise Trust, Highland Opportunity Investments Limited (HOIL).
- 3** Develop the Modern Apprenticeship (MA) scheme for 16-65 years olds at all levels to support all sectors in Highland, including upskilling and vocational qualifications post COVID-19.
- 4** Strengthen support for mentoring young people and upskilling mentors.
- 5** Develop opportunities for supported businesses (providing jobs for individuals with disabilities).
- 6** Expand training skills and learning opportunities and development in partnership with UHI and SDS, including vocational and formal qualifications.
- 7** Provide targeted support for social enterprises, recognising the huge potential of the third sector to stimulate economic activity.
- 8** Enhance and supporting the Council's supply chain businesses through procurement practice.
- 9** Collaborate with the advice sector to promote the new opportunities created by economic growth, inclusion and prosperity, and to match the broad range of individuals aged 16-65 with renewed and new prospects.
- 10** Strengthen our Regional Economic Development capacity by providing greater resilience within the Council to programme manage and deliver the Highland City Region Deal.

Governance: All Strategic Committees will have an involvement in achieving the outcomes expected from this intervention - both in terms of policy and implementation of actions. The Corporate Resources Committee will allocate the budget for each of the strands and determine the Strategic Committees that will be accountable for overseeing spend and progress. The Recovery Board will provide overall evaluation and monitoring and recommendations to Council.

Further information about the Strategy is provided in **Appendix B** at the end of this report.

£2.1M Place-based Investment

For distribution through Area Committees to support local priorities. The calculation has been based on an award of £100,000 per Ward within the area. Feedback from Members during the many Covid briefings and discussions highlights that there are a range of very different local responses required to address the harms of Covid from additional localised welfare supports such as fuel and food poverty; wellbeing investments in areas such as paths, playparks and spaces for people; and very targeted responses to matters such as loneliness, or drug and alcohol addiction. There are also key recovery investments that Members wish to support to bring in match funding and enable local income generation.

£0.210m to top up Ward Discretionary Budgets

This enables an additional £10,000 per Ward. This will provide a Ward Budget of £26,000 per Ward in 2021/22 and would be administered as part of the Discretionary Ward Budget for which criteria and a process are in place.

Wards will also have flexibility to carry forward any of the Covid Ward Discretionary Grant (of £0.776M) unspent at the end of 2020/21 as agreed at Council in January 2021.

Governance

The Council in January 2021 noted that Ward Members need to identify and agree through Area Committees what proportion of their Covid Ward Discretionary Fund, if any, they want to set aside for projects to assist children and adults post Covid, such as contributing to Play Park equipment alongside funding for food and humanitarian assistance so that Ward Managers can administer the fund, with decisions on awards of £10k and over made at Area Committees in keeping with the Scheme of Delegation. This governance route would apply to decisions to be made on the new £2.1M of Place-Based investment.

Decision-making on addressing the harms of Covid will therefore be made locally through Area Committees. Guidance on the four harms of Covid to identify eligible projects along with relevant legal duties to comply with will be provided to Members to guide decision-making on the fund from April 2021. Given the scale of this new investment and to learn from approaches made across Area Committees, reports of the approach and use of place-based investment and any learning and/or adjustments required will be made to each meeting of the Communities and Place Committee in 2021/22.

3 Strand 2 Recovery, Improvement and Transformation Fund

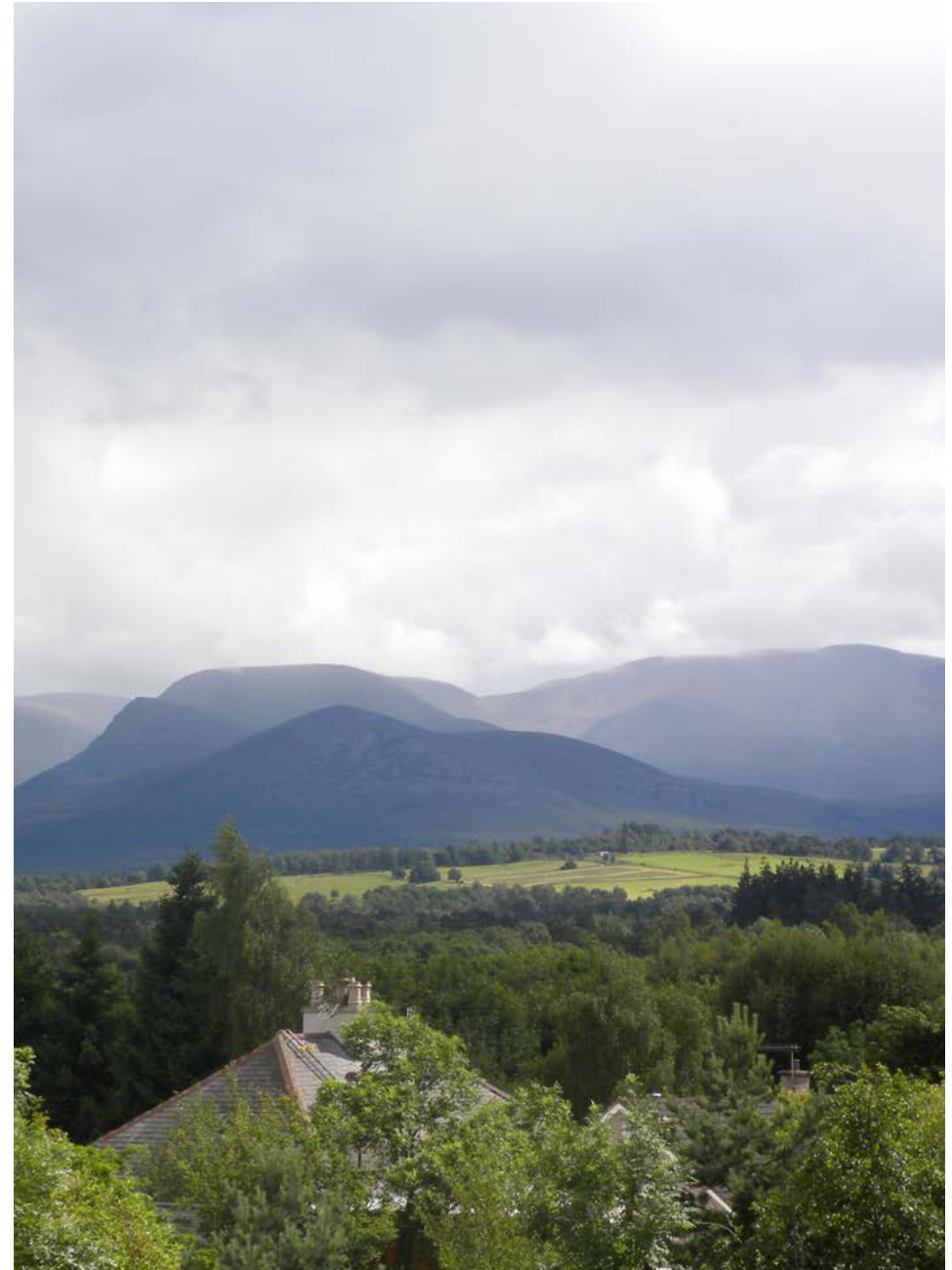
In 2019/20 the Council introduced a programme management approach to the Change Fund to provide the resources, capacity and expertise to deliver the Council's Change Programme. In 2020/21 the Programme Office expanded to include oversight for the Council's Recovery Action Plan, supporting the Recovery Board in the delivery of 11 workstreams aimed at mitigating the impact of Covid.

It is proposed that the same approach is adopted for the monitoring of the both the transformation and the investment strands of the Health and Prosperity Strategy, with the Recovery Board becoming the Recovery, Improvement and Transformation Board.

Reporting in the "Audit Scotland Local Government in Scotland: challenges and performance 2019", the Accounts Commission emphasised that:










"effectively led councils recognise that the financial and demand pressures mean that planning and implementing changes to find efficiencies alone is no longer enough, and that redesigning service delivery is needed and there is clear recognition of the need for more radical change. Members, officers, partners and communities clearly have a fundamental role in driving this transformational change forward."

Transformational change and medium to long term financial sustainability are therefore inseparable: the more the Council strives to be a high performing organisation, the greater capacity there is to reduce excess spend, and the more resources will be targeted towards delivering desired outcomes for citizens. For consistency with the overall Programme it is consequently proposed to change the name of the Change Fund to the Recovery, Improvement and Transformation Fund.



The Improvement and Transformation Programme

The Improvement and Transformation Programme for 2021-22 will consist of the following:

1. Economy 
2. Asset Rationalisation & New Ways of Working 
3. Service Redesign 
4. Digital Transformation 
5. Social Care 
6. Climate Change 
7. Waste 
8. Roads & Transport 
9. Procurement and Contracts Management 

Detailed descriptions of each of these projects follow later in this report. The projects have been identified as a result of extensive work undertaken to:

- address the challenges and drivers for change as discussed earlier in this report
- ensure alignment with, and support the delivery of, the Council's Programme and Corporate Plan
- support the Council's medium-term financial strategy including delivery of cashable benefits for 21/22 and beyond
- build on the Council's Change and Improvement Strategy and the Recovery Action Plan.

The annual recurring Change Fund budget is £2.25M. The portfolio of projects identified to take forward the transformational change will support the delivery of existing savings and the Council's approach to medium term financial planning. Against a predicted spend in 21/22 of £2.25M, and an overall predicted spend of £3.69M over two years, (some projects will be up to 24 months in duration), the forecasted cashable benefits from this programme are expected to exceed £18.7M.

The forecasted cashable benefits of £18.7M excludes the identification of further medium-term savings from 22/23 that the proposed programme is expected to identify and other likely benefits such as capital receipts as a result of the disposal of some offices as part of the Asset Rationalisation/New Ways of Working project; funding streams that may be secured as a result of the programme investment, such as those addressing Climate Change; and income from renewable energy initiatives, e.g. identification and development of energy and fleet projects with partners which can secure external funding through Scottish Cities Alliance, COSLA, Sustainable Scotland Network, Salix funding and the Scottish National Investment Bank. There are also numerous non-financial benefits that will be delivered alongside the financial return.

Programme Governance

Governance is about the structures and processes for decision making accountability, controls and behaviour throughout the Council to get the work done and the projects delivered. The positive progress made in respect of the Council's Recovery Action Plan is a good example of the effectiveness of the Programme Management Office (PMO) approach and the intention therefore is to adopt the PMO approach for the Improvement and Transformation Programme. The effective governance of this significant Improvement and Transformation Programme is critical to ensuring benefits are realised, savings are delivered, and projects meet their objectives. It is proposed that the Recovery Board is retitled the Recovery, Improvement & Transformation Board. This Board is well established with Terms of Reference and has cross-party, Trade Union and senior officer representation.

A single Recovery, Improvement and Transformation Programme using a Programme Management Office approach will ensure Members are regularly appraised on key elements of good project governance: Time, Cost, Quality, Risks, Scope, and that relevant benefits are delivered.

A further layer of governance is being introduced in relation to the Investment Strategy and the Recovery, Improvement and Transformation Programme which will have each project reporting to the appropriate Strategic Committee to enable Members to track progress and scrutinise delivery whilst maintaining the helicopter view provided by the Recovery, Improvement and Transformation Board. The Recovery, Improvement and Transformation Board will ensure activity is being carried out, monitored, evaluated and reported to Council. The Strategic Committees will be responsible for the delivery.

Each project has a dedicated Sponsor and Lead. Each of the sponsors is a member of the Executive Leadership Team with overall accountability for the project or programme. They will be joined by an ECO peer reviewer who will provide additional support and impetus to each project, whilst also benefitting from broadening their understanding of service delivery areas outside of their formal remit.

Project Sponsors ensure the delivery of agreed business benefits and act as the representative of the organisation, playing a vital leadership role to:

- Provide business context, expertise, and guidance to the project manager and the team;

- Champion the project/programme, throughout the organisation to ensure capacity, funding, and priority for the project;
- Act as an escalation point for decisions and issues that are beyond the authority of the project manager;
- Act as an additional line of communication and observation with team members, customers, and other stakeholders; and
- Act as the link between the project/programme, business as usual, The Board, strategic committees and Council.

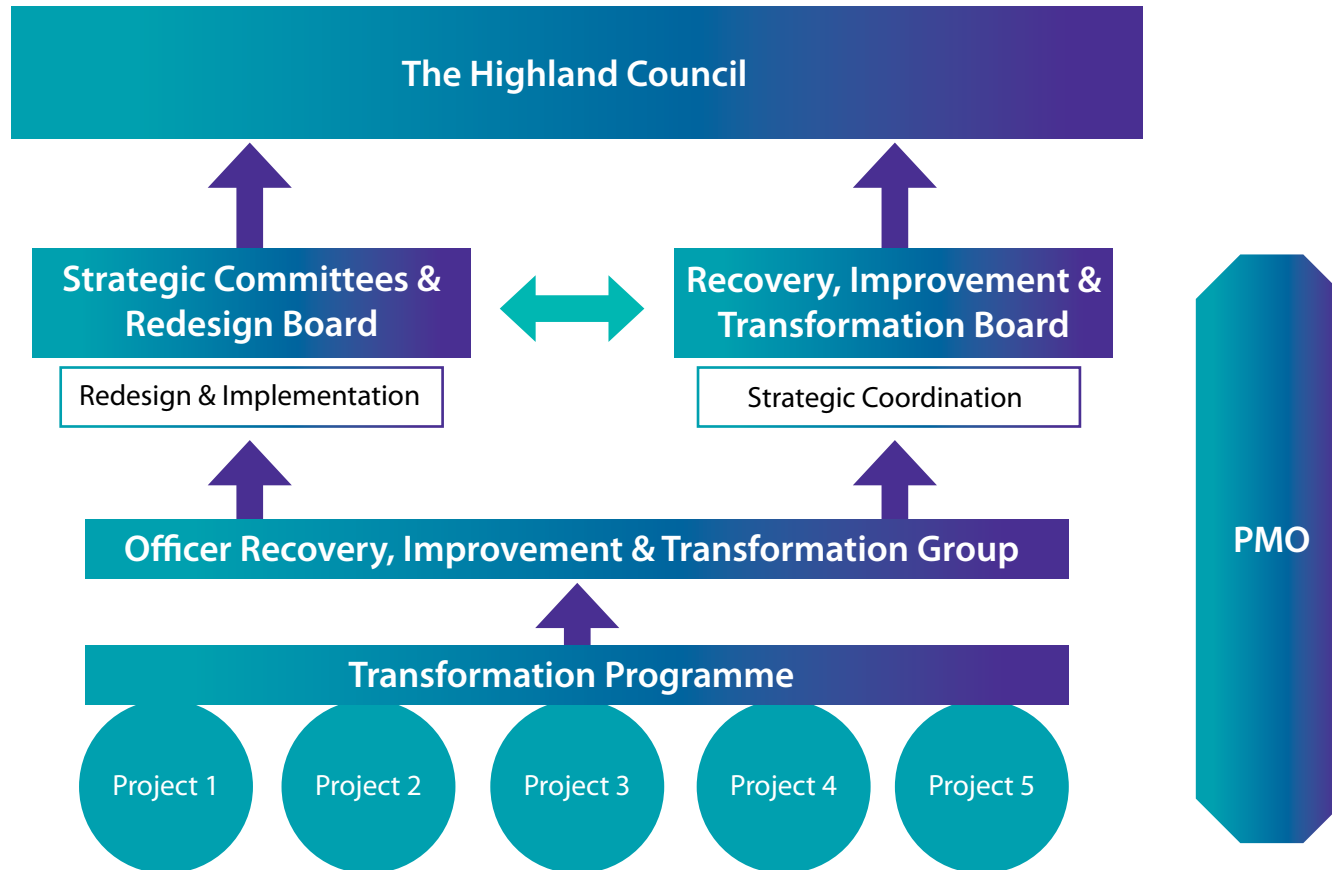
In the same way as the Council's Recovery Action Plan, The Recovery, Improvement and Transformation Board will provide the overall strategic coordination of the Transformation Programme to include monitoring, evaluation and reporting to Council. The Strategic Committees and Redesign Board, supported by designated Member/Officer working groups will undertake the lead role for the delivery and implementation of their respective projects.

The Board will:

- Provide a strategic oversight and co-ordination for the Transformation Programme & Recovery Action Plan in order to lead recovery from the consequences of COVID-19;
- Provide a single point of co-ordination for internal and external recovery efforts;
- Lead the facilitation of external and internal collaborative partnerships required to deliver Recovery;
- Consider and assess the implications of national decisions on the pandemic response as they impact on the Programme;
- Identify strategic risks to the Programme including implications from the COVID-19 emergency response, and develop mitigations; and
- Report and make recommendations for the Highland Council to ensure effective delivery of the Recovery, Improvement and Transformation Programme; Investment Fund initiatives; and the Recovery Action Plan.

Within the Improvement and Transformation Programme, the ECOs will meet on a fortnightly basis (or more frequently as required) as the Officer Recovery, Improvement and Transformation Group chaired by the Chief Executive. This group will undertake monitoring and tracking of progress to deliver programme assurance and to drive the programme forward at pace.

An overview of the Council governance organisation is shown below.



Recovery, Improvement and Transformation Fund Project Sponsors and Strategic Committees

Project	Sponsor(s)	Governance
Economy	ECO Infrastructure & Environment ECO Performance & Governance	Economy & Infrastructure Committee
Asset Rationalisation & New Ways of Working	ECO Property & Housing ECO Education & Learning	Redesign Board and Strategic Committees where appropriate
Service Redesign	ECO Transformation ECO Resources & Finance	Respective Strategic Committee Full Council
Roads & Transport	ECO Property & Housing ECO Transformation	Economy & Infrastructure Committee
Social Care	ECO Health & Social Care ECO Property & Housing	Health Social Care & Wellbeing Committee
Waste	ECO Communities & Place ECO Infrastructure & Environment	Communities & Place Committee
Climate Change	ECO Infrastructure & Environment ECO Communities & Place	Economy & Infrastructure Committee
Digital Transformation	ECO Transformation ECO Performance & Governance	Corporate Resources Committee
Procurement & Contracts Management	ECO Resources & Finance ECO Health & Social Care	Corporate Resources Committee

The following section sets out the projects in more detail whilst the table at the end provides a simple financial assessment of the investment and returns.

1. Economy



This project aims to address the challenges of dealing with economic recovery and the opportunities that will come from the investment into the Economic Prosperity Fund set out above, further transformation in the Council's economic development teams will bring significant benefits.

This project has 2 workstreams: **Growth Investment** and **Planning**.

Growth Investment

The proposal is to create a new post, for up to 24 months, of Growth Investment Manager to identify and attract additional public and private sector investment to the Highlands. Historically in the Highlands this role has been mainly seen as a function for HIE and the Council has focused on providing economic strategies, planning policy and strategy and also been the delivery vehicle for various employment initiatives and more recently supporting small businesses through Business Gateway. The local authorities with the highest success rates for attracting inward investment in England and Scotland have taken a more pro-active role in promoting their areas working in partnership with the local economic agencies, national government and private sector to maximise investment levels in their area. An increase in external investment to the Highland area will be a key outcome of this work.

Supporting the Highland economy is key to post-Covid recovery. In order to take a lead role the Council requires a resource to work with partners to ensure that the Highlands maximise the opportunities available particularly zero carbon and other green economy initiatives which we anticipate will be the focus of future government and private investment.

This post will work closely with HIE in order to enhance the partnership approach and joint working and discussions will take place as soon as practical.

Planning

This project will provide a dedicated point of contact for developers to support economic recovery and development. For time critical "major" projects it is necessary for a developer to discharge/purify planning conditions either prior to the development commencing or prior to the site becoming operational. In both cases these are significant developments with critical timelines and large financial outlays where any delays can be costly. The value for the applicant /developers is that they would have a dedicated point of contact to coordinate, review and discharge the relevant conditions. This would provide greater certainty and confidence to applicants and developers alike.

The appointment of a dedicated officer, for up to 24 months, is to provide a post-planning determination that would offer a value-added service and generate income for the Council. It will also ensure the effective delivery of significant investment in the Highland economy related to sectors such as employment, industrial developments or renewable energy provision and ensure compliance with planning permissions and the timeous delivery of developer contributions and other infrastructure benefits. The post will ensure compliance with planning permission condition, implementation and ensure that new applications are sought to regularise changes. The provision of a dedicated post-delivery officer to addressing monitoring is a logical extension of the award-winning major pre-application service that we currently provide. Once proof of concept has been demonstrated there should be the opportunity to mainstream the post on a full cost recovery basis.

2. Asset Rationalisation & New Ways of Working



The project aims to design and deliver a revised office accommodation estate for the Council, including HLH, reflecting and harnessing new ways of working and improvements in technology.

The benefits that can be delivered from this project include: improvements to the working environment

for our staff, including flexible approaches to the working environment; contributing to a more agile workforce; reduced operational costs supporting the Council's ongoing budget process, including delivery of savings; the release of capital value and also reduction in/removal of significant future year revenue budget liabilities; the creation of a more effective estate which can help deliver better and more streamlined business outcomes; reduced carbon emissions and greater energy efficiency; modernised information management and data security.

In their report "COVID-19: Workforce Strategies for Post-Covid Recovery" Deloitte reported that "a typical crisis plays out over three time frames:

1. Respond, in which an organisation deals with the present situation and manages continuity;
2. Recovery during which an organisation learns and emerges stronger; and
3. Thrive, where the organisation prepares for and shapes the next normal."

They further advise, that the pandemic offers opportunities to Rethink work, workforces and workplaces, using the experiences we have gained in response and recovery to accelerate the future of how we work.

Effective and adequately resourced internal, external and partner communications and engagement will also be essential to help shape the future. This will require additional resource within the communications team.

The Council will work in partnership with High Life Highland to deliver a joint approach to Asset Rationalisation, new ways of working and other related projects such as Digital Transformation and Climate Change (e.g. decarbonisation). In addition to learning from other public sector organisations that have rationalised their estate, we will also look for opportunities to work and collaborate or co-locate with partners within Highland, particularly those that have more recently invested in their estate and, as a result of Covid, under occupation may likely feature.

Discussions will also take place with other public sector organisations about the opportunities for co-location and the potential for joint development of key public sector service delivery office hubs. Support from other organisations will also be considered such as the Improvement Service and Scottish Futures Trust (SFT).

The Council already has a positive record in its approach to sharing public sector buildings such as its award-winning approach at Caithness House and Charles Kennedy Building with the DWP.

This project will provide an up to date assessment of the current school estate, to identify further improvements to the condition and suitability of our school estate and better understand how it can help to meet future educational requirements to support overall improvements to educational attainment and positive destinations.

The project will provide an opportunity to review how Members are supported in using new ways of working, including new virtual platforms for internal and external meetings; accessing information and reports; and support with constituent queries and complaints.

3. Service Redesign



This project aims to support the transition to the Council's new management structure and re-designed services which will be key to delivering efficiencies, value for money and transformation to adapt to the drivers for change and move forward in a post pandemic environment.

Underpinning all of the structural change must be an enhanced focus on the internal support mechanisms of the Council; to implement linear line management arrangements, promote staff wellbeing, deliver high quality learning and development opportunities, and create a culture of value and pride in high performance throughout the organisation. Intrinsicly linked to this attention to the internal workings and structures of the Council is the ambition to deliver high quality, locally accountable and responsive services across the Highlands.

Large organisational changes require essential HR support to ensure project delivery and implementation adheres to HR legislative requirements. Support includes specialist advice; guidance including job design; job profiles; HR impact assessments; job evaluation & recruitment processes; and leading discussions with Trade Unions throughout the implementation process in 2021/22. Effective communication and staff engagement is fundamental to any organisational change and this requires to be adequately resourced.



4. Digital Transformation



This project aims to accelerate the digital transformation of public services and the development of the Council's digital strategy. There are 3 projects proposed in this project: Connected Customers; Digitising Records and Microsoft Navigator

Connected Customers

The Council utilises a number of different business applications that represent the 'front door' through which citizens and businesses access many of the Council Services. There is an opportunity to develop these applications and the interconnecting processes collectively, in order to identify improvements to customer journeys and to enhance and develop the Council's digital offering. This can drive efficiencies in managing customer demand, improve our ability to collect income and make interacting with the Council more straightforward for our customers.

Digitise Records

Making best use of the knowledge and expertise within Services, this project will digitise records, where appropriate, to enable electronic access and processing. By doing so, the Council's reliance on paper-based systems will be reduced and a range of benefits will be created including the opportunities to support new ways of working such as secure record accessibility. This also supports home/remote working and is central to capitalising on the opportunities presented by Asset Rationalisation. Some areas of the Council have already demonstrated how effective and efficient this approach can be such as in Revenues & Benefits, Payroll and Planning & Building Standards.

Microsoft Cloud Navigator

Although some ICT investments have had Council-wide impacts, much of the process automation and modernisation has been targeted and driven by specific Service priorities. Initial engagement with Microsoft, via their Cloud Navigator programme, has indicated that there may be greater benefits to be achieved by looking at a Council-wide programme of ICT Transformation rather than continuing just with Service-led projects. Further in-depth work is now required with Microsoft consultants to define ambitious corporate ICT Transformation projects built around a robust business case. This work will involve identification of opportunities based on best practice seen elsewhere and detailed analysis of the work needed, investment required and benefits to be obtained. It is critical that this work is undertaken so that resources can be prioritised on the areas that can deliver the greatest benefits.

The immediate priority for the ICT Team is to deliver the significant changes for Project Dochas. Although the ambition for the new ICT Team from 22/23 includes strong capability to undertake this sort of strategic work, this project will enable the delivery of this research, options etc. to be undertaken in 21/22 rather than wait until 22/23. Proactive engagement with, and support from, Microsoft on this project can ultimately help the delivery of future savings whilst the significant work required to deliver Project Dochas can continue simultaneously.



5. Social Care



This project aims to support the review of the NHS partnership and respond to the challenges facing adult social Care, and placement services.

There are 3 workstreams within this project:

NHS Partnership Review; Adult Social Care; and Placement Services.

NHS Partnership Review

This requires a dedicated resource to lead on the review of the partnership and to provide capacity and expertise at a critical time for the Council assisting to deliver best value through the new Agreement and subsequently in order to implement the terms of that agreement.

Adult Social Care

Following approval at the Health, Social Care and Wellbeing Committee in August 2020, this project in partnership with NHS Highland is to help take forward an approved programme with a view to delivering transformation and efficiencies supporting the mitigation of increasing service demand in the future which is likely given the ageing population and also the increase in numbers of complex cases. In addition to the organisations providing project funding, Highland Council and NHS Highland are committed to the efficient delivery of service to achieve the best possible outcomes to support Highland's Population. Such delivery will be governed by a revised integration scheme to be put in place between the Council and NHS and will be overseen by a Project Management Board. That Board has been established and recognises the need for transformation in terms of the future delivery of Adult Social Care. The workstreams provisionally identified have been set out below. The Board are also sighted on the terms of the Feeley report in terms of the future delivery of Adult Social Care and welcome the opportunities it is likely to bring in terms of a human rights focus and recognises the key role of Self Directed Support and the role played by (unpaid) carers. It is recognised also that there will be a need going forward to look to reduce residential care and make improved use of community led support and technological advances to support independent community living.

Notwithstanding the proposed governance of the Council's overall Transformation Programme as described at section 8, the Adult Social Care project board/team will provide regular updates to the Joint Monitoring Committee as the principal governance body for the Partnership and has as a principal role the continuing implementation of the Integration Scheme and the financial commitments in relation to that arrangement.

The Project will initially focus on the following workstreams in terms of the future delivery of adult social care: Care Homes; Care at Home with a focus on Community Led support, and those transitions cases which in terms of adult social care become younger adults with complex needs. The Project will also consider if there are further opportunities which might have arisen as a result of the work carried out by the partner organisations in terms of the response to the pandemic.

Placement Services

This project looks to continue the review of the delivery of children's services - particularly fostering/adoption and Out of Authority (OOA), significantly reducing the end to end process for people applying to be foster carers and increasing the number of foster carers and adoptive parents in Highland. The primary purpose of this project is to improve outcomes for young people in Highland.

As reported within the Health & Social Care's Service Budget Revenue Monitoring, the costs arising from OOA are significant as well as that, outcomes for young people are often best achieved through staying within their respective areas. In addition, the project will review the additional related-education costs for the Council. Members may be aware OOA authority placements overall currently cost between £3,500 and £8,500 per week, or £200k-£250k per child per year. The current education element of the current OOA placements is estimated to be in excess of £1m per annum.

The project will include working with staff across Education and Health & Social Care to ensure Looked After Children and Young People receive the resource and support they need at the right time and that the views and needs of children and young people are at the centre of decision making. The Council and partners have stated their commitment to The Promise report - to work toward keeping children with their families (when safe to do so), and to keep children and families voices central to the decision making process.

6. Climate Change



This project aims to deliver the transformation required meet the Council's commitments to Climate Change.

The Scottish Government has pledged to end Scotland's contribution to climate change no later than 2045. All public bodies have a duty to support and work towards this target under the Climate Change (Scotland) Act 2009, as amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. At a meeting of The Highland Council on 9th May 2019, Members agreed that the Council declare a climate and ecological emergency, whilst recommitting to achieving a carbon neutral Highland by 2025.

The transformation required now is to shape the Council's programme, key internal policies & capital programme to ensure a best-fit with the Programme for Government, specifically around the climate change agenda, to support the Council's ambition to secure maximum levels of external funding for climate change action. It is also essential that the Council sets out how it can maximise the benefit of its land holdings to support national climate change targets, for example through afforestation, and identify any funding streams or internal policy changes which could support this. The programme of work will identify key financial and non-financial opportunities around the low carbon agenda for the whole Highland region, especially in relation to how the Council can best support and promote the public goods the region can deliver, sequestration of carbon through forestry, peatland preservation and restoration etc, with a view to being in a better position to demonstrate leadership and market Highland as a truly low carbon region.

This programme of work will specifically deliver the following:

- / A dedicated Food Growing/Community Engagement Officer to lead on taking forward the Council's obligations in the Council's food growing strategy, Growing Our Future. This will include the identification of suitable land for food growing / allotments opportunities; opportunities through the Council's amenities review to reduce budget pressures whilst supporting increased community growing/wildflower planting schemes; liaison with Highland food growing groups to support expansion of schemes and increase community involvement; and development of a Highland Food Growing Network to support Highland access to knowledge, equipment and land.
- / Development of a net zero action plan for the Council, identifying key areas of focus across services with a view to developing outline project plans and funding bids. Work to develop service-level carbon budgets to assist in meeting net zero targets. Development of strategic control plans (SCP) for key service functions directly related to climate change agenda, in collaboration with service leads e.g. property, fleet, waste, energy etc. Based on outcomes of the Programme Alignment work and SCP process, setting of objectives, horizon scanning and development of projects and funding bids to assist in decarbonisation opportunities across services – working closely with the Growth Investment Manager post referenced above.
- / Development of corporately agreed hydrogen & low carbon heat strategies to ensure the Council benefits from the energy-systems transformation that these technologies will bring to the region. Ensuring that opportunities within the capital programme are maximised in respect of delivering carbon reduction for both the Council and wider region.
- / Identification and development of energy and fleet projects with partners which can secure external funding e.g. through Scottish Cities Alliance, COSLA, Sustainable Scotland Network etc. Provide a focus on the decarbonisation of the fleet (Greening the Fleet) i.e. electric and hydrogen alternatives, to ensure we work towards the Scottish Government target and Highland Council's ambition to decarbonise local government fleet by 2025.

7. Waste



This project aims to respond to the legal requirements to no longer landfill biodegradable municipal waste from 1st January 2026, develop a circular economy and to continue to adjust our waste collection approaches.

The project has two workstreams, **Waste Strategy** and **Route optimisation**.

Waste Strategy

The first workstream is to support the alternative to landfilling waste and conclude the options appraisal into the feasibility of an Energy from Waste Plant including a review of the associated wider socio-economic and environmental benefits. The option chosen will affect how we use the new and planned infrastructure of waste transfer stations in three areas and our future relationship with the market in waste transfer, haulage and disposal. It will support the Council's wider climate change work. On-going Project Management support through the Transformation Programme will ensure timescales are met. This project is overseen by a Member Waste Strategy Working Group and reports to each meeting of the Communities and Place Committee.

Route optimisation

The second workstream is to conclude one aspect of change in our collection of waste. It is to design optimised collection routes to make sure the Council collects both household and commercial waste in the most efficient way. This is needed as the number of customers grows by around 1000 each year which could otherwise bring new vehicle and staff costs. Route optimisation will also support how we plan for any changes arising from the Scottish Government's Household Recycling Charter which aims to make waste services more consistent across the country. This is expected to place new requirements on the type and volume of household waste we collect and what we are permitted to charge for. It brings challenges particularly for our rural service delivery. Route optimisation is underway and uses a software solution. It requires an ongoing analytical resource to conclude the project and begin communication of the changed routes with staff, members, customers and communities. However, its successful introduction has the potential to bring wider benefits in terms of winter gritting and school transport routes. Again, significant communication and public engagement support are essential to these workstreams.



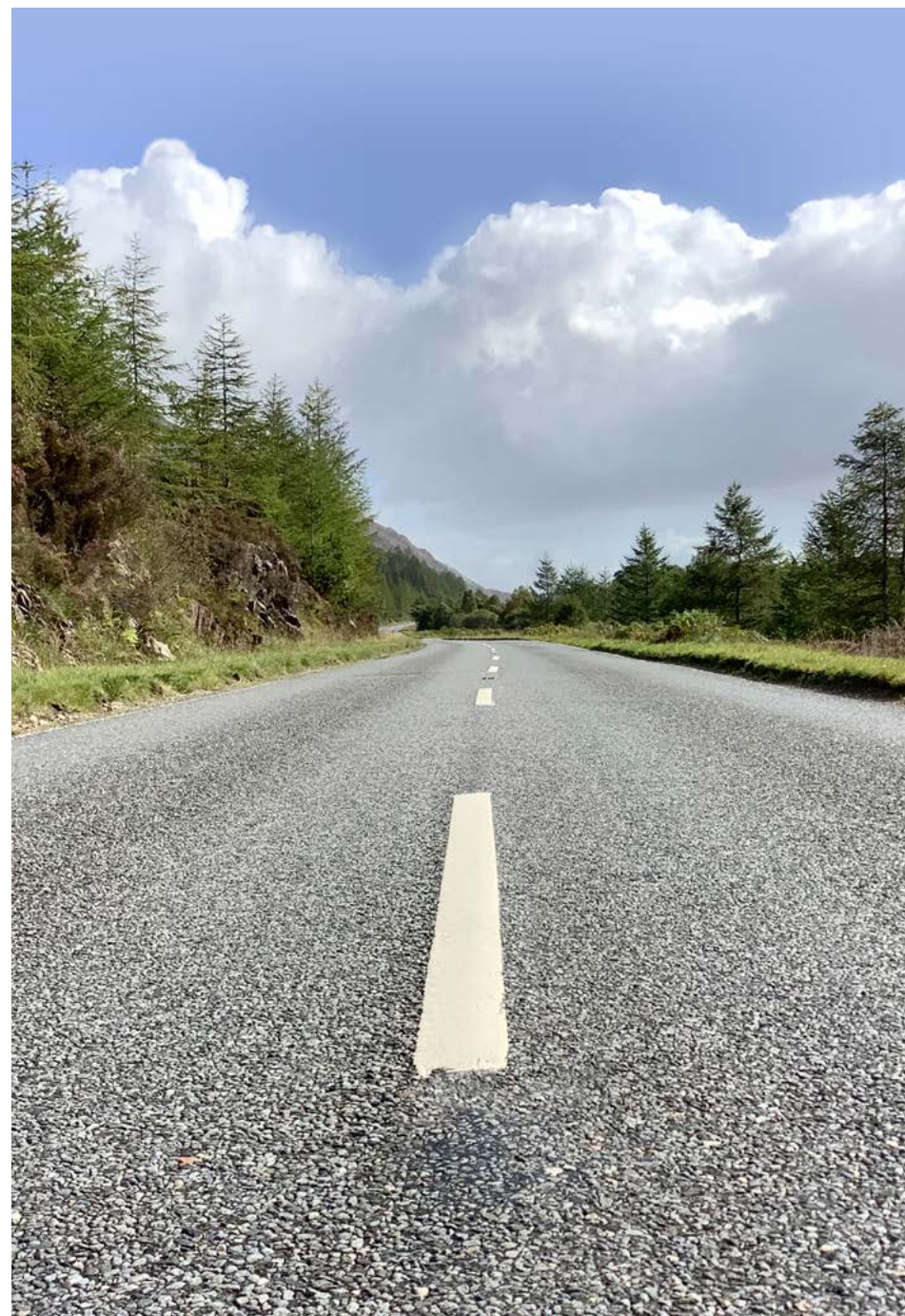
8. Roads and Transport



This project aims to support the existing transport planning and strategy, design and construction management and area operational and maintenance teams to more effectively deliver services, improve performance and demonstrate value for money.

Arising from a cross-Council redesign review into engineering services, and recognising the significant £20M of additional investment agreed by the Council to the roads maintenance capital programme for 2021/2022 and 2022/23, the transformation project will focus on ensuring that the existing transport planning and strategy, design and construction management and area operational and maintenance teams in the Infrastructure and Environment Service will be strengthened and redesigned to more effectively deliver services, improve performance and demonstrate value for money. Local community engagement will also play an important role in this. Critical to the transformation will be a review to establish the further localised Strategies for the delivery of co-ordinated action by the Council, working with partners such as Transport Scotland, BEAR Scotland and the private sector across the Council area. The review will also identify future resource requirements to effectively and efficiently deliver Council-wide transport strategies.

The benefits of resourcing this review are that the opportunities for contributions by renewable energy and other large-scale project developers as well as medium and small-scale developments to carry out mitigation works required for their development will be maximised. This will build on the success of delivering key road improvements through the use of developer contributions from renewable energy developers in South Loch Ness and allow other areas in Caithness and Sutherland to be targeted. Opportunities for potential match funding partners and budget streams will also be realised and pressures on the area road maintenance budget to address deficiencies and substandard nature of the road network in all Council areas could be reduced.



9. Procurement and Contracts Management



This project aims to deliver efficiency in both procurement and contract management.

The Council spends in excess of £380M per annum on non-staff costs; this is higher than the total spent on staff costs.

Procurement

This is the process of finding and agreeing to terms, and acquiring goods, services, or works from an external source, often via a tendering or competitive bidding process. This process, for contracts over £50,000, is delivered by the shared service with Aberdeen City, Aberdeenshire Council and Highland Council, known as the Commercial and Procurement Shared Service (CPSS). Approved in August 2016 at Resources Committee, this arrangement took effect from January 2017. The CPSS has responsibility for the provision of strategic procurement services, namely:

- Procurement strategy, legislation, policy and advice.
- Category Management (for all strategic categories of spend).
- Strategic Commercial Management.

As part of the Council's Recovery Action Plan within the "Financial Recovery Strategy" key priority, a high-level financial review was recently undertaken of the service. This work indicates opportunities for improvement which will deliver procurement savings. Such is the nature and lead-in time for changes pertaining to Procurement matters, including contract timelines, it is anticipated that further savings will be deliverable from 22/23 onwards.

The CPSS have expressed a strong commitment to deliver improvements and will also provide resource to support the delivery of further savings as quickly as possible. This project will include the formal design and implementation of an Improvement Plan, progress of which will be reported to the Corporate Resources Committee.

Contracts Management

The process of systematically and efficiently managing contract execution, including ongoing monitoring for the purpose of maximising financial and operational performance and minimising risk. Responsibility and ownership of this process sits with the Council therefore it lies out-with the scope of CPSS as does procurement activities for contracts less than £50,000. Managing contracts is an important responsibility for Managers and needs appropriate skill sets such as challenging suppliers where performance falls below contract standards and negotiating improved terms where the contract permits. Supporting managers to do this effectively requires effective training and access to accurate & timeous contract data/information. A review of all contracts (including SLAs) will also be undertaken to review the services currently being procured /commissioned.



Resourcing the Recovery, Improvement and Transformation Programme

Programme Management Office

The PMO is the single structure to assist the delivery of the Recovery, Improvement and Transformation Programme, this includes resource allocation to assist the delivery of the change, initiatives and transformation. Acting as the centre of expertise for programme and project management for this programme. In addition, it will be the information hub of the programme, all information, monitoring and control activities for the programme are coordinated through the PMO.

The PMO will set, maintain and ensure standards for project management across that Council, promoting best practice, for project status and direction — all in one place.

The PMO will provide:

- Programme Board support
- Resource allocation
- Programme management
- Managing the dependencies and the interfaces between projects
- Programme assurance
- Programme coordination
- Programme administration
- Project Manager mentoring
- Project Management methodology
- Project meeting support
- Project and Programme governance
- Project and Programme Management support
- PMO metrics and reporting
- Business Case validation

Communications

Effective communication with all stakeholders across this whole programme is essential, including engagement with staff and the Trade Unions.

Communications resource is required to continue to support the ongoing resilience and pandemic communications as well as enhanced staff, Trade Union, partners and communities engagement and public relations.

In addition, key areas of new work will include significant communication support for local and regional economic recovery work and publicising, the investment programme; large transformation projects such as asset rationalisation and service redesign, where staff engagement and public communication will be key; and public communications where behavioural change and broader understanding will be required to maximise success – as with climate change and waste management.

Other areas include supporting area initiatives, assisting with ongoing digital transformation, and public and staff engagement with additional and ongoing development of our effective digital/video communications solutions and resource to support this. Additional posts are required to supplement the capacity of existing limited communications resource.

Programme – next steps

On approval, the next immediate steps for the projects building on the outline business cases will be as follows:

1. Complete full Business Case
2. Agree the success criteria/project objectives
3. Agree project roles & responsibilities
4. Establish Project Boards (as required)
5. Assemble Project teams
6. Produce Project Initiation Document set
7. Produce detailed Project Plans including key milestones
8. Produce Initial Risk Register
9. Provisional benefits plan
10. Conduct initial Board meetings
11. Prepare reports for Recovery, Improvement and Transformation Board

These steps will be undertaken with the aim of taking reports to the Recovery, Improvement and Transformation Board in March 2021 and May 2021 will be carried out before end April 2021 to commence the project life cycle as below:



Proposed Recovery, Improvement and Transformation Programme

Portfolio	Duration	Resource	Cost 21/22 £M	Total Cost £M	Total Cashable Benefits (Revenue) £M
Economy	24 Months	Growth Management Planning	0.114	0.228	*Note 1
Asset Rationalisation & New Ways of Working	24 Months	Property Asset Management (THC) Property Asset Management (HLH) Subject Matter Expert (Education) Project Management Business Analysis HR advice & support	0.424	0.848	1.050 *Note 2
Service Redesign	12 Months	HR advice & support	0.097	0.097	4.800
Roads & Transport	18 Months	Transport specialist advice Project Management Business Analysis	0.130	0.180	2.220
Social Care	24 Months	Strategic leadership Programme & Project Management Subject Matter Expert advice & support	0.379	0.541	9.500 *Note 3
Waste	18 Months	Project Management Business Analysis	0.075	0.098	0.385

Portfolio	Duration	Resource	Cost 21/22 £M	Total Cost £M	Total Cashable Benefits (Revenue) £M
Climate Change	24 Months	Project Management Subject Matter Expert advice & support	0.240	0.480	*Note 4
Digital Transformation	12 Months	Project Management Business Analysis	0.198	0.198	0.254
Procurement & Contracts Management	12 Months	Project Management Subject Matter Expert advice & support Business Analysis	0.171	0.171	0.450
PMO	24 Months	Programme Management, Assurance & Coordination	0.263	0.527	0.000
Communications (Various projects)	24 Months	Communications expertise and support across the Programme	0.160	0.320	0.000
Total			2.250	3.686	18.659

***Note 1** The new posts will have a significant focus on bringing external funding in to support the Council's Economic Development Strategy. Opportunities to deliver the maximum share for Highland from funds such as the Infrastructure Investment Fund or the Shared Prosperity Fund requires dedicated resource and close collaboration with local partners, the Scottish Government and UK Government.

***Note 2** Excludes the release of capital value and also reduction in/removal of significant future year revenue budget liabilities including repairs & maintenance, insurance and non-domestic rates; the creation of a more effective estate which can help deliver better and more streamlined business outcomes; reduced carbon emissions and greater energy efficiency; modernised information management and data security.

***Note 3** Cost avoidance.

***Note 4** The new posts will have a significant focus on bringing external funding in to support low carbon and cost saving projects (principally around fleet decarbonisation) whilst the remaining balance can be utilised to put us on a firm footing for other funding opportunities.

The Grant settlement for 2021/22 represents a £23.6M cash increase in Council funding which includes a significant increase in resources for adult health and social care and for the roll out of Early Years. There has also been funding provided to offset the need to raise Council Tax for the coming year and one off funding to manage Covid related pressures. This has all assisted in reducing the amount the Council needs to find to manage recurring budget pressures, the majority of which relate to the national pay settlement and associated salary increments and contractual increases. Nevertheless, there is still a requirement to find £5.3M of new savings and increased income to balance the budget for 2021/22. Further savings of £20.3M are required to be found to deliver a balanced medium-term financial plan over the next 3 years.

How the Council intends to address the 2021/22 budget gap is set out under three themes. Each proposal has been assessed for equality, community and island impacts and these are set out in the detailed savings templates on the following pages.

Theme 1: Making the Council More Efficient

Efficiency is one of the strong themes the public have said they want the Council to focus on - people want to see less waste and more efficiency in every part of the Council. Savings can be made by examining how the Council currently does things and finding better ways to provide services which deliver improved outcomes, recognising that the Council has achieved efficiency savings over many years. These will require no change in Council policy.

Theme 2: Commercialisation and Income Generation

Increasing income needs to be a fundamental part of the Council's budget strategy in order to be able to fund the cost of services, protect jobs and reduce the need for cuts. Feedback from public engagement has shown that most people would be prepared to pay a bit more to protect people, services and the local economy. There is also potential to use money raised locally to reinvest in local services and infrastructure thereby helping to sustain local communities and protect jobs and services.

Theme 3: Redesign and Improvement

Improving the Council's performance is a major focus for the Budget Strategy over the next 3-5 years. The Council needs to adapt to change and do things differently to get improved results. Managing within reduced resources and identifying opportunities to address under-performance will require a transformational approach to the way in which the Council delivers some key services. Public and staff feedback has highlighted opportunities to simplify and streamline processes, learning from recognised best practice and successful processes elsewhere. The Improvement and Transformation Strategy will be an integral part of this approach.

Savings Proposals 2021 - 2023

Theme 1: Making the Council more efficient

Theme Ref	Service Ref	Budget Area	Savings Description	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
1.01	C&P/10	Waste Management	HWRC - maintain current adjusted opening hours and return to pre-Covid staffing levels	0.032			0.032
1.02	C&P/15	Waste Management	Delete 3 vacant operational posts 2 x HC3 & 1 x HC4	0.080			0.080
1.04	C&P/24	Logistics & Fleet	Reduce car club administration	0.025			0.025
1.06	E&L/4	ELC	One off savings from Phasing of 1140 Implementation	0.500	-0.500		0.000
1.07	E&L/5	ELC	ELC phase 1 into phase 2 Implementation	1.237	0.449		1.686
1.13	HW&SC/6	Service Staffing Budget	Reduce relief staffing budget based on underspend	0.011			0.011
1.14	I&E&E/4	Roads & Transport	Cromarty - Nigg Ferry Contract (Non Statutory Tourist Service)	0.010			0.010
1.15	I&E&E/9	Development & Regeneration	Private Sector Housing Grant - Reduction in Grant	0.050			0.050
1.16	P&G/4	Members	Travel	0.020			0.020
1.16	P&G/5	Members	Catering	0.007			0.007
1.16	P&G/6	Members	Mobile telephony	0.015			0.015
1.16	P&G/7	Members	Members Subsistence	0.011			0.011
1.17	R&F/8	People	People Health and Safety - range of savings from various budgets headings	0.012			0.012
1.18	T/2	Transformation Non-Staffing Budget	Review and removal of discretionary spend	0.019			0.019
1.19	P&H/4	Non- HRA Housing	Temporary Housing Accommodation Saving	0.116			0.116
				2.145	-0.051	0.000	2.094

Savings Proposals 2021 - 2023

Theme 2: Commercialisation and Income Generation

Theme Ref	Service Ref	Budget Area	Savings Description	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
2.01	C&P/3	Environmental Health	Bereavement services - develop a wider range of services for remembrance	0.012	0.012	0.012	0.036
2.02	C&P/5	Environmental Health	New cost recovery for EH licensing	0.003	0.003	0.003	0.009
2.03	C&P/7	Community Support	Review administrative funding to NESH to co-ordinate and organisation statutory and non-statutory health and wellbeing training programmes for Council staff	0.020			0.020
2.04	C&P/9	Waste Management	Additional Saving from Compaction within HWRC's, saving on haulage and contractor costs	0.025			0.025
2.05	C&P/12	Waste Management	Reduction in Residual Waste from the introduction of Deposit Return Scheme			0.280	0.280
2.06	C&P/13	Waste Management	Reduction in Glass contract cost from the introduction of Deposit Return Scheme			0.100	0.100
2.07	C&P/17-19	Registrar Service	Income Increase fee charges	0.061			0.061
2.10	C&P/20	Grounds Maintenance	Income Work with Services to reduce external spend on arbor work, carry out work using internal team	0.030			0.030
2.11	C&P/22	Logistics & Fleet	Reduce contract requirements for plant hire	0.022			0.022
2.12	E&L/8	ICTI Development Team / Virtual Academy	Income Generation ICT Consultancy / Virtual Academy / Advertising on Chromebooks	0.150			0.150
2.13	E&L/14	DSM	Job Sizing Review Promoted Teaching Posts	0.288	0.728	0.257	1.273
2.15	HW&SC/2	Third Sector Contracts	Review of priorities and delivery and reduction in payment - subject to negotiation and member agreement		0.150	0.150	0.300

Savings Proposals 2021 - 2023

Theme 2: Commercialisation and Income Generation

Theme Ref	Service Ref	Budget Area	Savings Description	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
2.17	I&E&E/10	Roads & Transport	Corran Ferry - Fares Income	0.100			0.100
2.18	P&G/8	Licensing	PLR Income	0.045			0.045
2.18	P&G/9	Licensing	PLR agency costs	0.002			0.002
2.19	P&H/2	Property (Corporate Business Rates)	Reduction in Business Rates Payments for 2021/22	0.100			0.100
2.20	R&F/3	ICT	Negotiated price reduction on SWAN contracts	0.080			0.080
2.21	R&F/4	ICT	One-off saving on SWAN contracts prior to 22/23 contract reprocurement	0.130	-0.130		0.000
2.22	R&F/12	Corporate Finance	Removal of budget overprovision for procurement service	0.100			0.100
2.23	E&L/7	Procurement	Software ICT Licensing Best Value Review	0.150			0.150
				1.318	0.763	0.802	2.883

Savings Proposals 2021 - 2023

Theme 3: Redesign and Improvement

Theme Ref	Service Ref	Budget Area	Savings Description	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
3.01	C&P/1	Service Leadership Review	Delete vacant management post (net saving following JE of remaining posts)	0.050			0.050
3.04	C&P/11	Waste Management	Review of sites and management of the skip servicing vehicle	0.020			0.020
3.09	E&L/13	School General	Review of Probationer Allocations	0.168			0.168
3.11	E&L/18	Learning & Teaching	Non-Staff costs review	0.130			0.130
3.14	HW&SC/3	Family Teams	Redesign of family teams	0.483			0.483
3.15	HW&SC/4	Infant Feeding Support	Cessation of Council funding to NHS Highland for this Service	0.060			0.060
3.16	HW&SC/5	Play Strategy Budget	Removal of budget which has not been spent in recent times (non statutory function)	0.012			0.012
3.17	I&E&E/1	Roads & Transport	Existing Vacancies	0.102			0.102
3.18	I&E&E/2	Planning & Environment	Existing Vacancies	0.259			0.259
3.19	I&E&E/3	Development & Regeneration	Existing Vacancies	0.040			0.040
3.20	I&E&E/6	Planning & Environment	Remove £20k from the Access budget for works	0.020			0.020
3.21	I&E&E/7	Planning & Environment	Remove £0.012m from consultancy budget (£0.052m used for feasibility work, support for economic development etc)	0.012			0.012
3.23	P&G/1	Audit & Performance	Performance: reductions across a range of budget headings	0.005			0.005
3.23	P&G/2	Audit & Performance	Audit: reductions across a range of budget headings	0.002			0.002

Savings Proposals 2021 - 2023

Theme 3: Redesign and Improvement

Theme Ref	Service Ref	Budget Area	Savings Description	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
3.23	P&G/3	Audit & Performance	ICT	0.002			0.002
3.24	P&G/10	Legal	Reduction in contract cost (time based system)	0.005			0.005
3.24	P&G/11	Democratic Services	Reductions across a range of headings	0.003			0.003
3.24	P&G/12	Trading Standards	Technical equipment	0.005			0.005
3.24	P&G/13	Elections	Reductions across a range of headings	0.004			0.004
3.26	P&H/3	Property	Reduction in Staff Travel Costs	0.005			0.005
3.27	R&F/1	Revenues & Business Support	Deletion of 7.73 FTE vacant posts across the service	0.254			0.254
3.28	R&F/5	ICT	Cyber Security	0.050			0.050
3.29	R&F/6	ICT	Third Party	0.050			0.050
3.30	R&F/9	People	Training & Development - range of savings from various budgets headings	0.016			0.016
3.31	R&F/10	People	HR - range of savings from various budgets headings	0.011			0.011
3.32	R&F/13	Occupational Health	Reduce the Occupational Health budget by reducing the promotional spend	0.009			0.009
3.33	R&F/14	Learning & Development	Reduction in Learning and Development Chargeable Training Budget	0.009			0.009
3.34	T/1	Transformation Staffing Budget	Delete 1fte vacant HC10 Project Manager post	0.059			0.059
				1.845	0.000	0.000	1.845

Visitor Management Strategy

A cross-service working group is co-operating in producing a Visitor Management Plan for The Highland Council services for 2021 and extending beyond. This Plan will focus on service delivery rather than tourism infrastructure. Infrastructure needing capital funds may take place over a longer term. A separate Tourism Infrastructure Plan is also being developed and together both will provide a longer-term Highland Visitor Management Strategy.

Background

The summer of 2020 was unprecedented in terms of tourism within the Highlands. Tourism in the Highland Council area has always been essential for the local economy and it has been notably increasing over the past 10 years. Whilst businesses and marketing have developed to encourage this increase, the infrastructure and council services have not, and in fact often have decreased due to budgetary constraints. This is most notable on the North Coast 500 but also Skye, Loch Ness, Badenoch & Strathspey and parts of Lochaber.

In addition to the above the emergence of the pandemic had a direct impact on our communities/services and infrastructure. The Highlands was a popular destination not only for the usual and obvious reasons of dramatic scenery, culture & wildlife, but the perception that there is plenty of space and a low incidence of the disease. As result many people may have been first time or infrequent visitors to the area and often unfamiliar with the Scottish Outdoor Access Code (SOAC).

Issues

As a result of COVID-19 many businesses stayed closed, particularly campsites, B&Bs and hotels. With a desire to be self-contained as a result of the virus, there was a huge increase in motorhome use and informal camping. When confronted with closed campsites people used whatever site they felt was appropriate. If people had little knowledge of the SOAC and the 'leave no trace' principle, other than a vague awareness that 'wild camping was allowed in Scotland', there were inevitable problems. Many locations were inappropriate and not true wild camping which is defined as no more than 3 nights, well away from buildings, roads, historic structure and not in enclosed fields. There was over-crowding in popular spots leading to noise, litter, fires, vegetation damage, outdoor toileting, bad parking and other anti-social behaviour. Even away from popular camping spots there were insufficient parking areas, damage to roadsides, litter bins overflowed, toileting at roadsides and fire sites in many lay-bys. Unfortunately, the Countryside Ranger Team, having been transferred to Highlife Highland, were furloughed and not able to patrol, monitor and advise the public on appropriate and responsible countryside behaviour.

A number of communities and land managers were understandably upset and frustrated with some taking actions both positive and negative:

Positive actions	Negative actions
Formed action group and lobbied Councillors and Ministers	Locked gates
Regular litter patrols	Blocked car parking areas
Provide trowels in laybys	No camping signs

Actions in 2020

Unfortunately, the Council was fairly limited in the actions it could undertake due in part to some Covid restrictions remaining in place. However;

- Each service contributed to a Community & Business Guide
- Amenity Services were able to work quickly to open all public toilets.
- Waste management were able to increase collections and provide additional & larger bins in some locations. Support was given to some community litter patrols
- Access team provided SOAC advice when requested.
- Roads attempted temporary 'No parking' measures.
- Parking regulation signs and officer engagement. New car parks partially opened.

A bid to the Scottish Government was submitted in July 2020, at the request of the Minister, for funds to specifically deal with some of the issues but did not prove successful.

Planning for 2021

The cross-service group quickly realised that a plan for summer 2021 and beyond was needed. Information was gathered from each service on where improvements could be made/delivered.

Projects are broken down into three categories:

- i. **delivered within current resources;**
- ii. **extra funding required;** and
- iii. **extra staff required.**

If all improvement projects were to be delivered, the strategic interventions set out below would be required for the coming year. Quick mobilisation is required to allow for service changes and recruitment to be put in place.

A report on implementation will be prepared for the Tourism Committee, which reports into Highland Council, and regular monitoring reports will also be presented throughout the year.

	2021/22
Roads Improved passing places and lay-bys, road signs, road verge protection, road traffic orders.	£280,000
Parking Management Install charging at tourist dominated car parks (not enforced until TRO in place). Improved signs & regulation, more officers for fee collection & enforcement.	£170,000 charging infrastructure £75,000 additional parking enforcement resource
Ten seasonal access rangers 10 x seasonal ranger posts to promote responsible behaviour and possible enforcement (litter, parking, fires, dogs). Improve & maintain countryside sites & paths. These posts will focus on visitor management issues and work weekends and evenings. This team will work in co-operation & co-ordinate with other organisations, such as Highlife Highland, NatureScot, Forestry & Land Scotland, National Trust for Scotland and Nevis Landscape Partnership.	£300,000
Public Toilets Increase & improve comfort scheme, investment in all WC improvements	£60,000
Waste Management Increase service, frequency and capacity	£180,000

	2021/22
<p>Motorhomes To increase campsite and waste servicing guidance, and provision of sites (expedite Council project design and implementation).</p> <p>In addition, a small bid in grant scheme for commercial caravan campsites will assist a temporary solution. Commercial operators can bid for funding towards additional costs whether this is for additional emptying of tanks, changes to circulation areas to accommodate non-resident vehicles etc. and in return for a the (£1k) agreement will be sought for them to be published on a list of locations that will be advertised through tourism groups, motorhome owner groups etc. This will give a network of maybe 40 – 50 locations across Highland (total cost £25k).</p> <p>The development of a Highland “brand” for motorhome waste facilities and the communication and marketing of this provision will also be a key element of this investment.</p>	£200,000
<p>Public Transport Park & ride bus service to visitor sites on Skye.</p>	£60,000 for 3 months less fare income
<p>Cairngorms National Park Work with CNPA on the visitor management improvements in the Aviemore-Glenmore Corridor area.</p>	£175,000
Total	£1.5M

In addition to the above, The Council is working to make it easier for communities and landowners to set up small scale motorhome sites similar to the continental “aires”. Guidance will be published with an emphasis on minimising regulation and licensing provision, and creating the potential for commercial sites to be set up quickly. The Council will look at branding and communicating this network of sites under a common name, perhaps “Airidh”, the rough Gaelic equivalent of “Aire”. Support has been provided to develop facilities through the Rural Tourism Infrastructure Fund (RTIF) to improve car parks and visitor experience. There are National Visitor Management Strategy Working Groups on which The Highland Council has representation.

A completed Visitor Management Plan will be produced for the Tourism Committee on 17th March. Funding for the improvements in service delivery will be prioritised and sought from the relevant committees and outside sources where possible.

Other Projects & Funding

At present the RTIF has provided £3,527,928 towards Highland projects with one round 3 project funding still to be confirmed. For the upcoming visitor season, it is anticipated all 6 Round 1 projects will be available for visitors, 5 out of 7 Round 2 projects will be ready and 2 out of a possible 10 Round 3 projects (includes waitlisted projects awaiting funding) could be available to locals and visitors for this summer. A number of tourism focused projects where submitted to the Highland Coastal Communities Fund in its first round of funding (Deadline for applications was 31st January). Funding decisions will be made by local Area Committees taking place over the next few months. Some projects are shovel ready if match funding is confirmed and will be able to go ahead for this season.

Governance

Governance for this strategy will be overseen by The Council utilising the Recovery Board for monitoring and evaluating progress. Potentially 3 Committees will have an involvement both in terms of policy and implementation of actions. Two of these are strategic committees: Economy and Infrastructure and Communities and Place; and there is also the Tourism Committee. Corporate Resources Committee will be accountable for the overall budget.

A working group is to look at increasing rural car park charging opportunities. Any increased income could be used to fund improvements and enforcement work.

North Highland Initiative have set up a small-scale funding scheme for communities to support infrastructure.

Naturescot are rolling out green recovery funds currently for communities to consider local visitor management plans.

HIE has approached a number of communities with funding for COVID-19 Community-led Tourism Infrastructure projects, e.g. benches, and motorhome facilities at Falls of Shin.

Future replacement of EU funds e.g ERDF/ LEADER etc may provide future funding opportunities.

The Bus Service Improvement Fund could assist in implementing park and ride schemes.

Economic Prosperity Fund

Economic Growth, Inclusion and Prosperity for 16 to 65 year olds

1. Purpose/Executive Summary

- 1.1 This Fund will provide a targeted response to the needs arising during the pandemic impacting upon individual, family, community and business wealth and prosperity. Job opportunity, sustainability and creation are essential across The Highlands as we have witnessed the highest increase in levels of unemployment and business collapse within our Communities.
- 1.2 In the 8-month period to November 2020, an additional 8,500 local people claimed Universal Credit, a 75.2% increase in the number of people claiming this vital support, and around 6,000 Highland pensioners are claiming Pension Credit to top-up their incomes. More detailed data is provided in the appendices. Our response must be immediate, rapid and targeted to support business recovery and to address the lost job opportunities for people of all ages ranging from 16 to 65 years. This encompasses our young and vulnerable, school leavers without qualifications, graduates without careers, adults facing unemployment for the first time, and our vulnerable adults affected by the collapse of key business sectors.
- 1.3 This paper describes approaches to invest over £6M in economic growth, inclusion and prosperity, beginning in 2021/22. This funding should lever resources from other partners and prevent costs arising for them, particularly in welfare and health budgets.

2. Background

- 2.1 Our communities will recognise the survival challenges facing many businesses, in respect of stalled economic growth and rising unemployment. The anticipation is that these challenges will significantly increase over the coming months with unemployment forecast in the Highlands likely to rise to up 10,000, which includes over 900 young people under the age of 20. Unemployment in Highland, measured by the number of people aged 16-64 seeking work, is currently estimated to be 6,567. This is an increase of 3,245 (97.68%) since March 2020 and is slightly ahead of the Scottish rate (97%). This reinforces the urgent need to implement support across all age ranges and to rebuild the infrastructure necessary for job creation and sustainment.
- 2.2 The increase already in Universal Credit claims across different localities between March and November 2020 is shown in Appendix 1 with all areas in Highland experiencing an unprecedented reliance on this support. Take up of new COVID-19 related grants has been high. Since 12th November, 109 self-isolation support grant payments (of £500) have been made to support employed people whose income is disrupted by the requirement to self-isolate, indicating pressure on household budgets. The Council's fuel support grant is now over-subscribed with 4,905 grants paid since 18th January. There are an increasing number of families entitled to free school meals, based on low income, with more than 4,700 pupils receiving this support, demonstrating the pressures on family finances. For those who are self-employed in Highland, 5,700 claimed the third Self Employment Income Support Scheme as a result of reduced business activity, capacity, demand or an inability to trade due to the pandemic during 1st November 2020 to 29th January 2021, and they reasonably believe there will be a significant reduction in their trading profits. Self-employment makes a valuable contribution to Highland's economy which benefits from a self-employment rate of 12% compared with 8.4% nationally.

- 2.3 Qualitative feedback from community bodies involved in responding to COVID-19 highlights concerns about furlough ending and the mental health and wellbeing impacts evident in communities. At December 2020, there was an estimated 14,300 employments furloughed in Highland and therefore at risk of unemployment, which is the equivalent of 13% of eligible employments compared with 11% nationally. Concerns about the stigma associated with seeking help, particularly in rural communities, are reported and highlights the importance of enabling people to achieve their potential by accessing employment, self-employment, business start-up, and learning and development opportunities. The strength of the community response along with strong local networks in many places and our network of community partnerships will help to identify local solutions for local places.
- 2.4 In order to rapidly and effectively address this issue and achieve best outcomes the Highland Council must continue to collaborate with employers to ensure that job creation and sustainability is recognised as a key priority for the economic prosperity of the Highlands. Key to the success will be an inclusive approach and on-going engagement with a variety of partners including schools and colleges, chambers of commerce and other business representative bodies, UHI, HIE, SDS, DWP, the private and third sectors to stimulate the economy, address skill shortages and create direct and indirect employment opportunities. Supporting every business sector in Highland must be a focus, recognising the difficulties being encountered and the need for the economy to come back stronger in our existing core sectors but also looking ahead to future opportunities in the emerging sectors around low carbon, renewables, space and health sciences.
- 2.5 Although undertaken prior to COVID-19, independent research commissioned by the Council (Rocket Science, 2017) usefully identified supply and demand issues facing the Highland economy:
- The nature of the problem – and appropriate responses in terms of the balance of supply and demand responses – varies across Highland. For example, in the Inverness area there is a tight labour market and the issue is about helping those seeking work to gain the skills and behaviours they need to thrive in work and offer the skills that employers need: in other words, the issue is about supply. In many other areas, there is a shortage of

jobs and the issue is about helping create additional jobs through business growth (or through joint public sector workforce development plans): in other words, the issue is about demand.

It is clear that the challenge faced is not just one of supply (the skills and behaviours of people) but also critically of demand (the creation and provision of jobs).

- 2.6 Data collected during the pandemic and on-going engagement in key economic forums and recovery partnerships have identified a broad range of potential targeted groupings.

Targeted Support for young people and adults aged 16-65 years

Young Highland adults aged 16-26 years	Adults falling into unemployment	Work experienced and older adults (50 years+) falling into unemployment
<ul style="list-style-type: none"> • Vulnerable young people facing barriers because of their circumstances – e.g. young carer, disabilities, without qualifications and/or place-based barriers (our locality plans that demonstrate need). • School leavers with no recognised positive destination and very few recognised qualifications. • School leavers with qualifications but with limited job opportunities because of the current market. • Graduates (College/ University) without job opportunities • Young people who have lost their employment. 	<ul style="list-style-type: none"> • Includes people affected by the ending of furlough arrangements. • Unemployment as a result of the 4 harms of COVID-19. • Empowering service users who are being supported by the Council and the wider public sector. 	<ul style="list-style-type: none"> • High likelihood to progress into long term unemployment and then never to return to the labour market. • Are at risk of under-employment. • Enhancing opportunities for reskilling and training to adapt to new and refreshed opportunities for employment, self-employment and business start-ups.

2.7 Outcomes to be monitored and scrutinised:

- Evidence of economic recovery across the region through new business investment, growth or expansion.
- To develop and enhance skills and qualifications of those seeking new and permanent job opportunities
- Evidence of job creation linked directly to the investment funds and strategies
- Plan an exit for sustainability and long-term recovery resulting in a reduction in unemployment levels

2.8 Policy Linkages:

- To demonstrate the Council's place-based approach
- To demonstrate the Council's commitment to economic recovery and development of the green economy
- To work with partners, lever funding and find mutual benefit – using community planning partnerships and business / economic / welfare forums
- To improve positive and sustained destinations for our most vulnerable young people, including in the council's national performance indicators
- To support unemployed adults (long-term and newly unemployed) to gain new skills and to move into sustained employment, including self-employment and new business start-ups, while also seeking to protect those at risk of unemployment
- Promoting welfare rights and targeting benefits and welfare support to help rebuild the social and economic fabric of the Highlands
- To reduce the risk of becoming homeless and to provide rapid support for those experiencing homelessness
- To make best use of business intelligence, including access for welfare and other services, to target investment and support.

3. Strategic Approach

3.1 The Council has already identified and established various initiatives to support and grow the Highland economy. Some will be ready to implement before others and are listed below in rank order of readiness. All initiatives will need discussion with and commitment from partners. Some discussions will be regional, and others will be local and based around the 9 Community Planning Partnerships.

1. **Grow the Highland Employer Recruitment Offer (HERO) wage incentives for private sector businesses to support the initial employment of targeted out of work people creating jobs for a 12-month period.**

This will be additional to the 150 posts which will be supported through the Scot Govt Young Person Guarantee and European Structural Fund (ESF) funding and will be important to grow opportunities for rural communities. As it will not be constrained by grant conditions, it offers the opportunity to be more flexible and reach out to more employers, particularly to deal with the challenges in more rural areas of Highland thus helping to reverse out-ward migration. Currently, 20 individuals a year are supported through the HERO scheme, and this additional funding will allow significant expansion.

2. **Grow support for new business start-ups with new grants and loans managed through the Council's Business Gateway service and our Enterprise Trust, Highland Opportunity Investments Limited (HOIL).** Due to COVID-19 we have seen a significant drop in start-up businesses and growth businesses seeking support from the Council's Business Gateway service and HOIL.

- Start-up rates have slowed significantly, and this time last year we had supported 242 businesses to start-up, the number for the same period this financial year is 147. However, interest in starting up a business with the numbers accessing our start-up support remains steady. Hence interest remains high but actual start-up is low, possibly down to the lack of targeted support to allow people to make that "first step".
- The number of growing businesses seeking specialist support has reduced even more significantly, with 69 securing support from the Council at this time last year, while this financial year it is 14 to date.

Businesses are clearly in survival mode at current time and need to have confidence built to plan ahead in the post Covid business environment.

- A business growth fund (to provide grant support to sit alongside and be promoted as part of an investment package together with existing HOIL loan investment) will be developed. The details of grant value per business will be determined as part of that process (estimated cost £1.5M – 150 businesses supported to start up or expand).

- 3. Nurture the Modern Apprenticeship (MA) scheme for all levels aged 16-65 years** to support all sectors in Highland. The scheme offers MA places for approx. 18 months and costs at £20k per annum per MA. A flexible approach to the level of support for individual organisations would need to be agreed depending on their ability to contribute towards the cost of the apprentices. It would complement and add value to the current Youth Trainee scheme in the Council. We would also seek to expand the MA scheme offer to the private sector subject to legislation. The MA programme (with an 18 month training programme) can be targeted to ensure the delivery of the capital and revenue investment programme by growing in-house teams and ensuring that MAs will have the basic skills, qualifications, confidence and experience to either grow a career within the Council or be a valuable asset to the wider public sector or private sector. The welcome addition of £20m to deliver roads maintenance capital schemes is an excellent example of where value can be added by ensuring effective use of in-house staff, whilst building resilience and longer-term sustainability of the workforce throughout the area. The programme will also allow jobs that support the green recovery of the Highlands to be targeted. (estimated cost £1.5M – 100 modern apprentices between Council and partners).

To ensure the MA scheme attracts a diverse age-range and reaches those who will benefit the most, our approach will be three-fold.

- An action plan focused on an MA programme directly linked to the targeted young adult group and will include reporting of progress to the Education Committee.
- Empowering service users who are being supported by the public

sector to access and succeed within the MA programme will be important for their individual prosperity and social mobility.

Adults falling into unemployment and those aged 50+ with experience will be provided with opportunities to learn new skills and gain valuable experience, providing steppingstones to employment, self-employment and business start-ups.

- 4. Additional support for mentoring young people and upskilling mentors.** The vision is for every Young Person to progress to a post school positive destination, (whether this is further education, training, volunteering or a job) and is able to prosper in the world of work. Every young person has the potential but does not necessarily have the access to the networks to unlock it. The support here would also align and integrate with current post school support services.

The mentoring programme would inspire young people, reveal their potential and guide them through their career journey, through regular meetings with an identified mentor (public sector/ business) which focuses on the Young Person's education and career journey. A mentor can transform lives, provide the mentee with the skills, confidence and attitude to reach their potential. An element of resourcing to this programme will include a strategic lead who will co-ordinate, deliver and report on the mentor and mentee programme and take the lead for delivering the national career ready programme for future prosperity and community wealth. The strategic lead would be responsible for the co-ordination of partnership work and delivery.

- 5. Developing opportunities for supported businesses (providing jobs for individuals of all ages with disabilities).** There is real shortages of supported businesses in Highland. The proposal is to research and develop principles and sustainable business models, including how this can be embedded within future Council procurement activity. This programme will have a 6/12-month timeline, with the costs to be determined.
- 6. Training skills and learning opportunities and development** Work in partnership with UHI and SDS to respond to identified need for re-skilling and learning opportunities based on labour market force data, and other data, post COVID-19. Connect into the council's aspiration for the Highland Council Virtual Academy including digital

training and a range of core qualifications and skills and development opportunities. Identify strategies to work with businesses wishing to relocate to The Highlands, ensuring sufficient learning and skills development is readily available. This will also allow a focus on specific sectoral challenges, for example, reskilling retail workers and linking with job opportunities in hospitality. We require the ability to access funding quickly within the Council when training programmes are identified but no funding available from other sources. Costs will be determined.

7. **Targeted support for social enterprises** will recognise the huge potential of the third sector to stimulate economic activity. This will require further discussion with partners around potential and plans, including employment, training and mentoring programmes, with a clear focus on Community Wealth Building. The input of young people, staff and newly unemployed adults and those aged 50+ with experience, will be critical to stimulate ideas and develop creative opportunities. Costs to be determined.
8. **Enhance and support the Council's supply chain businesses through Procurement practice.** We will seek and support further employment opportunities from our suppliers via the procurement process, whether for capital or revenue spend. This will involve a close linkage with the shared procurement service for developing the feasibility and scope of services and with Council Services for direct liaison with contractors and sub-contractors. Costs to be determined.
9. **Collaborate with the advice sector** to promote the new opportunities created by economic growth, inclusion and prosperity, and to match the broad range of individuals aged 16-65 with renewed and new prospects.
10. **Strengthen our Regional Economic Development capacity** by providing greater resilience within the Council to programme manage and deliver the Highland City Region Deal, and plan for further opportunities that might emerge over the coming months and years as part of the economic recovery plan.

4. Governance

If the proposal is approved in principle this paper will be further developed to ensure key risks are identified and managed. This will include engagement with partners and through the Community Planning Framework.

All Strategic Committees will have an involvement in achieving the outcomes expected from this intervention - both in terms of policy and implementation of actions. The Corporate Resources Committee will allocate the budget for each of the strands and determine the Strategic Committees that will be accountable for overseeing spend and progress. The Recovery Board will provide overall evaluation and monitoring and recommendations to Council.

Reports will also be presented to the Community Planning Board.

Universal Credit take-up Rates	Mar-20	Nov-20	% change since March
Inverness Westhill	214	400	86.92%
Conon	176	283	60.80%
Inverness Culloden and Balloch	149	291	95.30%
Sutherland South	207	376	81.64%
Inverness Lochardil and Holm Mains	150	281	87.33%
Ross and Cromarty Central	123	225	82.93%
Inverness Crown and Haugh	143	270	88.81%
Inverness Smithton	162	324	100.00%
Skye North East	148	346	133.78%
Inverness Scorguie	98	197	101.02%
Wick South	318	441	38.68%
Inverness Muirtown	378	605	60.05%
Caithness North East	95	191	101.05%
Inverness Ballifeary and Dalneigh	435	663	52.41%
Ross and Cromarty East	82	184	124.39%
Inverness Hilton	299	481	60.87%
Inverness Slackbuie	93	211	126.88%
Thurso West	285	401	40.70%
Inverness West Rural	274	459	67.52%
Lochaber East and North	173	346	100.00%
Sutherland East	192	319	66.15%
Badenoch and Strathspey Central	195	427	118.97%
Nairn Rural	127	236	85.83%
Inverness Drummond	222	381	71.62%
Caithness North West	172	254	47.67%
Fort William South	313	634	102.56%
Lochaber West	136	335	146.32%
Badenoch and Strathspey North	137	315	129.93%
Inverness Kinmylies and South West	264	409	54.92%

Universal Credit take-up Rates	Mar-20	Nov-20	% change since March
Muir of Ord	176	278	57.95%
Inverness Inshes	230	392	70.43%
Alness	490	762	55.51%
Black Isle North	89	171	92.13%
Ross and Cromarty South West	80	183	128.75%
Nairn West	154	275	78.57%
Inverness Drakies	62	125	101.61%
Thurso East	157	239	52.23%
Loch Ness	140	309	120.71%
Inverness Central, Raigmore and Longman	413	608	47.22%
Skye South	105	249	137.14%
Wick North	189	270	42.86%
Inverness East Rural	167	360	115.57%
Lochalsh	108	253	134.26%
Tain	255	402	57.65%
Dingwall	356	562	57.87%
Skye North West	64	192	200.00%
Inverness Merkinch	627	857	36.68%
Caithness South	94	139	47.87%
Nairn East	270	435	61.11%
Invergordon	400	636	59.00%
Ross and Cromarty North West	100	238	138.00%
Badenoch and Strathspey South	118	266	125.42%
Black Isle South	198	340	71.72%
Sutherland North and West	96	251	161.46%
Seaboard	245	410	67.35%
Fort William North	198	362	82.83%
Total	11,318	19,827	75.18%

Highland – Pension Credit take-up	May-20
Aird and Loch Ness	263
Badenoch and Strathspey	347
Black Isle	189
Caol and Mallaig	261
Cromarty Firth	433
Culloden and Ardersier	173
Dingwall and Seaforth	351
East Sutherland and Edderton	295
Eilean a'Cheo	310
Fort William and Ardnamurchan	303
Inverness Central	416
Inverness Millburn	164
Inverness Ness-side	158
Inverness South	114
Inverness West	245
Nairn and Cawdor	325
North, West and Central Sutherland	224
Tain and Easter Ross	299
Thurso and Northwest Caithness	286
Wester Ross, Strathpeffer and Lochalsh	298
Wick and East Caithness	423
Total	5,885

Ambitious Highland Gàidhealtachd Àrd-Amasach

Health and Prosperity Strategy
Ro-innleachd Slàinte is Soirbheis **2021-22**