

A Sustainable Highland

Change Strategy 2019-2022

A Sustainable Highland – Change Strategy for 2019-2022

1. Introduction

In December 2018 the Council introduced a refreshed Programme for the Highlands, setting out 51 commitments that the Council will deliver over the next 3 years, focused on being ambitious, sustainable and connected. At that time, it was established that there was a need to review how the Council is organised to ensure that its structures support both local and Highland-wide priorities. It was agreed that the Council's governance arrangements locally and corporately would be reviewed to ensure democratic scrutiny and accountability sits at the right level and the Council is responsive to community and partner voices. In order to drive improvement, there would be a review of the Council's key performance measures to support the development of a refreshed Corporate Plan linked to a workforce planning strategy to ensure the Council has committed, competent and supported staff to deliver this new vision for the organisation.

The Council's success in achieving all of these things is wholly dependent on how it utilises its substantial financial and physical resources in a sustainable way. The Council has to connect its ambitions for the Highlands with the resources required to deliver them. The Council must also be honest about areas where performance is not good enough and identify ways to do things differently and better. This is the basis on which the Council's budget for 2019/20 onwards has been built.

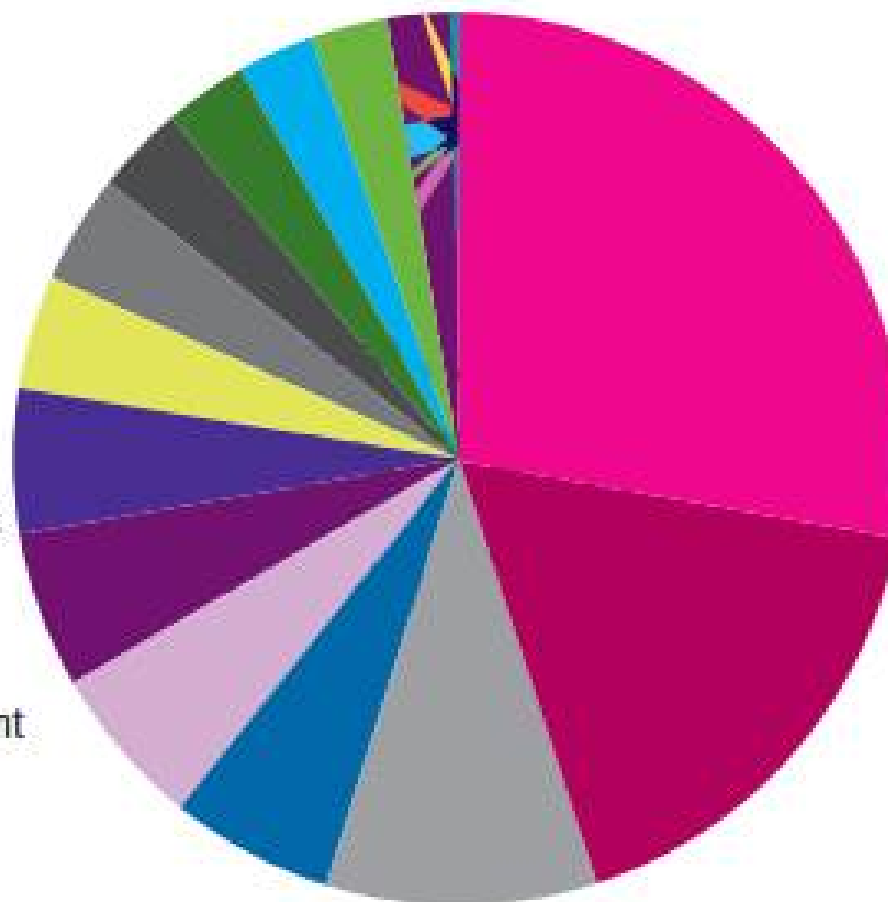
The Council's final budget settlement for 2019/20 has been confirmed and this means that the Council will need to close a gap in funding of up to £27.9m next year and £32.4m over the following 2 years. This is more than previously planned for and will require the Council to take a different approach to the way in which it delivers many services. However, by focusing on 4 key themes: Efficiency; Commercialism & Income Generation; Redesign & Improvement; and a Flexible & Managed Workforce; the Council can maximise its resources in order to deliver an ambitious Programme for the Highlands in a sustainable way, whilst maintaining high quality essential services with a focus on improvement.

It is also important to recognise that although the Council will need to make substantial savings in order to balance the budget next year, there will still be in the region of £570m to spend, and there will also be around £137m in 2019/20 for capital and infrastructure projects in the Highlands. This is a considerable amount that the Council will be investing in the Highland economy and the focus will be on maximising the benefits that this will bring so that the Council can continue to be ambitious for a sustainable and connected Highlands.

2. How the Council Budget will be spent

How do we spend your money?

- Schools (nursery, primary and secondary)
- Adult Social Care
- Loans charges
- Property
- Children's Services
- Additional Support
- Corporate & Support Functions
- Waste & Environmental Services
- Cost contingency budgets incl. pay increases
- Other frontline service spend
- Transport
- Catering, Cleaning and Facilities Management
- Roads
- High Life Highland



3. Working with Staff, Communities and Partners

November 2018 saw the launch of a new approach to involving and engaging the public in a budget setting process and in identifying and shaping Council priorities. With over 50 engagement sessions, this focused on hearing from staff and communities about what was important to them, what they believed the Council should be prioritising and ideas for improving or doing things differently. This feedback has been integral to shaping the budget themes of efficiency, income generation, redesign and improvement, and workforce and the approach to meeting the budget gap. Further detail about the feedback from the engagement can be found at Appendix 1.

This is the beginning of a new approach and a commitment to listen to and involve our communities more. A key message from communities has been the importance of hearing local voices and changing the relationship with the Council. Communities are keen to be more involved with the Council and supportive of regular engagement. There is a desire for a greater understanding of key issues, being involved and understanding what is happening within their communities and being able to influence and/or be involved in decision making. The Council is committed to improving how it communicates and responds to people, to being more open and honest about what the Council can do but also what it can't do. This is crucial to building positive and meaningful relationships with communities for the future.

Related closely to this, is the commitment to develop strong partnerships between the Council and communities to enable us to work together to take forward local initiatives and priorities. It is important to move away from the traditional relationship of control and power to one based upon collaboration; building on local knowledge, resources and strengths and working together to deliver better services and outcomes for Highland communities.

Living and working in communities across the Highlands, Council staff are integral to this change in approach. Staff knowledge of their communities, what is important locally but also how the Council as an organisation needs to change and improve, are key elements moving forward.

Partnership is crucial to achieving a sustainable future for Highland. This is not only working with staff and communities but with the third sector and other public sector partners. Developing shared outcomes and working together to deliver these are integral to successful and sustainable service delivery.

4. Drivers for Change

The key themes that emerged during the engagement process have fallen into four main categories:

i) Demography and Localism

Local priorities vary widely because of different demographic challenges and opportunities. In the same way that one size does not fit all across Scotland, it is clear that the same applies across the Highlands which covers a third of Scotland's land area. The Council needs to be capable of understanding and reflecting the diversity and challenges of local areas in the way it designs and delivers its services.

ii) Financial Context

Council budgets and staff need to be arranged in a way that makes best use of resources to be more efficient, and to cut across service silos to support local priorities as well as to capitalise on income generating opportunities locally and nationally.

iii) Partnering and Connectedness

The Council needs to be more joined up internally and must also develop positive and mutually beneficial relationships with partners in the public, private and voluntary sectors. The Council has to be more collaborative and communities and partners need to feel empowered to achieve more because of these strong positive relationships. In this way the Council can address the tension that exists between individual and collective claims of entitlement versus a shared responsibility and so that together, the Council, communities and partners can be co-producers, as well as consumers of shared wealth and prosperity.

iv) 'The Offer'

To be sustainable, the Highlands needs to be a place where people choose to stay and others choose to settle. The Council needs to be an advocate for how much the area has to offer both in terms of its unique natural resources and also the services the Council delivers and the lifestyle that can be supported here. Talent attraction is key for all sectors across the region.

5. Four Key Themes for delivering the Budget

The Council's budget has been designed to maintain high quality essential services with a focus on the areas that the public told us mattered to them most, delivered by focusing on 4 key themes. How the Council intends to address the budget gap is set out under these four themes. This includes the overall approach, the programme for change and the individual proposals which support the delivery. Each proposal has been assessed for community impacts and these are found in the savings templates circulated separately.

Theme 1: Making the Council More Efficient

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

Theme 2: Commercialisation and Income Generation

Increasing income needs to be a fundamental part of our 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

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 many complicated processes which could be simplified and streamlined, learning from recognised best practice and successful processes elsewhere.

Theme 4: Flexible and Well Managed Workforce

Feedback has told the Council that there should be leaner management structures. The Council has significantly reduced senior and middle management posts in recent years, saving over £3.5m and there is a continued focus on reducing management layers. Reductions to budget means workforce numbers will be less over the coming years so there is a need to plan to have a flexible workforce with the right skills and training, with the right staff in the right place to deliver services into the future.

6. A New Approach

The new approach to involving all stakeholders in the design and delivery of the Council's budget is also reflected by improved cross-party engagement and collaboration within the Council. All councillors are elected to represent the interests of their constituents and it is important therefore that all councillors have had the opportunity to be involved in the development of the Council's budget and the measures have been informed by their knowledge and understanding of the communities they represent.

This will be further augmented by the introduction of a rigorous approach to oversight and governance to ensure pace and scrutiny all year round. The Council has introduced an ambitious change programme and a range of challenging financial targets in order to close the budget gap. All of these will be underpinned by performance measures and targets to be delivered through the Council's Corporate Plan which will be launched in March 2019. New arrangements are being put in place to ensure that there is regular and detailed scrutiny of these at member and senior officer level so that the effectiveness and impact, including equality and socio-economic impact, of all of the changes are understood and corrective action is taken if and when required. This will include improved oversight and influence at local committee level and meaningful engagement with communities throughout the year.

7. Delivering our Budget Proposals

Whilst many of the budget proposals will be delivered as part of the Council's normal service improvement within individual services, there is a need for a new Change Programme to ensure appropriate governance, resourcing and scrutiny of the more ambitious and cross-service changes being proposed. This Programme will cover a wide range of projects, and will include recommendations arising from the work undertaken by the Redesign Board and Commercial Board.

A Programme Management Office is being established to ensure:

- **Better collaboration and coordination across the Council.**
- **Enhanced visibility of initiatives across the Council.**
- **Greater returns from the projects implemented.**
- **More efficient delivery of projects and therefore increased pace.**
- **Better risk mitigation and structured risk resolution.**
- **A clear and consistent mechanism for assessing potential projects arising from member, staff and public feedback.**

The Council will put in place a focussed change team that will be agile and flexible enough to provide support to services in delivering the budget proposals, utilising secondments or external advice as appropriate. Each specific project set out under the Change Programme will have in place appropriate Project Board Governance and will regularly be reported to an Executive Leadership Team Programme Board and a Member led Scrutiny team

The Council will ensure that all colleagues across the Council are aware of the Change Programme, through appropriate communications and regular reports on progress.

Theme 1: Making the Council more Efficient

Efficiency is one of the strong themes from the public - people want to see less waste and more efficiency in every part of the Council. A number of savings can be made by examining how the Council currently does things and finding better ways to provide services which deliver improved outcomes.

A new approach is required which will re-set budgets according to outcomes and needs and benchmark against national standards, rather than budgets automatically being allocated and overspends being offset by underspends or reserves.

Better budget management is also part of the necessary changes for stable financial management into the future; with focused training for budget holders and tighter controls on how and what the Council spends.

A critical element will be a change in mindset and culture across the Council and a robust and regular engagement, communication and governance plan will be required to achieve this necessary change. It is clear from current in year measures of efficiency that there is progress, but a great deal remains to be done to ensure an 'efficient Council'.

How is the Council going to do this?

- The Council has a set of proposals to continue to improve processes and procedures to change the way the Council delivers services. These changes will continue to use a Lean approach to reduce unnecessary steps and focus on the needs of the customer. Staff teams are being challenged and empowered to put in place these changes, whether through use of new technology or by process redesign. The changes will be delivered across a wide range of service areas, including continuing improvements in how the Council delivers economic development services, corporate finance, revenues and customer services, Human Resources and recruitment, the travel desk and fleet management.
- The Council will continue to seek to achieve best value from external contracts when procuring new contracts in areas such as Insurance, Occupational Health or Transport. There will also be a targeted reduction in the use of external consultants, for example in the Learning and Development team, by using internal resources.

- The Council will deliver a more efficient waste management service by implementing the recommendations on the outcomes of the redesign review. The Council will achieve higher rates of recycling within the Council through improved practices and education, thereby avoiding the costs associated with landfill. The Council will put in place new technology to help plan collection routes as efficiently as possible, as well as review opening hours at recycling centres to reflect periods of highest customer demand. Savings will also be delivered by providing more cost effective means of delivering waste processing and haulage, particularly in Lochaber and Easter Ross. The waste management strategy is supported by a dedicated Project Board as part of the overall change programme (see below).
- The Council will put in place a revision of all staffing allocations to schools, in line with national class size guidance and a targeted approach to the management of absences. This will involve a review carried out by headteachers, finance staff and HR alongside the central education officer team.
- The Council will carry out a review of our early years' service to support the programme to ensure that every 2, 3 and 4 year old in Highland can access their entitlement of 1140 hours of funded Early Learning and Childcare by August 2020. By ensuring that the principles of quality, flexibility, affordability and accessibility are met, the Council with partners will deliver a more efficient and effective service, including specialist support, and ensure that savings can be generated as a result. A Project Board will support this part of the change programme (see below).
- The Council will continue to increase the proportion of Council housing used as temporary accommodation for homeless households and thereby maintain or reduce the current levels of households occupying private sector accommodation.
- Amenity services (such as grass cutting and street cleaning) can be delivered in a more efficient way, targeting resources to the areas of greatest need and promoting anti-littering campaigns with partners.
- The Council will review all processes which currently allow any unplanned adhoc spending and make changes to improve budget management practices. This includes re-setting budgets to focus on planned outcomes
- The Council will reduce management layers and prioritise frontline services.

Under this theme, the Council Change Programme will deliver the following key projects:

Waste Management

This project will specifically target the following objectives:

- Delivering a waste management solution for the residual waste project which complies with the 1st January 2021 biodegradable municipal waste (BMW) landfill ban [arising from the Waste (Scotland) Regulations 2012] and the approvals secured at Environment, Development and Infrastructure Committee.
- Delivering associated infrastructure developments to provide new waste transfer stations in Lochaber and Badenoch & Strathspey.
- Delivering a range of Waste Service savings proposals:
 - assessing waste haulage processing contracts for potential to bring some activity back in-house from October 2019
 - route optimisation for waste collection services to generate savings in relation to employees, vehicles and fuel
 - increase recycling through improved practices within Council functions and introduction of actual cost recovery for waste generated by Council functions and partner organisations
 - identify recycling centres' optimum operating hours to reflect periods of highest demand
 - reducing construction and demolition waste brought to Council's household waste recycling centres to decrease handling and treatment costs
 - removing the grant to social enterprise groups for operating waste collection services
 - increasing the number of commercial premises that the Council collects waste from to generate income
- Delivering the key actions as agreed by Members in the Single use Plastics Strategy

Early Learning and Childcare

This project will specifically target the following objectives:

- Delivering the commitment of 1140 free childcare in accordance with the Scottish Government's policy of providing support to families and improving educational outcomes for children
- Delivering required changes to workforce and property requirements to meet flexibility and expansion of hours
- Reviewing existing provision and rolling out new provision where required.
- Working with the Third Sector on a provider neutral basis.

Savings Proposals 2019/20-22

Theme 1: Making the Council more efficient (*Savings Summary Sheets P2-31*)

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
1.1	Transport - Review costs and subsidies	Reduce the cost of public bus services year on year, ahead of the full retendering of all school and contracted bus service contracts scheduled for 2021/22.	0.075	0.065	0.065	0.205
1.2	Staffing Allocations and Absence Management	Re-base all school staffing allocations across Primary, Secondary and ASN schools to ensure transparency and fairness in allocations following national class size guidance and removing all ad-hoc allocations to ensure stable staffing within our communities. This will include procedures for staff absence management and supply staff.	3.500	0.000	0.000	3.500
1.3	Development & Regeneration	Economy & Regeneration - Efficiencies in annual programmes and services	0.100	0.085	0.059	0.244
1.4	Development & Infrastructure Service Wide	Efficiencies identified in service budgets	0.040	0.000	0.000	0.040
1.5	Corporate Finance	Efficiency savings	0.155	0.000	0.095	0.250
1.6	Revenues & Customer Services	Efficiency Savings of 3%	0.350	0.257	0.249	0.856
1.7	Council wide	Review of Corporate Resources' personnel processes relating to recruitment and processing of additional hours	0.000	0.100	0.125	0.225
1.8	Fleet	Fuel savings from a reduction in excessive idling	0.020	0.000	0.000	0.020

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
1.9	Waste Management - Route Optimisation	Full implementation of Route Optimisation through improved software and based on reducing the fleet by one vehicle and crew in each of years 2 and 3	0.040	0.072	0.112	0.224
1.10	Street Cleaning	Building on the LEAN review, modernisation of service to ensure increased efficiency and reduction in specification mitigated by development of litter strategy	0.100	0.000	0.000	0.100
1.11	Council wide insurance	Insurance savings - reduced external premium and self-insurance premium	0.417	0.000	0.000	0.417
1.12	Care & Learning non-staffing efficiencies	Non-staffing efficiencies identified through budget management. This will include savings from training budgets and flexible budgets.	0.250	0.000	0.000	0.250
1.13	HR	Savings from the occupational health contract (following re-tender)	0.012	0.000	0.000	0.012
1.14	Redesign	Redesign savings in excess of 2018/19 rolled forward unallocated savings target (2020/21 & 2021/22 pension strain underspend)	0.000	0.164	0.107	0.271
1.15	Street Lighting - Dimming	Reduce brightness by an additional 20% on all new LED street lights by dimming street lights between 12 and 6am	0.005	0.010	0.005	0.020
1.16	Homelessness: Temporary Accommodation	Reduce the volume of private sector temporary accommodation to homeless households through increased use of HRA properties	0.050	0.000	0.000	0.050
1.17	Learning & Development	Reduce use of external consultants	0.010	0.000	0.000	0.010
1.18	Waste Management - Increase Recycling	Reduce waste arising from internal practices (especially schools, harbours, workshops)	0.000	0.050	0.100	0.150

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
1.19	Grass Cutting	This saving will be delivered primarily through more efficient use of machinery and improved working practices.	0.075	0.000	0.000	0.075
1.20	Care & Learning Programme Management	Review management of Care and Learning change programmes to provide service overview and closer collaboration between change programmes	0.046	0.000	0.000	0.046
1.21	Recycling Centres - Opening Hours	Review of opening hours at recycling centres	0.020	0.020	0.000	0.040
1.22	Early Years/ELC	A review of the whole early years' service will impact positively on the effectiveness and efficiency of the delivery of the expanded ELC provision. This will be based on the principles of quality, flexibility, affordability and accessibility. Additional funding from the Scottish Government is available.	2.000	0.250	0.250	2.500
1.23	Specialist support for children in Early Years provision	There is a need to provide a greater focus on supporting Additional Support Needs in early years, with the roll out of 1140 hours. It is proposed that the budget for the Pre-school home visiting teaching service will be supported from early years to support this change.	0.260	0.000	0.000	0.260
1.24	Waste Haulage/Processing Contracts	As part of the overall review of the Council's Waste Strategy there will be analysis undertaken of the most cost effective way to deliver waste haulage and processing activities. An option that will be considered is taking some of the activity back in-house (to be reviewed from Sept 19).	0.075	0.075	0.000	0.150
1.25	Travel and Hire Desk	Year on year target to use technology to reduce spend	0.015	0.015	0.015	0.045
Total			7.615	1.163	1.182	9.960

Theme 2 – Commercialism and Income generation

The Council is committed to becoming more commercial in its approach, and the Commercial Board has been instrumental in driving forward key opportunities that do not just deliver financial returns but that also aim to achieve social and economic benefits for the region.

Increasing income needs to be a fundamental part of our budget strategy in order to be able to fund the cost of services, protect jobs and reduce the need for cuts. Feedback from the Council's engagement in the past has shown that most people would be prepared to pay a bit more to protect people, services and the local economy. This remains a key theme in our recent engagement with communities.

There has also been much support for a tourist levy and many suggestions for other ways the Council can increase income from tourism, particularly campervan visitors. The Council has agreed to consult locally on this early in 2019.

How is the Council going to do this?

- The Council will put in place appropriate increases to existing fees and charges, whilst also creating new income streams. The Council will also reduce the costs of collecting income due, by improving procedures and reducing the costs of debt recovery. Income streams across all service areas will be looked at, including introducing charges for Electric Vehicle charging points, increasing the income targets for planning and building warrant application fees, increasing income from school/facility lets, increasing school meals by 5p and increasing the income from radio masts. Where internal services such as property design, project management or engineering services are delivered in support of the capital programme, the Council will ensure that these are fully funded from our capital funds rather than from revenue funds.
- The Council has several teams that offer services on a consultancy basis to customers (for example the Environmental Consultancy Team advise on ecological surveys as part of the delivery of the Council's capital programme). These services will expand at commercial rates, ensuring that there is full cost recovery to the Council. One area of opportunity identified within proposals is for the street lighting team to provide services to other local authorities, public sector partners and private

businesses, given their expertise in delivering the LED Programme. Another is to increase catering income from successfully tendering for external commercial contracts – such as providing canteen services to construction sites.

- The Council operates an industrial and investment portfolio covering 771 properties, delivering an income of £5.9m. By taking a proactive approach to lease extensions (with premiums) and increases in rental income, the Council will maximise the performance of the portfolio, including selling off poorly performing sites, and focussing investment on high performing, high rental sites and properties.
- The Council's commercial programme has the potential to deliver income to the Council across a wide range of sectors, including energy, tourism, land and property and transport. A number of significant projects have been identified, with the energy, tourism and land and property sectors where interventions can be made in 2019/20. An Energy and Renewables Project Board will be established as part of the change programme to focus activity on the key priorities relating to energy generation (particularly hydro and solar), energy management and organisational behaviour change (see below).
- The establishment of a visitor levy is also a priority for the Council, and work will continue over the course of 2019/20 to consult with communities and businesses on whether this is achievable. We will also continue to invest in appropriate commercial tourism developments to support the sector, including in partnership with community groups. A project Board is being established to drive this forward as part of the overall Change Programme.
- Alongside the improvements to make our waste management service more efficient, the Council will also focus on the commercial and income generating elements. The Council will put restrictions in place at Waste Recycling Centres for commercial customers to reduce costs to the Council. The Council will also develop a strategy and put in place a focussed resource to maximise income opportunities for our commercial waste service. The proposals set out also removes the grant paid to Newstart and Blythswood for the servicing of re-use containers at household waste recycling centres, although it should be noted that these organisations will still be able to access donations at our recycling centres. All waste management changes will be overseen through the Change Programme.
- There will be a review of the Early Years grant provision, to ensure that the services funded focus on key service objectives. Although the grant available will be reduced by £258k (from £458k), the remaining money will be redirected into Service Level Agreements which will help with monitoring performance and ensuring that the outcomes are achieved.

- High Life Highland is provided funding from the Council, via a Service Delivery Contract, to provide leisure, library, sporting, youth, museum and culture services and facilities and support for the arts across the Highlands. Current funding is £16.5m per annum. It is proposed to reduce funding by £0.610m, with the challenge to continue to maximise income and redesign services.
- The Council provides funding to Eden Court, monitored via a Service Level Agreement. The proposal is to reduce the funding by 10%, £30,000, in 2021/22. This will require discussion with Eden Court to consider how to implement, however positioning the saving in year 3 of the budget plan gives a lead-in time to enable plans to be developed regarding future income-generation opportunities.

Under this theme, the Council's Change Programme will deliver the following key projects:

Energy and Renewables

This project will specifically target the following objectives:

- Preparing an Energy Strategy and Action Plan that focuses on reducing energy consumption (including improving efficiency), and increasing generation.
- Implementing the Council's in-house Renewables developments as identified and reported through the Commercial Board, including establishing a pipeline of projects to be brought forward as resources become available.
- Establishing effective communication across all staff on energy management and identifying behavioural changes which will reduce our energy consumption and associated costs.
- Working with communities, partners and Scottish Government to ensure that the full community benefits associated with energy generation projects based in Highland are delivered, including the potential for new models based around the significant re-powering projects of on-shore wind farms being brought forward.

Visitor Levy/Tourism developments

This project will specifically target the following objectives:

- Carrying out a full consultation of Highland businesses, residents and visitors on the principles and practical application of a Visitor Levy for Highland.
- Identifying Best Practice elsewhere and benchmarking against other local authorities carrying out similar work
- Implementing tourism developments that offer commercial benefits for the Council and communities as identified through the Commercial Board.

Service Income

This project will specifically target the following objectives:

- Reviewing our credit arrangements to identify and implement a more commercial approach, including applying late payment charges.
- Improving our income collection processes, by identifying opportunities to improve recovery rates, including enabling budget holders to take a more proactive approach to debt management
- Increasing processing efficiency by focussing on improving ICT systems, which currently result in process inefficiencies particularly the double keying of data
- Reviewing budgeting and monitoring by improving the management reporting and presentation of bad debt. Although income is credited at a budget holder (cost centre level) bad debt provision is currently shown at a Service level only.

Savings Proposals 2019/20-22

Theme 2: Commercialisation and Income generation (*Savings Summary Sheets P32-66*)

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
2.1	Property	C&L Estates Team - Efficiencies in future fee recovery for the team working on chargeable capital projects	0.150	0.000	0.000	0.150
2.2	Property	Catering Service Income - Increase school meal prices by 5p per meal	0.050	0.050	0.050	0.150
2.3	Electric Vehicle Charging	Charging the public for access to EV points to cover energy charges which have been provided free until now	0.020	0.000	0.000	0.020
2.4	Council-wide	Commercial activity stemming from commercial programme	0.185	0.613	1.053	1.851
2.5	Income from targeting commercial waste customers	Development of business case to maximise income generation opportunities	0.150	0.020	0.020	0.190
2.6	Grants to early years organisations	A review of Early Years grant to ensure that the services funded focus on key service objectives. Although the grant available will be reduced by £258k (from £458k), the remaining money will be redirected into Service Level Agreements	0.258	0.000	0.000	0.258
2.7	Development & Regeneration	Efficiencies in the management of the Industrial and Investment Portfolio	0.118	0.058	0.040	0.216
2.8	Planning & Environment	Environment - Increase Environment Advice & Consultancy Team income target	0.010	0.010	0.010	0.030

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
2.9	Community Services Increase all other charges	Graduated % increases in fees and charges within the CS service	0.771	0.636	0.656	2.063
2.10	Radio Masts - Increase Income	Increase income from radio masts and recover costs from third party works	0.010	0.010	0.010	0.030
2.11	Planning & Environment	Increase Development Management Charges	0.044	0.000	0.000	0.044
2.12	Property	Increase income from additional external catering contracts	0.050	0.000	0.000	0.050
2.13	Property	Increase income from School/Facility lets	0.050	0.000	0.000	0.050
2.14	Property	Increase income target Property Design & Project Management Teams	0.150	0.000	0.000	0.150
2.15	Project Design Unit	Increase income target	0.050	0.000	0.000	0.050
2.16	High Life Highland	Increased income maximisation target in excess of core grant reduction	0.610	0.000	0.000	0.610
2.17	Planning & Environment	Planning & Building Warrant Fee Income - Increase income target	0.600	0.328	0.182	1.110
2.18	Finance	Reduction in Bank Charges	0.030	0.000	0.000	0.030

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
2.19	Involvement in Waste Management - Newstart	Removal of grant funding for waste management	0.075	0.000	0.000	0.075
2.20	Involvement in Waste Management - Blythswood	Removal of grant funding for waste management	0.075	0.000	0.000	0.075
2.21	Waste Management - Restrictions on construction and demolition waste accepted at Household Waste Recycling Centres (HWRC).	Restrictions in place at HWRCs to prohibit vans, trailers and other large vehicles from using HC centres. Plus introduction of a charge to take some such goods at our HWRCs.	0.150	0.150	0.000	0.300
2.22	Street Lighting - Review team post LED implementation	Review numbers of staff needed post LED implementation OR offer services to others as income generator. Year 3 saving only.	0.000	0.000	0.060	0.060
2.23	Eden Court	Revised funding to Eden Court programmes with focus on income generation	0.000	0.000	0.030	0.030
2.24	Funding for external sports culture and leisure organisations	Revised funding for Sports, Leisure, Culture and Community organisations	0.000	0.200	0.000	0.200
Total			3.606	2.075	2.111	7.792

Theme 3: Redesign and Improvement

The Council needs to adapt to change and do things differently to get improved results. Public and staff feedback highlights many complicated processes which could be simplified and streamlined, learning from recognised best practice and successful processes elsewhere. The Council has already been looking at areas where this can be done. For example, the Council redesigned the bulky uplift service reducing time taken to process requests, improving the service for customers, extending the service over holiday periods, reducing the notice required for an uplift and making the whole service more direct and responsive. The changes have resulted in £57k savings being delivered.

Redesign and Lean projects have been undertaken across a broad range of service delivery areas including: billing for commercial waste; recruiting fostering and adoptive parents; rooms and facilities letting; street cleansing; allocating resources for additional support needs in schools; staff travel; trade services and school administration. The reviews are starting to deliver positive results, producing some substantial savings and improvements to services. This has been helped by using tried and tested methods, together with fresh eyes on problem solving, with staff themselves at the centre of redesign.

The Council is also looking for opportunities for Services (and partner agencies) to work together to make savings.

How is the Council going to do this?

- The Council will continue to deliver a Redesign Programme, overseen by the Redesign Board using in-house teams to identify new approaches that can help deliver services better, learning from elsewhere and using external expertise where appropriate. The work programme for 2019/20 includes work on catering, cleaning and facilities management and engineering services. There will also be a review of our back office business support across the Council and exploration of opportunities to integrate services, reduce duplication and achieve efficiency savings. These will all contribute to wider budget saving proposals and will be an integral part of the Change Programme.

- The Council will deliver a more effective and efficient Property Maintenance service, by delivering better value for money and utilising in-house resources as appropriate. Along with work to prioritise where repairs are undertaken, this area of improvement will build on the outcomes of the Trade Services Redesign Review which reported to Highland Council in December 2018. A number of priority projects were identified through the review, including carrying out a Lean review of processes, procuring a new framework for external sub-contractor work and delivering more efficient use of in-house teams across council housing and other types of property. The Council will also ensure that best value is achieved in the delivery of services for home adaptations for older people and disabled people that are delivered through third sector partners, whilst ensuring that standards of service are not affected. All of these projects are now underway and will form an important part of the Change Programme (see below).
- Given the geography of Highland and the challenges this presents in terms of service delivery, there are significant costs associated with staff travel. The Council will seek to reduce the costs of travel, particularly where travel is being undertaken in private cars rather than Council vehicles. Good progress has already been made in terms of establishing car clubs and utilising tele/video conferencing for meetings, but much can still be done. A Project Board will oversee the changes required as part of the Change Programme (see below).
- The Council operates services from a network of around 1500 properties, including offices, schools, depots and stores right across the Highlands. The Council has an ambitious corporate property and asset rationalisation programme which will generate capital receipts and associated revenue savings from the sale of surplus property. The Council will continue to review the occupation of our properties by identifying different ways of working to ensure the most effective use of space and implementing modern working arrangements. We will also continue to promote Community Asset Transfer as well as sharing arrangements with our public sector partners, such as we have through the rationalisation of properties in Wick and Fort William. This will be overseen by a Project Board as part of our Change Programme and will make the Council a much more connected organisation (see below).
- As part of the Council's Change Programme, the implementation of the Council's ICT contract will help deliver substantial savings through delivery of better value for money contractual arrangements, the delivery of new telephone and IT communication systems such as Skype for Business, and a more joined up approach to implementing ICT change projects. The Council will deliver the changes needed to be a modern organisation focussed around the needs of customers using

new technology and new ways of working to support the Council. This will be an important part of our Change Programme (see below).

- The Council has embarked on a Sustainable Education Programme which is focussed on ensuring that a review of structures and delivery models is undertaken to ensure delivery is appropriate for local areas, based around Associated School Groups. The Programme is based upon a model of extensive engagement with local communities and changes will be considered at the local level with these local communities and the staff involved. A Project Board reporting on progress will continue to be an important part of our Change Programme (see below).
- The transport of school children, including those with requirements for additional support, is an important service delivered by the Council. The Council will carry out a review of the way in which this is undertaken and implement changes that deliver better value for money. There will be a focus on better route planning; the identification of collection hubs for children, designing more efficient processes for the management and ongoing monitoring of such arrangements and ensuring the Council achieves best value from the contract arrangements in place. This will be delivered as part of the Council's Change Programme (see below).
- The Council's Placement Services Change Programme is already in place, with the aim of reducing costs of out of authority placements over a three year period. Early intervention and support services will be created in Highland, creating the opportunity during 2021/22 to reduce the overall budget by avoiding the need for placements (see below).
- There will be a renewed focus on the deployment and management of specialist teachers. Self-improving and inclusive schools is a key ambition of the Council. Within a context of high quality distributive leadership and skilled staff, schools will become more inclusive, highly skilled organisations more able to meet the needs of a range of pupils. This will result in a model that requires less externally centred specialist support and more school capacity as is best practice. This journey of improvement will require extensive staff training and development.

Under this theme, the Change Programme will deliver the following key projects:

Grey Fleet (Staff Travel)

This project will specifically target the following objectives:

- Reducing the need for staff to travel, especially in their own vehicles (grey fleet);
- Where staff travel is required, reducing the corporate spend through promotion of the Travel and Subsistence Policy and Travel Hierarchy alongside provision of more economical alternatives, such as Car Club vehicles, and through increased efficiency of the Fleet, Hire & Travel Desk;
- Reviewing, implementing and communicating travel policies which support service delivery whilst reducing non-essential staff travel;
- Reducing the Council's insurance spend in respect of staff travel;
- Supporting the Unified Communications project (e.g Skype for Business) to enable a reduction in staff travel and increase levels of productivity;
- Increasing the visibility and understanding of staff travel spend amongst Heads of Service and Managers to improve scrutiny.

Trade Services

From the Trade Services Review, this project will specifically target the following objectives:

- Completing a Lean review into housing and property repairs processes;
- Completing a trial to pilot more effective joint working between Community Services and Development and Infrastructure for repairs work on all property;
- Complete a short-term trades spend consolidation exercise, seeking to generate better value from the Council's current framework;
- Completing a procurement of a new framework for trade services during 2019.

Asset Management, Property Rationalisation and Investment

This project will specifically target the following objectives:

- Implementing new ways of working to become more a more agile, modern workplace and reduce space requirements;
- Reducing the number of properties occupied by the Council, with a particular focus on those with poor condition ratings and high backlog maintenance liabilities;
- Ensuring that the Community Asset Transfer process is carried out as efficiently and effectively as possible, with strong support provided for communities;
- Ensuring that Community Asset Reviews are carried out with Community Planning Partners to ensure that opportunities for co-location are identified and delivered;
- Ensuring that commercial opportunities for property investment, as identified through the Commercial Board, are actioned appropriately.

Transport Services

This project will specifically target the following objectives:

- Establishing and implementing the recommendations from a Lean review of transport processes.
- Delivering improvements to the provision of Home/School transport for all pupils through process changes, more effective route planning, introducing collection hubs and renegotiating pricing structures with individual operators.
- Ensuring effective delivery of changes to the costs of public bus tenders.

Sustainable Education in Highland

This project will specifically target the following objectives:

- Delivering improved educational outcomes through schools through a rolling 3 year programme of consultation across all Associated School Groups.
- Providing improved support to Head Teachers

- Delivering efficiencies to working practices and processes

ICT Implementation and Development

The Council has embarked upon an ambitious and challenging programme of change to upgrade the ICT estate to a state of the art operating model. The programme includes:

- Migration to Microsoft Office 365 and Windows10, with a full device refresh programme, all underpinned by a comprehensive upgrade of the Council's ageing network across schools and the corporate estate.
- Through communication and engagement, the Council will promote the efficient use of data, technology and applications that it has invested in. This will characterise digital and technology as a key enabler for transformation across the Council and endeavour to deliver continuous service improvement in line with business objectives.
- Council Services will identify the right data structures, tools, applications and technologies to meet their business objectives. This in turn enables positive outcomes for its internal and external customers, which include citizens, pupils, staff and elected members alike.
- The Council will use national and local government strategies, key legislative and other industry trends in the ICT sector. This includes the Scotland-wide programme of work being driven through the [Local Government Digital Office](#).

Placement Services

This project will specifically target the following objectives:

- Improving overall outcomes for Looked After young people by minimising the use of placements outwith Highland and developing improved care and support resources in Highland
- Improving educational and other support to enable young people to return to live with their families wherever possible
- Avoiding Out of Area placements for Looked After Children and re-invest funding in local Highland-based support, intended to support children and families, both those returning to Highland, and avoiding the need for new placements
- Providing greater focus on family based placements rather than residential placements

Savings Proposals 2019/20-22

Theme 3: Resign and Improvement (*Savings Summary Sheets P67-88*)

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
3.1	Property	Cleaning and Facilities Management (CFM) - Further efficiencies to be achieved in the management and delivery of the CFM teams	0.160	0.000	0.000	0.160
3.2	Property	Delivering a more effective and efficient Property Maintenance service by delivering better value for money and utilising our in-house resources as appropriate.	0.600	0.430	0.200	1.230
3.3	Internal Audit	Efficiency savings from a team restructure and Lean review of internal audit process	0.035	0.000	0.000	0.035
3.4	Council wide	Corporate approach to systems management and development	0.000	0.075	0.175	0.250
3.5	Development & Regeneration	Housing Development - Identify efficiencies in delivery of affordable homes. Efficiencies in services for home adaptations for older people and disabled people by making changes to the delivery team.	0.051	0.042	0.030	0.123
3.6	ICT	ICT transformation savings – savings reductions through ICT contract negotiations.	1.971	-0.275	0.000	1.696
3.7	ICT	ICT development fund savings – move to a business case led approach.	0.379	0.000	0.000	0.379

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
3.8	Specialist Teachers	Transformational change of support for pupils: the move to the allocation of resource, monitoring and training of staff and the assessment and planning of need is more embedded into the daily functioning of a school and can target support to those pupils with the greatest need. Delivered through a redesign of targeted support to maximise the use of specialist teachers to develop the skills of school-based staff.	2.788	1.575	1.575	5.938
3.9	Transport - Lean Review	Lean Review of transport processes	0.005	0.020	0.000	0.025
3.10	Travel	Reduction in travel costs - Ongoing year on year prudent management of travel with increased use of Skype, VC/TC, reduce grey fleet mileage through increased use of car club vehicles.	0.050	0.030	0.020	0.100
3.11	Placement Services	The Placement Services Change Programme aims to reduce placement costs and develop new Highland-based support services, with the saving being achieved by reducing investment in new services.	0.000	0.000	1.000	1.000
3.12	Property	Property Asset Management - Further review the occupation of all operational assets (both leased and owned) for example offices, depots and HLH premises to establish where effective rationalisation can be deployed to allow us to reduce the number of operational buildings across the Council estate.	0.500	0.500	0.500	1.500
3.13	School transport for Looked After Children	Reduction of costs transporting Looked After and Accommodated Children to school	0.020	0.000	0.000	0.020

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
3.14	Business Support	Review of business support to create an integrated service, reduce duplication and achieve efficiencies.	0.100	0.100	0.000	0.200
3.15	Transport - Home/School Provision	Review home/school provision - better route planning; introduce collection hubs for children and renegotiate with individual operators for revised pricing	0.050	0.080	0.000	0.130
3.16	Care & Learning Directorate Restructure	Senior management restructure - A re-structure of the senior management team in order to improve collaboration across service areas and to enhance the capacity to drive change. Bringing together education, early years and additional support needs under one head of service and bringing together all family support, health, social care and Criminal Justice services under one Head of Service.	0.744	0.000	0.000	0.744
3.17	Sustainable Education Programme	Sustainable Education Programme - roll-out of the programme with a review of structures and delivery models for each local area to ensure delivery is appropriate for that area.	0.200	0.200	0.200	0.600
3.18	ICT: Efficiency Savings	Efficiency savings achieved as a result of the Unified Communications project which includes improved communications technology	0.079	0.000	0.000	0.079
Total			7.732	2.777	3.700	14.209

Theme 4: Flexible and Well Managed Workforce

Like many large organisations, the Council is increasingly facing challenges to operate and deliver its services effectively and efficiently. We therefore need to ensure that our approach to workforce planning reflects the unique opportunities and challenges of the culture, communities and geography of the Highlands. We need the right people, with the right skills, in the right place.

In order to meet the budget challenges, we need to reduce our payroll costs and therefore the overall number of posts. Workforce planning, training, development and vacancy controls will help us to do this without the need for a programme of redundancies as in other councils. As service delivery models and options develop, transition across service boundaries needs to be supported. The Council has a strong, long-standing commitment to avoid redundancies wherever possible and we are confident we will achieve this through working together with employees, managers and Trade Union partners to create opportunities for a more flexible, multi-skilled and adaptable workforce.

Feedback tells us that the Council should have leaner management structures. The Council has significantly reduced senior and middle management posts in recent years saving over £3.5m and is continuing to look at ways to reduce management layers, notably in areas where this type of change has not yet happened.

Staff feedback also underlines the need for appropriate support, training, systems and equipment to work efficiently as well as more management visibility. It is vital staff are involved in and help to drive change and have the ability to contribute ideas and develop their services.

How is the Council going to do this?

- A set of Strategic Objectives has been used to develop the Workforce Planning Strategy. These guiding principles have been tested through extensive engagement with managers, staff and members. The Objectives acknowledge the need for transformation and reflect the ambitious nature of the Council's approach to develop its workforce to meet the demands of the future. In terms of approach, the Council recognises that it needs to position engagement at the heart of everything; cultivate its excellent long-standing partnerships with Trade Unions; listen to its employees; communicate regularly and

consult meaningfully with Community Planning Partners. As part of the Workforce Strategy, the Council will align the workforce with the medium term financial plan; concentrating on alignment with the efficiency, commercial and income generation and redesign themes.

- The Council needs to cultivate an agile workforce through effective recruitment and generate a culture of transition underpinned by upskilling and retraining opportunities. Furthermore, the Council needs to grow the workforce of the future, rebalance an ageing profile through initiatives such as Modern Apprenticeships and retain knowledge through effective succession planning. Successful outcomes will depend on leadership and management training that supports organisational development, embeds commercialism, and leads to less demand on supporting services.
- The Council will also create a culture of continuous improvement through review and improvement of processes by ensuring that our establishment is up to date and systems are in place that provides up to date, easily accessible management information and data. An important success factor will depend on the creation of a culture of digital upskilling and proactive use of technology, to improve outputs and generate and promote innovation amongst staff at all levels.
- The Council also needs to develop, with our Trade Union partners, a flexible workforce with job designs and contracts that reflect the future needs of the organisation and retain a commitment to be a fair employer. Over 10,000 people work for the Council, and there is an annual turn-over of around 10%. Ensuring that we maximise the opportunities for existing employees by holding vacancies with services is a fundamental component to creating opportunities. Matching opportunities for staff in areas of less demand to growing requirements such as Early Years development is a good example of emerging opportunities. Continuing to operate scrutiny and challenge to whether posts need to be filled once they become vacant (vacancy management) will continue to be part of the strategy to deliver savings throughout all Council Services.
- Flexible and agile working is key to delivering future savings for the Council. In the Council's Community Services, for example, there is a proposal to review shift patterns, annualised hours (changes to contract arrangements) and identify ways that the Council's teams can work more flexibly across functions. Similarly, there are proposals in the Care & Learning Service to review and reduce the number of teaching staff that are in seconded posts outwith schools so that they are brought back into teaching roles and able to contribute to self-improvement and improved outcomes from within schools. This will help to sustain local rural jobs.
- The need to review how the Council delivers additional support in schools was recognised through a redesign review carried out in 2016. The implementation of changes arising from this is now being brought forward within the budget proposals, with a particular focus on benchmarking the level of support required across all Associated School Groups. In discussions with

head teachers it has been recognised that the current allocation has identified a level of additional support in excess of the national average and beyond available resources and need. The Council's focus is on embedding professional practice and competence within the school system, enabling Highland schools to build capacity in the classroom to identify and respond appropriately to needs in an inclusive way. A phased approach will be taken to resource allocation so that it is equitable and targeted to where it is most needed. There is also a proposal to review our specialist education services with changes in the way resources are allocated, supported by greater level of training and a more flexible workforce. The Council remains committed to supporting all Highland children.

- By putting in place a management restructure in the Council's Care & Learning Service, the existing structure will be simplified, leading to clearer lines of accountability and the promotion of integration and collaboration. This will enhance the ability to adapt services and make improvements as required. It will also clarify responsibility against performance targets, whilst delivering savings to the Council.

Under this theme, the Change Programme will deliver the following key projects:

Workforce Planning

This project will specifically target the following objective:

- Developing a strategy for the Council around: vision and values, flexible workforce, leadership and management training for all employees, sustainable workforce, transition and C&L management restructure

Additional Support Needs

This project will specifically target the following objective:

- Transforming ASN services to enable schools to better meet the needs of children, so that resources are allocated equitably and meet the needs of children and young people. This will be delivered through a classroom-focused and inclusive approach, where teachers are best placed to identify the support needs of children.

Savings Proposals 2019/20-22

Theme 4: Flexible and well managed workforce (*Savings Summary Sheets P89-100*)

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
4.1	Benchmarking of Support in Schools	Building on the findings of the redesign review, a change to the allocation of resource, monitoring and training of staff and assessment of need, where ASGs control allocation of resource. Support embedding this approach into the daily functioning of a school and can target support to those pupils with the greatest need.	0.700	1.05	1.05	2.800
4.2	Support Services	Within the context of the wider reconfiguration of support to schools, this will focus on utilising the specialist skills of the support team to upskill and train front-line staff to achieve a more flexible and responsive service.	0.354	0.080	0.000	0.434
4.3	Flexible Working (as part of Workforce Planning)	Implementation of flexible working patterns. It will include a complete review of shift patterns, annualised hours and other ways to work more flexibly. An initial focus in Community Services this will include staff from family groups in Roads, Amenities and Winter.	0.000	0.050	0.050	0.100
4.4	Children's Services Redesign	Re-align early intervention posts across Children's Services, schools and Early Learning and Childcare, linked to a re-structure of services and a review of health services funded by the Council.	0.000	0.310	0.250	0.560
4.5	Education centrally managed budgets	Reduce the number of seconded and centrally funded non-teaching posts, returning centrally based teaching staff to school-based posts	0.200	0.000	0.000	0.200

Ref	Savings Area	Savings Description	Savings			
			2019/20 £m	2020/21 £m	2021/22 £m	Total £m
4.6	Redesign	Implementation of Redesign Board Recommendations	0.800	0.000	0.000	0.800
4.7	Care & Learning Vacancy Management	Support services - staffing budget efficiencies through vacancy management	0.250	0.000	0.000	0.250
4.8	Development & Infrastructure Service Wide	Vacancy Management - Flexible retirement and further posts to be identified during the year	0.182	0.123	0.046	0.351
Total			2.486	1.613	1.396	5.495

8. Summary and Next Steps

The Council has reviewed every aspect of its operations to identify a range of approaches to deliver a sustainable budget over the next three years. The Council has listened to its staff and communities, prioritising areas regarded as important and focusing improvement where we have been told we can be more efficient, where there are opportunities to be more commercial and where there is a need to redesign services.

In the coming weeks the Council will establish a Programme Management Office to drive forward the major transformation projects and a Resources Management Board to ensure that the Council is focused on delivering its budget all year round. This will give visibility and direction to the programme of change throughout the organisation.

Alongside this will be a review of local and corporate governance to ensure that democratic scrutiny and accountability sits at the right level and that there is appropriate oversight of transformational change.

The Council will also seek to agree a new Corporate Plan, which will encompass the Programme Priorities, key areas for change and service improvements which will drive the organisation in the coming years.

The Council will also look to working closer with our communities, staff and partners, in the public and third sectors, to bring forward this programme of change; taking a new approach to involving and listening to our communities and building positive and meaningful relationships for the future.

With a strong focus on performance improvement in the areas that the public has said it values the most, this Change Strategy for Highland will enable the Council to deliver its Programme commitment for an ambitious sustainable and connected Highlands.

Your Voice, Your Council, Your Future

In November 2018, the Council launched an engagement exercise to inform the budget process, the development of the Council Programme and the Corporate Plan. The aim was to hear from communities, staff and Members across Highland about what was important to them, what they believed the Council should be focusing on and what we should be doing differently including ideas for being more efficient.

The engagement took several different strands with the aim of reaching out to communities across the area. The feedback from the engagement programme helped to inform a 2 day member seminar in January 2019 looking at internal and external governance arrangements; community engagement and participation; new approaches to delivering service change and transformation; and developing a flexible and capable workforce.

Engagement Sessions

Over 50 separate engagement sessions were held over the month of November and the start of December throughout Highland with the aim of speaking to as many members, staff and communities to hear about their ideas for change and the priorities for the organisation. This included:

- 8 sessions with local committee members
- 20 sessions with staff groups – in depots, office buildings and school settings
- 14 public engagement sessions – a mixture of drop-in and public space sessions
- 10 sessions with specific representative groups – Community Councils, Parent Councils ,Tenant Groups and Community Groups

It was important to engage key representative groups during this process but the sessions also aimed to reach beyond traditional venues and sought feedback from individuals within social settings and retail environments. This approach reached many people who potentially would not normally engage in such a process.

Online Engagement Survey

An online survey was circulated to staff, community groups, through our third sector partners and promoted on the Council's website and social media channels. The survey had four sections asking about:

- Individual priorities
- The Council's role
- Being more efficient
- Increasing income

470 completed responses were received although a further 156 people responded to specific questions within the survey. Responses were received from across the Highland area, in the main representative of the balance of the population across the area. The slight difference was a higher response from residents in Sutherland and Skye and lower from residents living in Inverness.

More women responded than men (58% female respondents) and the working age population made up around 75% of responses, with over 65s and under 35s under-represented in relation to the population as a whole. 42% of respondents reported having school aged children.

Budget Challenge

The Budget Challenge is an online tool which enables individuals to consider how to balance the Council's budget. The tool gives respondents the opportunity to indicate which services they prioritise most or feel are least important. Respondents can reduce and increase budgets whilst better understanding the consequences of the decisions they are making. It also allows respondents the opportunity to increase Council Tax or increase charges in order to address the budget gap.

259 separate budgets were submitted over the month of November. The tool only enables people to submit the budget once it is balanced and achieving the savings target. Web-statistic analysis has indicated that over 2,000 people viewed the Budget Challenge over this period.

Of the 259 budgets submitted, 217 provided demographic details. This tells us that of the respondents to the challenge: 57% were male; there was a good response across the age range with over a fifth of responses from those under 35; 94% of respondents were employed and 30% reported they had children under 18.

Social Media

A range of social media engagement took place for the period of public and staff engagement during November. A promotional leaflet was produced introducing the engagement which included key information about Council priorities, spend, investment and looking ahead. This was also mirrored through an online video. Public events were advertised on twitter and Facebook as events and the YourVoice webpage, video, survey and budget challenge have all been promoted on twitter, Instagram and on Facebook. Two Facebook chats were held covering Income generation and Education.

A Facebook chat on Income Generation was held, with the live event reaching 13,300 users and receiving a total of 135 responses. The event focused on asking how respondents believed the Council could generate income and also what people would be prepared to pay more for.

A second Facebook chat focused on education and how the Council can use its education resources differently to get the best results. The event reached 1,600 users, generated 97 event page views and comments from 23 respondents.

Summary of Feedback

The following summarises some of the key messages received during the November engagement and the action being taken as a result of this feedback.

Priorities for the Council	
<p>We asked about what was important to you and your family and also your wider community. We also asked staff what was important to them in their roles. We also wanted to understand what you felt the Council should focus on and prioritise.</p>	
<i>You told us:</i>	<i>What we are doing:</i>
<p>Roads and infrastructure</p> <ul style="list-style-type: none"> Roads maintenance, infrastructure and winter maintenance were identified as key priorities throughout the engagement process. This was highlighted as an area communities wanted least reduction in the budget challenge and as a clear priority in the survey feedback and the engagement sessions. 	<p>Roads and Infrastructure</p> <ul style="list-style-type: none"> We have prioritised these as key areas in the Council programme. The budgets for these service areas have been protected in order to maintain current service levels.
<p>Services for vulnerable groups</p> <ul style="list-style-type: none"> This was highlighted by staff and communities as key priorities. Caring for vulnerable adults and children were key priorities in the survey feedback and an area from the budget challenge where respondents identified lower reductions in spend. The engagement sessions highlighted the importance of older people remaining in their own homes and effective social care services. Staff highlighted services for vulnerable children as key priorities including foster care, services for looked after children and mental health support. 	<p>Services for vulnerable groups</p> <ul style="list-style-type: none"> We have prioritised these as key areas in the Council programme: Through the Highland Outcome Improvement Plan the Council will work with partners to tackle poverty and inequality and explore ways of improving mental health crisis response and suicide prevention. The Council is developing multi agency working to coordinate responses to homelessness, criminal justice, drug and alcohol and mental health services. The Council will support children and young people to be protected, healthy, safe and responsible including a particular

	<p>focus on adverse childhood experiences and, as a Corporate Parent, for young people or are or have been in care.</p> <ul style="list-style-type: none"> • We will continue to provide the same level of funding to NHS Highland for Adult Health and Social Care for 2019/20. In addition the Scottish Government has provided additional funding of around £5m. • The Council has two change management programmes in place to improve services for Looked After Children and increase local placements such as Foster Care and Kinship care to avoid out of authority placements. • We will work with partners to promote the contribution older people make to their communities and help them to live independently in their own homes with appropriate support.
<p><i>You told us:</i></p>	<p><i>What we are doing:</i></p>
<p>Involving communities in decision making</p> <ul style="list-style-type: none"> • This was identified as a key priority from the survey feedback and was a key theme throughout the engagement sessions. Communities reported wanting to be more involved with the Council, understanding service delivery locally and using local knowledge and understanding to support shaping services. It was suggested there were opportunities for communities and the Council to work closer together in partnership on key projects, changing the nature of the relationship from one of control to collaboration. There was a need to build trust and enable improved communication. 	<p>Involving communities in decision making</p> <ul style="list-style-type: none"> • We recognise the need to change our approach to working with communities and are committed to listening and involving our communities more. • We will work to develop local mechanisms to enable people to engage and be more involved in understanding what is happening in your communities and how to shape services. We are committed to improving how we communicate and respond to people, to be more open and honest about what the Council can do but also what it can't do. This is crucial to building positive and meaningful relationships and partnerships with communities for the future. • The Council's Programme commits to establishing a renewed sense of trust and respect between our staff and communities; to bringing more decision making to local areas to reflect local priorities and needs; and support the ambitions of communities to control more local assets and drive forward a step change in community control.

<i>You told us:</i>	<i>What we are doing:</i>
<p>Affordable housing</p> <ul style="list-style-type: none"> Housing infrastructure was a key priority highlighting communities, staff and members. Local housing was crucial to attracting people to come to local communities and for young people/families to remain. You told us this is vital for sustainable rural communities. 	<p>Affordable Housing</p> <ul style="list-style-type: none"> Over the last 5 years (2013-2018) the Council has built over 850 affordable homes across Highland, with a further 281 on site or complete by March 2019. The Council's programme has housing as a key priority with the aim of providing homes across the Highlands that are responsive to local needs including affordable homes for younger generations and families; housing in areas where attracting professionals is a challenge and homes where older people and disabled people can be supported to live independently.
<p>Improving educational outcomes</p> <ul style="list-style-type: none"> This was a key priority highlighted in the survey feedback and from many of our educational staff groups. The school estate was also noted by a number of communities as a key priority. 	<p>Improving Educational Outcomes</p> <ul style="list-style-type: none"> Educational transformation is a key commitment going forward, with a focus on improving the quality of teaching and delivery of outcomes. This will involve structuring the service in order to improve collaboration across service areas and to enhance the capacity to drive change. There will be a focus on improving inclusion and the outcomes for our looked after and accommodated young people. This is reflected in a range of priorities in the Council's Programme around raising attainment, meeting the needs of all children and young people, including those with additional support needs, and equality of opportunity to access high quality learning and teaching across the Highlands. The Council Programme also commits to a continued programme of refurbishment and renovation of Highland Schools.

<i>You told us:</i>	<i>What we are doing:</i>
<p>Tourism Infrastructure</p> <ul style="list-style-type: none"> You told us that tourism is vital to many of our local economies however there is a need to have infrastructure in place to support visitors to the area including parking, toilets and campervan facilities. As part of this you were supportive of a local tourism tax to fund such investment. 	<p>Tourism infrastructure:</p> <ul style="list-style-type: none"> We will carry out a full consultation of Highland businesses, residents and visitors on the principles and practical application of a Visitor Levy for Highland. We are working with the Scottish Government and communities across Highland to maximise the opportunities from the Tourism Infrastructure Fund. We are also considering what opportunities there may be to develop commercial services in strategic places across Highland to provide the local infrastructure required whilst maximising the income generation opportunities. There is a dedicated section in the Council Programme on promoting the Highlands as a welcoming place, with a focus on working with the Scottish Government and partners to develop the Highlands as a world class, year round, tourist destination; to protect and enhance tourism infrastructure and explore options for retaining more of the revenue generated by tourism for investment in the local area.
<p>Local Jobs</p> <ul style="list-style-type: none"> Employment was a key priority for many of our rural communities. Public sector jobs were highlighted as particularly important. You told us that there was a need to work together across the public sector to jointly attract people to rural areas and the challenge of local housing needed to be considered as part of that approach. 	<p>Local jobs</p> <ul style="list-style-type: none"> We recognise the importance of local jobs within our rural communities. Working with our public sector partners, we are developing an action plan to target skills development and talent attraction and retention. As a Council we are looking at developing flexible approaches to our workforce to enable people to work across a number of roles. The Council's Programme commits to accelerating the decentralisation and relocation of Council services and jobs across the Highlands and encouraging our partners and businesses to do the same.

Doing things differently	
We asked you for your views about what you felt wasn't working well and also what ideas you had for doing things differently.	
Efficiency	
You told us:	What we are doing:
<ul style="list-style-type: none"> You said there are opportunities for greater productivity through improved IT reliability and connectivity You said there is a need for shared systems across services and departments and better cross service working to increase productivity and joint working. You said there are opportunities to streamline functions across the organisation and also combine staff teams with similar roles for greater efficiency. You said we should do more in house and reduce the use of external contractors We should reduce the use of agency staffing You said we should have more online forms and processing and automate more forms which would reduce duplication. You said we should streamline internal processes such as recruitment and performance which would increase productivity. You said we need to manage Council resources more effectively through targeting spend on priority areas. You said we need to be more locally responsive and adapt our processes and service delivery to suit the local delivery area which in turn will result in more efficient processes. 	<ul style="list-style-type: none"> We will review key functions with a review to reducing duplication across the organisation We will look at the opportunities to reduce the use of external contractors and deliver more services in house We will look at the opportunities to use more digital IT solutions We will improve our contract management in order to reduce waste We will continue to develop our Lean approach with a view to improving processes, efficiency and removing waste We will reduce our travel costs through our Grey Fleet Project; the aim of reduced travelling time and achieving greater productivity We will take an improved approach to budget management, re-basing budgets to reflect critical spend and the cost of service delivery We will focus on opportunities to reduce our energy usage; reducing street lighting, travel, improved internal behaviour on recycling We will have a focus on route optimisation in relation to our school transport, waste collection and winter maintenance. The Council's Programme reinforces the importance of focusing on doing things more efficiently; on employing innovative and commercially minded approaches where possible and appropriate; and to working with communities to identify and deliver locally responsive services.

Doing things differently	
We asked you for your views about what you felt wasn't working well and also what ideas you had for doing things differently.	
<i>Income Generation and Commercialisation</i>	
You told us:	What we are doing:
<ul style="list-style-type: none"> • You told us we should prioritise increasing income over service reductions • You were supportive of a tourism levy • 60% of you told us you were prepared to pay more Council Tax with a further third saying that we should increase it up to 10% to spend on key services • You told us we should increase our fees and charges but also to start charging for other things such as toilets, car parking and public events. • There was strong support for a tourism levy, but some concerns expressed about how this might work across Highland. • You suggested we seek new ways to generate income such as afterschool activities and childcare and through developing and supporting tourism based infrastructure e.g. campervan facilities and parking. • You suggested there were opportunities for the Council to be more commercial with regards charging for waste collection and the use of recycling centres • You thought we should sell the services of staff teams 	<ul style="list-style-type: none"> • We will focus on being more commercial for: <ul style="list-style-type: none"> ○ Energy ○ Tourism ○ Land and property ○ Transport • We will increase Council tax to fund service delivery • We will look for new opportunities to generate income with an initial focus on electric vehicle charging • We will increase fees and charges proportionately, being mindful of individual and commercial charges • We will maximise our income through charges to external bodies • We will maximise the opportunities to generate income from commercial waste • We will look at opportunities for our staff teams to offer consultancy • We will investigate new opportunities to raise income such as the tourism levy and will instigate a consultation to explore how this may be applied in Highland • The Council's Programme reflects this focus on income generation and the exploration of commercial opportunities to support Council jobs and services across the region.

Doing things differently	
We asked you for your views about what you felt wasn't working well and also what ideas you had for doing things differently.	
Redesign and Improvement	
You told us:	What we are doing:
<ul style="list-style-type: none"> You said we need to improve what we do with our buildings and get rid of the buildings we no longer need. You said we should work with our partners to co-locate services and also on how we manage buildings. You said there was a need for a different approach to delivering the maintenance of Council housing and property; more internal opportunities and to cross-skill the workforce. You said we should reduce travel and do more communication using technology. You said we need to be more locally responsive, recognising that there are different priorities across communities and that communities wish to be more involved in priority setting. There was a good culture of improvement amongst a number of staff groups and staff expressed a will to be more involved in improvement and redesign activity both within their own area and across the organisation. 	<ul style="list-style-type: none"> We will take a more proactive approach to our property; a focus on rationalisation, retaining energy efficient buildings, disposal of buildings for alternative use e.g. affordable housing. We will seek to use our in-house resources to maintain more of our property. We will look to develop a waste transfer centre in Lochaber to reduce the reliance on the private sector. We will reduce the use of private sector lets and make more use of our own Council housing stock. We further develop our approach to reducing travel through the implementation of technology and using more cost effective forms of travel where travel is necessary. We will review the opening hours of recycling centres to match customer demands. We will review the disaggregated budgets, with the principle of subsidiarity. We will improve local decision-making through a new approach to income generation and retention of monies for local allocation. We will continue with our approach to redesign and Lean, involving more staff groups to foster a culture of improvement across the organisation.

Doing things differently	
We asked you for your views about what you felt wasn't working well and also what ideas you had for doing things differently.	
Workforce	
You told us:	What we are doing:
<ul style="list-style-type: none"> • You said we need staff groups with flexible skill sets to avoid multiple staff being deployed to one job. • You said we should train staff within local areas to enable them to perform a range of roles and reduce the need for external contractors or for staff to travel to undertake roles which could be performed locally • You said we needed to focus on key service roles in remote and rural communities which were difficult to recruit to e.g. teaching, social work, mechanics, HGV drivers. • You said we needed to attract people to jobs in Highland communities, particularly in remote rural communities, and consider how to resolve the challenges of availability and cost of local housing. 	<ul style="list-style-type: none"> • We will look at new ways of working with a view to devolving work to local areas • We will review functions in order to reduce duplication and improve efficiency • We will work to develop a more flexible workforce, with staff multi-skilled to perform a range of functions locally. This in turn will support sustainable employment within rural areas. • With our partners we will develop a regional approach to talent attraction and retention and skills development, with a particular focus on key areas of recruitment challenge e.g. teaching, early years, social workers • The Council Programme sets out a new collaborative approach that is being taken with our partners to develop integrated workforce planning strategies and talent attraction to make it easier for more people to relocate to the Highlands.