



2025/26 SCU GROUP BUDGET AMENDMENT

Proposed - Ruraidh Stewart

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	ADMINISTRATION					SCU					DIFFERENCE = IMPACT ON BUDGET GAP/RESERVES (-ve gap reduction, +ve gap increase)				
	2025/26	2026/27	2027/28	Total	From Reserves	2025/26	2026/27	2027/28	Total	From Reserves	2025/26	2026/27	2027/28	Total	From Reserves
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
INV9 A Sustainable Countryside Rangers Service	0.655			0.655		0.181			0.181		-0.474			-0.474	
Sustainable and Prosperous Town Centres				0.000		0.074			0.074		0.074			0.074	
Commitment to Universal Free School Meals for All Primary School Children				0.000		1.823	0.751		2.574		1.823	0.751		2.574	
External Contributions and Grants				0.000		-0.019			-0.019		-0.019			-0.019	
Workforce Restructuring				0.000		-1.192	-1.192		-2.384		-1.192	-1.192		-2.384	
Streamlining Internal Consultees				0.000		-0.829			-0.829		-0.829			-0.829	
C&P3 Alternative Approach to Proposed Spending and Income	-0.010			-0.010		-0.110			-0.110		-0.100			-0.100	
INV6 Alternative Approach to Proposed Spending and Income	0.570			0.570	0.300	0.000			0.000	0.000	-0.570			-0.570	-0.300
INV10 Alternative Approach to Proposed Spending and Income	0.000			0.000	0.200	0.000			0.000	0.000	0.000			0.000	-0.200
A fairer Approach to Fees and Charges 3%	-0.720			-0.720		-0.432			-0.432		0.288			0.288	
I&E/2 : Increase in Harbour Dues (CalMac)	-0.079			-0.079		-0.226			-0.226		-0.147			-0.147	
I&E/2 : Increase in Harbour Dues - 3%	-0.021			-0.021		-0.013			-0.013		0.008			0.008	
I&E/3 : Corran Ferry fares Up-lift - 3%	-0.179			-0.179		-0.054			-0.054		0.125			0.125	
Senior Leadership Group (SLG) Remuneration adjustments				0.000		-0.050			-0.050		-0.050			-0.050	
I&E/5 Motorhome ITP	-0.050			-0.050		-0.124			-0.124		-0.074			-0.074	
Efficiency (2%) Improvement				0.000		-4.500			-4.500		-4.500			-4.500	
New: C&P 6 Revised saving - reduction of 15 cars year 1	-0.100			-0.100		-0.300			-0.300		-0.200			-0.200	
I&E/18 : Efficiencies Travel	-0.150			-0.150		-0.315			-0.315		-0.165			-0.165	
CTAX @ 7%/7%/7% (Admin) / 3%/7%/7% (SCU)	-10.487	-11.422	-12.463	-34.372		-4.494	-10.944	-11.940	-27.378		5.993	0.478	0.523	6.994	
Highland Investment Plan - 2% CTAX	2.997	3.236	3.498	9.730		2.997	3.115	3.367	9.479		0.000	-0.121	-0.131	-0.251	
Total Proposals with Differences	-7.574	-8.186	-8.965	-24.726	0.500	-7.582	-8.270	-8.573	-24.426	0.000	-0.008	-0.084	0.392	0.300	-0.500

*The Above Table highlights any areas of difference between the administration budget and the proposals outlined in this budget amendment.

Budget Amendment

Agrees: to adopt the additional spending, savings, and income commitments outlined in this budget amendment and sets the Council Tax for the financial year 25/26 at 3%. This includes providing free school meals for every primary school pupil in Highland, introducing free on-street parking on Saturdays in our town and village centres, empowering the Countryside Rangers Service with enforcement powers, limiting fee increases to just 3%, improving efficiency and protecting and enhancing the delivery of high-quality front-line services.

Foreword from Cllr Ruraidh Stewart, Leader of the Highland Council Conservative Group

Members,

This budget amendment is a game-changer for the Highlands—delivering lower taxes, thriving communities, and smarter spending. It is a budget for growth, fairness, and ambition, setting out a bold, sustainable, and connected vision for our region.

*Conservative & Unionist Group Budget
Highland Council Headquarters Glenurquhart Rd Inverness IV3 5PB*

With a 3% Council Tax increase—the lowest in Scotland—we are standing up for hardworking families, ensuring they keep more of their own money while still securing high -quality local services. This increase includes the 2% boost to the Highland Investment Plan which guarantees vital improvements in infrastructure, roads, and public spaces without unduly burdening taxpayers.

To supercharge our town centres, we are introducing free on-street parking on Saturdays, making it easier for people to shop locally, boosting footfall, and helping small businesses thrive.

For families, this budget is transformational every primary school child in Highland will receive free school meals, ensuring no child goes hungry, supporting parents, and improving educational outcomes, all without extra cost to taxpayers.

We are not only restoring but empowering the Countryside Rangers to protect our stunning landscapes while managing tourism responsibly. With new enforcement powers, Rangers will tackle littering, fly-tipping, and irresponsible behaviour, ensuring that those who harm our environment contribute to its upkeep.

This budget reduces waste and bureaucracy—removing 5% of middle management over two years, streamlining council operations while protecting every frontline service. Fee increases are capped at just 3%, far below the administration’s proposed 5%, while secondary school meal and burial service fees are completely frozen to support families.

We are unlocking new revenue by maximising the value of surplus council properties, selling or leasing underused assets to reduce costs and generate income—ensuring every taxpayer pound works harder for our communities.

This is a budget that delivers more for less—a low-tax, pro-business, community-first budget that invests in our future without asking residents to pay more than they should. It is ambitious, sustainable, and built for a connected Highlands.

This is a budget no one should vote against—a budget that strengthens communities, drives economic growth, and protects vital services. I urge every councillor to back this forward-thinking, responsible vision for the Highlands.

Now is the time to put party lines aside and do what is right for our communities. This budget is about delivering for the people of the Highlands

I hope I can count on your support,

Best Regards

Ruraidh

Council Tax - A Fair and Balanced Approach.

The responsible spending and savings commitments outlined in this budget allow the Council Tax rate to be set at 3%. This includes a dedicated 2% allocation for the Highland Investment Plan, ensuring continued investment in infrastructure and essential high quality public services while maintaining financial stability.

This 3% increase represents the lowest Council Tax increase in Scotland, underscoring a commitment to keeping household costs as low as possible. The Conservative group recognises the ongoing cost of living pressures and the substantial increased costs of living in Highland and believes that Highland residents should

not be asked to pay more than absolutely necessary. Individuals and families are best placed to decide how to spend their own money, and this budget reflects that principle by ensuring that essential services are funded efficiently without unnecessary taxation.

This approach prioritises affordability while securing long-term investment in Highland communities. By striking a balance between prudent financial management and protecting residents from excessive tax burdens, this budget ensures that Council resources are allocated effectively to meet the needs of all Highland residents.

Sustainable and Prosperous Town Centres

As part of our commitment to revitalising town and village centres across the Highlands, this budget introduces free on-street parking on Saturdays in our High Streets . This transformative policy is designed to reinvigorate local economies, ensuring that our High Streets become more vibrant, accessible, and attractive places for residents, visitors, and tourists to shop, dine, and engage with local businesses and services.

By removing parking charges on Saturdays, we will create a more welcoming environment, breaking down barriers for families, individuals, and businesses. This initiative encourages longer visits, increased consumer spending, and strengthens community ties by making our High streets the beating heart of social and economic activity.

To maximise the benefits of this policy, the existing maximum stay regulations will remain in place. This ensures that parking spaces continue to turn over effectively, ensuring that as many visitors as possible can take advantage of the scheme, promoting fairness and accessibility for all.

Strengthening the Local Economy and Supporting Local Businesses

This policy represents a significant investment in the economic health of our town and village centres, aligning with the council's broader objective to make local shopping districts more accessible and appealing. In recent years, small businesses have faced mounting challenges, from rising costs to shifting consumer habits. Free Saturday parking is a proactive solution designed to:

- Stimulate local commerce by attracting higher footfall and encouraging shoppers to spend locally.
- Enhance community engagement by making it easier and more convenient for residents to visit and support local businesses.
- Increase the vibrancy of town and village centres, ensuring they remain vital social and economic hubs.

While there will be a modest reduction in parking revenue, the anticipated economic benefits from increased spending and visitor numbers will far outweigh the loss, creating a net positive impact for businesses and the wider community. This flagship policy demonstrates the SCU group's commitment to practical, community-driven solutions that foster economic resilience, empower local businesses, and create dynamic, thriving town centres across the Highlands.

Commitment to Universal Free School Meals for All Primary School Children.

As part of our commitment to supporting children's well-being and easing financial pressures on hard-working families, every primary school child in Highland will receive a warm, nutritious school meal regardless of

household income. This transformative policy is a major headline for the budget and will be fully funded within existing resources, ensuring that no child goes hungry during the school day

This initiative is expected to cost £1,624,835 for the next school year. This bold and ambitious policy reinforces our commitment to creating a healthy, supportive learning environment for all children. By prioritising our families and ensuring no primary school child goes hungry, we are investing in the future of our communities while easing the financial strain on families.

Key Benefits of Universal Free School Meals

- **Enhanced Educational Outcomes:** Research consistently shows that well-nourished children concentrate better, participate more actively, and perform to a higher standard academically. Providing a regular, nutritious meal supports improved focus, behaviour, and attainment.
- **Supporting Hard-Pressed Families:** This initiative will ease financial burdens, saving working families with primary school children nearly £40 per child per month. These savings can be redirected to other essential household expenses, helping families manage the rising cost of living, which we know is up to 40% higher in Highland.
- **Promoting Equity:** By offering free meals to all primary school children, we remove the stigma associated with means-tested programmes, ensuring every child feels included and valued. This universal approach fosters a sense of community and equality within our schools.

A Sustainable Countryside Rangers Service

Tourism is a cornerstone of the Highland economy, and to ensure its sustainability, we must effectively manage our natural assets. This budget not only proposes the reinstatement of the Countryside Rangers Service, which has been a crucial part of supporting communities, promoting responsible tourism, and protecting the local environment.

Community feedback has consistently highlighted the importance of the Countryside Rangers Service in maintaining environmental stewardship, preserving local heritage, and providing visitor education. A key request from the public has been to ensure that Rangers have enforcement powers to support their work, as education alone is not always sufficient to prevent environmental damage. Empowering Rangers with enforcement capabilities to address issues such as littering, fly-tipping, and irresponsible fly camping will ensure that those who negatively impact on our public spaces contribute to the operational costs and the continued effectiveness of the service.

Strategic Investment in Tourism and Community Wellbeing

Reinstating the Countryside Rangers Service is a strategic investment that will:

- Enhance environmental resilience by protecting our natural landscapes and wildlife.
- Support sustainable tourism by managing visitor impact and promoting responsible access.
- Improve community wellbeing by ensuring public spaces remain clean, safe, and well-maintained.

This commitment will be fully funded within the proposed budget. By optimising resource allocation, the reinstatement of the Ranger Service will be achieved at a lower cost than the administration's proposal.

Revenue Generation and Financial Sustainability

The reintroduced Ranger Service will also contribute to financial sustainability through enforcement powers. Rangers will be able to issue fines for littering, fly-tipping, and other environmental offences, ensuring that those who damage public spaces contribute to their upkeep.

By combining essential environmental work with enforcement responsibilities, the Countryside Rangers Service will be both a financial asset and a vital support for Highland communities, ensuring long-term sustainability while safeguarding our region's natural beauty.

Workforce Restructuring:

Following the success of the senior management restructure, which delivered a 20% reduction, this next phase focuses on reducing middle management roles while protecting frontline services. A targeted reduction of 5% over two years—equating to 2.5% per year—will be made within grades HC9 to HC14, excluding all posts funded through Devolved School Management (DSM), ensuring that teaching and educational roles remain fully protected. This reduction equates to 18 full-time equivalent (FTE) posts per year and is in addition to other reductions elsewhere in the budget.

Improving Organisational Efficiency

This restructuring will create flatter management hierarchies, reducing bureaucracy, improving decision-making speed, and enhancing accountability by streamlining middle management roles, by implementing these changes, will create a more agile and effective workforce, ensuring that leadership roles are streamlined to provide the greatest value while maintaining high performance across all service areas.

Protecting Frontline Services

This proposal does not impact DSM-funded posts or frontline staff, ensuring that essential education services and critical frontline operations remain unaffected. No staff jobs would be at risk as the council will utilise natural staff turnover and redeployment to minimise disruption and avoid redundancies. With an average staff turnover rate of 14%, this approach will ensure that workforce reductions are managed smoothly while retaining critical skills and institutional knowledge. Currently, there are eight layers of management within the council, meaning that multiple levels of managers oversee other managers, leading to inefficiencies. By streamlining this structure, the council will reduce unnecessary oversight, improve decision-making speed, and create a more responsive and effective leadership model.

Responding to Public Priorities

Public consultation has consistently highlighted the need to streamline middle management and prioritise efficiency. Many residents are weary of being told they must pay more while receiving fewer services, particularly when they see headcount increasing at Glenurquhart Road. Since 2019, the council's overall headcount has grown by 5%, underscoring the need for targeted reductions in managerial layers rather than frontline services.

This proposal responds directly to these concerns, ensuring that savings are made where they deliver the greatest impact while safeguarding vital services. By adopting a balanced and phased approach, this initiative

ensures that restructuring efforts enhance service quality while maintaining financial sustainability for the long term.

Streamlining Internal Consultees

To reduce delays and improve operational efficiency, non-statutory roles within planning services will be scaled back or removed from the planning consultation process. This ensures that local interests continue to be represented by community stakeholders while improving decision-making speed.

Driving Efficiency and Accelerating Decision-Making

Many of these roles are primarily desk-based and often duplicate functions covered by other departments, leading to inefficiencies. In some instances, assessments conducted within these teams have conflicted with statutory bodies such as SEPA, creating unnecessary delays in decision-making. Additionally, certain functions have raised objections to Highland Council projects, generating additional workloads and internal inefficiencies.

By adjusting the involvement of non-statutory roles in the planning process, the council will:

- Reduce unnecessary overlaps, allowing projects to move forward more quickly.
- Streamline planning processes, ensuring faster approvals and decision-making.
- Focus on direct community impact, empowering local stakeholders to raise concerns and provide input instead of relying on duplicative internal functions.

It is important to note that these changes will not affect the broader responsibilities of the teams involved. Their work beyond planning consultations, including operational and strategic duties, will continue unaffected. This proposal prioritises efficiency without compromising essential services, ensuring resources are allocated where they provide the most value.

NV/6 & C&P/3 Alternative Approach to Proposed Spending and Income

Reassessment of the Poverty & Equality Commission Proposal

While addressing poverty and inequality remains a key priority, we do not support the administration's proposed spending under NV/6 to establish a Poverty & Equality Commission for the Highlands. This initiative largely duplicates extensive existing work without delivering additional value.

Significant research and analysis on rural poverty have already been conducted by organisations such as Highlands and Islands Enterprise (HIE) and the Scottish Government. Furthermore, benefits and welfare advice services are already available through government agencies such as the Department for Work and Pensions (DWP) and charities like Citizens Advice Bureau (CAB), Age Scotland and Scope UK which provide direct support, guidance, and advocacy for those in need. Rather than creating a separate commission, the focus should be on ensuring that existing resources are effectively utilised and that those in need are directed to the comprehensive support systems already in place.

Addressing Educational Support and Affordability

The additional funding allocated to the Pupil Equity Fund (PEF) is insufficient to deliver meaningful improvements for learners. While any increase in education funding is welcome, this amount does not go far enough in addressing the real challenges faced by schools, particularly in supporting disadvantaged pupils.

As part of this proposal, we are advocating for a broader approach that not only enhances support for children in schools but also allows families to retain more of their income.

Strengthening Income from Surplus Properties

We believe the administration's proposed income target under C&P/3: Disposal by Sale/Lease of Vacant Properties is not ambitious enough, given the potential to generate significantly higher revenue from council-owned assets. The initial £10,000 per year target is an underestimation of what can be achieved, particularly considering the number of surplus properties that could be better utilised through sale or lease.

To reflect a more proactive and strategic approach, we propose increasing this target, this will be achieved by expanding the scope of this initiative beyond the 21 closed public toilets that the administration has identified for potential lease or alternative use. While these assets present opportunities, they represent just a fraction of the council's underutilised property portfolio.

By broadening the scope to include a wider range of vacant and surplus council properties, we can maximise revenue generation while also ensuring that disused assets are put to more productive use—whether through sale, lease, or repurposing for economic and community benefit. Taking a more commercial approach to property management will help secure additional income while reducing maintenance liabilities, contributing to long-term financial sustainability.

Senior Leadership Group (SLG) Remuneration Adjustments

Given the recent above-inflation increase to councillors' basic pay, it is proposed that additional responsibility allowances be maintained at current rates for all positions except for the Council Leader, Convenor, and Leader of the Opposition. This ensures that senior leaders receive appropriate remuneration for extra duties while maintaining the council's commitment to financial responsibility

Budget Adjustment and Fiscal Approach

While the SLARC recommendation increases councillor allowances the Senior Leadership Group (SLG) members' allowances will remain frozen in real terms. Only the Leader, Convenor, and Leader of the Opposition will see an increase in their additional responsibility allowances.

This approach acknowledges the financial pressures facing the council and taxpayers while ensuring that leadership costs remain affordable.

R&F/8, I&E/2 &- I&E/5: A fairer Approach to Fees and Charges

The SCU group recognises the importance of keeping household bills low and ensuring that working families can retain more of their income. By implementing a measured and fair approach to fee increases, this strategy supports financial stability for residents while allowing the council to maintain essential services in a sustainable manner.

As such we propose a fairer and more measured approach to increasing fees and charges, ensuring affordability for residents and businesses while maintaining financial sustainability. Instead of the 5% increase outlined in the administration's budget under R&F/8, most fee increases will be limited to 3%, with person-centred fees frozen to protect vulnerable groups. This 3% structure aligns with council tax increases, ensuring consistency in cost management across council services.

By adopting this balanced strategy, the council ensures that necessary fee adjustments are both reasonable and sustainable. This approach supports local businesses, aligns with wider cost-of-living concerns, and provides financial stability without placing undue burdens on residents and service users.

Specific Adjustments

- **Harbour Fees (I&E/2):** Fees will be limited to a 3%, except for CalMac harbour dues, which will be revised in line with CalMac's updated islander fares, reflecting a 10% increase
- **Corran Ferry (I&E/3):** Fees will increase by 3%, rather than the 10% originally proposed by the SNP.
- **Motorhome Fees (I&E/5):** **To ensure fairness in the market**, fees will be recalibrated to prevent unfair advantages and support the sustainability of licensed businesses
- **Residents' Parking Permit Scheme:** Fees will increase by 3%, aligning with other adjustments across council services.

A Commitment to Compassion and Affordability We understand how important it is to keep essential services within reach. That's why in addition to providing free school meals for every primary school pupil we are freezing fees for secondary school meals. This budget will also freeze fees for burial services, ensuring families don't face added financial pressure during this difficult time.

Efficiency (2%) Improvement

The council aims to improve operational efficiency from the current 0.3% to 2% annually—significantly lower than the 3% target imposed by the Scottish Government. This approach balances ambition with realism, ensuring sustainable and achievable improvements while aligning with broader financial strategies.

Strategic Approach

This efficiency improvement strategy is designed to be flexible, empowering teams and management to implement service-specific measures that best suit their operational needs. Our staff are best positioned to identify valuable savings opportunities, ensuring practical and service-driven solutions. A 2% in-year efficiency target is both realistic and achievable, particularly given the broader opportunities for savings across different service areas.

Embedding a Culture of Continuous Improvement

By fostering a culture of continuous improvement within council operations, this strategy promotes flexibility, innovation, and ownership at the departmental level. It supports the council's ambition to drive transformative change, enhance service delivery, and improve long-term operational efficiency to meet the evolving needs of the community.

HITRANS

To align with internal savings and encourage financial sustainability, funding for HITRANS will be reduced by 19000

HITRANS currently benefits from substantial financial support from national funding bodies, including Transport Scotland and Sustrans. However, active travel initiatives are not universally available across the Highlands, making them an inequitable transport solution. Due to the region's rurality, active travel will never be a viable alternative to private car use for many residents, further highlighting the need for a more practical approach to funding allocation. Instead of reinvesting these funds into HITRANS, they will be redirected toward other priorities that align more closely with the needs and expectations of Highland communities allowing for a more resilient and financially sustainable approach to transport planning.

C&P/6 & I&E/18: Staff Travel.

The savings identified in C&P/6 and I&E/18 will be re-profiled to ensure they are delivered sooner, supporting both financial efficiencies and the council's net zero commitments. By accelerating these measures, the council will achieve earlier cost reductions while reinforcing its commitment to sustainable transport and carbon reduction.

Streamlining Fleet and Cross-Service Efficiencies

I&E/18 focuses on reducing fleet size and optimising cross-service savings through decreased reliance on the Car Club, Grey Fleet, and private hire. This includes streamlining vehicle usage across departments, and ensuring that only essential journeys are undertaken. By prioritising sustainable and cost-effective transport options, the council will reduce emissions while driving financial savings.

Staff Travel and Fleet Reductions

C&P/6 addresses staff travel efficiencies by cutting unnecessary vehicle use and further reducing dependence on the Grey Fleet and Car Club. A total of 15 vehicles will be removed from the fleet this year, delivering savings of £20,000 per vehicle. This reduction aligns with broader efforts to minimise fleet size and lower operational costs.

Key Measures for Efficiency

- **Maximising the efficiency of the existing Car Club scheme:** Ensuring that staff prioritise Car Club vehicles only when absolutely necessary, rather than relying on private hire or Grey Fleet, to further cut costs and emissions.
- **Implementing stricter controls on fleet usage:** Ensuring vehicles are used as efficiently as possible.
- **Further decreasing Grey Fleet reliance:** Encouraging staff to use public transport, active travel, or pool resources more effectively to further reduce business mileage and emissions.

This accelerated approach ensures an earlier realisation of budgeted savings while supporting the council's sustainability goals. This will ensure the council can lower costs, minimise environmental impact, and improve resource allocation without compromising essential services.