

**General Services Revenue Budget
2024-25**

and

**Capital Investment Programme
2024-25 to 2035-36**

Proposals of the Conservative and
Independent Members

29 February 2024

Budget 2024-25

South Ayrshire Council has faced another challenging financial year, with high interest rates making it more expensive to operate services and pay debt charges. Unfortunately, 2024/25 is not any easier as local authorities such as our own face dramatic budget gaps over the next few years. The funding received from the block grant which makes up approximately 80% of council funding is not sufficient to continue as we are with inflationary pressures and increased commitments.

This budget for 2024/24 is balanced, but also acknowledges the difficult decisions ahead. South Ayrshire being one of the Local Authorities in the Strathclyde Pension Fund has had a substantial reduction in the employer's contribution rate for the next two years, but with rates due to rise substantially in 2026/27 we know that this saving is temporary. The scale of this saving is over £10million which shows that the council will need to find substantial savings in the next few years. Given this, an additional section has been added to this budget compared to prior years, listing a range of proposals which may be considered to allow the council to legally set a balanced budget. Not all of these may be needed or progressed, but the council needs to put steps in place to have these on the table in-case council budgets deteriorate further and ringfencing prevents alternative savings. This is a position that local authorities across Scotland face, with fears that some may not be able to set a balanced budget and the communications from COSLA show the level of concern councils have. We would encourage government to review the way they fund local authorities to provide sufficient resources and options to prevent these.

Council Tax rates are to be frozen for financial year 2024/25, accepting the additional funding offered on condition of this freeze. The income earned from Council Tax makes up 20% of council funding, so despite additional money the council will still need to make savings and generate income in order to resolve the substantial budget gap we face over the next few years. Despite this, the council is continuing to make positive steps towards transforming how we operate to limit any future Council Tax increases and reduce service cuts, such as our employee benefit scheme and income generation from the recycling centre.

This budget also includes a 12-year Capital programme for South Ayrshire. In addition to ongoing investment including the capital ward money, there are investments to improve energy efficiency in South Ayrshire Council buildings, proving out commitment to reducing emissions and reducing energy costs. Regeneration and heritage works to the towns within South Ayrshire has been important to this council and achieving the council's priorities. Further to the funding in the programme for Ayr and Girvan, additional funding is being invested into Maybole to allow the completion of its ongoing regeneration works, additionally £2million is being invested into both Prestwick and Troon over the coming years to allow these towns to also build on existing strengths and to provide improvements beneficial to those who live, work and visit these towns. This emphasises the council's commitment to all five towns in South Ayrshire, in addition to works taking place across many villages and rural communities within the capital plans.

The budget presented acknowledges the financial challenges that councils such as South Ayrshire face over the next few years, setting a balanced budget for 24/25 and being transparent about options which need to be considered to set a legally balanced budget if local government funding continues on its current trend. Despite this, this

budget sets an approach to meet the aims of the council plan as much as possible within the resources available, to ensure we can deliver the best service for the people of South Ayrshire.

Cllr Ian Davis

Portfolio Holder – Finance, HR and ICT

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Summary Budget Proposals

1. General Services Revenue

Specific Revenue Budget Recommendations for 2024-25:

- (1) To maintain the council tax charges at 2023-24 levels in recognition of the additional funding provided by the Scottish Government for this purpose. The resulting Council Tax for all bands is as follows:

Table 1 - Council Tax bands

<i>Band</i>	<i>2023-24</i>	<i>2024-25</i>
A	£968.77	£968.77
B	£1,130.24	£1,130.24
C	£1,291.70	£1,291.70
D	£1,453.16	£1,453.16
E	£1,909.29	£1,909.29
F	£2,361.39	£2,361.39
G	£2,845.77	£2,845.77
H	£3,560.24	£3,560.24

Council tax Band D	£1,453.16
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- (2) to note that council tax income of £67.379m is available to fund service expenditure in 2024-25 net of:
- ◆ a 3 per cent bad debt provisions for the non-collection of Council Tax; and
 - ◆ the estimated implications of applying reductions per the Council Tax Reduction Scheme.
- (3) to use Scottish Government grant funding of £281.842m (inclusive of £2.947m of funding to maintain teacher numbers, £3.296m council tax freeze funding and an estimated £1.300m of revenue grant due to be received being conditional on freezing Council Tax at 2023/24 levels) to fund planned expenditure;
- (4) to use PPP retrospective reserves of £4.000m agreed by Council in December 2022 to assist in funding planned expenditure;
- (5) to utilise £10.253m of the £14.306m pension cost reductions as a temporary base budget reduction in 2024-25 with the remaining £4.053m used as a contribution to support the new Transformation programme;
- (6) to approve 2024-25 net service expenditure of £252.767m as shown in Table 2 below, excluding Health and Social Care Services:

Table 2 – Planned funding and expenditure 2024-25

	£m	£m
Funding:		
Council Tax income		67.379
Scottish Government Grant funding		281.842
Use of PPP retrospective reserves		4.000
Total anticipated SAC funding		353.221
Less funding contribution to South Ayrshire HSCP		100.454
Total anticipated funding (excluding HSCP)		252.767
Expenditure:		
Base expenditure:		
Base net service expenditure		235.916
Updated service expenditure:		
Pay uplifts	8.419	
Key Strategic Objectives (Appendix 2)	7.703	
Improving educational attainment (specific grant funded)	2.616	
Gaelic initiatives (specific grant funded)	0.013	
Revised debt charges (Appendix 9)	1.619	20.370
Efficiency measures:		
Previously approved efficiencies (Appendix 3)	(1.311)	
New efficiencies/savings proposed (Appendix 4)	(2.208)	(3.519)
Total planned net service expenditure (excluding HSCP)		252.767

- (7) to note that the planned expenditure of £252.767m shown, excluding Health and Social Care incorporates:
- ◆ directorate base expenditure from 2023-24 totalling, £235.916m after excluding Pension cost savings;
 - ◆ additional service expenditure of £16.122m for pay, corporate adjustments and additional investment in key priorities;
 - ◆ spending of £2.616m for improving educational attainment allocated to schools across the council area as specified by the Scottish Government;
 - ◆ spending of £0.013m for Gaelic initiatives;
 - ◆ increased debt charge expenditure of £1.619m per **Appendix 9** to reflect the updated Capital Investment Programme detailed in **Appendix 7 and 8**;
 - ◆ previously approved saving measures of £1.311m, per **Appendix 3**; and
 - ◆ new saving proposals of £2.208m outlined in **Appendix 4**.

A directorate service expenditure analysis of the above is shown in **Appendix 1**.

- (8) to allocate funding to the South Ayrshire Health and Social Care Integrated Joint Board of £100.454m, as shown in Table 3 below, to ensure desired outcomes for Social Care in 2024-25 as follows:

Table 3 – Health and Social Care Partnership funding 2024-25

	£m	£m
Base contribution after excluding Pension cost savings		92.058
Additional funding provided for:		
Real Living Wage uplifts & other settlement movements	6.665	
Criminal Justice Social Work (Specific grant)	1.731	8.396
SAC contribution to HHSCP 2024-25		100.454

- (9) to note that the funding made available to the Health & Social Care Partnership from the Council represents a 9.1 per cent increase over the comparable previous years base funding allocation;
- (10) to increase remuneration for all councillors in line with the uplift included in the Local Governance (Scotland) Act 2004 (Remuneration), Amendment Regulations 2024;
- (11) to note that the approved Council Financial Strategy is to aim to maintain uncommitted reserves between 2 and 4 per cent of net expenditure to meet the potential cost of unforeseen liabilities. This equates to between circa £5.0m and £10.1m for 2024-25, excluding the Council's delegated Health and Social Care Partnership spending;
- (12) to note that the projected uncommitted balances on the Council's General Reserves at 31 March 2024, as considered by the Cabinet of 18 November, was estimated to be £4.862m, or 2.05 per cent of 2023-24 expenditure after approved draws from the inflation reserve to support in year expenditure.
- (13) to note that a remaining inflation reserve balance of £0.574m is being held to mitigate any temporary inflation risk occurring during 2024-25;
- (14) to approve the further efficiencies/savings necessary to achieve a balanced budget for 2024-25, as shown in **Appendix 4**;
- (15) to note the Council's Medium Term Financial Plan (MTFP), approved by Cabinet in November 2023, has been updated to reflect the latest 2024-25 budget information and associated impact on the following four years included in the plan, as stated in **Appendix 5**;
- (16) to approve the list of future activities shown in **Appendix 6**, to be taken forward to assist in addressing the significant financial gaps identified in the updated MTFP shown in **Appendix 5**; and
- (17) to approve the 2024-25 revenue and capital budgets for Common Good Funds as stated in **Appendix 10 and 11**.

2. General Services Capital

Specific Budget Recommendations for 2024-25 to 2035-36:

- (1) to note that the current twelve-year Capital Investment Programme 2023-24 to 2034-35 was approved by the Council on 1 March 2023. Progress on the current programme continues to be regularly reported to Cabinet;
- (2) to note that a review of the capital programme has been undertaken and has resulted in the re-profiling of several projects to better reflect current projected timelines and in some cases, budgets increased or reduced to reflect more accurate anticipated project spend levels. Further details on the process undertaken are outlined in **Appendix 7**;
- (3) to note that the twelve-year programme now includes investment spend up to 2035-36 being the new year twelve, per the Council's Capital Investment Strategy. This longer term allows a greater flexibility in the planning of significant capital investment, which tends to have long lead in times, and will ensure adequate preparation and planning in terms of operational service activity;
- (4) to note that the approach to capital asset management has allowed the budget setting process for 2024-25 to incorporate a bid process for new capital investment;
- (5) to note that following the significant reduction in Scottish Government General Capital Grant in 2024-25, which, once extrapolated across all years of the 12-year programme, has meant the inclusion of new funding being reduced to £15.244m (down from the normal £25.000m) for the new 'Year 12' (2035-36) in the programme to compensate for the reduction in grant funding, and
- (6) to approve the overall twelve-year Capital Investment programme (inclusive of projects brought forward from 2023-24 to be completed in future years) which stands at £408.130m as detailed in **Appendix 8** along with the estimated debt charge (revenue) implications of the borrowing required to undertake the programme as outlined in **Appendix 9**.

3. Carbon Budget 2024-25

- (1) This year sees the introduction of South Ayrshire Council's fourth carbon budget. This comes as it is confirmed that for the first time, global warming has exceeded 1.5C across an entire year (EU Climate Service). The impacts of climate change are being felt in South Ayrshire now in a range of ways which threaten wellbeing and quality of life. The Council continues to operate in the context of a nationally declared Climate and Ecological Emergency and as the council works to refresh their Sustainable Development and Climate Change Strategy, introducing new targets and strengthening our actions and decision-making processes.
- (2) In October 2020 South Ayrshire Council adopted stretching targets for the reduction of the organisation's greenhouse gas emissions, with the aim of delivering against the council's public sector climate change duties as well as its moral and ethical obligations in this area. At the same time, the council also committed to make a green recovery from Covid-19. This commitment intended to ensure that the disruption brought by the pandemic was harnessed as an opportunity for positive change while leaving the negative behaviours, habits and impacts of both the pre Covid-19 era and the pandemic in the past. By moving forward in ways which build and develop on the positives are best placed to deliver a resilient and low carbon future with a focus on wellbeing and future generations, ensuring a just transition and that no groups are left behind by the transformation. Sustainability, climate change and biodiversity is a cross cutting theme in the Council Plan 2023-2028. The carbon budget is a key mechanism to deliver against these commitments while ensuring individual service needs and delivery is at the heart of how this is achieved.
- (3) Total accounted carbon emissions of the council in relation to electricity, direct fossil fuel use and grey mileage equated to 19,424.47 TCO₂e in 2019-20. The carbon budget for 2024-25 set out below considers the spend and trajectory the organisation needs to be on to meet its targets, as well as the historic carbon emissions required by individual service areas to provide for service delivery and meet the needs of the people of Ayrshire.

Directorate	TCO ₂ e
Chief Executive	466.42
Education	4,671.66
Health & Social Care	926.02
Housing, Operations and Development	3,355.05
Strategic Change and Communities	2,495.35
Ayrshire Roads Alliance	1,223.52
Total Carbon Budget 2024-25	13,138.02

*Note Total Carbon Budget 2023-24 was 14,314.68 TCO₂.

- (4) A breakdown of Carbon Budget at service level is provided in **Appendix 12**.

4. Key Budget Risks

- (1) Within the budget proposals there are several inherent assumptions in arriving at figures and budget provisions and therefore risks, uncertainties and cost pressures that may be faced if costs change or new pressures emerge.
- (2) The following key risks and issues are highlighted in the context of this budget:
 - (1) The risk associated with using one off measures (surplus or savings) to balance the budget in contrast to securing recurring funding through an increase in Council Tax income or through identifying additional permanent savings;
 - (2) Outstanding pay award settlements;
 - (3) The impact of the wider economic climate on a range of factors including interest rates, employment, tax and income levels and service demands;
 - (4) Cost pressures, particularly demographic demand and inflation exceeding budget estimates;
 - (5) Unplanned capital investment requirements and the associated cost;
 - (6) The ability to continue to meet the expectations of our communities within a period of fiscal constraint;
 - (7) Council Tax freeze conditional funding from Scottish Government not forthcoming following the UK Government's Spring budget on 6 March; and
 - (8) The impact any further reduction in reserves would have on the Councils financial resilience and sustainability and in turn financial capacity to respond to unforeseen events or unbudgeted costs.
- (3) To provide a degree of risk mitigation, in February 2023 Cabinet agreed to set aside £2.500m of uncommitted reserves as an inflation reserve to be held to mitigate any temporary inflation risk occurring during 2023-24. In 2023-24 £1.926m has been drawn down so far, reducing the balance held to £0.574m. This remaining balance will be drawn down if costs incurred during 2024-25 relating to inflation are above the level included in the 2024-25 budget.

Directorate Service Expenditure Analysis

	Priority	Chief Executive £	Education £	Housing, Operations & Development £	Strategic Change & Communities £	Misc. Services £	HSCP £	TOTAL £
Base expenditure		23,757,433	140,125,223	46,759,733	19,642,819	11,856,463	96,085,626	338,227,297
Pension cost reduction		(1,949,000)	(2,721,000)	(3,945,000)	(1,664,000)	4,053,000	(4,027,000)	10,253,000
Revised Base expenditure		21,808,433	137,404,223	42,814,733	17,978,819	15,909,463	92,058,626	327,974,297
Pay uplifts		433,589	5,087,965	2,102,998	666,065	128,472	-	8,419,089
Health & Social Care Partnership uplift							6,664,796	6,664,796
Investment in Priorities (Appendix 2)	Priority 1	-	47,936	504,150	98,691	1,840,890	-	2,491,667
	Priority 2	104,696	811,146	2,197,008	33,467	988,000	-	4,134,317
	Priority 3	-	-	67,500	45,686	-	-	113,186
	Enabling	704,723	-	-	10,763	247,909	-	963,395
Specific Grant funded expenditure		-	2,629,000	-	-	-	1,731,000	4,360,000
Debt charges (Appendix 8)		-	-	-	-	1,619,299	-	1,619,299
Previously approved savings (Appendix 3)		(1,158,500)	-	(152,000)	-	-	-	(1,310,500)
Previously approved savings (Appendix 3)		(138,038)	(675,000)	(1,256,520)	(138,572)	-	-	(2,208,130)
OVERALL PLANNED EXPENDITURE		21,754,903	145,305,270	46,277,869	18,694,919	20,734,033	100,454,422	352,221,416

Appendix 2 – Investment in Priorities

Priority 1 – Spaces & Places		£	£
Education	Schools - Maintenance and inspection of school stage rigging and lighting	47,936	47,936
Housing, Operation and Development	ARA – Inspect and maintain off road cycle paths	37,500	
	ARA – Coastal protection materials inflationary increase	18,750	
	Facilities Management – Sanitary units & Hygiene supplies increased demand	15,000	
	Neighbourhood Service – Implement Hit Squad on a permanent basis	31,479	
	Neighbourhood Service – Horticultural supply inflationary increase	48,750	
	Neighbourhood Service – PPE inflationary increase	11,250	
	Neighbourhood Service – Grounds Maintenance increase demand requirements	70,076	
	Neighbourhood Service – Grounds Maintenance machinery maintenance costs	75,000	
	Neighbourhood Service – Vehicle Lease cost increase	37,500	
	Neighbourhood Service – Persistent Organic Pollutants new legislative requirements	100,000	
	Neighbourhood Service – Fleet Maintenance contract cost increase	51,345	
	Professional Design Services - Vehicle Lease cost increase	7,500	504,150
Strategic Change and Communities	Destination South Ayrshire – Horticultural supply inflationary increase	17,005	
	Destination South Ayrshire – Introduction of Events Officer	35,686	
	Destination South Ayrshire – Quayzone subsidy increase	20,000	
	Destination South Ayrshire – Dailly Community Centre annual support payment	6,000	
	Thriving Communities – Dolphin House increase lease cost	20,000	98,691
Corporate	Reduced SPT requisition amount	(21,000)	
	Utility increases - Electricity, Gas etc. contract increase	1,861,890	1,840,890
Priority 1 – Spaces & Places total			2,491,667

Priority 2 – Live, Work, Learn		£	£
Chief Executive's	Legal & Licensing – Software contract increases	12,500	
	Revenues & Benefits - Software contract increases	9,213	
	Trading Standards & Environmental Health – Electric Vehicle Lease cost increase	6,863	
	Trading Standards & Environmental Health – Glasgow scientific services contribution increase	4,690	
	Discretionary Housing Payments – settlement increase	71,430	104,696
Education	Transport costs - ASN contract increase	39,726	
	Transport costs - Mainstream SPT contract increases	71,692	
	Online School payment - Software contract increases	12,000	
	School Fund Management - Software contract increase	6,750	
	Ayr Academy new build - unitary charge increase	58,881	
	QMA new build - unitary charge increase	58,080	
	PPP – unitary charge increase	527,509	
	Campus Cops & Anti-Social Behaviour Liaison Officer contribution increase	31,768	
	Whole Family Wellbeing - Settlement increase	4,740	811,146
Housing, Operation and Development	Asset Management – Central Repairs Account increased maintenance costs	150,000	
	Asset Management – Vehicle Lease cost increase	10,500	
	Facilities Management – contract price increases	18,750	
	Facilities Management - Vehicle Lease cost increase	11,250	
	Facilities Management – Removal of unachievable income targets	205,500	
	Facilities Management Settlement changes – Free school meals expansion	260,298	

	Housing Policy & Strategy – Provision of Housing First Service	220,952	
	Housing Policy & Strategy – Rapid Rehousing Transition Plan Officer	54,241	
	Housing Policy & Strategy – Housing and Homeless Support Contracts price increases	79,369	
	Housing Policy & Strategy – Temporary Accommodation and support budget increase	18,201	
	Housing Policy & Strategy – Provision of Social letting service	29,213	
	Housing Services - Introduce tenant hardship fund to prevent homelessness	18,750	
	Planning & Building Standards – IDOX software contract increase	55,281	
	Neighbourhood Services – Residual waste contract increase	1,000,000	
	General – eliminate unachievable fees & charge targets	64,703	2,197,008
Strategic Change and Communities	Destination South Ayrshire – Increase Library assistant staffing resource	33,467	33,467
Corporate	Non-Domestic Rates – revaluation increase	988,000	988,000
Priority 2 – Live, Work, Learn total			4,134,317

Priority 3 – Civic and Community Pride		£	£
Housing, Operation and Development	Facilities Management – Increase cleaning activity in Ayr Town Hall, Cutty Sark and McKechnie Institute	45,000	
	Facilities Management – Public Conveniences vandalism repair budget	7,500	
	Neighbourhood Services – Sweeper Hire contract increase	15,000	67,500
Strategic Change and Communities	Destination South Ayrshire – Create Cutty Sark Venue Assistant (£45,686 less year 1 income target of £10,000)	35,686	
	Destination South Ayrshire – Biosphere Service Level Agreement increase	10,000	45,686
Priority 3 – Spaces & Places total			113,186

Priority - Enabling		£	£
Chief Executive's	Corporate Finance – Create additional staffing capacity within the service	200,000	
	Legal & Licensing - Create additional litigation staffing capacity within the service	59,000	
	Risk & Safety - Create additional staffing capacity within the service	58,000	
	Human Resources - Create additional staffing capacity within the service	124,047	
	Human Resources – Create Trainee HR advisor post	50,427	
	Human Resources - Software contract increase	6,521	
	Human Resources – Occupational Health contract increase	19,875	
	HR/Finance – additional staffing to expand Employee Benefit scheme (Spend to Save)	86,727	
	ICT Operations - Create additional staffing capacity within ERP support team	45,127	
	ICT Cyber protection – Security Operations Centre, Egress and PSN annual health check contract increase	35,970	
	ICT Contractual increases	19,029	704,723
Strategic Change and Communities	Organisational Development and Customer Services - Software contract increase	10,763	10,763
Corporate	External Audit – contract fee increases	19,593	
	Insurance premium – contract increase	225,033	
	Scotland Excel – contract increase	3,283	247,909
Priority - Enabling			963,395
Total Investment in Priorities			7,702,565

Appendix 3 – Previously Approved Savings

<i>Directorate</i>	<i>Proposal</i>	<i>2024-25 £</i>	<i>Approved by</i>	<i>Council Priority</i>
Chief Executive	Council Tax premium on second homes	208,500	January 2024 Cabinet	Enabling
	Revised NDR empty property relief scheme	950,000	February 2024 Cabinet	Enabling
Housing Operations & Development	Increasing commercialisation (Heathfield Waste recycling centre)	100,000	October 2023 Cabinet	Priority 2
	Introduction of EV charging tariff for public use.	52,000	February 2024 Cabinet	Priority 1
Total previously approved savings		1,310,500		

Appendix 4 – New Savings Proposals

<i>Ref:</i>	<i>Proposal</i>	<i>2024-25 £</i>	<i>Council Priority</i>
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<i>Chief Executive</i>			
ESHR-01	Expand Employee Benefits Framework Scheme	80,000	Enabling
DG-01	Remove Registration Security Services	1,838	Priority 2
DG-02	Remove Archivist Grounds Maintenance Budget	200	Priority 2
IA-01	Reduction in Hire Car costs	1,000	Priority 2
L&L-01	Reduce/remove various Admin & Supplies and Services budgets	2,000	Enabling
R&B-03	Additional SG DHP admin grant income	53,000	Enabling
		138,038	

<i>Education</i>			
ED-01	Review Early Learning team	125,000	Priority 2
ED-02	Review all current Education external contract arrangements	50,000	Priority 2
ED-03	Introduce Teacher turnover target	500,000	Priority 2
		675,000	

Housing, Operations & Development

ARA-01	Remove 5.5fte vacant strategic posts (Split EAC/SAC – 50/50%)	103,768	Priority 1
ARA-02	Increase fees and permit charges to developers, utilities and public by 5%	30,000	Priority 1
ARA-04	Increase harbour dues by 5%	6,000	Priority 1
NS-01	Introduce £50 charge for Garden Waste Collections (based on servicing 1 bin per household)	558,836	Priority 1
NS-02	Increase Bereavement prices by 10%	179,775	Priority 1
NS-03	Introduce £30 charge to householders for lost, stolen, damaged replacement bins	30,141	Priority 1
NS-07	Reduction in Neighbourhood Services overtime	10,000	Priority 1
FM-02	Increase cost of public toilets from £0.30 to £0.50 per use	21,000	Priority 1
HSP-01	Increase Income and fees targets by 20% for Short Term Let Licences	2,000	Priority 2
HSP-02	Realign PSL Bulk leasing scheme income budget based on current recovery rates	20,000	Priority 2
HSP-03	Reduced Private Sector Housing Grant budget based on low up take	15,000	Priority 2
AMCT - 01	Transforming the Estate Review - rationalise council assets and remove various property costs	200,000	Priority 2
AMCT-02	Review internal charging approach to reduce and remove administration costs	50,000	Enabling
PL-01	Realign Planning fees income budget based on current recovery rates	30,000	Priority 2
		1,256,520	

<i>Strategic Change and Communities</i>			
DSA-02	Maybole golf – delete vacant post	33,572	Priority 1
DSA-07	Increase the monthly Learn2 membership from £23 to £25 per month.	50,000	Priority 1
DSA-08	Increase various golf green and membership fees by £5 per annum	40,000	Priority 1
DSA-09	Realign Riverside Sports Areana income budget based on current recovery rates	15,000	Priority 1
		138,572	

Total All New Savings	2,208,130
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Equality Impact assessments - are available on request from Services for each new saving proposal.

Appendix 5 – Updated Medium Term Financial Plan

- 1) The table below provides an updated assessment of the Councils Medium Term Financial Plan for the period 2024-25 to 2028-29 based on the assumptions as outlined in section 2) below.

2024-25		2025-26	2026-27	2027-28	2028-29	
£m		£m	£m	£m	£m	Key assumption ref:
	Funding:					
281.842	Scottish Government Funding	281.842	281.842	281.842	281.842	1
67.379	Council Tax income	70.875	74.679	78.685	82.905	4
4.000	Planned use of PPP retrospective reserve	3.000	2.000	-	-	7
353.221	Total anticipated funding	355.717	358.521	360.527	364.747	
	Expenditure:					
327.974	Base net service expenditure (assumes prior year saving achieved)	344.808	351.357	354.161	356.167	
4.360	Specific grant funded expenditure	4.360	4.360	4.360	4.360	
8.419	Pay uplifts	5.565	18.839	6.209	6.289	2, 3 & 8
7.367	Key Priorities - additional investment	5.156	4.420	4.420	4.420	5
7.001	Settlement increase - directed spend	-	-	-	-	
1.619	Debt charges (per capital investment plan)	2.568	1.631	2.083	(0.338)	6
(3.519)	Savings achieved	-	-	-	-	
353.221	Total revised expenditure	362.457	380.607	371.223	370.898	
-	Initial Budget surplus/(gap)	(6.740)	(22.086)	(10.706)	(6.151)	

- 2) There are contributing assumptions that may vary depending on the outcome of a variety of factors. The table below provides a simple high-level matrix which identifies the different assumptions that have been made against each contributing factor across the remaining years of the MTFP.

Key assumption	Detail
1 – Scottish Government grant funding	A flat cash approach has been assumed for Scottish Government grant funding for all years of the plan, plus or minus any confirmed or anticipated funding changes.
2- Pay uplifts	A rate of 3% over the lifetime of the plan has been assumed in relation to pay uplifts
3 – Pension contributions	Estimated savings in pension contributions will be spread over a two-year period, 2024-25 and 2025-26, until the contribution rate reverts back to the higher rate of 17.5% in 2026-27.
4 – Council tax	Council Tax rates will be uplifted by 5% for each remaining year in the plan (2025-26 to 2028-29).
5 – Inflationary pressure	Inflationary uplift for 2024-25 has been calculated based on the requests contained in Appendix 3 in this document, followed by inclusion of 70% of the 2024-25 uplift amount (excluding Specific Grant funded and HSCP additional funding investment) for 2025-26 and 60% of the 2024-25 uplift for the remainder of the years of the plan. The reduced amount in later years of the plan is to account for the anticipated reducing inflationary pressure
6 – Debt Charges	The latest 2024-25 Period 9 monitoring report projections plus the new additional investment included in Appendix 8 for 2024-25 in relation to debt charges has been extrapolated across the period of the plan.
7 – PPP service concession retrospective saving	The agreed use of the PPP retrospective savings will remain in place for the period of the plan.
8 – HSCP contribution rate	The Council's contribution to the HSCP will continue on a flat cash basis, subject to any Scottish Government directed spend, but has been reduced by an appropriate amount for 2024-25 and 2025-26 to compensate for reduces pension contribution rates. In 2026-27 the contribution will be increased accordingly when the pension rate increases to 17.5%.
9 – Fees & Charges	Increase in income to be included in the budget through changes to pricing or the introduction of new charges will be included as part of the savings or efficiency measures rather than assuming a flat increase for all locally set charges

- 3) Based on the above analysis savings of £28.826m will be required over the next two financial years, 2025-26 and 2026-27, to achieve a balanced budget. **Appendix 6** provides a programme of future activities to be taken forward in the next few financial years to assist in addressing the significant financial gaps identified in the updated MTFP.

Appendix 6 – Future Activity Proposals

Service:	Proposal	Council Priority
Democratic Governance	Service Review underway and outcome awaited	Priority 2
Internal Audit	Internal Audit & Corporate Fraud Service Review	Priority 2
Trading Standards and Environmental Health	Consumer Advice Service Review	Priority 2
Legal & Licensing	Service Review underway including consideration of automation	Priority 2
ICT Enterprise Architecture	Discovery work to scope Generative AI potential	Enabling
	Develop a clear plan for addressing legacy digital systems to reduce total cost of ownership	Enabling
	Migrate from network data storage to SharePoint and reduce support and maintenance requirements	Enabling
	Work with the Local Government Digital Office to explore opportunities for joint procurements of common platforms or licensing, reducing the TCO of ICT for the Council	Enabling
Risk & Safety	Initiate Service Review	Enabling
Employee Services & Human Resources	Introduce further additional employee benefits through Vivup.	Enabling
Education Support Services	Review of school estate to improve educational provision	Priority 2
	Complete review of ASN transport	Priority 2
	Review of Early Years 52-week provision	Priority 2
	Review of service provision across Children's Services	Priority 2
	Review of secondary school week	Priority 2
	Review of ASN support services	Priority 2
Neighbourhood Services	Develop Green Waste Processing and Recycling commercial opportunities	Priority 1
	Develop new South Ayrshire commercial Skip Service	Priority 2
	Review Fleet usage and service model	Priority 1
	Enhancement of Heathfield Recycling site to take on additional commercial waste, segregate residual waste and recycle more effectively	Priority 1
	Facilities Management Service Review	Priority 2
	Review of application of re-charges to the HRA across the Council	Priority 2
Planning and Building Standards	Review opportunities to Increase charges for non-statutory services	Priority 2

	Increase Planning and Building Warrant Fees following Scottish Government consultation	Priority 2
Asset Management and Community Asset Transfer	Review/Reduce approved future capital investment programme to minimise debt charge revenue implications	Enabling
	Consider opportunities to develop Solar Farms and generate source of income for the Council	Priority 1
Destination South Ayrshire	Develop Troon Leisure Club - fitness commercial opportunity following capital investment	Priority 1
	Consider transitioning to automated robotic mowers to cut the fairways and greens on all golf courses.	Priority 1
	Review options for Golf course/clubhouse self-service entry and automated locker access	Priority 1
	Develop options appraisal for the future operation of catering provision across Golf Clubhouses and Leisure Centres	Priority 2
	Review options for a collaborative approach with grounds maintenance teams for Golf courses to develop a new operating model and identify efficiency opportunities	Priority 1
	Membership package price review - Golf & Leisure	Priority 1
	Develop Citadel commercial opportunity based on full independent Opportunity and Competitor Analysis report	Priority 1
	Water consumption reduction – through modernisation of the way golf courses are irrigated	Priority 1
	Develop business plans for the future use of the Council's Activity Centres based on local demand and commercial opportunities	Priority 1
	Options appraisal for the future delivery model for Northfield Bowling Centre	Priority 1
	Develop business plan to operate an enhanced golf practice facility	Priority 1
	Develop business case and options appraisal for the introduction of Tourist Tax	Priority 2
	Develop business case to redesign Dalmillig golf course in to a 9-hole multi tee facility	Priority 2
Thriving Communities	Review Thriving Communities operating model to maximise external funding to fund core activity	Priority 2
All Service activity	Initiate review of all Council fees & charges	Various
	Investigate shared service opportunities with other councils	Various
	Consider statutory/non statutory service implications	Various
	Review working week practices	Various
	Continue to progress current approved change activity	Various

General Services Capital Investment Programme 2024-25 to 2035-36

1. Background

The General Services Proposed twelve-year Capital Investment Programme has been prepared based on a refresh of the previously approved programme and through the introduction of new projects aligned to the process approved in September 2014 for capital investment planning.

The Corporate Asset Management Group has considered capital bids developed during 2023-24 and submitted by services for recommendation by the group for inclusion in the programme. This process was undertaken by services in consultation with elected members and portfolio holders to allow projects to be discussed and developed at an early stage.

Adjustments have been made to the programme to introduce new projects and to ensure funding that is not expended in the current financial year (2023-24) is re-profiled to future years to ensure that projects previously approved by Council are carried out, and other re-profiling of project spend within the programme to ensure the profile of budgets reflect the actual anticipated spend profile.

A total of capital investment programme of £408.130m is proposed for the twelve-year period 2024-25 to 2035-36.

2. Proposed new/adjusted projects for inclusion

Education investment

Maybole Campus (Appendix 8 Ref: 1[a]): Additional funding of £1,000,000 in 2024-25 has been added to the programme to supplement the existing funding and to complete the Maybole Campus project.

Free School Meals Expansion (Appendix 8 Ref: 1[b]): Funding of £600,000 in 2024-25 and £1,000,000 in 2025-26 has been added to the programme to provide resources to implement changes to various Kitchen Projects to facilitate the continued roll out of the free school meal expansion.

Girvan Primary School (Appendix 8 Ref: 1[c]): Additional funding of £9,860,000 has been added to the project through a transfer of Funds from Investment in the School Estate capital budget. The additional funding is needed to reflect high construction inflation and rising costs since the budget was originally agreed.

Investment in the School Estate – New build projects (Appendix 8 Ref: 1[d]): Funding of £9,860,000 has been transferred to the Girvan Primary school project with a further combined £9,203,000 being removed from 2030-31 and 2031-32, pending the re-assessment of the need and requirement for future investment in the Education estate, subject to further approval, where condition and capacity pressures are greatest.

School Refurbishment Programme – Various Projects (Appendix 8 Ref: 1[e]):

Additional funding has been added to the programme in the amount of £2,400,000 in 2035-36 for school refurbishment works.

Window and Roof Replacement – Various Projects (Appendix 8 Ref: 1[f]):

Additional funding has been added to the programme in the amount of £150,000 in 2035-36 for window and roof replacement works.

Health and Social Care investment

Community Store – Dukes Road (Appendix 8 Ref: 2[a]): Funding of £200,000 has been added to the programme in 2024-25 to replace end-of-life wall cladding.

Hourstons Development (Appendix 8 Ref: 2[b]): The North Ayr Health and Care Facility project has been removed from the programme and funding of £9,000,000 in 2030-31 has been included within the overall funding of £22,000,000 for the re-development of the former Hourstons Department Store. The proposal is to provide accommodation for the South Ayrshire HSCP.

Replacement of Carefirst (Appendix 8 Ref: 2[c]): Investment of £1,100,000 has been added to the programme over two years (£750,000 in 2024-25 and £350,000 in 2025-26) for the provision of a new social work case management system. This investment represents a move to the next generation solution to ensure continuity of service and care.

Communities investment

ARA - Road Reconstruction and Improvement (Appendix 8 Ref: 3[a]): Additional funding has been added to the programme in the amount of £2,500,000 in 2035-36 to continue to provide road users with an improved and safer road network which will have fewer potholes and a smoother surface.

ARA - Adapting to Climate Change – St Ninian’s Park Proposals (Appendix 8 Ref: 3[b]): Investment of £200,000 has been added to the programme over two years (£50,000 in 2025-26 and £150,000 in 2026-27) to reduce flood risk to properties in Prestwick and to improve the environment of St Ninian’s Park and St Ninian’s car park along with landscaping improvements.

ARA – U49 Littleton Glen Landslip (Appendix 8 Ref: 3[c]): £870,000 has been added to the programme over two years (£50,000 in 2024-25 and £820,000 in 2025-26) for the re-alignment of the road which was damaged following a landslip.

ARA – Vehicle Restraint Barriers (Appendix 8 Ref: 3[d]): Funding of £100,000 has been added to the programme over two years (£50,000 in 2024-25 and £50,000 in 2025-26) for the replacement of vehicle restraint barriers to meet upgraded design standards.

Ayr Town Centre Regeneration works (Appendix 8 Ref: 3[e]): Funding of £22,000,000 has been added to the programme over three years (£2,500,000 in 2024-25, £4,500,000 in 2025-26 and £15,000,000 in 2026-27) for regeneration works in Ayr.

Cemetery Infrastructure Project (Appendix 8 Ref: 3[f]): Additional funding of £250,000 has been added in 2027-28 to continue to conduct cemetery infrastructure works.

Coastal Change Adaptions (Appendix 8 Ref: 3[g]): £81,239 has been added to the programme in 2024-25 following confirmation of additional grant funding from the Scottish Government.

Cycling Walking Safer Routes (Appendix 8 Ref: 3[h]): Funding of £491,000 has been added to the programme to undertake projects linked to specific grant funding provided by the Scottish Government in 2024-25.

Girvan Library relocation (Appendix 8 Ref: 3[i]): £700,000 has been added to the programme in 2024-25 for the relocation of Girvan Library into the town centre at Knockcushan Street.

Girvan pitch (Appendix 8 Ref: 3[j]): Additional funding of £500,000 in 2024-25 has been added to the programme to supplement the existing budget.

Golf Course – Belleisle enhanced practice facilities (Appendix 8 Ref: 3[k]): Investment of £1,388,000 has been added to the programme over two years (£250,000 in 2024-25 and £1,088,000 in 2025-26) for the creation of an enhanced practice facility at Belleisle Golf Course. This facility will align with the planned golf course enhancement works.

Household Bin – replacement programme (Appendix 8 Ref: 3[l]): Funding of £390,000 has been added to the programme over three years (£130,000 in 2024-25, £130,000 in 2025-26 and £130,000 in 2026-27) for the replacement of household bins.

Maybole Regeneration works (Appendix 8 Ref: 3[m]): £2,000,000 has been added to the programme over three years (£350,000 in 2024-25, £1,000,000 in 2025-26 and £650,000 in 2026-27) for regeneration works in Maybole.

Prestwick Pool – AHU and water storage project – Net Zero Implementation (Appendix 8 Ref: 3[n]): Investment of £1,215,000 has been added to the programme in 2024-25 for the replacement of end-of-life ventilation equipment and expansion of the hot and cold-water storage to resolve supply issues. Photo voltaic (PV) roof panels will also be installed to support the Council's net zero carbon journey.

Prestwick Regeneration/Heritage works (Appendix 8 Ref: 3[o]): £2,000,000 has been added to the programme over two years (£1,000,000 in 2024-25 and £1,000,000 in 2025-26) for regeneration/heritage works in Prestwick.

Troon Pool – Health & Fitness extension (Appendix 8 Ref: 3[p]): £2,720,529 has been added to the programme over two years (£1,348,129 in 2025-26 and £1,372,400 in 2026-27) to extend the existing fitness suite and provision of a bespoke studio space along-with refurbishment of the changing accommodation and reception area.

Troon Hoisery Park – changing facilities (Appendix 8 Ref: 3[q]): Investment of £510,000 has been added to the programme over two years (£255,000 in 2024-25 and £255,000 in 2025-26) for the replacement of the existing pavilion with new modular changing rooms.

Troon Regeneration works (Appendix 8 Ref: 3[r]): £2,000,000 has been added to the programme over three years (£350,000 in 2024-25, £1,000,000 in 2025-26 and £650,000 in 2026-27) for regeneration works in Troon.

Other investment

Boiler room plant replacement programme (Low carbon solutions / Net zero implementation) (Appendix 8 Ref: 4[a]): Funding of £2,250,000 has been added to the programme over five years (£450,000 each year from 2024-25 to 2028-29) for a replacement programme of boilers and hot water vessels with more energy efficient installations.

Common Good contribution – 17-21 High Street, Ayr (Appendix 8 Ref: 4[b]): Investment of £800,000 has been added to the programme in 2024-25 for the redevelopment of 17-21 High Street, Ayr following fire damage.

Equalities Act Budget – Various Projects (Appendix 8 Ref: 4[c]): Additional funding has been added to the programme in the amount of £300,000 in 2035-36 to continue to support the ongoing accessibility improvement work being conducted across the Council's property estate.

Property Refurbishment – Various Projects (Appendix 8 Ref: 4[d]): Additional funding has been added to the programme in the amount of £1,250,000 in 2035-36 to continue the funding that will support the ongoing refurbishment of the Council's property estate.

Rewiring Programme – Various Projects (Appendix 8 Ref: 4[e]): Additional funding has been added to the programme in the amount of £200,000 in 2035-36 to fund the ongoing rewiring programme in various properties.

Works to Facilitate Property Rationalisation – Various Projects (Appendix 8 Ref: 4[f]): Additional funding has been added to the programme in the amount of £100,000 in 2035-36 to facilitate property rationalisation.

ICT – Business Systems (Appendix 8 Ref: 4[g]): £2,730,000 has been added to the programme over two years (£1,365,000 in 2034-35 and £1,365,000 in 2035-36) to continue the renewal, consolidation and replacement of business systems across the Council. Business Systems are the shared software applications that enable and automate business tasks, transactions and data, resulting in employees, customers, and other stakeholders being more efficient and effective, and processes more compliant.

ICT – End User Computing (Appendix 8 Ref: 4[h]): Additional funding of £2,940,000 has been added to the programme over two years (£1,470,000 in 2034-35 and £1,470,000 in 2035-36) to renew/replace devices and software such as laptops, tablets, smart phones and printers etc, which provide the user interface to other technology-based business processes, information and productivity tools.

ICT – Information and Data (Appendix 8 Ref: 4[i]): Funding of £900,000 has been added to the programme over two years (£450,000 in 2034-35 and £450,000 in 2035-36) to maintain and upgrade core technology such as storing, managing, transforming and presenting the Council's electronic data resources.

ICT - ICT Infrastructure (Appendix 8 Ref: 4[j]): Funding of £300,000 has been added to the programme over two years (£150,000 in 2034-35 and £150,000 in 2035-36) to maintain and upgrade Network communications, Servers, Storage, Operating Systems, Databases, etc.

Facilitate Introduction of Flexible Working (Appendix 8 Ref: 4[k]): A further allowance of £100,000 has been added in 2035-36 to continue the funding that will support the Introduction of Flexible Working.

Initial Work on Projects for Future Years (Appendix 8 Ref: 4[l]): Further provision has been made in the programme for initial work on projects in future years in the amount of £150,000 in 2035-36.

Ayrshire Growth Deal (Appendix 8 Ref: 4[m]): The expenditure profile has been updated to reflect the most up to date project cost profile and timing of Scottish Government and UK Government contribution expectations. It is likely that further re-profiling will be required as information regarding the exact timing of project spend in later years becomes clearer

Ayrshire Growth Deal/Hanger project – Regeneration Build Projects (Appendix 8 Ref: 4[n]): Investment of £36,673,500 has been removed from the programme over several financial years (£2,380,000 from 2024-25, £1,000,000 from 2025-26, £2,443,500 from 2026-27, £12,500,000 from 2027-28, £11,000,000 from 2028-29 and £7,350,000 from 2029-30) to reflect the latest expectations in terms of project development opportunities.

Appendix 8 – Capital Investment Programme: Expenditure 2024-25 to 2035-36

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
1) Education investment	£	£	£	£	£	£	£	£	£	£	£	£	£
a) Maybole Campus	1,000,000	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Early Learning and Childcare - Multi Year Capital Allocations	1,850,000	-	-	-	-	-	-	-	-	-	-	-	1,850,000
b) Universal Free School Meals Kitchen Upgrades - Various	600,000	1,000,000	-	-	-	-	-	-	-	-	-	-	1,600,000
Glenburn and St Ninian's Primary Schoolsshared campus	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
Girvan All Weather Pitch	750,000	-	-	-	-	-	-	-	-	-	-	-	750,000
c) Girvan Primary School	15,500,000	6,440,000	9,860,000	-	-	-	-	-	-	-	-	-	31,800,000
d) Investment in the Education estate - New build projects	-	-	-	1,270,000	-	4,000,000	6,731,884	7,635,000	-	-	-	-	19,636,884
e) School Refurbishment Programme - Various Projects	2,086,226	2,086,226	2,086,226	2,086,226	2,086,226	2,086,226	2,086,226	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	26,603,582
f) Window and Roof Replacement - Various Projects	150,000	150,000	150,000	150,000	200,000	200,000	200,000	150,000	150,000	150,000	150,000	150,000	1,950,000
	22,186,226	9,676,226	12,096,226	3,506,226	2,286,226	6,286,226	9,018,110	10,185,000	2,550,000	2,550,000	2,550,000	2,550,000	85,440,466

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
2) Health & Social Care investment	£	£	£	£	£	£	£	£	£	£	£	£	£
Scheme of Assistance	500,000	600,000	600,000	600,000	600,000	600,000	600,000	-	-	-	-	-	4,100,000
a) Community store - Duke Road upgrade	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
b) Hourstons Development	2,500,000	5,000,000	10,500,000	4,000,000	-	-	-	-	-	-	-	-	22,000,000
c) Replacement of Carefirst system	750,000	350,000	-	-	-	-	-	-	-	-	-	-	1,100,000
	3,950,000	5,950,000	11,100,000	4,600,000	600,000	600,000	600,000	0	0	0	0	0	27,400,000

		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
		£	£	£	£	£	£	£	£	£	£	£	£	£
3)	Communities investment													
	Ayrshire Roads Alliance - Bridge works (General)	362,000	200,000	-	-	-	-	-	-	-	-	-	-	562,000
	Ayrshire Roads Alliance - Bridge works (Victoria Bridge)	300,000	-	-	-	-	-	-	-	-	-	-	-	300,000
	Ayrshire Roads Alliance - Girvan Harbour Jetty Repairs	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000
	Ayrshire Roads Alliance - Girvan South Pier Repairs	75,000	-	-	-	-	-	-	-	-	-	-	-	75,000
	Ayrshire Roads Alliance - LED replacement	-	-	-	100,000	100,000	100,000	100,000	-	-	-	-	-	400,000
	Ayrshire Roads Alliance - Local Flood Risk Plan	151,627	64,000	64,000	-	-	-	-	-	-	-	-	-	279,627
a)	Ayrshire Roads Alliance - Road Reconstruction and Improvement	3,323,923	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	1,500,000	1,500,000	1,500,000	2,500,000	2,500,000	27,823,923
	Ayrshire Roads Alliance - EV Charging Infrastructure	220,430	-	-	-	-	-	-	-	-	-	-	-	220,430
	Ayrshire Roads Alliance - Street Lighting	204,737	250,000	250,000	-	-	-	-	-	-	-	-	-	704,737
b)	Ayrshire Roads alliance - Adapting to climate change (St Ninians Park)	50,000	220,000	150,000	-	-	-	-	-	-	-	-	-	420,000
c)	Ayrshire Roads Alliance - U49 Littleton Glen Landslip remediation works	50,000	820,000	-	-	-	-	-	-	-	-	-	-	870,000
d)	Ayrshire Roads Alliance - Vehicle restraint barriers	50,000	50,000	-	-	-	-	-	-	-	-	-	-	100,000
e)	Ayr Town Centre Regeneration works	2,500,000	4,500,000	15,000,000	-	-	-	-	-	-	-	-	-	22,000,000
	Belleisle Park - Additional Works	600,000	-	-	-	-	-	-	-	-	-	-	-	600,000
f)	Cemetery Infrastructure Project	806,785	100,000	100,000	250,000	-	-	-	-	-	-	-	-	1,256,785
	Citadel Refurbishment	3,700,000	2,500,000	3,500,000	-	-	-	-	-	-	-	-	-	9,700,000
g)	Coastal Change Adaptions	81,239	-	-	-	-	-	-	-	-	-	-	-	81,239
	Craigie Park Sport for All facility Development	40,000	-	-	-	-	-	-	-	-	-	-	-	40,000
h)	Cycling Walking Safer Routes (grant funded works)	491,000	-	-	-	-	-	-	-	-	-	-	-	491,000
i)	Girvan Library Relocation	700,000	-	-	-	-	-	-	-	-	-	-	-	700,000
j)	Girvan Pitch	1,100,000	-	-	-	-	-	-	-	-	-	-	-	1,100,000
	Girvan Regeneration Projects	3,135,000	-	-	-	-	-	-	-	-	-	-	-	3,135,000
k)	Golf Course - Belleisle enhanced practice facilities	250,000	1,088,000	-	-	-	-	-	-	-	-	-	-	1,338,000
	Golf Courses - enhancement	1,376,000	2,500,000	1,000,000	-	-	-	-	-	-	-	-	-	4,876,000
	Green Waste / Household Recycling and Waste Transfer Station	7,283,750	-	-	-	-	-	-	-	-	-	-	-	7,283,750
l)	Household Bins - replacement programme	130,000	130,000	130,000	-	-	-	-	-	-	-	-	-	390,000
m)	Maybole Regeneration works	350,000	1,000,000	650,000	-	-	-	-	-	-	-	-	-	2,000,000
	Maybole Town Centre Regeneration - Public Realm Improvements to the High Street	343,250	-	-	-	-	-	-	-	-	-	-	-	343,250
	Maybole Regeneration – Small Grants Scheme	100,000	-	-	-	-	-	-	-	-	-	-	-	100,000
	Place Plans	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
	Place Planning and Community led projects	1,177,708	1,499,000	1,750,000	-	-	-	-	-	-	-	-	-	4,426,708
	Place Planning and Ayr Ward West/Ayr Town Centre projects	1,424,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	3,424,000
	Promenade and Shorefront Enhancement Scheme	1,000,000	500,000	500,000	-	-	-	-	-	-	-	-	-	2,000,000
n)	Prestwick Pool - AHU and water storage project - Net Zero Implementation	1,215,000	-	-	-	-	-	-	-	-	-	-	-	1,215,000
o)	Prestwick Regeneration/Heritage works	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	2,000,000
	Public Conveniences - Various Projects	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
	Scottish Government - Place based investment programme	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
p)	Troon Swimming Pool - Health & Fitness Extension	-	1,348,129	1,372,400	-	-	-	-	-	-	-	-	-	2,720,529
q)	Troon Hoisery Park - Changing Accomodation	255,000	255,000	-	-	-	-	-	-	-	-	-	-	510,000
r)	Troon Regeneration works	350,000	1,000,000	650,000	-	-	-	-	-	-	-	-	-	2,000,000
	VAT Recovery funds investment	175,000	-	-	-	-	-	-	-	-	-	-	-	175,000
		35,621,449	22,524,129	28,616,400	2,850,000	2,600,000	2,600,000	2,600,000	1,500,000	1,500,000	1,500,000	2,500,000	2,500,000	106,911,978

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
4) Other investment													
<u>Buildings</u>													
a) Boiler room plant replacement programme (low carbon solutions) / Net Zero Implementation	450,000	450,000	450,000	450,000	450,000	-	-	-	-	-	-	-	2,250,000
b) Common Good contribution - 17 -21 High Street	800,000	-	-	-	-	-	-	-	-	-	-	-	800,000
Developers' Contribution related projects	575,000	-	-	-	-	-	-	-	-	-	-	-	575,000
c) Equalities Act Budget - Various Projects	375,000	300,000	300,000	300,000	350,000	350,000	350,000	300,000	300,000	300,000	300,000	300,000	3,825,000
d) Property Refurbishment - Various Projects	1,149,529	1,250,000	1,250,000	1,500,000	1,500,000	1,500,000	1,500,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	15,899,529
e) Rewiring Programme - Various Projects	200,000	200,000	200,000	250,000	250,000	250,000	250,000	200,000	200,000	200,000	200,000	200,000	2,600,000
f) Works to Facilitate Property Rationalisation - Various Projects	140,000	100,000	100,000	150,000	150,000	150,000	150,000	100,000	100,000	100,000	100,000	100,000	1,440,000
<u>Information Technology</u>													
g) Business systems	821,083	1,000,000	1,050,000	1,165,000	1,231,000	1,231,000	1,165,000	1,151,400	1,151,400	1,151,400	1,365,000	1,365,000	13,847,283
h) End User Computing	5,006,000	1,594,000	1,534,000	3,410,000	1,344,000	1,344,000	3,910,000	1,400,000	1,400,000	3,900,000	1,470,000	1,470,000	27,782,000
i) Information & Data	300,000	450,000	420,000	420,000	420,000	420,000	420,000	420,000	420,000	420,000	450,000	450,000	5,010,000
j) ICT Infrastructure	880,000	130,000	880,000	130,000	880,000	130,000	880,000	130,000	480,000	130,000	150,000	150,000	4,950,000
<u>Other</u>													
k) Facilitate Introduction of Flexible Working	300,000	100,000	100,000	150,000	150,000	150,000	150,000	100,000	100,000	100,000	100,000	100,000	1,600,000
l) Initial Work on Projects For Future Years	100,000	100,000	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,650,000
<u>Economic Regeneration</u>													
m) Ayrshire Growth Deal	28,595,200	41,399,196	13,661,732	2,873,019	-	-	-	-	-	-	-	-	86,529,147
n) Ayrshire Growth Deal - Regeneration build programme	1,120,000	9,000,000	9,500,000	-	-	-	-	-	-	-	-	-	19,620,000
	40,811,812	56,073,196	29,545,732	10,948,019	6,875,000	5,675,000	8,925,000	5,201,400	5,551,400	7,701,400	5,535,000	5,535,000	188,377,959
Total 12 year Capital Investment programme	102,569,487	94,223,551	81,358,358	21,904,245	12,361,226	15,161,226	21,143,110	16,886,400	9,601,400	11,751,400	10,585,000	10,585,000	408,130,403

Appendix 8 – Capital Investment Programme: Funding 2024-25 to 2035-36

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Capital Grant													
General Capital Grant	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	93,444,000
Specific Capital grants:-													
Coastal Change adaptations	81,239	-	-	-	-	-	-	-	-	-	-	-	81,239
Cycling, Walking & Safer Routes	491,000	-	-	-	-	-	-	-	-	-	-	-	491,000
	8,359,239	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	7,787,000	94,016,239
Additional funding identified													
Anticipated capital receipts	250,000	250,000	250,000	250,000	250,000	250,000	250,000	200,000	200,000	200,000	200,000	-	2,550,000
Ayrshire Growth Deal Grant due in year	31,951,458	34,734,366	7,126,338	-	-	-	-	-	-	-	-	-	73,812,162
Developers contributions	225,000	-	-	-	-	-	-	-	-	-	-	-	225,000
	32,426,458	34,984,366	7,376,338	250,000	250,000	250,000	250,000	200,000	200,000	200,000	200,000	0	76,587,162
Borrowing													
Prudential borrowing	64,020,048	35,787,355	50,159,626	10,994,226	4,324,226	7,124,226	13,106,110	8,899,400	1,614,400	3,764,400	2,598,000	2,798,000	205,190,017
Ayrshire Growth Deal - Regeneration Build borrowing	1,120,000	9,000,000	9,500,000	2,873,019	-	-	-	-	-	-	-	-	22,493,019
Ayrshire Growth Deal borrowing - required based on spend and grant profile	(3,356,258)	6,664,830	6,535,394	-	-	-	-	-	-	-	-	-	9,843,966
	61,783,790	51,452,185	66,195,020	13,867,245	4,324,226	7,124,226	13,106,110	8,899,400	1,614,400	3,764,400	2,598,000	2,798,000	237,527,002
Total funding requirement	102,569,487	94,223,551	81,358,358	21,904,245	12,361,226	15,161,226	21,143,110	16,886,400	9,601,400	11,751,400	10,585,000	10,585,000	408,130,403

Appendix 9 – Capital Investment Programme: Debt Charge Implications

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2034-35
	£	£	£	£	£	£	£	£	£	£	£	£
Principle	6,457,000	6,730,000	7,115,000	7,746,000	7,924,000	8,276,000	8,748,000	9,265,000	9,787,000	10,254,000	10,776,000	11,335,000
Interest	10,978,840	13,084,080	14,234,590	15,543,632	14,790,552	14,970,413	15,128,693	15,155,277	15,055,313	14,855,944	14,722,168	14,566,177
Expenses	174,298	163,949	162,619	161,220	156,826	152,666	149,817	147,898	145,634	143,259	140,992	138,768
Investment income	(2,130,000)	(1,930,000)	(1,833,500)	(1,688,750)	(1,447,500)	(1,351,000)	(1,351,000)	(1,351,000)	(1,351,000)	(1,351,000)	(1,351,000)	(1,351,000)
	15,480,137	18,048,029	19,678,709	21,762,102	21,423,878	22,048,079	22,675,511	23,217,174	23,636,947	23,902,203	24,288,160	24,688,945
Increase from previous year	1,619,298	2,567,892	1,630,680	2,083,393	(338,224)	624,200	627,432	541,664	419,773	265,255	385,957	400,785

Appendix 10 – Common Good Fund Revenue Budget 2024-25

	Ayr £	Prestwick £	Troon £	Girvan £	Maybole £
Income:					
Rental income	(545,000)	(29,225)	(179)	(945)	-
Other income	(7,500)	-	-	-	-
Contribution from South Ayrshire Council	-	-	-	(50,750)	-
Interest on balances	(9,000)	(2,000)	(200)	-	(15)
Total planned income	(561,500)	(31,225)	(379)	(51,695)	(15)
Expenditure:					
Caretaker recharge	21,500	-	-	-	-
Repairs and maintenance	86,500	1,421	200	7,500	-
Grounds maintenance	161,000	29,054	-	43,000	-
Utilities	47,000	-	-	1,195	-
Non-domestic rates/ council tax/ water	172,000	250	-	-	-
Insurance	40,000	-	-	-	-
Other property costs	15,500	-	-	-	-
Supplies and services	2,000	-	-	-	-
Other administrative costs	1,000	-	-	-	-
Support Service costs	15,000	-	-	-	-
Grants to voluntary organisations	-	500	-	-	-
Total planned expenditure	561,500	31,225	200	51,695	-
Planned (surplus)/ deficit for the year	-	-	(179)	-	(15)
Projected revenue (surplus)/deficit at 1 April 2024	68,031	(235,309)	(36,058)	(9,490)	(1,572)
Projected revenue (surplus)/deficit at 31 March 2025	68,031	(235,309)	(36,237)	(9,490)	(1,587)

Income budgets are based on anticipated rental income from properties owned by Ayr and Prestwick Common Good Funds in the context of economic and other market pressures. Expenditure budgets have been adjusted where possible to try to address market pressures on property maintenance, while seeking to maintain a minimum break-even position on revenue reserves. Proposals designed to return Ayr Common Good Fund to a revenue surplus position are being developed for Members' consideration.

Appendix 11 – Common Good Fund Capital Budget 2024-25

	Ayr £	Prestwick £	Troon £	Girvan £	Maybole £
Projected surplus balance at 1 April 2024	(561,063)	(34,699)	-	-	-
Planned expenditure	-	-	-	-	-
Anticipated income	(10,000)	-	-	-	-
Projected surplus balance as at 31 March 2025	(571,063)	(34,699)	-	-	-

Any new capital expenditure proposals will be brought forward during the year for Members' approval.

Carbon Budget 2024-25

1. Background

The council financial budgets and service provision is currently being delivered within the context of a climate and ecological emergency as declared by Scottish Government. Public sector climate change duties require South Ayrshire Council to act in a range of ways.

The duties first introduced by the Climate Change (Scotland) Act 2009 require that a public body must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets (known as 'mitigation'), in the way best calculated to help deliver any statutory climate change adaptation programme, and in a way that it considers is most sustainable. From reporting for the 2021-22 year onwards public bodies are required to set out in annual reporting how each will align its spending plans and use of resources to contribute to reducing emissions and delivering emissions reduction targets.

Carbon budgeting is a key contribution to doing this, giving transparency in relation to the level of emissions being directly driven by the provision of each service area and linking the frontline and supporting functions of the organisation in a joint endeavour to identify and take forward opportunities to drive down these organisational emissions and meet the required targets.

2. Carbon Budget 2024-25 target

Total accounted carbon emissions of the council in relation to electricity, direct fossil fuel use and grey mileage equated to 19,424.47 TCO₂e in 2019-20. The service delivery driving the generation of these emissions has been analysed on a service basis. Taking account of the council's adopted target and allowing for a proportionate and incrementally stepped approach to delivery of this, carbon expenditure for these source areas should total no more than 13,138.02 TCO₂e for financial year 2024-25 and these areas can be devolved to service level. Other organisational emissions source areas, namely emissions driven by the Councils commercial waste recycling and disposal and water use, have also been calculated as a top line, but at the current time can only be accounted for on an organisational basis.

Having both the background information and understanding about the carbon generated through the provision of their services and the target for reduction allows services to establish how they are best able to meet the targets required while still delivering excellent services and as such what level of change and investment will be required to do so.

Consideration will require to be given going forward of the level and targeting of investment across the organisation to allow the organisation to meet its overall reduction target. This is particularly the case regarding physical infrastructure projects, but also relates to changes to way we deliver services, staffing and skills realignment and development. In this way and through the processes outlined here the link will be made between alignment of spending plans and delivery of carbon reductions and climate change duties.

3. Carbon Budget 2024-25 allocation on a service basis

<i>Directorate</i>	<i>Service Area</i>	<i>TCO_{2e}</i>	
Chief Executive	Risk and Safety	6.45	
	Employee Services and HR	40.83	
	Legal and Licensing	16.48	
	ICT Operations	151.94	
	Revenue and Benefits	69.73	
	Senior Leadership	14.27	
	ICT Enterprise Architecture	3.59	
	Corporate and Service Finance	39.45	
	Trading Standards and Environmental Health	24.75	
	Democratic Governance	80.15	
	Internal Audit and Corporate Fraud	4.71	
	Procurement	14.07	
		Total Chief Executive	466.42
Education	Central ASN	92.32	
	Central Early Years and Primary	43.58	
	Central Education	19.23	
	Education - Ayr Cluster	427.91	
	Education - Belmont Cluster	868.23	
	Education - Carrick Cluster	484.76	
	Education - Girvan Cluster	453.85	
	Education - Kyle Cluster	424.99	
	Education - Marr cluster	774.70	
	Education - Prestwick Cluster	745.92	
	Education - Queen Margaret Cluster	336.17	
		Total Education	4,671.66
	Health and Social Care	Children's housing	42.11
Reablement		145.92	
Maintenance Care		328.59	
Children's Services		95.66	
Children's Health		13.93	
Social Work Justice		33.08	

<i>Directorate</i>	<i>Service Area</i>	<i>TCO_{2e}</i>
	Performance Planning and Administration	72.63
	Service Hubs – Troon, Prestwick, Maybole and Girvan	39.98
	Service Hubs - Ayr	41.09
	Learning Disability and Sensory Impairment	103.16
	Public Protection	6.09
	Mental Health	3.78
	Total Health and Social Care	926.02
Housing, Operations and Development	Planning and Building Standards	71.28
	Housing Services	324.14
	Professional Design Services	10.39
	Asset Management	87.69
	Property Maintenance	314.77
	Facilities Management	985.99
	Neighbourhood Services	1,560.79
	Total Housing, Operations and Development	3,355.05
Strategic Change and Communities	Sport and Leisure	1,197.10
	Golf	228.22
	Community Development and Employee Skills	401.40
	Housing Policy & Corporate Planning and Improvement	21.12
	Organisational Development and Customer Services	40.49
	Maybole Regeneration	23.95
	Tourism Events and Community Facilities	552.89
	Economic Regeneration	25.26
	Special Property Projects	4.92
	Total Strategic Change and Communities	2,495.35
Ayrshire Roads Alliance	Ayrshire Roads Alliance	1,223.52
	Total Ayrshire Roads Alliance	1,223.52
	Total all Services	1,138.02

4. Carbon Budget for years 2025-26 onwards

As the council has adopted a target to 2030 and an initial, equal and incremental approach to apportionment of savings, a 10-year projection has also been issued to budget holders and allows budget holders the ability to plan for longer term change projects and associated savings while staying within their 10-year budget requirements.

It is recognised and acknowledged that there are many unknowns in relation to the climate change agenda, not least with regard to evolving technology and new emerging solutions, however the urgency of the agenda means it is not possible to delay all action until we have certainty in all areas, rather progress requires to be made early with a focus on 'no regrets' actions and in many instances external support is available to assist with appropriate actions.

It should also be noted that there will be times when delivering appropriately in relation to our public sector climate change duties on an area wide basis in relation to climate change may compromise organisational carbon budget targets. In relation to this point, it should be noted that the council's area wide targets will also require to evolve and increasingly be factored into financial decision making and annual reporting..

It should also be noted that while the equal application of the target across services is appropriate at this time to recognise the scale of the challenge and develop thinking around each service areas specific response, this may not always be the case going forward. This will depend on the ability to facilitate change in different service areas in the initial years of the carbon budget, which may in turn require additional realignment of the balance of targets across the organisation in future years. It is noted that at the present time services with a heavy dependence on the built estate, such as education, or on heavy vehicles, such as waste management, have a more limited potential to reduce their emissions significantly in the short term although their overall contribution to the climate change agenda is significant, and in the case of heavy vehicles new solutions are hoped to become viable in the second half of the decade.

5. Future Financial Implications

Delivering the carbon budget will undoubtedly require financial investment and changes to the way in which we deploy our resources. The carbon budget processes set out in this appendix are intended to help the Council to meet requirements in a way which is planned and structured, recognising the financial costs but striving to meet them in the most resource efficient way possible.

