

South Ayrshire Council

**Report by Chief Financial Officer
to South Ayrshire Council
of 27 February 2025**

**Subject: Revenue Estimates 2025/26, Capital Estimates 2025/26
to 2036/37 and Carbon Budget 2025/26**

1. Purpose

- 1.1 The purpose of this report is to advise Members of the issues to be considered in setting revenue budgets for 2025/26, setting capital budgets for 2025/26 to 2036/37 and setting a Carbon Budget for 2025/26.

2. Recommendation

2.1 It is recommended that the Council:

2.1.1 notes the funding proposal as outlined by the Cabinet Secretary for Finance and Local Government's letter of 4 December 2024 (attached as Appendix 1);

2.1.2 notes that the funding levels included within Finance Circular 10/2024 and remains provisional until the Finance Order is approved in March 2025;

2.1.3 presents and approves budget proposals for revenue and capital for 2025/26 taking account of the conditions of the settlement that need to be met and incorporating:

- (i) planned net revenue expenditure on services for 2025/26;**
- (ii) the level of reserves and fund balances held and contributions to/ from these;**
- (iii) the appropriate Band D Council tax levy for 2025/26 and associated level of bad debt provision for non-collection of Council tax;**
- (iv) the proposed capital programme for 2025/26 and beyond and associated debt charge implications; and**
- (v) consideration of the financial projections for 2026/27 to 2029/30;**

2.1.4 notes the required remuneration for Councillors, as determined by The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025/8, and include appropriate budget provision for all Elected Member remuneration for 2025/26;

2.1.5 presents and approves proposals for Common Good budgets for 2025/26; and

2.1.6 presents a Carbon Budget for the period 2025/26 in support of the Councils policies on Climate Change.

3. Background

3.1 All Scottish Councils are required to set their Council tax levels for 2025/26 by 11 March 2025.

3.2 The grant settlement for 2025/26 was announced by the Scottish Government on 4 December 2024 with individual Council revenue and capital allocations provided in Finance Circular 10/2024, updated in the draft Finance Order received in early February.

3.3 Unlike in previous years there is no freeze or cap included in the settlement conditions attributed to Council Tax charges, therefore Councils are free to set rates for 2025/26 at a level based on local circumstances.

3.4 Following a number of recent discussions between Cosla and the Scottish Government, the Cabinet Secretary for Finance and Local Government recently confirmed that a further £144m would be passed to councils in Scotland as a contribution to the increased employers National Insurance Contributions (eNIC) rates which take effect from 1 April 2025. South Ayrshires estimated share of this funding is £3.066m.

3.5 South Ayrshire Council's estimated Aggregate External Finance (AEF) available funding for 2025/26, is as follows:

General Revenue Grant £m	Est. GRG for eNIC £m	Specific Grants £m	Total AEF Revenue £m	Capital £m
294.942	3.066	4.355	302.363	10.535

3.6 In October 2020, the Council considered an update on its Climate Change Policy and approved the recommendation that the Council formally aligns with national targets by adopting a 75% reduction in emissions by 2030 (based on our 2014/15 baseline) and a target of net zero greenhouse gas emissions by 2045 and in addition support the delivering of these targets by agreeing to set a carbon budget each year.

3.7 Members Allowances

3.7.1 The Local Governance (Scotland) Act 2005 (Remuneration) Regulations 2007 determined the remuneration levels payable to Councillors. Various amendments have been made since that time in accordance with sections 11 and 16(2) of the Local Government Act (Scotland) Act 2004 and Guidance issued by Scottish Government in April 2010.

3.7.2 The Scottish Government has again amended these regulations by virtue of The Local Governance (Scotland) Act 2004 (Remuneration)

Amendment Regulations 2025. The changes come into effect from 1 April 2025 and reflect the outcome of the recent Scottish Local Authorities Remuneration Committee (SLARC) Recommendations for Councillors' Remuneration and Expenses.

4. Proposals

4.1 It is proposed that Members consider the information contained in this report and present and approve budget proposals for revenue and capital for 2025/26 taking account of the background information as set out in para 3 above and the considerations contained in this para 4.

4.2 Revenue Budget 2025/26

4.2.1 General Revenue Grant (GRG) funding for 2025/26 of £302.363m, inclusive of an estimated £3.066m;

4.2.2 Specific grant of £4.355m incorporating funding for improving educational attainment, Gaelic initiatives and Criminal Justice Social Work, is due to be received in 2025/26;

4.2.3 In presenting revised budget proposals for revenue and capital, Members should reflect that the base net revenue expenditure for 2025/26 requires to be further adjusted to recognise the following:

- that £99.474m of the base net expenditure figure relates to the Health and Social Care Partnership delegated budget under the control of the Integrated Joint Board;
- any spending implications linked to changes in Scottish Government specific grants;
- any requests from Directorates to fund additional service pressures, including pay awards, identified for 2025/26;
- any previously agreed savings or efficiency proposals that require to be implemented in 2025/26;
- any new borrowing and interest and expenses thereon linked to proposed revisions to the capital programme; and
- any changes proposed in the level of contributions to or from funds;

4.2.4 **Council Tax Bad Debt Provision** - the Council requires to take a view on the level of non-collection of Council tax in the coming financial year. The level of provision currently being targeted in 2025/26 is 3 per cent.

4.3 General Services Capital Programme Considerations

4.3.1 South Ayrshire's total Capital Grant allocation for 2025/26 is £10.535m, split between £8.654m General Capital Grant and £1.881m for Specific Capital Grants.

4.3.2 The approved capital programme requires to be adjusted to recognise the following:

- re-profiling of previously approved projects based on revised project timelines;
- requests to increase/reduce spend on previously approved projects;
- requests to fund new projects identified through the approved Capital Asset planning process for the period of the programme;
- anticipated levels of capital receipts in the same period; and
- the associated revenue costs of any borrowing.

4.4 ***Members allowances***

4.4.1 The Amendment Regulation 2025 provides specific rates to be paid for basic Councillors, the Council Leader, the maximum amount that can be paid to the Civic Head and the amount to be paid to the Chair and/ or Vice Chair of the Ayrshire Valuation Joint Board.

4.4.2 Members require to include budget provision to pay the specified remuneration for Basic Councillors and the Leader of the Council and revised levels of remuneration for the Civic Head and Senior Councillors.

4.5 ***Common Good Budget Considerations***

4.5.1 Revenue and capital budgets for the Ayr, Prestwick, Troon, Maybole and Girvan Common Good funds require to be set for 2025/26.

4.5.2 Girvan Common Good Fund continues to have insufficient resources to meet ongoing expenditure. The Council previously agreed to fund this expenditure.

4.6 ***Budgets 2026/27 Onwards***

4.6.1 As financial settlement figures have only been provided for 2025/26, it is difficult to project the budget gaps for future years. The update to the Medium-Term Financial Plan (MTFP) approved by Council in December 2024 provided estimates of future income and expenditure expectations depending on various assumptions.

4.6.2 Given the scale of the projected budget gaps in the December 2024 MTFP update, it is essential that Members consider and present a revised MTFP forecast on expected future funding gaps that will likely be faced in the medium term, incorporating the impact of proposals presented as part of the 2025/26 budget

4.7 ***Carbon Budget 2024-25***

4.7.1 The Council agreed to implement a carbon budget from 2022/23 onwards in order to support the delivery of its approved climate change targets.

5. Legal and Procurement Implications

5.1 The Council is required to set the 2025/26 Council tax level by 11 March 2025.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 As outlined above.

7. Human Resources Implications

7.1 None directly from this report although the budget proposals brought forward by Members may include staffing changes.

8. Risk

8.1 Risk Implications of Adopting the Recommendations

8.1.1 There are no risks associated with adopting the recommendations within the covering report; however, in developing budget proposals, Members should consider the risk around pay inflation, service demand and inflation rates in general.

8.2 Risk Implications of Rejecting the Recommendations

8.2.1 If the terms and conditions of the settlement, as outlined in the Cabinet Secretary for Finance and Local Government letter of 4 December 2024 are not adhered to, then there is a risk that a less favourable offer will be made.

9. Equalities

9.1 The specific proposals in this report have been assessed through the Equalities Impact Assessment Scoping process, and there are no significant positive or negative equality impacts of agreeing the recommendations, therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as Appendix 2. Any savings proposals brought forward as part of Members' budget considerations would require a separate Equalities Impact Assessment.

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report assist in the achievement of all of the Council Plan priorities but specifically contribute to the Enabling Priority.

13. Results of Consultation

- 13.1 Budget information has been provided through social media communication routes during February 2024.
- 13.2 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, and Councillor Ian Davis, Portfolio Holder for Resources and Performance, and the contents of this report reflect any feedback provided.
- 13.3 Discussions on the financial situation have taken place with the trade unions, and further discussions will take place through the JCC process following approval of the 2025/26 revenue budget.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Chief Financial Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Budget papers published on The Core	28 February 2025	Chief Financial Officer
Approved budgets will be incorporated in 2025/26 financial planning and management process	1 April 2025	Chief Financial Officer

Background Papers **[Report to South Ayrshire Council of 12 December 2024 – Medium Term Financial Plan 2025-26 to 2029-30](#)**

[Scottish Government Finance Circular 10/2024](#)

[The Local Governance \(Scotland\) Act 2004 \(Remuneration\) Amendment Regulations 2025](#)

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Date: 18 February 2025

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The Leaders and Chief Executives of all Scottish
local authorities

4 December 2024

LOCAL GOVERNMENT SETTLEMENT 2025-26

Today I formally set out the Scottish Government's proposed Budget for 2025-26 to the Scottish Parliament. Further to my budget statement, here are the details of the Local Government Finance Settlement for 2025-26. As previously agreed by the Settlement and Distribution Group, council by council allocations will follow on 12 December 2024 following the publication of the Summary Statistics for Schools in Scotland 2024.

The Budget builds upon the investments we have already made as a Government and ensures we focus resources on the four priorities set out in the Programme for Government:

- eradicating child poverty
- growing our economy
- tackling the climate emergency
- improving public services

The First Minister committed, in line with the Verity House Agreement, at the COSLA Conference that there would be substantive engagement between the Scottish Government and Local Government prior to the setting of the Budget. I have welcomed the open and transparent dialogue which has taken place.

Over recent weeks the First Minister has led negotiations with COSLA and Group Leaders to resolve key issues on education and social care policies. The Budget I have set out today is designed to support the way forward which has emerged from that dialogue, much of which you will recognise and agree with.

On the basis of the funding envelope and broader package set out below, I invite you to agree at your meeting on 6 December to the approach set out on education and social care in Annex A.

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As a result of the political engagement, and especially the intense engagement among officials and officers, we all now have a better shared understanding of the fiscal environment facing both spheres of government in Scotland and I very much welcome that.

That better understanding includes the open book analysis of the UK Budget which confirmed that the increased funding announced at the Autumn Budget, whilst welcome, was largely in line with internal planning assumptions. Consequently, the 2025-26 block grant only represents an increase in resource of around 1% in real terms against our 2024-25 allocation.

The Settlement I outline today does not make provision for the UK Government's increases to employer National Insurance Contributions. I remain committed to working constructively with COSLA to ensure that the UK Government provide the funding necessary to support public services in Scotland. There have been communications that indicate we will receive a further £300 million from the UK Government to support the impact of its decision to raise employer National Insurance Contributions on the public sector. However, it is clear that the impact on Scotland's public sector, including local government, as well as commissioned services and third sector organisations which provide statutory services, could be well in excess of £700 million. When the final additional amount is confirmed, I will respond in a way which is fair to all of our valued and proportionally larger public sector in Scotland.

However, I do think we should all continue to press the UK Treasury for additional funding so that the increase in these contributions is fully reimbursed for us all. I would very much welcome a joint initiative, working constructively with COSLA to ensure that the UK Government provide the funding necessary to support public services in Scotland.

Despite the ongoing challenges of fiscal constraint, I am pleased to set out a strong and fair settlement for Local Government.

The total funding which the Scottish Government will make available to Local Government in 2025-26 through the Settlement will be over £15 billion, including additional funding which has been baselined for the recurring costs of 2024-25 pay deals and teacher employer pensions contributions.

That amounts to an increase on last year's Settlement of £1,008 million, including significant real terms increases in both revenue and capital funding.

The Settlement includes:

- providing real terms protection of the General Revenue Grant through an additional £289 million to support local priorities;
- honouring the commitments made as part of the 2024-25 Scottish Joint Council (SJC) and teachers (SNCT) pay deals by baselining an additional £77.5 million and £43 million of resource respectively, alongside reinstating the £26 million of capital funding for flood risk management schemes and the £5 million capital for nature restoration funding which were redeployed in year to support those deals;
- baselining £86.2 million in lieu of higher employers pension contributions for teachers;
- an additional £125 million and £25.7 million to fund the Real Living Wage uplift for commissioned services across adult social care and early learning and childcare respectively;
- £10 million to support an inflationary uplift in free personal nursing care;

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- directly responding to recent engagement on our shared priorities around education by making available a further £41 million of resource to reflect the costs of maintaining teacher numbers at 2023 levels with an additional £28 million to be made available to enhance additional support for learning services, providing a total of £43 million of dedicated funding for ASL alongside councils' own investment;
- maintaining £4 million of support for our island communities to reflect the higher costs of delivering services in island communities in lieu of the conclusion of the ongoing review of the Special Islands Needs Allowance;
- enhanced revenue support for ferry services operated by councils, now totalling £50.3 million, including funding to support the under-22s inter-island fares programme. We will also provide £20 million one-off capital funding for Orkney Islands Council and Shetland Islands Council to enable them to sustain and improve inter-island connectivity;
- an additional £108.1 million of General Capital Grant beyond 2023-24 levels, equating to a 14.2% real terms increase, as well as reinstating £31 million that was used to support the 2024-25 pay deal;
- an additional £10 million, for a total of £25 million, of funding for play parks to ensure all children have access to quality play in their own community; and
- responding to the clear ambition from COSLA and supporting councils to play their part in tackling the climate emergency, by making available £40 million of one-off capital to support local priorities, and an additional £11 million of capital funding including support for flood risk management and coastal change adaptation. Officials will explore how best to ensure the legacy impacts of this investment are clearly evidenced and understood in communities across the country.

Due to presentational changes in the budget document, the local government budget appears to fall due to the increases applied in the 2024-25 Autumn Budget Revision (ABR) – the equivalent changes for 2025-26 will not come into effect until the 2025-26 ABR.

Table 4.12 in the Budget document sets out clearly that once the 2025-26 budget revisions are processed, the overall Local Government Settlement will have increased by over £1 billion since the 2024-25 Budget was published – in addition to the baselined funding to support the council tax freeze.

While we should, and do, account for the £62.7 million reinstatement to support the Council Tax Freeze, 2024-25 pay deals and teacher pension employer contributions, the Settlement still increases by over £707.7 million – equivalent to a 5.0% increase in cash terms and 2.6% in real terms – and significantly exceeds the notional £392.7 million budget gap estimated by the Accounts Commission.

The resource settlement (excluding pay, teacher pension employer contributions and the £62.7 General Revenue Grant reinstatement) increases by £599.6 million or 4.5% in cash terms and 2.0% in real terms.

The capital settlement increases by £108.1 million or 16.9% in cash terms and 14.2% in real terms relative to the 2024-25 settlement, plus the £31 million reinstated to reflect the reprofiling necessary to secure the 2024-25 SJC pay deal resulting in a total increase of £139.1 million.

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This enhanced envelope, with a £707.7 million net increase in the Settlement, is intended to enable councils to deliver the key services and outcomes upon which our communities rely; support the implementation of the Scottish Local Authorities Remuneration Committee recommendations; and to minimise any proposed increases in Council Tax, given the ongoing cost of living pressures affecting people in our communities.

The Budget baselines a further £244.5 million of resource and, as outlined above, includes a further £125 million of funding for the real living wage and £10 million to support an inflationary uplift in free personal nursing care as General Revenue Grant in 2025-26, rather than being added as an in-year transfer as has been the case in previous years.

I consider that we have achieved real progress in implementing the principles of the Verity House Agreement. However, I hope we will continue to work to further simplify and consolidate the Settlement, while continuing to recognise the need for a robust accountability and assurance framework.

In the interim, the additional funding allocated as General Revenue Grant for Integration Authorities, in support of the real living wage uplift in commissioned services and for Free Personal and Nursing Care should continue to be additional and not substitutional to each Council's 2024-25 recurring budgets for delegated adult social care services.

We have also made good progress in exploring additional ways to raise revenue locally and to provide new sources of funding. Local authorities now have the power to introduce a visitor levy and we will soon be formally consulting on a potential cruise ship levy. We commit to continue exploring opportunities for local empowerment, including through our Joint Working Group on Sources of Local Government Funding.

I have welcomed the UK Government's intent to publish a Spending Review in the Spring – although I am sure you share my concerns at media reports that this might be put back to June 2025. Our 2025 Medium Term Financial Strategy will be accompanied by a five-year fiscal sustainability delivery plan which will outline the specific actions being undertaken to deliver sustainable finances. That delivery plan will support a future Scottish Government spending review which will ideally allow for better multi-year planning and funding.

In my view the Fiscal Framework represents a journey not a destination and it is important that we recognise the progress we have made in developing and implementing that Framework to date. On that basis I propose that we mark that progress by publishing an update alongside the Local Government Settlement, formally setting out the draft provisions which have been developed, and which have been put into practice over the last year.

I consider it important for us to commit to, and to act on the commitment, to explore new ways of working for local government in Scotland. To that end, I can advise that I wish to continue to explore the concept of a Local Authority General Power of Competence and intend to launch a consultation on that in January 2025, but I would note that we will need to be cognisant of the risks resulting from equivalent powers in England.

I also want to welcome the ongoing work through the Housing Investment Taskforce to identify actions to unlock existing and new commitments to investment in housing. This is a shared priority for both spheres of government and in parallel I have requested Scottish Government officials explore other potential avenues to provide funding flexibility, including

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the joint work to consider the statutory accounting arrangements for the Housing Revenue Account in relation to the General Fund.

Ministers are under no illusions about the challenging fiscal environment we face across all of our public services, but we have sought to design a budget which delivers progress for Scotland, by Scotland. We have listened carefully to the people of Scotland, including council leaders, and our budget seeks to deliver on those priorities and on the issues people care about most. It also seeks to lay the foundations for Scotland's future success, putting in place the investment that will help deliver the public services people need and deserve. Local Government is key to these aims and the Settlement reflects that.

In terms of Local Government, the Budget delivers real terms protection in General Revenue Grant with councils having full discretion on how that funding is allocated alongside a further £310.6 million of resource for shared priorities. It reinstates £37.1 million of capital, following a hugely challenging allocation from the UK Government last year, and offers an additional £11 million General Capital Grant and £40 million of capital to respond directly to the climate emergency.

This Settlement also provides full discretion over decisions on council tax, with no freeze and no cap. However, it is intended to enable local authorities to deliver the key services and outcomes upon which our communities rely. I therefore hope this will enable councils to minimise any proposed increases in the council tax, given the ongoing cost of living pressures affecting people in our communities right across Scotland.

All of these decisions respond directly to the key asks emerging from our meaningful engagement with COSLA over the course of the year. Should COSLA agree to the proposals set out in Annex A, the Budget will signify a marked change in our joint aspirations to ensure the sustainability of local services.

I hope this aspiration is shared and I look forward to continuing to work with COSLA in the year ahead to deliver our shared priorities.

Yours sincerely,



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Education

Local Government and the Scottish Government jointly commit to delivering improved outcomes for children and young people, acknowledging the critical importance of delivering excellence and equity in education. Local Government and the Scottish Government recognise the impact of the pandemic on learning, particularly in terms of school attendance, relationships and behaviour in schools, rising additional support needs and the poverty-related attainment gap. Local Government and the Scottish Government acknowledge that the responsibility for driving implementation of GIRFEC, and improvement of ELC and school education as set out in the National Improvement Framework, is a shared statutory responsibility, and requires a range of professional groups to achieve.

Recognising financial constraints and the increasing costs of service delivery have resulted in pressures in 2024-25 and which will continue for future years, as set out in previous correspondence from COSLA, this agreement is intended to agree a focus for delivery in the area of education, and the investment required to deliver that.

To realise this we will establish a joint Education Assurance Board. The Board will drive activity to achieve our shared objectives to improve attainment, attendance and improve relationships and behaviour. The Board will aim to provide assurance that jointly, Local Government and Scottish Government are supporting improvement, and will draw on a range of data and evidence including independent scrutiny bodies such as HM Inspector of Education.

In the next year we need to create stability to create the space for meaningful dialogue and exploration of the evidence about improving outcomes in the long term, particularly mindful of the challenges faced by our schools post pandemic and as a result of the cost of living crisis. This will mean reaching agreement for 2025-26 to maintain teacher numbers, with appropriate funding in place, to freeze learning hours, and invest in improving the additional support for learning provided across the country.

Recognising the importance of the teaching workforce to achieving improved outcomes in education, local authorities will commit to maintaining or restoring teacher numbers to the 2023 baseline in 2025-26. Acknowledging that the funding provided since 2021 for this purpose no longer has the same purchasing power, the budget uprates the value of this funding to £186.5 million from 2025-26. This funding aims to ensure that teacher numbers, set out in the publication *Summary statistics for schools in Scotland 2023*, published on 12 December 2023, being met or exceeded for each council, in the teacher numbers census of September 2025, due for publication in December 2025, noting that there may be exceptional circumstances outwith a council's control which need to be able to taken into account.

Local Government agree that learning hours will not be reduced in the 2025-26 academic year. Longer term, we will work together on proposals to establish a statutory minimum number of learning hours, to understand the definition of a "learning hour" and the impact of this ambition on local authorities currently providing a lower number of learning hours and timelines for implementation.

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Scottish Government and Local Government recognise the importance of teachers having more time to prepare for lessons, raise standards and undertake professional development as part of wider education reform ambitions and acknowledge calls to reduce teacher workload. We agree to develop a meaningful offer for the Scottish Negotiating Committee for Teachers to consider, of a phased reduction in class contact time, within the scope of 2023 levels of teacher numbers, beginning in the 2025-2026 school year.

The Scottish Government will provide additional funding of £28 million from 2025-2026 to develop the Additional Support for Learning (ASL) education workforce along with an enhanced offer in support, spanning all stages of the curriculum from the early years to the end of secondary. The Scottish Government and Local Government will work together to develop a suite of interventions, including additional ASN teachers, other specialist provision and professionals. This will involve engagement with ADES, building on good practice broadly and upon lessons learned regarding enhancing ASL from use of PEF.

There will also be the opportunity to align this with the provision of holistic whole family support. The Scottish Government will progress our commitment to collaboration across the whole family system, working with and through Local Government and other partners to deliver joined up services, with improved outcomes and a simplified funding approach. Existing examples which enhance whole family support through schools, for instance via family link workers and income maximisation officers, and Whole Family Wellbeing Funding, can be built upon as part of this approach.

The Scottish Government and Local Government agree to undertake medium and long-term joint workforce planning to respond to issues including different local needs, recruitment challenges and teacher/subject shortages across Scotland and the trajectory on teacher education intakes, the impact of demographic change on the pupil-teacher ratio, as well as making the Teacher Induction Scheme work better for all parties.

Social Care

Local Government and the Scottish Government agree on the necessity to deliver high quality care across the country to recognised high standards. Both parties are clear that this is a priority, and further action must be taken to drive further and deeper social care reform from the first quarter of 2025. This is underpinned by a firm recognition that both national and local leadership are fundamental to improving and transforming people's experience of care.

Both parties are committed to securing a route to enhanced national oversight of improvement and performance delivery, in order to facilitate the sharing of best local practice, providing support to local areas where required. Scrutiny of local performance should serve genuine purpose in seeking to improve outcomes for people, be proportionate, and should go hand-in-hand with scrutiny of Scotland's national health and care needs and resource requirement.

This must include whole system collaboration, reporting on national integrated health and social care programmes and building on shared experiences such as the creation of the Collaborative Response and Assurance Group and other shared national improvement activities.

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The inclusion of the voice of lived experience is crucial and must be central to our collective plans.

We must also draw more deeply on independent scrutiny and expertise, including from the Care Inspectorate.

Both parties are agreed that leadership and assurance over improvement arrangements and overseeing any support and intervention to systems is necessary to ensure improved outcomes for people.

We must also understand at a national, and local, level, the future of Scotland's health and care needs, including population trajectories and shift, demand for social care support, changing health inequalities, and the level of investment required to fund current and future need. This necessitates mutual, whole system transparency on the allocation and use of funding to deliver these priorities.

We must make rapid progress with whole system financial transparency and accountability to swiftly improve the availability of data to investigate impact, benchmark investment and to demonstrate the effectiveness of funding allocated across the Health and Social Care system. Part of this will be to understand the current level of investment made across health and social care alongside the projected need.

One area where this leadership, assurance and transparency could be demonstrated quickly would be further work to ensure that effective whole system health and social care arrangements are in place in every local partnership area and that these are adequately resourced to minimise the risk of Delayed Discharge in hospitals.

Further work is required to assess progress on the following areas:

- **Performance and Delivery:** Development and oversight of the implementation of a Support and Improvement Framework to ensure a focus on improvement, exposition of the challenges faced across integrated health and social care delivery, earlier support, with national tools required to provide greater system support to realise improved outcomes, and, where necessary, escalation.
- **Rights, Equalities and Participation:** embracing and enabling the participation, and choice and control, of people with lived experience and unpaid carers and the assessment of enablement of Rights.
- **Strategy, Standards and Quality:** commitment to ongoing development of strategy, implementation of standards and improving the quality of provision and broader outcomes. Exploring opportunities for consolidation of strategies and reporting asks for local systems.
- **Fair Work and Ethical commissioning:** progressing the delivery of Fair Work Ethical Commissioning and social services workforce development.
- **Culture, Governance and Finance:** leading the improvement of financial transparency, scrutiny of national and local resource provision for integrated health and

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social care, clarity of governance and accountability and improving integrated approaches.

- **National programmes:** creating deeper national oversight and support for specific priority areas which may include areas like delayed discharge, the Drugs Mission and Coming Home.

Discussions have been positive and both Scottish Government and Local Government are committed to securing an agreement on social care reform.

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South Ayrshire Council Equality Impact Assessment Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. FSD Guidance for Public Bodies in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Revenue Estimates 2025/26, Capital Estimates 2025/26 to 2036/37 and Carbon Budget 2025/26
Lead Officer (Name/Position/Email)	Tim Baulk, Chief Financial Officer – tim.baulk@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-

Community or Groups of People	Negative Impacts	Positive impacts
Sex – (issues specific to women & men or girls & boys)	-	-
Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights & Children’s Rights	-	-

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Rationale for decision: This report advises Members of the issues to be considered in setting revenue budgets for 2025/26, setting capital budgets for 2025/26 to 2036/37 and setting a Carbon Budget for 2025/26 and requests that Members bring forward revenue and capital estimates for consideration by the Council. There are no specific equality impacts relating to the request in this covering report.	
Signed : Tim Baulk Date: 18 February 2025	Chief Financial Officer