

**General Services Revenue Budget  
2021-22**

**and**

**Capital Investment Programme  
2021-22 to 2030-31**

**and**

**Carbon Budget 2021-22**

Proposals of the SNP, Labour and  
Independent Members

**4 March 2021**



## Budget 2021-22

This is our fourth year of running South Ayrshire Council and I am proud to be able to tell you that we have once again put forward proposals to ensure a balanced budget.

I would like to thank everyone involved in bringing these budget proposals together, and assure colleagues that much thought and reasoning has gone into each decision that has been made.

I would also like to extend my gratitude to the members of the public who participated in our 2021-22 Budget Consultation exercise. Taking account of the views of those in our communities is a crucial part of balancing and framing our budget and your feedback has been used to help inform our future spending plans.

Each year the budget exercise brings with it challenges, even more so this year as we are still in the midst of the COVID-19 pandemic. This has highlighted the importance of ensuring our communities are at the heart of everything we do, and as such, we have been mindful of this when targeting our resources.

At this stage I would like to take a moment to extend my sincere thanks and gratitude to all of our staff and communities for the ongoing work and outstanding effort they have put in during this pandemic.

I am proud that we continued to provide critical services, without issue, even at the height of the pandemic in 2020. Thanks to our dedicated workforce we have explored, and put in to practice, new and innovative ways of working to ensure people in our communities can still access a range of services.

From delivering over fifty-two and a half thousand food boxes to children and young people entitled to free school meals - to distributing over £35 million in Business Support Grants to eligible local businesses; and from providing a dedicated COVID-19 support helpline - to assisting local pharmacies in the delivery of essential medication to shielding residents. Providing 1500 electronic devices and distributing additional child payments

These are just some of the things we have done to help those who needed us most over the last year. This crisis really has shown that together, with our communities, we really can make a difference every day to the people of South Ayrshire.

As we emerge from the coronavirus pandemic it's imperative that we target our resources to help close the poverty gap.

I can advise you that our proposed general revenue budget is £284.907 million This includes £79.408 million for the South Ayrshire Health and Social Care Partnership. A significant increase on previous years which will allow us to ensure our residents have every opportunity to grow well, live well and age well.

We are committed to Capital Investment, and it is our intention to spend £436.622 million in this area over the next 10 years. £86.128 million of this figure will be invested in this year alone.

The health and wellbeing of our children and young people remains a key priority for this administration. As such, we are investing £38.529 million in our school estate next year to ensure local young people have the best possible start in life. New school campuses in Maybole and Prestwick will bring much needed modern learning facilities to both areas.

Work has progressed in Girvan as the old Sacred Heart Primary school has been demolished to allow the site to be prepared for the much-anticipated new school building which is due to be complete by August 2022.

Our commitment to making South Ayrshire a better place to live has taken a leap forward. Work to develop the new leisure centre in Ayr is progressing. Understanding what residents need and want from this state-of-the-art facility is an integral part of this process, and an initial consultation with stakeholders and the public will soon be underway to inform its design. Our goal is to increase the profile of the town centre and entice people back to the area. This project, together with the new cinema at the Kyle Centre site, will ultimately create significant new job opportunities in our community.

Our commitment to maximising the local economy, South Ayrshire Works, took a huge leap forward with the signing of the Ayrshire Growth Deal in November 2020. This brought with it fresh hope of a brighter, more prosperous future for our communities. We aim to put Ayrshire on the map as a great place to live, work and invest in, and our continued investment, a total of £91.624 million until 2030, will enable us to realise these ambitions.

We want to be able to continue to serve and support our communities, standing up for South Ayrshire, and focussing spending on things that truly make a difference.

As ever, our roads are the gateway to supporting local, national and international trade. We have therefore committed £25.126 million to maintain and improve our road network over the next ten years, and we will also invest a further £3.227 million in street lighting over the same period.

I can confirm that we have frozen the Council Tax rate - there will be no increase in this new budget. This means that for 2021/22 residents will pay the same rate of Council Tax as they did in the last financial year.

While I know that this will undoubtedly be a popular decision, I am conscious of the long-term effect this will have if the funding is not baselined by government. It may well mean repercussions in the form of steeper rises in 2022/23 and beyond in order to protect essential services.

I am extremely proud to be able to say that we are one of the few Councils nationally to have a Carbon Budget.

We are determined to reduce our carbon footprint and protect the environment for future generations and this budget will help us to achieve this ambition.

These are just some of the ways that we have made great progress towards achieving the commitments of the Council Plan. We must now continue to work alongside partners and stakeholders to ensure this continues.

I now bring you the 2021-22 budget proposals of the SNP, Labour and Independent administration.

# Budget Proposal Content

## Summary Budget Proposals

1.	General Services Revenue	
	Council tax levels 2021-22	<a href="#">1</a>
	Other specific Revenue Budget recommendations for 2021-22	<a href="#">1</a>
2.	General Services Capital	
	Specific Budget Recommendations for 2021-22 to 2030-31	<a href="#">4</a>
3.	Covid-19 2021-22 budget implications	<a href="#">5</a>
4.	Carbon Budget 2021-22 budget	<a href="#">6</a>

## Appendices

1)	Directorate Service Expenditure Analysis	<a href="#">7</a>
2)	Additional Investment/ Expenditure Pressures	<a href="#">8</a>
3)	Previously Approved Savings	<a href="#">10</a>
4)	New Savings Proposals	<a href="#">12</a>
5)	Indicative Revenue Budget 2021-22	<a href="#">15</a>
6)	General Services Capital Investment 2021-22 to 2030-31	<a href="#">17</a>
7)	Capital Investment Programme: Expenditure/Funding 2021-22 to 2030-31	<a href="#">20</a>
8)	Capital Investment Programme – Debt Charge Implications	<a href="#">24</a>
9)	Common Good Fund Revenue Budget 2021-22	<a href="#">25</a>
10)	Common Good Fund Capital Budget 2021-22	<a href="#">26</a>
11)	Carbon Budget 2021-22	<a href="#">27</a>



# Summary Budget Proposals

## 1. General Services Revenue

### Specific Revenue Budget Recommendations for 2021-22:

- (1) to freeze council tax charges at 2020-21 levels, in recognition of the additional funding available to the Council from the Scottish Government for this purpose and therefore levy a council tax charge of £1,344.96 for Band D. The resulting Council Tax for all bands is as follows:

**Table 1 - Council Tax bands**

<i>Band</i>	<i>2020-21</i>	<i>2021-22</i>
A	£896.64	£896.64
B	£1,046.08	£1,046.08
C	£1,195.52	£1,195.52
D	£1,344.96	£1,344.96
E	£1,767.13	£1,767.13
F	£2,185.56	£2,185.56
G	£2,633.88	£2,633.88
H	£3,295.15	£3,295.15

<b>Council tax Band D</b>	<b>£1,344.96</b>
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- (2) to note that council tax income of £60.853m is available to fund service expenditure in 2021-22 net of:
- ◆ a 3.25 per cent bad debt provisions for the non-collection of Council Tax which represent an increase of 0.50% on the previous rate applied in 2020-21; and
  - ◆ the estimated implications of applying reductions per the Council Tax Reduction Scheme;
- (3) to utilise Aggregate External Finance of £224.054m to fund planned expenditure. This includes the additional £2.102m of revenue funding allocated to the Council by the Scottish Government to allow for a Council Tax freeze; and
- (4) to approve 2021-22 net service expenditure of £205.499m as shown in Table 2, excluding Health and Social Care Services, below:

**Table 2 – Planned funding and expenditure 2021-22**

	£m	£m
<b>Funding:</b>		
Council Tax income		60.853
Aggregate External Finance (AEF)		224.054
<b>Total anticipated SAC funding</b>		<b>284.907</b>
Less funding contribution to South Ayrshire HSCP		79.408
<b>Total anticipated funding (excluding HSCP)</b>		<b>205.499</b>
<b>Expenditure:</b>		
<b>Base expenditure:</b>		
Base net service expenditure		192.070
<b>Updated service expenditure:</b>		
Pay awards, increments, payroll turnover etc.	3.710	
Key Strategic Objectives ( <b>Appendix 2</b> )	1.321	
Improving educational attainment (specific grant funded)	2.352	
Gaelic initiatives (specific grant funded)	0.015	
Early Learning and Childcare expansion (specific grant funded)	9.292	
Revised debt charges ( <b>Appendix 8</b> )	(0.282)	16.408
<b>Efficiency measures:</b>		
Previously approved efficiencies ( <b>Appendix 3</b> )	(1.115)	
New efficiencies/savings proposed ( <b>Appendix 4</b> )	(1.864)	(2.979)
<b>Total planned net service expenditure (excluding HSCP)</b>		<b>205.499</b>

(9) to note that the planned expenditure of £205.499m shown, excluding Health and Social Care incorporates:

- ◆ directorate base expenditure from 2020-21 totalling, £192.070m;
- ◆ additional service expenditure of £5.031m for pay, corporate adjustments and additional investment in key priorities;
- ◆ spending of £2.352m for improving educational attainment allocated to schools across the council area as specified by the Scottish Government;
- ◆ spending of £0.015m for Gaelic initiatives;
- ◆ spending of £9.292m for the expansion of Early Learning & Childcare;
- ◆ reduced debt charge expenditure of £0.282m per **Appendix 8** to reflect the updated Capital Investment Programme detailed in **Appendix 6 and 7**;
- ◆ previously approved saving measures of £1.115m, per **Appendix 3**; and
- ◆ new saving proposals of £1.864m outlined in **Appendix 4**.

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

(10) to allocate funding to the South Ayrshire Health and Social Care Integrated Joint Board of £79.408m, as shown in Table 3 below, to be added to the £8.300m of funding provided by the Scottish Government via Health to ensure desired outcomes for Social Care in 2021-22 as follows:

**Table 3 – Health and Social Care Partnership funding 2021-22**

	£m	£m
<b>Funding:</b>		
Base contribution		74.826
Additional funding provided for:		
Expenditure pressures	2.465	
Criminal Justice Social Work (specific grant funding)	2.117	4.582
<b>SAC contribution</b>		<b>79.408</b>
Scottish Government funding via Health		8.300
<b>Anticipated HSCP funding 2021-22</b>		<b>87.708</b>

- (11) to note that the funding made available to the Health & Social Care Partnership from the Council represents a 3.36 per cent increase over the comparable previous years funding allocation;
- (12) to increase remuneration for all councillors in line with the uplift included in the Local Governance (Scotland) Act 2004 (Remuneration), Amendment Regulations 2021;
- (13) to note that the approved Council Financial Strategy is to aim to maintain uncommitted reserves at 2 per cent of net expenditure to meet the potential cost of unforeseen liabilities. This equates to circa £5.7m for 2021-22, inclusive of the Council's delegated Health and Social Care Partnership spending;
- (14) to note that the latest projected uncommitted balances on the Council's General Reserves at 31 March 2020, as considered by the Leadership Panel of 9 February, is estimated to be £10.124m, or 3.6 per cent of planned future expenditure;
- (15) to note that further efficiencies/savings will be necessary to achieve a balanced budget for 2021-22, as shown in **Appendix 5**;
- (16) to approve the 2021-22 revenue and capital budgets for Common Good Funds as stated in **Appendix 9 and 10**;
- (17) to request, that during 2021-22 officers bring forward proposals to address the deteriorating financial position of the Common Good Funds; and
- (18) to agree to allocate £0.200m of resources from General Reserves to the Ayrshire Roads Alliance for backlog maintenance purposes in relation to Cycle Path Maintenance (£0.090m), Vehicle Management System signs (£0.020m) and Safety Barriers (£0.090m).

## 2. General Services Capital

### Specific Budget Recommendations for 2021-22 to 2030-31:

- (1) to note that the current ten-year Capital Investment Programme 2020-21 to 2029-30 was approved by the Council on 5 March 2020. Progress on the current programme continues to be regularly reported to Leadership Panel;
- (2) to note that a review of the capital programme has been undertaken and has resulted in the re-profiling of a number of 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 6**;
- (3) to note that the ten-year programme timeframe which now includes £25 million of available investment spend in 2030-31, per the Council's Capital Investment Strategy, 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 2021-22 to incorporate a bid process for new capital investment;
- (5) to note that £55.442m of additional investment is being brought forward for inclusion in the ten-year capital investment programme;
- (6) to note that funding of £50.838m is available across the ten-year timeframe resulting in over programming of £4.604m. It is anticipated that this over programming will be met by slippage across the programme and therefore no adjustment is currently proposed to the additional investment being brought forward for inclusion; and
- (7) to approve the overall ten-year Capital Investment programme (inclusive of projects brought forward from 2020-21 to be completed in future years) which stands at £436.622m as detailed in **Appendix 7** along with the estimated debt charge (revenue) implications of the borrowing required to undertake the programme as outlined in **Appendix 8**.

### 3. Covid-19 2021/22 budget implications

#### Specific Revenue Budget Recommendations for 2021-22:

- (1) to note that the Scottish Government has so far announced £259m of general Covid-19 funding for local government to assist in mitigating the anticipated continuing cost of the pandemic in 2021-22;
- (2) to note that the Councils allocation has not yet been determined however if the allocation is similar to previous allocation methodologies, then a sum of circa £5.5m would be expected for 2021-22;
- (3) to note that a cost exercise has been carried out by services to provide an initial estimate of the likely cost if the effect of the pandemic were to continue to impact on Council service provision for a further three-month period to end of June 2021 and for a further six-month period to the end of September 2021. The estimated cost impact is shown in the table below:

Covid-19 direct service provision cost impact	To June 21 £m	To Sept 21 £m
<b>Category:</b>		
Increased service provision cost	1.023	1.253
Loss of service income	1.983	3.544
Loss of Council Tax income	0.250	0.500
<b>Total impact</b>	<b>3.256</b>	<b>5.297</b>

The above identified cost impact only includes the effect on direct Council service provision. It does not include the cost of supporting the local community or local businesses which is currently being funded through a variety of Scottish Government grant funded schemes.

- (4) to note that in addition to the new Scottish Government Covid-19 funding made available in 2021/22 (noted in 1) above) there are several financial accounting flexibilities that have been introduced, or may be introduced, by the Scottish Government which the Council may wish to access to help support the continuing response to the pandemic during 2021/22 and beyond.

Through the introduction of regulation, depending on local circumstances, Councils may be able to generate significant increases in reserves through changes in several accounting treatments in relation to:

- Loans fund principal repayments;
- Capital receipts; and
- PPP Debt repayment mechanisms; and

- (5) to note that the level of Scottish Government pandemic funding support for local government remains fluid at present with more announcements of additional funding expected in the coming weeks. It is therefore unclear when, and if, access to the financial accounting flexibilities will be required. Should access to these flexibilities be considered appropriate in 2021-22 then a report will be brought forward to Leadership Panel for consideration.

## 4. Carbon Budget 2021/22

- (1) This year sees the introduction of South Ayrshire Council's first carbon budget. This comes in the context of a nationally declared Climate and Ecological Emergency and as we prepare for COP26 due to be hosted in Glasgow later this year. The clear need for action has never been greater or more compelling.
- (2) In October 2020 South Ayrshire Council adopted stretching targets for 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 intends to ensure that the disruption brought by the pandemic is 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 we will be best placed to deliver a resilient and low carbon future with a focus on wellbeing and future generations. 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 TCO<sub>2</sub>e in 2019-20. The carbon budget for 2021-22 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 <sub>2</sub> e
Chief Executive	529.29
Health & Social Care	1,155.35
People (of which Education is 6,001.63 TCO <sub>2</sub> e)	9,208.07
Place	4,399.00
Ayrshire Roads Alliance	1,571.00
<b>Total Carbon Budget 2021/22</b>	<b>16,863.55</b>

- (4) This approach is in its infancy and there are many unknowns about potential future opportunities and indeed challenges in relation to climate change solutions in the years between now and our 2030 and 2045 target dates. However, it is only with improved understanding of how our emissions relate to the services we provide and the levels that we need to be aiming for that we can begin to adapt to deliver in a way that is fit for a resilient low carbon future. This is what the carbon budget seeks to do, taking our engagement and consideration of this critical agenda to new levels with its introduction. All services have been involved in the development of this our first carbon budget, and all will be central to the delivery of our climate change and sustainable development targets and ambitions going forward.
- (5) Further background and details on the new Carbon budget 2021-22 and the specific service-based target allocations are shown in **Appendix 11**.

## Directorate Service Expenditure Analysis

	Chief Executive £	People £	Place £	Misc Services £	TOTAL £
<b>Base expenditure</b>	<b>17,794,702</b>	<b>122,622,002</b>	<b>39,773,846</b>	<b>11,879,837</b>	<b>192,070,387</b>
<b>Service Expenditure demands:</b>					
Pay awards, increments, payroll turnover etc.	326,000	3,203,000	831,000	(650,000)	<b>3,710,000</b>
Additional investment ( <b>Appendix 2</b> )	(132,991)	470,490	1,080,867	(96,957)	<b>1,321,409</b>
Specific Grant funded expenditure	-	11,568,009	90,991	-	<b>11,659,000</b>
Debt charges ( <b>Appendix 8</b> )	-	-	-	(281,863)	<b>(281,863)</b>
<b>Efficiency/Savings</b>					
Previously approved savings ( <b>Appendix 3</b> )	(270,776)	(451,639)	(368,406)	(24,000)	<b>(1,114,821)</b>
New savings ( <b>Appendix 4</b> )	(127,602)	(186,574)	(1,400,302)	(150,000)	<b>(1,864,478)</b>
<b>NET EXPENDITURE</b>	<b>17,589,333</b>	<b>137,225,288</b>	<b>40,007,996</b>	<b>10,677,017</b>	<b>205,499,634</b>
<b>Health and Social Care Partnership funding</b>					<b>79,407,412</b>
<b>OVERALL PLANNED EXPENDITURE</b>					<b>284,907,046</b>

### Additional Investment/ Expenditure Pressures

	Carbon Impact	£
<b>Chief Executive</b>		
Settlement changes – Discretionary Housing Payments & Scottish Welfare Fund	Neutral	(206,860)
Settlement changes – Increase Environmental Health Officers	Neutral	34,000
ICT – contractual increases	Neutral	37,869
Licensing – Taxi Driver - fit to drive medical report costs	Neutral	2,000
<b>Total Chief Executive</b>		<b>(132,991)</b>

<b>People</b>		
Increase School Footwear and Clothing grant funding	Neutral	106,507
Schools – copyright licence increase	Neutral	10,000
Ayr Academy new build - unitary charge increase	Neutral	5,501
QMA new build - unitary charge increase	Neutral	22,683
QMA new build – revised ground maintenance costs	Neutral	4,823
PPP – contract inflationary increase	Neutral	119,321
Seemis - contract increase	Neutral	6,891
School transport - contractual increase	Neutral	108,764
Digital inclusion – ongoing device internet access costs	Positive – reduces emissions	40,000
Golf – new plan/machinery lease	Positive – reduces emissions	14,000
Bowling – reduced rental income	Neutral	19,000
Settlement changes – Community Justice collaborative working	Neutral	13,000
<b>Total People</b>		<b>470,490</b>

<b>Place</b>		
Asset Management – Central Repairs Account increase	Positive – reduces emissions	350,000
Asset Management – Commercial Estates Property Refurbishment Programme	Positive – reduces emissions	75,000
Asset Management – Climate change investment/Energy Surveys	Positive – reduces emissions	220,000
ARA investment– Cycle Path/ Vehicle Management Systems/barrier ongoing maintenance	Positive – reduces emissions	30,000
ARA investment – Girvan harbour dredging	Neutral	75,000
ARA – non-adopted bridge maintenance	Neutral	60,000
Neighbourhood Services - Waste Management – contract increase	Neutral	62,000
Neighbourhood Services – car park maintenance	Neutral	36,000
Neighbourhood Services – woodland/tree management	Neutral	20,000
Facilities management – increased food cost due to Brexit	Neutral	100,000
Facilities Management – revenue consequences of capital investment	Neutral	47,867
Settlement changes – Rapid rehousing investment	Neutral	5,000
<b>Total Place</b>		<b>1,080,867</b>

<b>Miscellaneous Services – held centrally to be allocated</b>		
External Audit – contract fee increases	Neutral	5,500
Settlement changes – AVJB – Barclay review funding	Neutral	(7,000)
Insurance premium – contract increase	Neutral	112,543
Utility reductions - Electricity, Non-Domestic Rates etc.	Positive – reduces emissions	208,000
<b>Total Miscellaneous Services</b>		<b>(96,957)</b>
<b>Total - All Directorates/Services</b>		<b>1,321,409</b>

### Previously Approved Savings

	<i>Approved</i>	£
<b>Chief Executive</b>		
Management restructure – 2020/21 full year impact	March Council 2020	166,808
Benefits Service review – Phase 1	January LP 2021	23,403
ICT contract savings – 2020/21 full year impact	March Council 2020	62,800
Democratic Services – reduced costs following Archive service move to New Ayr Grammar	March Council 2020	5,125
Trading Standards and Environmental Health reduced staffing – 2020/21 full year impact	March Council 2020	12,640
<b>Total Chief Executive</b>		<b>270,776</b>

<b>People</b>		
Reconfiguration of central Education Quality Improvement Team – 2021/22 full year impact	March Council 2020	21,062
2020/21 agreed staffing changes – 2021/22 full year impact	March Council 2020	189,214
Merge Corporate and Housing Policy team with Corporate Planning and Improvement team. – 2021/22 full year impact	March Council 2020	26,876
Review of the Libraries, Museums and Galleries service which will include a reduction or reconfiguration of staffing levels. – 2021/22 full year impact	March Council 2020	50,000
Thematic review of the Community Safety and Engagement, CLD, Health and Wellbeing and Employability and Skills. – 2021/22 full year impact	March Council 2020	100,000
Introduction of a new category of enhanced Membership which provides additional benefits to Members for an increase in their annual season ticket cost – 2021/22 full year impact	March Council 2020	30,000
Introduction of Sundries/Refreshment Cart at Troon Links and Belleisle Park - 2021/22 full year impact	March Council 2020	34,488
<b>Total People</b>		<b>451,639</b>

	<i>Approved</i>	£
<b>Place</b>		
Reduction in property management costs with the demolition of Burns House in 2020 – 2021/22 full year impact	March Council 2020	48,000
Reduction in property management costs with the demolition of the John Pollock Centre – 2021/22 full year impact	March Council 2020	106,000
Reduced FM costs following closure of the John Pollock Centre – 2021/22 full year impact	March Council 2020	40,000
Standardise cleaning productivity rates across all Primary and Secondary Schools to facilitate an overall reduction in cleaning hours – 2021/22 full year impact	March Council 2020	65,000
Reduction in transport costs across Council depts following a review by fleet management of use of hired vehicles – 2021/22 full year impact	March Council 2020	65,000
Planning and Building Services service review	November LP 2020	44,406
<b>Total Place</b>		<b>368,406</b>

<b>Corporate</b>		
Continued roll out of Shared Cost Additional Voluntary Contributions - Phased implementation to allow for uptake.	March Council 2020	24,000
<b>Total Corporate</b>		<b>24,000</b>
<b>Total Saving– All Directorates/Services</b>		<b>1,114,821</b>

## New Savings Proposals

<i>Service area</i>	<i>Proposal</i>	<i>2021-22 £</i>	<i>Responsible Service Lead</i>
<b>Chief Executive</b>			
FICT – RB1	Education Benefits – Online forms introduced in 2020/21	21,638	Revenue & Benefits
FICT – RB2	Phase 2 of the Benefits Services Service Review will look at the feasibility of the Information and Advice Hub and Benefits formally linking and will address the reduction in Housing Benefit processing demand in conjunction with staff providing a more holistic information & advice service encompassing all benefits, money advice etc	85,000	Revenue & Benefits
FICT – RB3	Cancel Risk Based Verification software following introduction of new process	7,500	Revenue & Benefits
LHRRS-DEM1	Increase Council Officers overtime recovery budget to reflect actual recovery rates	3,000	Democratic Governance
LHRRS – DEM3	Reduce transport lease cost funded by Transport Scotland (Temporary saving for 2021/22 only)	3,000	Democratic Governance
LHRRS-DEM6/7	Reduce Transport/admin budgets to reflect recurring underspends	6,023	Democratic Governance
LHRRS–L&L1/4	Reduce Admin/Supplies & Services budgets to reflect recurring underspends	1,441	Legal and Licensing
	<b>Total Chief Executive</b>	<b>127,602</b>	

<b>People</b>			
PEO2	Reduction in Central School Support Budgets	10,000	Education Support Services
PEO3	Reduction in Career Long Professional Learning budgets	10,000	Education Support Services
PEO4	Reduction the devolved budgets to schools in relation to non-employees.	82,300	Education Support Services
PEO14	Reduce contribution to annual cost of modern apprentices	20,000	Community Services and Facilities

<i>Service area</i>	<i>Proposal</i>	<i>2021-22 £</i>	<i>Responsible Service Lead</i>
PEO15	Corporate Planning Improvement & Housing Policy restructure/review	40,422	Corporate Planning Improvement and Housing Policy
PEO16	Cancel LAGAN contract from April 2021 as no longer required	23,852	Organisational Development & customer Services
	<b>Total People</b>	<b>186,574</b>	

<b>Place</b>			
HS01	Contribution from over recovery of rental income from Homeless Temporary Accommodation (Temporary for 2021/22 only).	550,000	Housing Services
NS01	Remove organist fees at crematorium following installation of media platform.	19,000	Neighbourhood Services
NS02	Increase Bereavement charges	40,000	Neighbourhood Services
NS05	Introduce Return to Service charge for bins that have not been presented or contaminated - £25 for first item	30,275	Neighbourhood Services
NS06	Commercial Waste Service price increase <ul style="list-style-type: none"> <li>• General waste – 5%</li> <li>• Blue bin recycling – 3%</li> <li>• Garden Waste - £2.67 to £3.34</li> </ul>	45,000	Neighbourhood Services
NS07	Reduction in residual waste tonnage.	50,000	Housing Services
PROC01	Reduction in the number of remittance slips that are printed and posted from our mailing supplier.	3,000	Procurement
AMCAT01	Rationalisation of Office Accommodation in Ayr (Newton House).	55,151	Asset Management & Community Asset Transfer
AMCAT02	Lease of small office space to public sector partner organisation within County Buildings.	12,000	Asset Management & Community Asset Transfer
ER01	Reduce admin costs and supplies & services.	6,250	Economic Regeneration
PLA02	Increase use of electric vehicles (3 year saving based on funding allocation).	65,000	Directorate
FMS01	Conclusion of Police Scotland cleaning contract and redeployment of staff.	95,000	Facilities Management

<i>Service area</i>	<i>Proposal</i>	<i>2021-22 £</i>	<i>Responsible Service Lead</i>
FMS02	General budget reductions based on current underspends.	18,000	Facilities Management
FMS03	Close County Buildings Canteen and introduce a cost neutral service such as hot/cold vending (Temporary for 2021/22).	16,000	Facilities Management
FMS04	Remove remaining Burns House budgets following closure and redeploy staff.	36,000	Facilities Management
FMS05	Reduce FM budgets following Office Rationalisation in Ayr (Newton House) and redeploy staff.	27,000	Facilities Management
FMS06	Remove FM budgets following closure of John Pollock Centre and redeploy staff.	40,000	Facilities Management
ARA1	General Service redesign across a number of areas of spend.	292,626	Ayrshire Roads Alliance
<b>Total Place</b>		<b>1,400,302</b>	

<i>Service area</i>	<i>Proposal</i>	<i>2021-22 £</i>	<i>Responsible Service Lead</i>
<b>Corporate</b>			
CORP-01	Increase all applicable external fees and charges by a minimum of CPI	150,000	-
<b>Corporate Total</b>		<b>150,000</b>	
<b>Total savings – All Directorates/Services</b>		<b>1,964,478</b>	

**Equality Impact assessment matrix** - for each of the new savings proposals can be found at:

[EQIA – Savings Matrix – Budget 2021-22](#)

## Indicative scenario-based Revenue Budget 2022-23

- 1) It is considered good practice when assessing the financial outlook for a future year to apply different assumptions in order to provide a range of possible outcomes depending on a variety of factors. The table below provides an assessment of a best case, mid case and worse case outcome for 2022-23 based on varying a number of factors as outlined in section 2) and 3) below.

	Best Case	Mid Case	Worst Case
	£m	£m	£m
<b>Funding:</b>			
<i><b>Fixed income source across all scenarios:</b></i>			
Aggregate External Finance	221.952	221.952	221.952
<i><b>Variable income source across scenarios (per section 2 below):</b></i>			
Increase/(decrease) in SG general revenue grant funding	2.082	-	(2.082)
Increase in SG funding for HSCP	2.382	1.588	0.794
Council Tax base income	60.853	60.853	60.853
CT increase/freeze funding	2.894	2.200	2.200
2021-22 Council Tax freeze funding	2.102	2.102	-
<b>Total anticipated funding</b>	<b>292.265</b>	<b>288.695</b>	<b>283.717</b>
<b>Expenditure:</b>			
<i><b>Fixed expenditure pressures across all scenarios:</b></i>			
Base net service expenditure	284.907	284.907	284.907
HSCP 3% increase on core SAC funding	2.382	2.382	2.382
Debt charges (per capital investment plan)	1.727	1.727	1.727
Removal of 2021-22 temporary savings	0.569	0.569	0.569
<i><b>Variable expenditure pressures across scenarios (per section 2 below):</b></i>			
Key Strategic Objectives/ additional investment	1.500	2.000	2.500
Pay uplifts	3.560	4.973	6.451
<b>Total revised expenditure</b>	<b>294.645</b>	<b>296.558</b>	<b>298.536</b>
<b>Initial Budget surplus/(gap)</b>	<b>(2.380)</b>	<b>(7.863)</b>	<b>(14.819)</b>

- 2) In terms of scenario planning a number of the contributing factors in determining the future budget position remain static irrespective of the scenario in question. These are outlined in the Indicative budget statement above as fixed income sources and fixed expenditure pressures.
- 3) There are other 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 in each scenario.

Variable Scenario Factors	Best Case	Mid Case	Worst Case
Scottish Government General funding	2% increase	Flat cash	1% reduction
Scottish Government HSCP additionality funding	3% increase	2% increase	1% increase
Council Tax levels	4% increase	3% increase	CT Freeze
2021-22 Council Tax freeze funding	Assumed to be mainlined in core AEF	Assumed to be mainlined in core AEF	Assumed to be one off funding in 2021-22 only
Scottish Government CT freeze funding	n/a	n/a	£2.200m included to reflect a further year of CT freeze funding from the Scottish Government
Key Strategic objectives/additional investment	Based on similar level of increased investment as 2021/22	33% increase over 2021/22 level to reflect increased inflationary and other cost factor increases	67% increase over 2021/22 level to reflect increased inflationary and other cost factor increases
Pay uplifts	1.5% uplift	2% uplift	3% uplift

- 4) Based on the above analysis savings of between £2.380m and £14.819m will be required in order to achieve a balanced budget for 2022-23. There is significant amount of uncertainty across a number of the contributing factors therefore it is difficult to judge with any degree of certainty what actual outcome will occur.

### General Services Capital Investment Programme 2021-22 to 2030-31

#### 1. Background

The General Services Proposed ten-year Capital Investment Programme has been prepared on the basis of 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 2020-21 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 (2020-21) 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 £436.622m is proposed for the ten-year period 2021-22 to 2030-31.

#### 2. Proposed new/adjusted projects for inclusion

##### Children & Families investment

**School Refurbishment Programme – Various Projects (Appendix 7 Ref: 1[a]):** Additional funding has been added to the programme to include a total amount of £3,600,000 over two years (£1,800,000 in 2029-30 and £1,800,000 in 2030-31) for school refurbishment works.

**Window and Roof Replacement – Various Projects (Appendix 7 Ref: 1[b]):** Additional funding has been added to the programme to include a total amount of £750,000 over four years (£150,000 in 2027-28, £200,000 in 2028-29, £200,000 in 2029-30 and £200,000 in 2030-31) for window and roof replacement works.

##### Health and Social Care investment

**Scheme of Assistance (Appendix 7 Ref: 2[a]):** Additional funding has been added to the programme to include a total of £3,600,000 over six financial years (£600,000 per year from 2025-26 to 2030-31) to support the Scheme of Assistance.

**North Ayr Health and Care Facility (Appendix 7 Ref: 2[b]):** The project aim is to develop a health and care facility which would be located within the Ayr North area. The facility will provide accommodation for a range of social care and community health services. The project will comprise both NHS and CHCP services and therefore

it is assumed that there will be a requirement for joint funding of the final project. The investment identified represents the Council's likely share of the funding contribution.

## Communities investment

**ARA LED replacement (Appendix 7 Ref: 3[a]):** Additional funding of £400,000 has been added over four years (£100,000 in 2027-28, £100,000 in 2028-29, £100,000 in 2029-30 and £100,000 in 2030-31) to continue LED replacement works.

**ARA Road Reconstruction and Improvement (Appendix 7 Ref: 3[b]):** Additional funding of £10,000,000 has been added over four years (£2,500,000 in 2027-28, £2,500,000 in 2028-29, £2,500,000 in 2029-30 and £2,500,000 in 2030-31) to continue to provide road users with an improved and safer road network which will have fewer potholes and a smoother surface.

**ARA B734 Pingerrach slope stabilisation and safety barrier (Appendix 7 Ref: 3[c]):** Investment of £128,000 has been added in 2021-22 for the stabilisation of the failing road embankment and erection of a vehicle containment barrier.

**ARA C12 Dunure Slope Stabilisation (Appendix 7 Ref: 3[d]):** Investment of £193,500 has been added to the programme over two years (£5,500 in 2021-22 and £188,000 in 2022-23) for the stabilisation of the failing road embankment and reinstatement of the carriageway edge and footpath.

**ARA EV Charging Infrastructure (Appendix 7 Ref: 3[e]):** Investment of £420,430 has been added to the programme over four years (£100,000 in 2021-22, £100,000 in 2022-23, £100,000 in 2023-24 and £120,430 in 2024-25) to provide Electric Vehicle Charging Infrastructure for fleet vehicles.

**Facilities to assist with tourist and visitor facilities (Appendix 7 Ref: 3[f]):** Additional funding of £200,000 has been added to the programme in 2021-22 to provide enhanced facilities in tourist locations to encourage and accommodate visitors in various locations throughout South Ayrshire.

## Other investment

**Equalities Act – Various Projects (Appendix 7 Ref: 4[a]):** Additional funding has been added to the programme to include a total amount of £1,350,000 over four years (£300,000 in 2027-28, £350,000 in 2028-29, £350,000 in 2029-30 and £350,000 in 2030-31) to continue to support the ongoing accessibility improvement work being carried out across the Council's property estate.

**Property Refurbishment – Various Projects (Appendix 7 Ref: 4[b]):** Additional funding of £6,000,000 has been added to the programme over four financial years (£1,500,000 in 2027-28, £1,500,000 in 2028-29, £1,500,000 in 2029-30 and £1,500,000 in 2030-31) to continue the funding that will support the ongoing refurbishment of the Council's property estate. Condition Surveys have been carried out for all properties, the surveys have highlighted further work that needs to be undertaken in order to improve the property condition.

**Rewiring Programme – Various Projects (Appendix 7 Ref: 4[c]):** Additional funding has been added to the programme to include a total amount of £1,000,000 over four

years (£250,000 in 2027-28, £250,000 in 2028-29, £250,000 in 2029-30 and £250,000 in 2030-31) to fund the ongoing rewiring programme in various properties.

**Works to Facilitate Property Rationalisation – Various Projects (Appendix 7 Ref: 4[d]):** Additional funding of £600,000 has been added over four years (£150,000 in 2027-28, £150,000 in 2028-29, £150,000 in 2029-30 and £150,000 in 2030-31) to facilitate property rationalisation.

**ICT – Business Systems (Appendix 7 Ref: 4[e]):** £10,008,000 has been added to the programme (£3,410,000 in 2027-28, £1,344,000 in 2028-29 and 2029-30 and £3,910,000 in 2030-31) 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 7 Ref: 4[f]):** Additional funding of £420,000 has been added to the programme (£130,000 in each of the four years from 2027-28 to 2030-31) 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 – Data Centre (Appendix 7 Ref: 4[g]) and WAN Infrastructure (Appendix 7 Ref: 4[h]):** Funding of £6,472,000 has been added to the programme covering the four years from 2027-28 to 2030-31 to maintain and upgrade core technology such as Network communications, Servers, Storage, Operating Systems, Databases, etc., that enables and connects end-user computing to business systems. Infrastructure has been separated into that provided within our central data centres, and that installed at each of our operating sites (Wide-Area Network or WAN).

**Facilitate Introduction of Flexible Working (Appendix 7 Ref:4[i]):** A further allowance of £600,000 has been added over four years (£150,000 in 2027-28, £150,000 in 2028-29, £150,000 in 2029-30 and £150,000 in 2030-31) to continue the funding that will support the Introduction of Flexible Working.

**Initial Work on Projects for Future Years (Appendix 7 Ref: 4[j]):** Further provision has been made in the programme for initial work on projects in future years in the amount of £600,000 over four years (£150,000 in 2027-28, £150,000 in 2028-29, £150,000 in 2029-30 and £150,000 in 2030-31).

**Ayrshire Growth Deal investment (Appendix 7 Ref: 4[k]):** 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 should be noted that the UK Government funding contribution is expected over a fifteen-year period. UK Government contributions of £5.659m are therefore due to be received beyond the ten-year time frame of the current investment programme shown. It is likely that further re-profiling will be required as information regarding the exact timing of project spend in later years becomes clearer.

**New Projects – Over programming (Appendix 7 Ref: 4[l]):** An over programming provision of £4.604m has been made in 2030-31 to reflect the fact that the programme is oversubscribed in terms of available funding however it is anticipated that this over programming will be met by slippage across the programme.

## Appendix 7 – Capital Investment Programme: Expenditure 2021-22 to 2030-31

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
	£	£	£	£	£	£	£	£	£	£	£
<b>1) Children &amp; Families investment</b>											
Archive and Registration Centre and Ayr Grammar School Project	740,000	-	-	-	-	-	-	-	-	-	740,000
Carrick Academy (Maybole Campus)	14,111,910	25,364,735	10,000,000	-	-	-	-	-	-	-	49,476,645
Early Learning and Childcare - 1140 Hours Expansion - Various Projects	7,016,878	-	-	-	-	-	-	-	-	-	7,016,878
Educational Campus - St John's Primary and Wallacetown Early Years Centre	-	-	-	-	-	2,000,000	10,130,000	4,000,000	-	-	16,130,000
Girvan All Weather Pitch	866,698	-	-	-	-	-	-	-	-	-	866,698
Girvan Primary School	-	-	3,000,000	13,000,000	6,440,000	-	-	-	-	-	22,440,000
ICT Replacement in Schools	281,000	220,000	-	-	-	-	-	-	-	-	501,000
Invergarven New build	12,572	-	-	-	-	-	-	-	-	-	12,572
Sacred Heart Primary	4,208,864	500,000	-	-	-	-	-	-	-	-	4,708,864
<b>a) School Refurbishment Programme - Various Projects</b>	<b>3,956,712</b>	<b>1,520,917</b>	<b>3,300,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>21,377,629</b>
Shared Campus Project (Glenburn and St Ninian's Primary Schools)	6,576,099	8,873,817	1,000,000	-	-	-	-	-	-	-	16,449,916
Southcraig Campus	-	88,000	-	-	-	-	-	-	-	-	88,000
Queen Margaret Academy	124,694	-	-	-	-	-	-	-	-	-	124,694
<b>b) Window and Roof Replacement - Various Projects</b>	<b>633,393</b>	<b>275,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>2,258,393</b>
	<b>38,528,820</b>	<b>36,842,469</b>	<b>17,450,000</b>	<b>14,950,000</b>	<b>8,390,000</b>	<b>3,950,000</b>	<b>12,080,000</b>	<b>6,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>142,191,289</b>

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
	£	£	£	£	£	£	£	£	£	£	£
<b>2) Health &amp; Social Care investment</b>											
<b>a) Scheme of Assistance</b>	<b>585,417</b>	<b>600,000</b>	<b>680,000</b>	<b>500,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>5,965,417</b>
<b>b) North Ayr Health and Care Facility</b>	<b>-</b>	<b>9,000,000</b>	<b>9,000,000</b>								
	<b>585,417</b>	<b>600,000</b>	<b>680,000</b>	<b>500,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>9,600,000</b>	<b>14,965,417</b>

		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
3) Communities investment		£	£	£	£	£	£	£	£	£	£	£
	Ayr Leisure Facility	1,202,017	19,000,000	20,000,000	-	-	-	-	-	-	-	40,202,017
	Ayr Renaissance Project	10,000	-	-	-	-	-	-	-	-	-	10,000
	Ayrshire Roads Alliance - Bridge works	423,500	535,000	278,000	362,000	200,000	-	-	-	-	-	1,798,500
	Ayrshire Roads Alliance - Bridge works (Bridge of Coyle Deck Replacement)	52,500	-	-	-	-	-	-	-	-	-	52,500
	Ayrshire Roads Alliance - Girvan Harbour Jetty Repairs	285,000	-	-	-	-	-	-	-	-	-	285,000
	Ayrshire Roads Alliance - Girvan Lorry Park	197,500	-	-	-	-	-	-	-	-	-	197,500
a)	Ayrshire Roads Alliance - LED replacement	914,650	500,000	-	-	-	-	100,000	100,000	100,000	100,000	1,814,650
	Ayrshire Roads Alliance - Local Flood Risk Plan	111,900	64,000	64,000	64,000	64,000	64,000	-	-	-	-	431,900
b)	Ayrshire Roads Alliance - Road Reconstruction and Improvement	1,545,660	3,080,000	3,000,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	25,125,660
c)	Ayrshire Roads Alliance - B734 Pingerrach Slope Stabilisation and Safety Barrier	128,000	-	-	-	-	-	-	-	-	-	128,000
d)	Ayrshire Roads Alliance - C12 Dunure Slope Stabilisation	5,500	188,000	-	-	-	-	-	-	-	-	193,500
e)	Ayrshire Roads Alliance - EV Charging Infrastructure	100,000	100,000	100,000	120,430	-	-	-	-	-	-	420,430
	Ayrshire Roads Alliance - 20mph Infrastructure	260,000	-	-	-	-	-	-	-	-	-	260,000
	Ayrshire Roads Alliance - Street Lighting	412,250	-	250,000	250,000	250,000	250,000	-	-	-	-	1,412,250
	Ayrshire Roads Alliance - Traffic Signals Renewals Programme	129,024	140,000	140,000	-	-	-	-	-	-	-	409,024
	Ayrshire Roads Alliance - New Traffic Signals	226,000	-	-	-	-	-	-	-	-	-	226,000
f)	Facilities to assist with tourist and visitor facilities	200,000	-	-	-	-	-	-	-	-	-	200,000
	Belleisle Park - Additional Works	207,500	500,000	-	-	-	-	-	-	-	-	707,500
	CCTV Public Space Infrastructure	412,500	-	-	-	-	-	-	-	-	-	412,500
	Cemetery Infrastructure Project	1,602,488	1,356,000	500,000	250,000	100,000	100,000	-	-	-	-	3,908,488
	Citadel Enhancement works	21,000	-	-	-	-	-	-	-	-	-	21,000
	Craigie Additional Sporting Facility	8,410,146	-	-	-	-	-	-	-	-	-	8,410,146
	Cycling Walking Safer Streets (grant funded works)	493,000	-	-	-	-	-	-	-	-	-	493,000
	Developers Contribution works	91,682	-	-	-	-	-	-	-	-	-	91,682
	Green Waste / Household Recycling and Waste Transfer Station	1,070,000	5,650,000	5,000,000	-	-	-	-	-	-	-	11,720,000
	Masonhill Crematorium Upgrade of Drainage (2021/22 and 2022/23)	262,500	250,000	-	-	-	-	-	-	-	-	512,500
	Maybole Town Centre Regeneration - Town Hall	502,500	-	-	-	-	-	-	-	-	-	502,500
	Maybole Town Centre Regeneration - Public Realm Improvements to the High Street	853,750	-	-	-	-	-	-	-	-	-	853,750
	Northfield Bowling Centre Refurbishment (2021/22 and 2022/23)	351,750	200,000	-	-	-	-	-	-	-	-	551,750
	Place Plans	550,000	800,000	-	-	-	-	-	-	-	-	1,350,000
	Public Conveniences - Various Projects	355,070	100,000	-	-	-	-	-	-	-	-	455,070
	Rozelle House	391,000	-	-	-	-	-	-	-	-	-	391,000
	Troon Cemetery Extension	26,832	-	-	-	-	-	-	-	-	-	26,832
	VAT Recovery funds investment	2,300,450	-	-	-	-	-	-	-	-	-	2,300,450
	Whitletts Sports Improvements	420,000	-	-	-	-	-	-	-	-	-	420,000
		24,525,669	32,463,000	29,332,000	3,546,430	3,114,000	2,914,000	2,600,000	2,600,000	2,600,000	2,600,000	106,295,099

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
4) Other investment	£	£	£	£	£	£	£	£	£	£	£
<b><u>Buildings</u></b>											
Burns House demolition	844,771	-	-	-	-	-	-	-	-	-	844,771
Developers' Contribution related projects	1,606,273	-	-	-	-	-	-	-	-	-	1,606,273
Depot Improvement Throughout South Ayrshire Council - Walker Road Depot - Transfer station	120,000	200,000	250,000	-	-	-	-	-	-	-	570,000
Depot Improvement Throughout South Ayrshire Council - Additional Works	14,000	80,000	-	-	-	-	-	-	-	-	94,000
<b>a) Equalities Act Budget - Various Projects</b>	415,000	300,000	300,000	300,000	300,000	300,000	300,000	350,000	350,000	350,000	3,265,000
Riverside Project	1,900,000	1,645,795	1,000,000	-	-	-	-	-	-	-	4,545,795
Office and Welfare Facilities at Bridge Street, Girvan	1,567,500	-	-	-	-	-	-	-	-	-	1,567,500
<b>b) Property Refurbishment - Various Projects</b>	771,058	1,300,000	1,250,000	1,250,000	1,250,000	1,250,000	1,500,000	1,500,000	1,500,000	1,500,000	13,071,058
Refurbishment and Extension to King George V Changing Facilities	1,165,000	-	-	-	-	-	-	-	-	-	1,165,000
Relocation of Archive Centre	830,000	-	-	-	-	-	-	-	-	-	830,000
<b>c) Rewiring Programme (Including Residual Decoration Work, Etc.) - Various Projects</b>	210,000	200,000	200,000	200,000	200,000	200,000	250,000	250,000	250,000	250,000	2,210,000
<b>d) Works to Facilitate Property Rationalisation - Various Projects</b>	257,500	300,000	100,000	100,000	100,000	100,000	150,000	150,000	150,000	150,000	1,557,500
<b><u>Information Technology</u></b>											
<b>e) Business systems</b>	4,168,000	1,724,000	1,652,000	4,006,000	1,594,000	1,534,000	3,410,000	1,344,000	1,344,000	3,910,000	24,686,000
<b>f) End User Computing</b>	972,000	224,000	455,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	2,561,000
<b>g) Data Centre</b>	1,140,000	300,000	450,000	300,000	450,000	420,000	420,000	420,000	420,000	420,000	4,740,000
<b>h) WAN Infrastructure</b>	3,817,000	3,302,000	1,011,000	1,202,000	1,201,000	1,350,000	1,165,000	1,231,000	1,231,000	1,165,000	16,675,000
<b><u>Other</u></b>											
<b>i) Facilitate Introduction of Flexible Working</b>	212,500	200,000	100,000	100,000	100,000	100,000	150,000	150,000	150,000	150,000	1,412,500
<b>j) Initial Work on Projects For Future Years</b>	125,000	100,000	100,000	100,000	100,000	100,000	150,000	150,000	150,000	150,000	1,225,000
Project Management Costs	126,000	95,000	-	-	-	-	-	-	-	-	221,000
Repair & Renewal (works funded by contribution)	466,435	-	-	-	-	-	-	-	-	-	466,435
<b><u>Economic Regeneration</u></b>											
<b>k) Ayrshire Growth Deal</b>	941,916	12,300,000	15,900,000	16,600,000	26,100,000	4,000,000	4,500,000	4,500,000	5,000,000	1,800,000	91,641,916
Hanger space (GPA)	786,607	1,000,000	1,000,000	-	-	-	-	-	-	-	2,786,607
Commercial Property Portfolio	32,028	-	-	-	-	-	-	-	-	-	32,028
<b><u>Future Years</u></b>											
<b>l) New Projects - Overprogramming</b>	-	-	-	-	-	-	-	-	-	(4,603,947)	(4,603,947)
	22,488,588	23,270,795	23,768,000	24,288,000	31,525,000	9,484,000	12,125,000	10,175,000	10,675,000	5,371,053	173,170,436
<b>Total 10 year Capital Investment programme</b>	86,128,494	93,176,264	71,230,000	43,284,430	43,629,000	16,948,000	27,405,000	19,375,000	15,875,000	19,571,053	436,622,241

## Appendix 7 – Capital Investment Programme: Funding 2020-21 to 2029-30

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
	£	£	£	£	£	£	£	£	£	£	£
<b>Capital Grant</b>											
General Capital Grant	8,577,000	-	-	-	-	-	-	-	-	-	8,577,000
Estimated capital grant	-	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	81,000,000
<b>Specific Capital grants:-</b>											
Specific Capital Grant - Cycling, Walking & Safer Streets	493,000	-	-	-	-	-	-	-	-	-	493,000
	<b>9,070,000</b>	<b>9,000,000</b>	<b>90,070,000</b>								
<b>Additional funding identified</b>											
Anticipated capital receipts	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
Ayrshire Growth Deal Grant Due in year	1,054,398	9,872,009	11,081,171	11,034,093	14,452,730	2,730,408	2,957,680	2,844,593	3,184,953	1,365,517	60,577,552
Ayrshire Growth Deal Deferred Grant due - Note Further UK Government deferred grant of £5.659m is due to be received over the period 2031-32 to 2034-35.	-	-	-	-	1,058,262	1,453,055	1,453,055	1,453,055	1,414,630	1,414,630	8,246,688
Developers contributions to match expenditure	1,457,888	-	-	-	-	-	-	-	-	-	1,457,888
Other Contributions - Grants / CFCR / CRA/R&R	3,141,819	-	-	-	-	-	-	-	-	-	3,141,819
	<b>5,904,105</b>	<b>10,122,009</b>	<b>11,331,171</b>	<b>11,284,093</b>	<b>15,760,993</b>	<b>4,433,463</b>	<b>4,660,736</b>	<b>4,547,649</b>	<b>4,849,583</b>	<b>3,030,147</b>	<b>75,923,947</b>
<b>Borrowing</b>											
Prudential borrowing	71,266,871	71,626,264	46,080,000	17,434,430	8,279,000	3,698,000	13,655,000	5,625,000	1,625,000	8,521,053	247,810,618
Ayrshire Growth Deal borrowing - increase/(decrease) to Prudential borrowing required based on spend and grant profile	(112,482)	2,427,991	4,818,829	5,565,907	10,589,007	(183,463)	89,264	202,351	400,417	(980,147)	22,817,676
	<b>71,154,389</b>	<b>74,054,255</b>	<b>50,898,829</b>	<b>23,000,337</b>	<b>18,868,007</b>	<b>3,514,537</b>	<b>13,744,264</b>	<b>5,827,351</b>	<b>2,025,417</b>	<b>7,540,906</b>	<b>270,628,294</b>
<b>Total funding requirement</b>	<b>86,128,494</b>	<b>93,176,264</b>	<b>71,230,000</b>	<b>43,284,430</b>	<b>43,629,000</b>	<b>16,948,000</b>	<b>27,405,000</b>	<b>19,375,000</b>	<b>15,875,000</b>	<b>19,571,053</b>	<b>436,622,241</b>

## Appendix 8 – Capital Investment Programme: Debt Charge Implications

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	£	£	£	£	£	£	£	£	£	£
Principle	5,249,000	6,104,000	6,526,000	6,836,000	6,812,000	6,932,000	7,029,000	7,170,000	7,497,000	7,888,000
Interest	6,836,957	7,766,570	8,909,087	9,698,216	10,172,265	11,112,167	11,136,974	12,081,079	12,856,410	12,993,208
Expenses	180,188	179,253	178,605	179,611	179,908	177,843	175,268	172,811	169,647	166,620
Investment income	(113,750)	(170,625)	(170,625)	(227,500)	(284,375)	(341,250)	(398,125)	(455,000)	(455,000)	(511,875)
	<b>12,152,395</b>	<b>13,879,198</b>	<b>15,443,067</b>	<b>16,486,327</b>	<b>16,879,798</b>	<b>17,880,760</b>	<b>17,943,116</b>	<b>18,968,890</b>	<b>20,068,057</b>	<b>20,535,954</b>
<b>Increase from previous year</b>	<b>(282,192)</b>	<b>1,726,803</b>	<b>1,563,870</b>	<b>1,043,260</b>	<b>393,470</b>	<b>1,000,963</b>	<b>62,356</b>	<b>1,025,773</b>	<b>1,099,167</b>	<b>467,897</b>

## Appendix 9 – Common Good Fund Revenue Budget 2021-22

	Ayr £	Prestwick £	Troon £	Girvan £	Maybole £
<b>Income:</b>					
Rental income	(533,000)	(24,475)	(150)	-	-
Other income	(7,500)	-	-	-	-
Contribution from South Ayrshire Council	-	-	-	(45,000)	-
Interest on balances	(11,000)	(2,000)	(200)	-	(15)
<b>Total planned income</b>	<b>(551,500)</b>	<b>(26,475)</b>	<b>(350)</b>	<b>(45,000)</b>	<b>(15)</b>
<b>Expenditure:</b>					
Caretaker recharge	21,000	-	-	-	-
Repairs and maintenance	95,500	1,421	200	1,750	-
Grounds maintenance	168,000	29,054	-	43,000	-
Utilities	47,000	-	-	250	-
Non-domestic rates/ council tax/ water	156,000	500	-	-	-
Insurance	29,500	-	-	-	-
Other property costs	15,500	-	-	-	-
Supplies and services	3,000	-	-	-	-
Other administrative costs	1,000	-	-	-	-
Support Service costs	15,000	-	-	-	-
Grants to voluntary organisations	-	500	-	-	-
<b>Total planned expenditure</b>	<b>551,500</b>	<b>31,475</b>	<b>200</b>	<b>45,000</b>	<b>-</b>
<b>Planned (surplus)/ deficit for the year</b>	<b>-</b>	<b>5,000</b>	<b>(150)</b>	<b>-</b>	<b>(15)</b>
Projected revenue surplus at 1 April 2021	(44,609)	(243,232)	(34,650)	(9,490)	(1,655)
<b>Projected revenue surplus at 31 March 2022</b>	<b>(44,609)</b>	<b>(238,232)</b>	<b>(34,800)</b>	<b>(9,490)</b>	<b>(1,670)</b>

Based on anticipated rental income from properties owned by Ayr Common Good Funds due to the impact of Covid-19 restrictions and other market pressures, expenditure budgets have been adjusted accordingly.

## Appendix 10 – Common Good Fund Capital Budget 2021-22

	Ayr £	Prestwick £	Troon £	Girvan £	Maybole £
<b>Projected surplus balance at 1 April 2021</b>	<b>(903,958)</b>	<b>(34,699)</b>	-	-	-
Planned expenditure	380,000	-	-	-	-
Anticipated income	(10,000)	-	-	-	-
<b>Projected surplus balance as at 31 March 2022</b>	<b>(533,958)</b>	<b>(34,699)</b>	-	-	-

Planned capital expenditure on Common Good Fund properties during 2021/22 relates to Rozelle House (approved by Leadership Panel in September 2019). Any further capital expenditure proposals will be brought forward during the year for Members' approval.

### Carbon Budget 2021-22

#### 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.

The introduction of 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 2021-22 target

Total accounted carbon emissions of the council in relation to electricity, direct fossil fuel use and grey mileage equated to 19,424.47 TCO<sub>2</sub>e in 2019/20. The service delivery driving the generation of these emissions has been analysed on a service by 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 16,863.55 TCO<sub>2</sub>e for financial year 2021/22 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 targets for reduction will allow 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 with regard to 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 2021-22 allocation on a service by service basis

<i>Directorate</i>	<i>Service Area</i>	<i>TCO<sub>2e</sub></i>
Chief Executive	Risk and Safety	8.28
	Employee Services	25.08
	HR Policy and Operations	21.97
	Legal and Licensing	21.17
	ICT Operations	195.17
	Revenue and Benefits	89.58
	Senior Leadership	18.34
	ICT Enterprise Architecture	4.61
	Corporate and Service Finance	50.57
	Democratic Governance	94.50
	<b>Total Chief Executive</b>	<b>529.29</b>
Health and Social Care	Children's housing	54.09
	Reablement	153.16
	Maintenance Care	422.14
	Children's Services	122.89
	Children's Health	17.90
	Social Work Justice	42.50
	Performance Planning and Administration	93.30
	Service Hubs – Troon, Prestwick, Maybole and Girvan	51.36
	Service Hubs - Ayr	52.79
	Learning Disability and Sensory Impairment	132.53
	Public Protection	7.82
	Mental Health	4.86
	<b>Total Health and Social Care</b>	<b>1,115.35</b>
People	Sport and Leisure	1,537.91
	Health Wellbeing & Golf	399.35
	Community Development and Employee Skills	366.60
	Housing Policy & Corporate Planning and Improvement	27.13
	Internal Audit and Corporate Fraud	6.05
	Organisational Development and Customer	86.32

<i>Directorate</i>	<i>Service Area</i>	<i>TCO<sub>2e</sub></i>
	Services	
	Community Engagement	34.43
	Tourism Events and Community Facilities	748.65
	Central ASN	118.61
	Central Early Years and Primary	55.98
	Central Education	24.7
	Education - Ayr Cluster	549.73
	Education - Belmont Cluster	1,115.40
	Education - Carrick Cluster	622.77
	Education - Girvan Cluster	583.06
	Education - Kyle Cluster	545.97
	Education - Marr cluster	995.25
	Education - Prestwick Cluster	958.28
	Education - Queen Margaret Cluster	431.87
	<b>Total People</b>	<b>9,208.07</b>
Place	Planning and Building Standards	91.57
	Housing Services	416.41
	Ayrshire Leader	0.26
	Trading Standards and Environmental Health	31.69
	Professional Design Services	13.34
	Economic Development	32.44
	Asset Management	112.65
	Property Maintenance	404.39
	Procurement	18.08
	Special Property Projects	6.32
	Facilities Management	1,266.70
	Neighbourhood Services	2,005.14
	<b>Total Place</b>	<b>4,399.00</b>
Ayrshire Roads Alliance	Ayrshire Roads Alliance	1,571.84
	<b>Total Ayrshire Roads Alliance</b>	<b>1,571.84</b>
	<b>Total all Services</b>	<b>16,863.55</b>

#### **4. Carbon Budget for years 2022-23 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. Future analysis of the organisations carbon emissions undertaken each year will be provided at a service level and as part of this process realigned in response to any realignment of service delivery within the organisation, with revised targets and projections issued.

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 in to financial decision making and annual reporting. The Council's Sustainable Development and Climate Change Strategy as well as the regional approach to climate change currently under development will be key mechanisms for taking this forward.

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 likely 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.

The full costs of becoming net zero carbon are not known at this point, and many variables, including technology and energy prices, will change over the period between now and 2030 and 2045. The Council will seek and pursue external funding opportunities where possible, however it is important for the Council to be aware that investments from within the Council's own budgets will also be required.



