

Council – 5th March 2026

Motion: Proposal of the Administration

Budget 2026/27

Firstly, I want to thank all Council officers who provided information which helped in the development of the budget. Also, thanks to all elected members I've spoken to for their contributions through the process and the members of the public who completed the budget builder consultation which provided useful feedback and hopefully is demonstrated in the choices in front of members.

Last year, I warned that the budget gap for 2026/27 would be challenging to meet, so over the financial year numerous measures have been taken to reduce the budget gap including 2 Capital Reviews, Single Occupier Discount Review and Procurement Reviews saving a total in the millions. However, South Ayrshire still faces a budget gap to be bridged of £8.463m. The reality is that the council's budget is made up by 80% Scottish Government Funding and 20% Council Tax, and whilst there was additional money confirmed in the Scottish Government Settlement this has been shown by COSLA to be short of what is required for Scottish Councils to avoid real terms reductions in General Services and Social Care. With pressures, many of which are out-with our control, such as Employee NI contributions and Inflation stretching our budget.

South Ayrshire Council is required to make difficult decisions to balance the books, all of these are set out in this document. Last year, the Council set out that the increase in Council Tax for 2026/27 would be set at 8%, and that is the increase being proposed for 2026/27 making the annual cost of a Band D property £1,694.96.

If it wasn't for the disappointing Health and Social Care settlement this year, the council may have been able to set council tax slightly lower whilst maintaining sustainable services, but we must acknowledge the pressures on the most vulnerable and shield them as much as possible from cuts. Whilst there was an additional £0.410m funding announced following the initial settlement, that is insufficient to meet the financial pressures on the service. That is why we are making an additional £1.59m contribution to make this £2m, with additional revenue savings being made as a recurring contribution and the rest being from one-off use of reserves. This is to smooth the pressures faced by the unexpectedly poor initial settlement for social care and is made on the understanding that measures will be developed to cover the present and future budget gaps projected for the partnership being funded by one-off reserves. This will be reviewed in the 2027/28 budget setting process to see if future settlements and the Council's overall budget position allows the council to guarantee further permanent funding.

The measures taken in this budget broadly align with the feedback given in the budget builder consultation as presented to Council on 19th February 2026. Of the responses, there was clear support for larger reductions in Enabling Services as well as Communities and Transformation, which indeed are the two of the largest reductions in percentage terms of their overall budgets. There was support for lesser cuts in Education services, with the most popular option having 45% selecting a 1% reduction (£1.5m), whilst actual efficiencies for 2026/27 presented in this budget are below that. Education has the lowest reduction in percentage terms of any directorates we are making savings choices of in this budget. Roads was another area with less support for reductions with responses being spread across options and with 36% selecting a 0% reduction and 38% selecting a 5% reduction, we acknowledge the public ask to protect this service so we are making less savings in this area.

There are some positive signs in the steps that this Council has taken to improve sustainability for the future. As shown in the Medium-Term Financial plan presented to the council on 19th February 2026, investments in some of our Leisure facilities and Transformation Work is expected to generate income and cashable benefits for the council in future years. These measures will not only provide residents with top-class facilities, but also to help in the efficient delivery of services within our means.

Decisions taken in this budget result in savings of £0.483m in 2027/28, which reduces the forecast gap for 27/28 to £9.399m. What this tells us is there are still further difficult decisions that will likely need to be taken with a constrained budget facing increasing demands. As the reality of the pressures are not completely within our control, measures should be explored throughout the financial year to further address the gap. These may include any works currently ongoing which are not being progressed due to legal requirements, ongoing discussions or to align with strategies which may include areas where there was greater willingness for service efficiencies.

In conclusion, this budget sets out a way to bridge the gap in 2026/27, whilst supporting essential services. It also begins to set out the approach that we will need to take to bridge the gap in 2027/28 to deliver the best services for the people of South Ayrshire within the resources available.

Annex 1

<u>Specific 2026/27 revenue budget proposals</u>	£m
1) To note the remaining budget gap as identified of:	8.463
2) To provide additional funding to HSCP beyond the £115.232m noted in the covering report of:	1.590
3) To agree to progress savings proposals as identified in Annex 2 to this motion totalling:	(2.728)
4) To uplift all Council tax bandings by 8% resulting in a Band D equivalent of £1,694.96 which, after applying a bad debt provision of 3% (as noted in Annex 3 to this motion), is expected to generate additional Council Tax income in 2026/27 of:	(5.960)
5) In addition to utilising the planned use of committed reserves of £2.000m, as described in the covering report, utilise uncommitted reserves of:	<u>(1.365)</u>
6) To note by applying items 1 to 5 above, this results in a final balanced budget gap position of:	<u>0.000</u>
7) To note the above decisions results in an overall Council budget of £398.084m for 2026/27, shown at Directorate level in Annex 4.	
8) To agree the Common Good budget as identified in Appendix 4 of the covering report.	

Annex 2

Savings proposals

Ref	Proposal	Amount £	Yes/ No/ Partial	2026/27 £	2027/28 £
Sports, Leisure and Golf					
C&T-01	Progress Closure/Transfer Muirhead Activity Centre	44,000	No	0	0
	Progress Closure/Transfer Mossblown Activity Centre	39,000	No	0	0
	Progress Closure/Transfer Coylton Activity Centre	35,000	No	0	0
	Progress Closure/Transfer Northfield Bowling	113,000	No	0	0
	Phase out diving and deep-water sessions at the Citadel to focus on higher-demand programmes	20,000	Yes	10,000	10,000
	Prioritise swimming lessons by adjusting public and club pool access	80,000	Yes	40,000	40,000
	Reduce opening hours/staffing at Riverside Sports Arena	150,000	No	0	0
	Discontinue the Senior Golf Concession Scheme to standardise pricing	20,000	No	0	0
	Remove protected tee times to improve equitable access for all golfers	30,000	Yes	30,000	0
	Remove council delivered golf events to refocus resources on core services	5,000	No	0	0
Thriving Communities					
C&T-02	50% reduction in Small Business Grants	25,000	Yes	25,000	0
	50% reduction in Start Up Grants	10,000	Yes	10,000	0
	50% reduction in Ambition to Grow Grants	25,000	Yes	25,000	0
	50% reduction Business Expert Help Grants	10,000	Yes	10,000	0
	Progress Closure/Transfer of Dundonald Community Centre	38,077	No	0	0
	Progress Closure/Transfer of Crosshill Community Centre	46,699	No	0	0
	Progress Closure/Transfer of Monkton Community Centre	35,022	No	0	0
	Progress Closure/Transfer of Colmonell Community Centre	31,793	No	0	0
	Progress Closure/Transfer of Ballantrae Community Centre	39,162	No	0	0
	Reduce administration budgets	4,200	Yes	4,200	0
	Remove SAFE Taxi Marshall funding	13,000	No	0	0
	Remove SAFE Police Scotland contribution	10,000	Yes	10,000	0
	Remove School as the Hub resources budget	10,000	Yes	10,000	0

	Reduction in Problem Solving and Communities budget	10,000	Yes	10,000	0
	Reduce Health and Wellbeing service budget	2,000	Yes	2,000	0
	Cancel memberships – Industrial Communities Alliance & Prosper	5,333	Yes	5,333	0
	Progress Closure/Transfer of Prestwick Community Centre	101,980	No	0	0
Destination South Ayrshire					
C&T-03	Increase SLA with Maclaurin Art Gallery to reflect SAC contribution.	15,000	Yes	15,000	0
	Delete existing L9 Heritage Post	50,000	Yes	50,000	0
	Progress closure of Ballantrae Library.	10,760	No	0	0
	Progress closure of John Rodie (Mossblown) Library	16,182	No	0	0
	Progress closure of Symington Library	21,696	No	0	0
	Progress closure of Ayr Heritage Hub.	34,522	Yes	34,522	0
	Delete external artist fees budget	6,300	Yes	6,300	0
	Reduction in library services (Subscriptions)	4,000	Yes	4,000	0
	Stop contribution to Biosphere.	25,000	No	0	0
	Sell/ rent vacant unit at Carrick St	14,000	Yes	14,000	0
	Reduce Tourism Development Third Party Payments	27,243	No	0	0
	Remove Signs and Notices Budget.	14,820	Yes	14,820	0
	Cancel Burns Humanitarian Awards.	10,000	No	0	0
	Reduce Events Budget by 15%	3,650	No	0	0
	Withdraw funding from Unified Bowls Event.	38,000	No	0	0
	Withdrawal from the ground floor Grain Exchange.	50,000	Yes	0	50,000
ICT Operations					
C&T-04	Service Redesign	267,000	Yes	66,750	200,250
Customer Services and Communications					
C&T-05	Service Redesign	31,430	Yes	31,430	0
Corporate Policy, Community Planning and Performance					
CE-01	Deletion of Energy Agency Budget	15,000	No	0	0
	Deletion of Equalities training budget	5,000	No	0	0
	Reduce FTE by deleting one L7 post	41,958	No	0	0

	Reduce FTE by deleting one L9 post	52,296	No	0	0
Housing Strategy and Policy					
CE-02	Reduction of Housing support contract budget	86,042	Yes	86,042	0
	Reduce core Housing support budget	18,958	Yes	18,958	0
	Homeless strategy budget reduction	11,042	Yes	11,042	0
	Scheme of Assistant budget reduction	12,000	Yes	12,000	0
Education					
ED-01	Instrumental Music Service - delete 0.5 vacant fte supporting fees & charges (£14,815) and reduce music expansion budget (£50,000) [Accept only 0.5 FTE saving]	64,815	Partial	14,815	0
ED-02	Removal of Determine to Succeed (DTS) budget	36,000	Yes	36,000	0
ED-03	Reduce DSM Short Term Absence Cover budget	171,041	Yes	171,041	0
ED-04	Reduction in Core Curriculum Funding	61,000	Yes	61,000	0
ED-05	Removal of EY/ASN/GIRFEC Training Budget	36,000	Yes	36,000	0
ED-06	Reduce Registered Capacity of EY Centres	462,162	Yes	462,162	0
ED-07	Reduce Central, Long Term Absence Cover budget	196,760	Yes	196,760	0
ED-08	Reduction of 1fte Education Support Services and reduction of other centrally managed budgets	80,514	Yes	80,514	0
ED-09	Reduction in Central Education equipment and systems budget	60,000	Yes	60,000	0
ED-10	Reduction in Central Education Resource Budgets	76,260	Yes	76,260	0
Neighbourhood Services					
HOD-01	Reduce Tree & Woodland management	37,000	Yes	37,000	0
HOD-02	Reduction/ Altered Street Cleansing	60,340	Yes	60,340	0
HOD-03	Close Dukes Road depot and relocate services	46,526	Yes	46,526	0
HOD-04	Remove Forestry machinery lease arrangement budget - no longer required	12,678	Yes	12,678	0
HOD-05	Reduce/altered grass pitches maintenance - 3 options provided				
	Option 1 - reduce maintenance to all non-bookable pitches, except education pitches from Grade A to C but keep cutting regime the same	31,681	No	0	0
	Option 2 - maintain all non-bookable pitches to Grade C (except schools) and reduce cutting from weekly to fortnightly during the growing season except for education and bookable pitches	57,552	No	0	0
	Option 3 - maintain all pitches (bookable and non-bookable) to grade C and to reduce cutting from weekly to fortnightly during the growing season on all pitches	58,230	No	0	0

HOD-06	Reduce/remove bedding plants budget - 4 options provided				
	Option 1 - stop spring bulbs, spring bedding, and retain summer hanging baskets, summer bedding and planters	11,337	No	0	0
	Option 2 - stop spring bulbs, spring bedding and summer hanging baskets and retain summer bedding and planters	28,662	No	0	0
	Option 3 - stop spring bulbs, spring bedding, summer hanging baskets and all summer bedding retain only planters	71,030	No	0	0
	Option 4 - stop all floral bedding displays	79,901	No	0	0
HOD-07	Stop facilitating Events e.g. Gala days, Presfest etc. - supply and delivery of stalls, tables, chairs, bins etc	20,000	No	0	0
HOD-08	Structure redesign	171,000	Yes	171,000	0
Facilities Management					
HOD-09	Reduction in School Crossing Patrol Service	105,103	No	0	0
	Reduction in current cleaning provision across all council premises – resulting in a reduced output specification and the introduction of mobile operative cleaning model [Accept only Public Convenience mobile operative measures]	320,914	Partial	30,000	28,996
Ayrshire Roads Alliance					
HOD-10	Reduce Grass Cutting of roadside verges out with 30mph limits	38,000	Yes	38,000	0
HOD-11	Remove non statutory post	41,541	Yes	0	41,541
HOD-12	Review Winter Gritting route priorities	80,000	Yes	0	80,000
HOD-13	Cease ISO accreditation audit	4,000	Yes	0	4,000
HOD-14	Removal of Karbontech software contract	10,500	Yes	10,500	0
HOD-15	Reduce routine maintenance budget by not attending P4 road defects (potholes) on unclassified carriageways, footways & footpaths	78,295	No	0	0
HOD-16	Introduce part night switching of lighting in rural areas - 4 switch regimes provided				
	Switch regime 1 - Off Midnight to 5:00am	26,687	No	0	0
	Switch regime 2 - Off Midnight to 5:30am	28,701	No	0	0
	Switch regime 3 - Off Midnight to 6:00am	30,491	No	0	0
	Switch regime 4 - Off 10:00pm to 6:00am	41,201	No	0	0
Housing Services					
HOD-17	Transfer of Costs from General Services to HRA. Savings to General Services to reflect the level of activity attributed to HRA functions	108,250	Yes	108,250	0

	Transfer of Costs from General Services to HRA - Reduced Sheltered Housing support to reflect the level of activity attributed to HRA functions	19,900	Yes	19,900	0
	Elimination of Anti-social behaviour mediation service	10,000	Yes	10,000	0
	Reduction to Scheme of Assistance Grant in mixed tenure stock	10,000	Yes	10,000	0
HR and Employee Services					
HR-02	Service Redesign	343,095	Yes	314,476	28,619
Trading Standards & Environmental Health					
L&R-01	Review of Consumer and Business Advice	85,000	Yes	85,000	0
	Reductions in general budget Lines	17,988	Yes	17,988	0
	Delete 0.1 FTE of a Trading Standards Officer Post vacated through flexible working	5,721	Yes	5,721	0
Total Savings to be applied				2,728,328	483,406

Council Tax bandings

Band	2025-26	2026-27
A	£1,046.27	£1,129.97
B	£1,220.66	£1,318.30
C	£1,395.04	£1,506.63
D	£1,569.41	£1,694.96
E	£2,062.03	£2,226.99
F	£2,550.30	£2,754.31
G	£3,073.43	£3,319.30
H	£3,845.06	£4,152.65

Note that based on an uplift of 8% across all banding that additional council tax income of £5.960m will be generated providing £80.793m of total Council Tax income available to fund service expenditure in 2026-27 net of:

- a 3 per cent bad debt provisions for the non-collection of Council Tax; and
- the estimated implications of applying reductions per the Council Tax Reduction Scheme.

Annex 4

Council Budget 2026/27

	Revised budget 2026/27 £m	Motion			Final budget 2026/27 £m
		Additional investment £m	Savings £m	CT uplift/ use of reserves £m	
Directorate expenditure					
Chief Executive's	24.305	-	(0.551)	-	23.754
Communities & Transformation	25.617	-	(0.428)	-	25.189
Education	167.148	-	(1.195)	-	165.953
Housing, Operation & Development	51.525	-	(0.554)	-	50.971
HSCP	115.232	1.590	-	-	116.822
Miscellaneous Services	15.395	-	-	-	15.395
Total Expenditure	399.222	1.590	(2.728)	0.000	398.084
Funded by					
Scottish.Government. funding					
Grant Aided expenditure	(252.896)	-	-	-	(252.896)
Non-Domestic Rates	(56.618)	-	-	-	(56.618)
Specific Grants	(4.412)	-	-	-	(4.412)
Planned.use.of.reserves	(2.000)	-	-	(1.365)	(3.365)
Council.Tax	(74.833)	-	-	(5.960)	(80.793)
Total Funding	(390.759)	0.000	0.000	(7.325)	(398.084)
Remaining Budget Gap	8.463	1.590	(2.728)	(7.325)	0.000