

**General Services Revenue Budget
2023-24**

and

**Capital Investment Programme
2023-24 to 2034-35**

Proposals of the Conservative and
Independent Members

1 March 2023

Budget 2023-24

This is my first budget to present as Portfolio Holder for Finance and unsurprisingly due to the present climate it has been a challenging one. However, would like to thank those who have helped propose and explain the options to balance the budget and pull together the agreed proposals. For this, I would like to thank the Head of Finance Tim Baulk, Chief Executive Eileen Howat, Directors, Assistant Directors and Service Leads for their contribution. Without their assistance and knowledge each year, there may not be a budget to present so am greatly thankful for their assistance.

Similar to colleagues in other Scottish Councils, this is not the budget we would ideally like to present. Local authorities like South Ayrshire receive most of our funding from Scottish Government block grants, which are partly ring-fenced restricting options available to balance the books. Since indications of a flat-cash position and subsequent surging inflation levels linked to global events, council leaders through channels such as COSLA have asked for an increase in core funding and flexibilities to allow councils to make the decisions we were elected to make and protect essential services. Despite these requests, councils have not received anywhere near enough funding to even maintain the status quo with the increased costs of operating those services. As a result, the council must make difficult choices to fulfil our statutory duty and set a balanced budget. A process made all the more challenging by the lack of flexibility severely restricting the areas where savings can be found from.

Whilst there are savings included in the proposals circulated to members that wouldn't be included in an ideal world, the administration is presenting a budget that shelters our people, our staff and the services people rely upon from the financial pressures as much as possible. Although inflation is running just above 10% according to recent statistics, Council Tax rates are increasing by 5% which is around half that of inflation. Many of the other cost uplifts included in proposals are also set below current inflation where possible.

We acknowledge that the council's position is being covered by smoothing payments from the PPP Concession agreed by Council in December. However, we can see within the budget some of the first positive steps in trying to move the council into a more sustainable financial direction to cover part of this with proposals that will no doubt generate increased savings or more income in future years. This includes money from fast payments being proposed by procurement, and green waste recycling to name only a couple. In the upcoming months there will be work on other proposals to prepare the council for the 2024/25 budget given the future savings we anticipate needing to make.

Even with this, the budget is not all doom and gloom. We are proud to invest money into delivering The International Ayrshow: Festival of Flight, which should bring tourism and economic regeneration into South Ayrshire.

There is a 3.4% increase in Health and Social Care funding, bringing them to an anticipated £104.649m in funding. Our capital plans commit the council to delivering promises including the capital investment of £1million pounds in wards across South Ayrshire to make infrastructure improvements to benefit our communities across the authority from Barassie to Ballantrae and beyond. There is also a commitment to investing in our shorefronts and promenades which are vital to South Ayrshire whose

beautiful shores attract regulars from across Scotland and even from further afield. We are investing in road repairs, acknowledging the calls from local residents for investments in this. Investing in Ayr Town Centre to begin the rejuvenation of one of jewels in the crown in South-West Scotland. There are other projects in there that colleagues may wish to pay particular attention to, but this indicates the direction the administration want to go in, making positive investments across the whole council area.

Despite all the challenges we don't just want to rule over years of managed decline. Factors out-with our control create a climate where that is the temptation but there are steps and approaches we can

Cllr Ian Davis

Portfolio Holder – Finance, HR and ICT

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Summary Budget Proposals

1. General Services Revenue

Specific Revenue Budget Recommendations for 2023-24:

- (1) to levy a council tax charge of £1,453.16 for Band D, the equivalent of a 5 per cent increase over the 2022-23 charge. The resulting Council Tax for all bands is as follows:

Table 1 - Council Tax bands

<i>Band</i>	<i>2022-23</i>	<i>2023-24</i>
A	£922.64	£968.77
B	£1,076.41	£1,130.24
C	£1,230.19	£1,291.70
D	£1,383.96	£1,453.16
E	£1,818.37	£1,909.29
F	£2,248.93	£2,361.39
G	£2,710.25	£2,845.77
H	£3,390.70	£3,560.24

Council tax Band D	£1,453.16
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- (2) to note that council tax income of £67.220m is available to fund service expenditure in 2023-24 net of:
- ◆ a 3 per cent bad debt provisions for the non-collection of Council Tax; and
 - ◆ the estimated implications of applying reductions per the Council Tax Reduction Scheme.
- (3) to use Scottish Government grant funding of £256.598m to fund planned expenditure;
- (4) to use PPP retrospective reserves of £5.000m agreed by Council in December 2022 to assist in funding planned expenditure;
- (5) to use further uncommitted reserves of £1.120m; and
- (6) to approve 2023-24 net service expenditure of £233.589m as shown in Table 2 below, excluding Health and Social Care Services:

Table 2 – Planned funding and expenditure 2023-24

	£m	£m
Funding:		
Council Tax income		67.220
Scottish Government Grant funding		256.598
Use of PPP retrospective reserves		5.000
Use of uncommitted reserves		1.120
Total anticipated SAC funding		329.938
Less funding contribution to South Ayrshire HSCP		96.349
Total anticipated funding (excluding HSCP)		233.589
Expenditure:		
Base expenditure:		
Base net service expenditure		208.042
Updated service expenditure:		
Pay awards, increments, payroll turnover etc.	6.685	
Key Strategic Objectives (Appendix 2)	10.789	
Improving educational attainment (specific grant funded)	2.609	
Gaelic initiatives (specific grant funded)	0.015	
Early Learning and Childcare expansion (specific grant funded)	9.908	
Revised debt charges (Appendix 8)	1.227	31.233
Efficiency measures:		
Previously approved efficiencies (Appendix 3)	(0.276)	
New efficiencies/savings proposed (Appendix 4)	(5.410)	(5.686)
Total planned net service expenditure (excluding HSCP)		233.589

(9) to note that the planned expenditure of £233.589m shown, excluding Health and Social Care incorporates:

- ◆ directorate base expenditure from 2022-23 totalling, £208.042m;
- ◆ additional service expenditure of £17.474m for pay, corporate adjustments and additional investment in key priorities;
- ◆ spending of £2.609m 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 £9.908m for the expansion of Early Learning & Childcare;
- ◆ increased debt charge expenditure of £1.227m per **Appendix 8** to reflect the updated Capital Investment Programme detailed in **Appendix 6 and 7**;
- ◆ previously approved saving measures of £0.276m, per **Appendix 3**; and
- ◆ new saving proposals of £5.410m 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 £96.349m, 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 2023-24 as follows:

Table 3 – Health and Social Care Partnership funding 2023-24

	£m	£m
Base contribution		93.183
Additional funding provided for:		
Real Living Wage uplifts & other settlement movements	2.247	
Pay uplift 2022-23 funding	0.917	
Criminal Justice Social Work (increases in specific grant)	0.002	3.166
SAC contribution		96.349
Scottish Government funding via Health		8.300
Anticipated HSCP funding 2023-24		104.649

- (11) to note that the funding made available to the Health & Social Care Partnership from the Council represents a 3.4 per cent increase over the comparable previous years base 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 2023;
- (13) to note that the approved Council Financial Strategy is to aim to maintain uncommitted reserves between 2 and 4 per cent of net expenditure to meet the potential cost of unforeseen liabilities. This equates to between circa £4.7m and £9.4m for 2023-24, excluding the Council's delegated Health and Social Care Partnership spending;
- (14) to agree to allocate £0.575m of resources from General Reserves to enable the loan debt owed to the Council by the Ayr Gaiety Partnership (AGP) as of 1 April 2023, to be extinguished. This will provide a sound financial footing for the partnership and remove the need for further requests to the Council for ongoing annual revenue funding going forward.
- (15) to note that the latest projected uncommitted balances on the Council's General Reserves at 31 March 2023, as considered by the Cabinet of 15 February, is estimated to be £9.368m, or 4.42 per cent of 2022-23 expenditure. The use of £1.120m of uncommitted surplus included in the budget proposals above and the commitment to extinguish the AGP outstanding debt, results in an estimated uncommitted reserve of £7.673m which equates to 3.28 per cent of 2023-24 expenditure (excluding planned HSCP spend);
- (16) to note that an inflation reserve of £2.500m is being held to mitigate any temporary inflation risk occurring during 2023-24;
- (17) to note that further efficiencies/savings will be necessary to achieve a balanced budget for 2023-24, as shown in **Appendix 4**; and
- (18) to approve the 2023-24 revenue and capital budgets for Common Good Funds as stated in **Appendix 9 and 10** and recommend that officers continue the review that commenced in 2021-22 and bring forward proposals to address the deteriorating financial position of the Common Good Funds.

2. General Services Capital

Specific Budget Recommendations for 2023-24 to 2034-35:

- (1) to note that the current ten-year Capital Investment Programme 2022-23 to 2033-34 was approved by the Council on 3 March 2022. Progress on the current programme continues to be regularly reported to Cabinet;
- (2) to note that a review of the capital programme has been undertaken and has resulted in the re-profiling of several projects to better reflect current projected timelines and in some cases, budgets increased or reduced to reflect more accurate anticipated project spend levels. Further details on the process undertaken are outlined in **Appendix 6**;
- (3) to note that the twelve-year programme now includes investment spend up to 2034-35 being the new year twelve, per the Council's Capital Investment Strategy. This longer term allows a greater flexibility in the planning of significant capital investment, which tends to have long lead in times, and will ensure adequate preparation and planning in terms of operational service activity;
- (4) to note that the approach to capital asset management has allowed the budget setting process for 2023-24 to incorporate a bid process for new capital investment;
- (5) to note that after the reprofiling of projects, removal of projects and inclusion of new projects for inclusion in the programme and the inclusion of new funding of £25.000m for the new 'Year 12' (2034-35) in the programme, a balance of unallocated funds of £11.262m remains uncommitted as under programming. It is anticipated that this under programming will be held pending the identification of projects being brought forward in future years for inclusion; and
- (6) to approve the overall twelve-year Capital Investment programme (inclusive of projects brought forward from 2022-23 to be completed in future years) which stands at £446.957m 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 reserve 2023-24

Specific Reserve Recommendations for 2023-24:

- (1) to note that the latest projected uncommitted balances on the Covid-19 Reserves as of 31 March 2023, is estimated to be £0.595m as shown in the table below:

Covid-19 uncommitted reserves	£m
Opening balance (March 2022):	0.792
December 2022 Child Bridging payment – extended criteria	(0.172)
North Ayr /River Ayr outdoor sports facility - increased contribution	(0.025)
Estimated uncommitted closing balance (March 2023)	0.595

- (2) to note that a review of the funds allocated to services in previous years will be undertaken at the end of 2022-23 and any unused funds or funds no longer required will be returned to the Covid-19 reserve for use in future years; and
- (3) to request, on determining the final out-turn position for 2022-23, that a report be brought forward to Cabinet by the Head of Finance, ICT and Procurement with proposals to use the remaining funds for Covid-19 and Cost of Living recovery activity during 2023-24.

4. Carbon Budget 2023-24

- (1) This year sees the introduction of South Ayrshire Council's third carbon budget. This comes in the context of a nationally declared Climate and Ecological Emergency and as the council work to refresh their Sustainable Development and Climate Change Strategy, introducing new targets and strengthening our actions and decision-making processes.
- (2) In October 2020 South Ayrshire Council adopted stretching targets for the reduction of the organisation's greenhouse gas emissions, with the aim of delivering against the council's public sector climate change duties as well as its moral and ethical obligations in this area. At the same time the council also committed to make a green recovery from Covid-19. This commitment 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, ensuring a just transition and that no groups are left behind by the transformation. The carbon budget is a key mechanism to deliver against these commitments while ensuring individual service needs and delivery is at the heart of how this is achieved.
- (3) Total accounted carbon emissions of the council in relation to electricity, direct fossil fuel use and grey mileage equated to 19,424.47 TCO₂e in 2019-20. The carbon budget for 2023-24 set out below considers the spend and trajectory the organisation needs to be on to meet its targets, as well as the historic carbon emissions required by individual service areas to provide for service delivery and meet the needs of the people of Ayrshire.

Directorate	TCO ₂ e
Chief Executive	508.19
Education	5,090.06
Health & Social Care	1,008.96
Housing, Operations and Development	3,655.53
Strategic Change and Communities	2,718.84
Ayrshire Roads Alliance	1,333.10
Total Carbon Budget 2023-24	14,314.68

*Note Total Carbon Budget 2022-23 was 15,578.70 TCO₂.

- (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 continue to be involved in the development of our annual carbon budget, and all will be central to the delivery of our climate change and sustainable development targets and ambitions going forward. Further background and details on the Carbon budget 2023-24 and the specific service-based target allocations are shown in **Appendix 11**.

5. Key Budget Risks

- (1) Within the budget proposals there are several inherent assumptions in arriving at figures and budget provisions and therefore risks, uncertainties and cost pressures that may be faced if costs change or new pressures emerge.
- (2) The following key risks and issues are highlighted in the context of this budget:
 - (1) The risk associated with using one off measures (surplus) to balance the budget in contrast to securing recurring funding through an increase in Council Tax income or through identifying additional savings;
 - (2) Outstanding pay award settlements;
 - (3) The impact of the wider economic climate on a range of factors including interest rates, employment, tax and income levels and service demands;
 - (4) Cost pressures, particularly demographic demand and inflation exceeding budget estimates;
 - (5) Unplanned capital investment requirements and the associated cost;
 - (6) The ability to continue to meet the expectations of our communities within a period of fiscal constraint; and
 - (7) The impact any further reduction in reserves would have on the Councils financial resilience and sustainability and in turn financial capacity to respond to unforeseen events or unbudgeted costs.
- (3) To provide a degree of risk mitigation, in February 2023 Cabinet agreed to set aside £2.500m of uncommitted reserves as an inflation reserve to be held to mitigate any temporary inflation risk occurring during 2023-24 and will be drawn down if costs incurred during 2023-24 relating to inflation are above the level included in the 2023-24 budget.

Directorate Service Expenditure Analysis

	Chief Executive	Education	Housing, Operations & Development	Strategic Change & Communities	Misc. Services	TOTAL
	£	£	£	£	£	£
Base expenditure	19,039,648	119,673,284	43,498,827	18,882,819	6,946,774	208,041,352
Service Expenditure demands:						
Pay awards, increments, payroll turnover etc.	783,892	3,556,160	1,482,448	707,048	155,665	6,685,213
Additional investment (Appendix 2)	2,398,758	2,669,549	2,566,200	722,832	2,431,395	10,788,734
Specific Grant funded expenditure	-	12,532,000	-	-	-	12,532,000
Debt charges (Appendix 8)	-	-	-	-	1,226,924	1,226,924
Efficiency/Savings						
Previously approved savings (Appendix 3)	(200,000)	-	-	(75,830)	-	(275,830)
New savings (Appendix 4)	(514,539)	(595,403)	(1,826,976)	(1,523,078)	(950,000)	(5,409,996)
NET EXPENDITURE	21,507,759	137,835,590	45,720,499	18,713,791	9,810,758	233,588,397
	Health and Social Care Partnership funding					96,349,449
	OVERALL PLANNED EXPENDITURE					329,937,846

Additional Investment/ Expenditure Pressures

	£
Chief Executive	
ICT – Oracle Fusion & Archiving contract increase	646,950
ICT Cyber protection – Security Operations Centre	60,000
ICT Contractual increases	18,864
Legal & Licensing – software contract increase	2,000
Trading Standards & Env. Health – Glasgow Scientific Services contract	6,000
Corporate Accounting – software contract increases	13,000
Revenues & Benefits – software contract increases	11,314
Employee Services – Cipd inform contract	3,000
Employee Services – software contract increases	2,630
Settlement changes – Devolving NDR empty property relief scheme	1,635,000
Total Chief Executive	2,398,758

Education	
Transport costs - ASN contract increase	209,584
Transport costs - Mainstream SPT contract increases	360,773
Ayr Academy new build - unitary charge increase	76,992
QMA new build - unitary charge increase	75,943
PPP – unitary charge increase	1,301,887
Seemis – contract increase	7,527
ELC – increase rate to funded providers	205,870
ELC – increased lunch costs	71,400
Settlement changes - School clothing grant	2,573
Settlement changes – Scottish Disability Assistance	33,000
Settlement changes – removal of school music tuition fees	9,000
Settlement changes – removal of school curriculum charges	12,000
Settlement changes – Whole Family Wellbeing Fund	303,000
Total Education	2,669,549

Housing, Operations and Development	
Asset Management – Software contract increase	15,000
Professional Design Services – Software contract increase	10,000
ARA – contract increase	500,000
Neighbourhood Services – Fuel price increase	68,951
Neighbourhood Services – Vehicle maintenance contract increase	77,018
Neighbourhood Services - Waste Management contract increase	1,346,454
Neighbourhood Services – Domestic Waste operational cost increase	91,087
Neighbourhood Services – Maintenance of equipment contract increase	9,264
Neighbourhood Services – Software contract increase	48,360
Facilities management – contract price increases	25,000
Settlement changes – Free School Meals expansion	300,066
Settlement changes – Local Energy Strategy	75,000
Total Housing, Operations and Development	2,566,200

Strategic Change and Communities	
Destination South Ayrshire – Maybole Campus Leisure facility operating costs	200,000
Destination South Ayrshire – 3G pitch maintenance cost increase	12,000
Destination South Ayrshire – Sport & Leisure contract increases	26,000
Destination South Ayrshire – Stables Café operational costs	147,952
Destination South Ayrshire – Lochgreen welfare building property costs	24,655
Destination South Ayrshire – Golf & Facilities supply contract increases	5,000
Destination South Ayrshire – Culture & Tourism supply contract increases	7,225
Destination South Ayrshire – New Riverside facility property costs	50,000
Destination South Ayrshire – Delivery of Ayrshow	250,000
Total Strategic Change and Communities	722,832

Miscellaneous Services – held centrally to be allocated	
External Audit – contract fee increases	24,664
Insurance premium – contract increase	271,357
Scotland Excel – contract increase	2,345
Strathclyde Passenger Transport – requisition increase	41,029
Utility increases - Electricity, Gas etc. contract increase	1,492,000
Non-Domestic Rates – revaluation increase	600,000
Total Miscellaneous Services	2,431,395
Total - All Directorates/Services	10,788,734

Previously Approved Savings

<i>Directorate</i>	<i>Proposal</i>	<i>2023-24 £</i>	<i>Approved by</i>
Chief Executive	ICT data centre hosting – alternative funding model	200,000	Nov 2022 Cabinet
Strategic Change and Communities	Review of Policy, Performance and Community Planning	75,830	Feb 23 Cabinet
Total previously approved savings		275,830	

New Savings Proposals

<i>Ref:</i>	<i>Proposal</i>	<i>2023-24 £</i>
Chief Executive		
DG-01	Reduction in property costs following move of Archive Service to new build facility	49,401
DG-06	Removal of vacant Archive post	10,950
DG-07	Removal of vacant Information Governance post	26,086
DG-08	Removal of vacant Print room post	2,912
DG-09	Removal of vacant Messenger post	11,621
DG-10	Review Members support team	27,653
DG-11	Reduction in Registration overtime budget	7,500
DG-12	Reduction in Council Officer overtime budget	5,000
DG-13	Reduction in various Members Support Administration budgets	2,100
DG-14	Reduction in Civic catering budget	3,000
DG-15	Reduction in various Committee Support Admin budgets	3,450
HR-01	Introduction of an Employee Benefit Framework Scheme	70,000
ICTOPS-03	Review Applications Support team structure	27,790
ICTOPS-04	Review Assets & Compliance team structure	13,213
ICTOPS-05	Removal of vacant System Assistant post	33,723
ICTOPS-07	Removal of various ICT hardware/software contract costs	47,854
L&L-03	Cease meeting medical referee costs - taxi/private hire	2,000
R&B-02	Reduce transport cost budget	3,000
TS&EH-01	Removal of vacant Authorised Officer post	43,300
TS&EH-02	Realign income budget based on current recovery rates and maximise various income recovery through advertising	14,000
TS&EH-03	Increase pest control fees to – Fumigations £120, Rats/Mice/Insects (domestic £81/commercial £140), Wasps: £52,	1,500
TS&EH-04	Reduce various Admin and Supplies and Services budgets	14,500
R&I-01	Realign income budget based on current recovery rates	6,000
PR-01	Removal of vacant Procurement Information Assistant post	30,037
PR-02	Introduce Early payment discount scheme via third-party supplier	30,000
ICTEA-01	Removal of vacant Web and Social Media Analyst post	27,949
Total Chief Executive		514,539

Education		
ED-02	Remove scholar subscription resource	21,021
ED-03	Removal subject Networks Principal Teachers allocated funding	25,000
ED-04	Reduce central Newly Qualified Teachers budget	41,915
ED-05	10% reduction in Devolved School Management budget	110,198
ED-06	Removal of Home Link Team	195,269
ED-07	10% reduction in Continuing Professional Development budget	12,000
ED-08	Expand use of technology to allow the removal of the transport consortia budget	20,000
ED-16	Reduce clothing grant eligibility criteria to the Scottish Government level	170,000
Total Education		595,403

Housing, Operations and Development		
AM-01	Transforming the Estate Review - rationalise council assets and remove various property costs	200,000
AM-02	Reduce the Central Repairs Account budget	300,000
FM-03	Removal of free school meals for supervising of pupils teaching staff in Primary and Secondary Schools	30,375
FM-04	Increase school meal price for Teaching staff by £1 plus VAT	37,050
FM-06	Reduce costs resulting from the transfer of Straiton Community Centre to the Community Association in March 2023.	18,214
FM-08	Closure of County Buildings canteen on a permanent basis and replace with vending operation	16,000
FM-09	Reduced office cleaning from 5 days to 3 days except for toilet and kitchen areas	71,103
FM-10	Reduction in the cleaning service applied to schools to a zoned cleaning operation	248,859
FM-12	Increase school meal prices by 20p to £2.35 and £2.45 in Primary and Secondary respectively	70,000
FM-13	Increase paid meal uptake in academies by 4% through marketing and pupil survey	102,000
P&BS-01	Realign Planning & Building Warrant income budget based on current recovery rates	40,000
P&BS-02	Reduce various Planning and Building Standards admin budgets	6,000
HS-01	Removal of various General Services transport budgets	2,974
HS-04	Reduction in budget for overtime - anti social behaviour	1,000
HS-05	Removal/Reduction of various Admin and Supplies & Services budgets in General Services Housing	2,975

<i>Housing, Operations and Development</i>		
HS-13	Increase income target from homeless rents based on current recovery levels	85,000
NS-02	HWRC Heathfield - generate an income from commercial and industrial customers.	38,232
NS-03	Commercial Waste – 5% Price Increase	60,427
NS-04	Bereavement – 5% Price Increases	106,767
ARA-01	Redesign of Winter Service through route optimisation	100,000
ARA-02	Digitalisation of Traffic Regulation Order and Temporary Traffic Regulation Order process	5,000
ARA-03	Implementation of Karbon tech gully monitoring	50,000
ARA-04	ARA Service redesign and transformation	200,000
ARA-05	Move all permit processing onto a digital platform	5,000
ARA-06	10% increase on ARA permit charges (road opening permits, scaffolding permits, traffic light permits.	10,000
ARA-07	10% increase on ARA Road Construction Consent inspection fees	10,000
ARA-08	5% increase on ARA harbour dues to be reviewed (visiting boats, landing charges, fishing boats and moorings)	10,000
Total Housing, Operations and Development		1,826,976

<i>Strategic Change and Communities</i>		
DSA-01	Review of the current Access to Leisure Scheme and consideration of future reintroduction	100,000
DSA-02	Partial Year 1 Reduction in Quay Zone Access to Leisure Financial Support following review of the scheme	20,000
DSA-03	Removal of core budget for the Marr Educational Resource Centre	28,000
DSA-04	Removal of Ayr Bids legacy budget	20,000
DSA-05	Increase in income target for gymnastics programme	15,000
OD&CS-01	Remove Customer Services Admin and supplies and Services budgets (2023-24 only)	5,042
OD&CS-02	Close building formerly used for Customer Services following co-locating in the Thriving Communities building next door.	12,633
ER -01	Remove various Admin and Supplies & Services budget in Economy and Regeneration Team	15,000
ER-02	Economy and Regeneration Team Service Review	200,000
ER-03	Reduction in grant funding to businesses	32,000
OD/SCC-01	Organisational Development and Strategic Change teams Service Review	100,000

Strategic Change and Communities		
SCC-01	Introduce Strategic Change Team savings target	200,000
SCC-02	Increase recharge of staffing costs to capital and Ayrshire Growth Deal projects based on current programme of activity	120,000
TC-01	Reduce various admin, Supplies & Services, property cost budgets across Thriving Communities teams	14,200
TC-02	Thriving Communities Service Review	300,000
TC-03	Removal of the budget for Participatory Budgeting	14,000
TC-05	Reduction in the budget for the Performing Rights Society	3,000
TC-06	Reduction in the budget for sessional staff for CLD.	6,000
TC-07	Increase in fees for Dolphin House	20,000
TC-08	Removal of budget for Positive Attitudes to Alcohol	3,400
TC-09	Reduce Modern Apprenticeship Budget	50,000
TC-10	Removal of post that supports Social Enterprises	55,000
TC-12	Reduce budget for Duke of Edinburgh Award	5,000
TC-13	Removal of Supplies & Services legacy budget in Community Services and Facilities	2,800
TC-14	Reduction in the budget for grants to voluntary organisations	7,000
TC-17	Reduction in third party payments to other agencies	10,000
TC-18	Community Halls review – net cost reduction	27,265
PP&CP-01	Increase income target generated from Private Landlord Registration	5,000
PP&CP-02	Increase income target generated from Private Leased accommodation	15,000
PP&CP-03	Review and reduce external housing support contracts	117,738
Total Strategic Change and Communities		1,523,078

Corporate		
Corp-01	Increase payroll management target	600,000
Corp-02	Increase all applicable fees & charges by 5%	350,000
Total Corporate savings		950,000

Total All Savings		5,409,996
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Equality Impact assessments - are available on request from Services for each new saving proposal.

Indicative scenario-based Revenue Budget 2024-25

- 1) It is considered good practice when assessing the financial outlook for a future year to apply different assumptions to provide a range of outcomes depending on a variety of factors. The table below provides an assessment of a best case, mid case and worse case outcome for 2024-25 based on varying several factors as outlined in section 2) and 3) below.

	Best Case	Mid Case	Worst Case
	£m	£m	£m
Funding:			
<i>Fixed income source across all scenarios:</i>			
Aggregate External Finance	256.598	256.598	256.598
<i>Variable income source across scenarios (per section 2 below):</i>			
Increase/(decrease) in SG general revenue grant funding	2.423	-	(2.423)
Planned use of PPP retrospective reserve	4.000	4.000	4.000
Council Tax base income	67.220	67.220	67.220
CT increase	3.362	2.689	2.017
Total anticipated funding	333.603	330.507	327.412
Expenditure:			
<i>Fixed expenditure pressures across all scenarios:</i>			
Base net service expenditure	329.998	329.998	329.998
Debt charges (per capital investment plan)	1.921	1.921	1.921
<i>Variable expenditure pressures across scenarios (per section 2 below):</i>			
Key Strategic Objectives/ additional investment	4.210	6.314	8.419
Pay uplifts	4.984	7.476	9.283
Total revised expenditure	341.113	345.709	349.621
Initial Budget surplus/(gap)	(7.510)	(15,202)	(22.209)

- 2) In terms of scenario planning several 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	1% increase	Flat cash	1% reduction
Approved use of reserves	£4m	£4m	£4m
Council Tax levels	5% increase	4% increase	3% increase
Key Strategic objectives/additional investment	Based on 50% of 2023-24 additional investment	Based on 75% of 2023-24 additional investment	Based on similar level of investment as 2023-24
Pay uplifts	2% uplift	3% uplift	4% uplift

- 4) Based on the above analysis savings of between £7.510m and £22.209m will be required to achieve a balanced budget for 2024-25. There is a significant amount of uncertainty across several 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 2023-24 to 2034-35

1. Background

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

The Corporate Asset Management Group has considered capital bids developed during 2022-23 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 (2022-23) 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 £446.957m is proposed for the twelve-year period 2023-24 to 2034-35.

2. Proposed new/adjusted projects for inclusion

Children & Families investment

Early Learning and Childcare – Troon ELC (Appendix 7 Ref: 1[a]): Additional funding of £600,000 in 2023-24 has been added to the programme to supplement the existing funding for Early Learning and Childcare – 1140 Hours Expansion – Various Projects.

Investment in the School Estate – New build projects (Appendix 7 Ref: 1[b]): Combines two previously budgeted new build school projects in to one overall new build project budget to allow Education Services to re-assess the need and requirement for future investment in the Education estate, subject to further approval, where condition and capacity pressures are greatest.

School Refurbishment Programme – Various Projects (Appendix 7 Ref: 1[c]): Additional funding has been added to the programme in the amount of £2,400,000 in 2034-35 for school refurbishment works.

Window and Roof Replacement – Various Projects (Appendix 7 Ref: 1[d]): Additional funding has been added to the programme in the amount of £150,000 in 2034-35 for window and roof replacement works.

Hourston Development (formerly Ayr Leisure Facility) (Appendix 7 Ref: 3[a]): The Ayr Leisure Facility has been removed from the programme and funding of £3,642,794 in 2023-24 has been provided, pending the outcome of the recently approved feasibility study, for further initial works and clearance of the site

ARA – Girvan South Pier Repairs (Appendix 7 Ref: 3[b]): Further investment of £12,800 has been added in 2023-24 for repairs to the harbour wall sheet piling. The total amount of investment for 2023-24 will be £132,800.

ARA - Road Reconstruction and Improvement (Appendix 7 Ref: 3[c]): Additional funding has been added to the programme in the amount of £2,500,000 in 2034-35 to continue to provide road users with an improved and safer road network which will have fewer potholes and a smoother surface.

ARA - Adapting to Climate Change – St Ninian’s Park Proposals (Appendix 7 Ref: 3[d]): Investment of £200,000 has been added to the programme over two years (£50,000 in 2025-26 and £150,000 in 2026-27) to reduce flood risk to properties in Prestwick and to improve the environment of St Ninian’s Park.

Cemetery Infrastructure Project (Appendix 7 Ref: 3[e]): Additional funding of £1,000,000 has been added in 2023-24 to continue to conduct cemetery infrastructure works.

Citadel Refurbishment (Appendix 7 Ref: 3[f]): £10,000,000 has been added to the programme over four years (£1,500,000 in 2023-24, £2,500,000 in 2024-25, £2,500,000 in 2025-26 and £3,500,000 in 2026-27) for the refurbishment of the Citadel Leisure Centre.

Coastal Change Adaptions (Appendix 7 Ref: 3[g]): £106,000 has been added to the programme in 2023-24 following confirmation of additional grant funding from the Scottish Government.

Cycling Walking Safer Routes (Appendix 7 Ref: 3[h]): Funding of £491,000 has been added to the programme to undertake projects linked to specific grant funding provided by the Scottish Government in 2023-24.

Girvan Regeneration Projects (Appendix 7 Ref: 3[i]): £3,000,000 has been added to the programme over two years (£1,500,000 in 2023-24 and £1,500,000 in 2024-25) for the regeneration works in Girvan.

Golf Course Infrastructure (Appendix 7 Ref: 3[j]): Funding of £5,000,000 has been added to the programme over three years (£1,500,000 in 2024-25, £2,500,000 in 2025-26 and £1,000,000 in 2026-27) for investment in golf course infrastructure.

Green Waste / Household Recycling and Waste Transfer Station (Appendix 7 Ref: 3[k]): Funding for the provision of a green waste facility / household recycling and a waste transfer station has been reduced and reprofiled. Revised funding is £10,533,750 over two financial years (£4,000,000 in 2023-24 and £6,533,750).

Northfield Bowling Centre Refurbishment (Appendix 7 Ref: 3[l]): Funding for the refurbishment of Northfield Bowling Centre has been reduced and reprofiled (£25,000 in 2023-24).

Place Planning and Community Led Projects (Appendix 7 Ref: 3[m]): Investment of £7,000,000 has been added to the programme over four years (£1,750,000 in 2023-24, £1,750,000 in 2024-25, £1,750,000 in 2025-26 and £1,750,000 in 2026-27) for place planning and community led projects.

Place Planning and Ayr Ward West/Ayr Town Centre Projects (Appendix 7 Ref: 3[n]): Investment of £4,000,000 has been added to the programme over four years (£1,000,000 in 2023-24, £1,000,000 in 2024-25, £1,000,000 in 2025-26 and £1,000,000 in 2026-27) for place planning and community led projects.

Promenade and Shorefront Improvement Scheme - (Appendix 7 Ref: 3[o]): Additional funding of £2,000,000 has been added to the programme over four years (£500,000 in 2023-24, £500,000 in 2024-25, £500,000 in 2025-26 and £500,000 in 2026-27) for the upgrade of various promenades.

Other investment

Equalities Act Budget – Various Projects (Appendix 7 Ref: 4[a]): Additional funding has been added to the programme in the amount of £300,000 in 2034-35 to continue to support the ongoing accessibility improvement work being conducted across the Council's property estate.

Property Refurbishment – Various Projects (Appendix 7 Ref: 4[b]): Additional funding has been added to the programme in the amount of £1,250,000 in 2034-35 to continue the funding that will support the ongoing refurbishment of the Council's property estate.

Rewiring Programme – Various Projects (Appendix 7 Ref: 4[c]): Additional funding has been added to the programme in the amount of £200,000 in 2034-35 to fund the ongoing rewiring programme in various properties.

Works to Facilitate Property Rationalisation – Various Projects (Appendix 7 Ref: 4[d]): Additional funding has been added to the programme in the amount of £100,000 in 2034-35 to facilitate property rationalisation.

Facilitate Introduction of Flexible Working (Appendix 7 Ref: 4[e]): A further allowance of £100,000 has been added in 2034-35 to continue the funding that will support the Introduction of Flexible Working.

Initial Work on Projects for Future Years (Appendix 7 Ref: 4[f]): Further provision has been made in the programme for initial work on projects in future years in the amount of £150,000 in 2034-35.

Ayrshire Growth Deal (Appendix 7 Ref: 4[g]): The expenditure profile has been updated to reflect the most up to date project cost profile and timing of Scottish Government and UK Government contribution expectations. It is likely that further re-profiling will be required as information regarding the exact timing of project spend in later years becomes clearer

Ayrshire Growth Deal – Regeneration Build Projects (Appendix 7 Ref: 4[h]): Investment of £55,173,500 is included within the programme profiled over several financial years (£380,000 in 2023-24, £2,000,000 in 2024-25, £10,000,000 in 2025-26, £11,943,500 in 2026-27, £12,500,000 in 2027-28, £11,000,000 in 2028-29 and £7,350,000 in 2029-30).

Pay Contribution to Capital Fund (Appendix 7 Ref: 4[i]): Following confirmation of additional funding from the Scottish Government towards the increased 2022-23 Local Government pay offer, a provision of £2,576,000 has been made in 2023-24 for the transfer to revenue via a contribution to the capital fund.

New Projects yet to be Specifically Identified (Appendix 7 Ref: 4[j]): Provision of £11,262,913 has been made in 2034-35 for new projects yet to be identified which will be held pending the identification of projects being brought forward in future years for inclusion in the programme.

Appendix 7 – Capital Investment Programme: Expenditure 2023-24 to 2034-35

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
1) Children & Families investment													
Carrick Academy (Maybole Campus)	15,703,000	-	-	-	-	-	-	-	-	-	-	-	15,703,000
Dailly Primary School Surplus Plot - Car Park	100,000	-	-	-	-	-	-	-	-	-	-	-	100,000
Early Learning and Childcare - Multi Year Capital Allocations	2,767,555	-	-	-	-	-	-	-	-	-	-	-	2,767,555
a) Early Learning and Childcare - Troon ELC													
Glenburn and St Ninian's Primary Schools shared campus	599,370	-	-	-	-	-	-	-	-	-	-	-	599,370
Girvan All Weather Pitch	815,000	-	-	-	-	-	-	-	-	-	-	-	815,000
Girvan Primary School	3,000,000	13,000,000	6,440,000	-	-	-	-	-	-	-	-	-	22,440,000
b) Investment in the Education estate - New build projects													
Investment in the Education estate - New build projects	-	-	-	2,000,000	10,130,000	4,000,000	-	10,732,000	11,947,000	891,000	-	-	39,700,000
c) School Refurbishment Programme - Various Projects													
School Refurbishment Programme - Various Projects	1,636,347	2,086,226	2,086,226	2,086,226	2,086,226	2,086,226	2,086,226	2,086,226	2,400,000	2,400,000	2,400,000	2,400,000	25,839,929
d) Window and Roof Replacement - Various Projects													
Window and Roof Replacement - Various Projects	109,214	150,000	150,000	150,000	150,000	200,000	200,000	200,000	150,000	150,000	150,000	150,000	1,909,214
	25,330,486	15,236,226	8,676,226	4,236,226	12,366,226	6,286,226	2,286,226	13,018,226	14,497,000	3,441,000	2,550,000	2,550,000	110,474,068

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
2) Health & Social Care investment													
Scheme of Assistance	680,000	500,000	600,000	600,000	600,000	600,000	600,000	600,000	-	-	-	-	4,780,000
North Ayr Health and Care Facility	-	-	-	-	-	-	-	9,000,000	-	-	-	-	9,000,000
	680,000	500,000	600,000	600,000	600,000	600,000	600,000	9,600,000	0	0	0	0	13,780,000

		2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total
		£	£	£	£	£	£	£	£	£	£	£	£	£
3)	Communities investment													
a)	Hourstons Development	3,642,794	-	-	-	-	-	-	-	-	-	-	-	3,642,794
	Ayrshire Roads Alliance - Bridge works (General)	278,000	362,000	200,000	-	-	-	-	-	-	-	-	-	840,000
	Ayrshire Roads Alliance - Bridge works (Victoria Bridge)	132,487	-	-	-	-	-	-	-	-	-	-	-	132,487
	Ayrshire Roads Alliance - Girvan Harbour Jetty Repairs	569,506	-	-	-	-	-	-	-	-	-	-	-	569,506
b)	Ayrshire Roads Alliance - Girvan South Pier Repairs	132,800	-	-	-	-	-	-	-	-	-	-	-	132,800
	Ayrshire Roads Alliance - LED replacement	-	-	-	-	100,000	100,000	100,000	100,000	-	-	-	-	400,000
	Ayrshire Roads Alliance - Local Flood Risk Plan	142,167	64,000	64,000	64,000	-	-	-	-	-	-	-	-	334,167
c)	Ayrshire Roads Alliance - Road Reconstruction and Improvement	2,812,472	3,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	1,500,000	1,500,000	1,500,000	2,500,000	28,312,472
	Ayrshire Roads Alliance - EV Charging Infrastructure	190,000	120,430	-	-	-	-	-	-	-	-	-	-	310,430
	Ayrshire Roads Alliance - Street Lighting	250,000	250,000	250,000	250,000	-	-	-	-	-	-	-	-	1,000,000
	Ayrshire Roads Alliance - Traffic Signals Renewals Programme	290,000	-	-	-	-	-	-	-	-	-	-	-	290,000
d)	Ayrshire Roads alliance - Adapting to climate change (St Ninians Park)	-	-	50,000	150,000	-	-	-	-	-	-	-	-	200,000
	Ayrshire Roads alliance -Facilities to assist with tourist and visitor facilities	150,000	-	-	-	-	-	-	-	-	-	-	-	150,000
	Belleisle Park - Additional Works	625,000	-	-	-	-	-	-	-	-	-	-	-	625,000
	CCTV Public Space Infrastructure	150,000	-	-	-	-	-	-	-	-	-	-	-	150,000
e)	Cemetery Infrastructure Project	2,435,000	250,000	100,000	100,000	-	-	-	-	-	-	-	-	2,885,000
f)	Citadel Refurbishment	1,519,998	2,500,000	2,500,000	3,500,000	-	-	-	-	-	-	-	-	10,019,998
g)	Coastal Change Adaptions	106,000	-	-	-	-	-	-	-	-	-	-	-	106,000
h)	Cycling Walking Safer Routes (grant funded works)	491,000	-	-	-	-	-	-	-	-	-	-	-	491,000
	Floating Pontoons - River Ayr	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000
i)	Girvan Regeneration Projects	1,500,000	1,500,000	-	-	-	-	-	-	-	-	-	-	3,000,000
	Golf Strategy - Health & Safety works	450,000	-	-	-	-	-	-	-	-	-	-	-	450,000
j)	Golf Courses - enhancement	-	1,519,998	2,500,000	1,000,000	-	-	-	-	-	-	-	-	5,019,998
k)	Green Waste / Household Recycling and Waste Transfer Station	4,000,000	6,533,750	-	-	-	-	-	-	-	-	-	-	10,533,750
	Masonhill Crematorium Upgrade of drainage	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
	Maybole Town Centre Regeneration - Town Hall	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
	Maybole Town Centre Regeneration - Public Realm Improvements to the High Street	357,250	-	-	-	-	-	-	-	-	-	-	-	357,250
	Maybole Regeneration – Project Team	70,000	-	-	-	-	-	-	-	-	-	-	-	70,000
	Maybole Regeneration – Small Grants Scheme	262,000	-	-	-	-	-	-	-	-	-	-	-	262,000
	Maybole Regeneration – Development Grant Scheme	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000
l)	Northfield Bowling Centre Refurbishment	25,000	-	-	-	-	-	-	-	-	-	-	-	25,000
	Place Plans	700,000	-	-	-	-	-	-	-	-	-	-	-	700,000
m)	Place Planning and Community led projects	1,750,000	1,750,000	1,750,000	1,750,000	-	-	-	-	-	-	-	-	7,000,000
n)	Place Planning and Ayr Ward West/Ayr Town Centre projects	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	4,000,000
o)	Promenade and Shorefront Enhancement Scheme	850,000	500,000	500,000	500,000	-	-	-	-	-	-	-	-	2,350,000
	Public Conveniences - Various Projects	366,805	-	-	-	-	-	-	-	-	-	-	-	366,805
	Rozelle House	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000
	VAT Recovery funds investment	411,411	-	-	-	-	-	-	-	-	-	-	-	411,411
	Mixed tenure grant	150,000	-	-	-	-	-	-	-	-	-	-	-	150,000
		26,329,690	19,850,178	11,414,000	10,814,000	2,600,000	2,600,000	2,600,000	2,600,000	1,500,000	1,500,000	1,500,000	2,500,000	85,807,868

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total
4) Other investment	£	£	£	£	£	£	£	£	£	£	£	£	£
<u>Buildings</u>													
Developers' Contribution related projects	970,158	-	-	-	-	-	-	-	-	-	-	-	970,158
a) Equalities Act Budget - Various Projects	370,800	300,000	300,000	300,000	300,000	350,000	350,000	350,000	300,000	300,000	300,000	300,000	3,820,800
Riverside Project	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
Net Zero Carbon Retrofit	450,000	-	-	-	-	-	-	-	-	-	-	-	450,000
Office and Welfare Facilities at Bridge Street, Girvan	1,250,000	-	-	-	-	-	-	-	-	-	-	-	1,250,000
b) Property Refurbishment - Various Projects	1,032,062	1,250,000	1,250,000	1,250,000	1,500,000	1,500,000	1,500,000	1,500,000	1,250,000	1,250,000	1,250,000	1,250,000	15,782,062
Relocation of Archive Centre	0	-	-	-	-	-	-	-	-	-	-	-	0
c) Rewiring Programme - Various Projects	200,000	200,000	200,000	200,000	250,000	250,000	250,000	250,000	200,000	200,000	200,000	200,000	2,600,000
d) Works to Facilitate Property Rationalisation - Various Projects	175,000	100,000	100,000	100,000	150,000	150,000	150,000	150,000	100,000	100,000	100,000	100,000	1,475,000
<u>Information Technology</u>													
Business systems	1,608,584	852,600	752,600	1,350,000	1,165,000	1,231,000	1,231,000	1,165,000	1,300,000	1,300,000	1,300,000	-	13,255,784
End User Computing	2,502,043	4,006,000	1,594,000	1,534,000	3,410,000	1,344,000	1,344,000	3,910,000	1,400,000	1,400,000	3,900,000	-	26,344,043
Information & Data	580,000	300,000	450,000	420,000	420,000	420,000	420,000	420,000	420,000	420,000	420,000	-	4,690,000
ICT Infrastructure	1,299,282	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	-	2,599,282
<u>Other</u>													
e) Facilitate Introduction of Flexible Working	280,000	100,000	100,000	100,000	150,000	150,000	150,000	150,000	100,000	100,000	100,000	100,000	1,580,000
f) Initial Work on Projects For Future Years	150,000	100,000	100,000	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,650,000
Repair & Renewal (works funded by contribution)	143,063	-	-	-	-	-	-	-	-	-	-	-	143,063
<u>Economic Regeneration</u>													0
g) Ayrshire Growth Deal	29,887,895	32,126,191	21,109,905	5,218,000	-	-	-	-	-	-	-	-	88,341,991
h) Ayrshire Growth Deal - Regeneration build programme	380,000	2,000,000	10,000,000	11,943,500	12,500,000	11,000,000	7,350,000	-	-	-	-	-	55,173,500
Hanger space (GPA)	2,750,000	-	-	-	-	-	-	-	-	-	-	-	2,750,000
<u>Local Government Pay</u>													
i) LG pay - transfer to revenue	2,576,000	-	-	-	-	-	-	-	-	-	-	-	2,576,000
<u>Future Years</u>													0
j) New Projects - Unallocated	-	-	-	-	-	-	-	-	-	-	-	-	11,262,913
	46,804,887	41,464,791	36,086,505	22,645,500	20,125,000	16,675,000	13,025,000	8,175,000	5,350,000	5,350,000	7,850,000	13,362,913	236,914,596
Total 12 year Capital Investment programme	99,145,063	77,031,197	56,776,731	38,295,726	35,691,226	26,161,226	18,511,226	33,393,226	21,347,000	10,291,000	11,900,000	18,412,913	446,956,534

Appendix 7 – Capital Investment Programme: Funding 2023-24 to 2034-35

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Capital Grant													
General Capital Grant	10,185,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	104,785,000
Specific Capital grants:-													
LG pay - transfer to revenue	2,576,000	-	-	-	-	-	-	-	-	-	-	-	2,576,000
Coastal Change adaptations	106,000	-	-	-	-	-	-	-	-	-	-	-	106,000
Cycling, Walking & Safer Routes	491,000	-	-	-	-	-	-	-	-	-	-	-	491,000
	13,358,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	107,958,000
Additional funding identified													
Anticipated capital receipts	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	200,000	200,000	200,000	200,000	2,800,000
Ayrshire Growth Deal Grant due in year	30,242,616	24,682,000	17,473,793	2,218,000	-	-	-	-	-	-	-	-	74,616,409
Developers contributions	819,671	-	-	-	-	-	-	-	-	-	-	-	819,671
Other Contributions - Grants / CFCR / CRA/R&R	68,063	-	-	-	-	-	-	-	-	-	-	-	68,063
	31,380,350	24,932,000	17,723,793	2,468,000	250,000	250,000	250,000	250,000	200,000	200,000	200,000	200,000	78,304,143
Borrowing													
Prudential borrowing	54,381,434	34,055,006	16,816,826	12,284,226	14,341,226	6,311,226	2,311,226	24,543,226	12,547,000	1,491,000	3,100,000	9,612,913	191,795,309
Ayrshire Growth Deal - Regeneration Build borrowing	380,000	2,000,000	10,000,000	11,943,500	12,500,000	11,000,000	7,350,000						55,173,500
Ayrshire Growth Deal borrowing - required based on spend and grant profile	(354,721)	7,444,191	3,636,112	3,000,000	-	-	-	-	-	-	-	-	13,725,582
	54,406,713	43,499,197	30,452,938	27,227,726	26,841,226	17,311,226	9,661,226	24,543,226	12,547,000	1,491,000	3,100,000	9,612,913	260,694,391
Total funding requirement	99,145,063	77,031,197	56,776,731	38,295,726	35,691,226	26,161,226	18,511,226	33,393,226	21,347,000	10,291,000	11,900,000	18,412,913	446,956,534

Appendix 8 – Capital Investment Programme: Debt Charge Implications

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	£	£	£	£	£	£	£	£	£	£	£	£
Principle	6,271,000	6,611,000	6,732,000	6,944,000	7,239,000	7,499,000	7,936,000	8,412,000	9,007,000	9,546,000	10,001,000	10,504,000
Interest	8,370,807	10,058,032	11,491,159	12,369,429	13,666,294	14,508,308	15,456,832	16,187,511	16,957,856	17,346,015	17,262,093	17,583,525
Expenses	184,032	174,162	170,564	169,670	169,777	169,779	169,366	169,426	169,710	168,794	167,384	166,449
Investment income	(965,000)	(1,061,500)	(1,061,500)	(1,013,250)	(1,013,250)	(1,037,375)	(1,061,500)	(1,085,625)	(1,109,750)	(1,109,750)	(1,085,625)	(1,085,625)
	13,860,839	15,781,694	17,332,223	18,469,849	20,061,821	21,139,712	22,500,698	23,683,312	25,024,816	25,951,059	26,344,852	27,168,349
Increase from previous year	1,226,923	1,920,855	1,550,529	1,137,626	1,591,972	1,077,891	1,360,986	1,182,614	1,341,504	926,243	393,793	823,497

Appendix 9 – Common Good Fund Revenue Budget 2023-24

	Ayr £	Prestwick £	Troon £	Girvan £	Maybole £
Income:					
Rental income	(535,000)	(29,225)	(179)	(945)	-
Other income	(7,500)	-	-	-	-
Contribution from South Ayrshire Council	-	-	-	(45,000)	-
Interest on balances	(11,000)	(2,000)	(200)	-	(15)
Total planned income	(553,500)	(31,225)	(379)	(45,945)	(15)
Expenditure:					
Caretaker recharge	21,500	-	-	-	-
Repairs and maintenance	105,500	1,421	200	1,750	-
Grounds maintenance	163,000	29,054	-	43,000	-
Utilities	47,000	-	-	1,195	-
Non-domestic rates/ council tax/ water	153,000	250	-	-	-
Insurance	30,000	-	-	-	-
Other property costs	15,500	-	-	-	-
Supplies and services	2,000	-	-	-	-
Other administrative costs	1,000	-	-	-	-
Support Service costs	15,000	-	-	-	-
Grants to voluntary organisations	-	500	-	-	-
Total planned expenditure	553,500	31,225	200	45,945	-
Planned (surplus)/ deficit for the year	-	-	(179)	-	(15)
Projected revenue surplus at 1 April 2023	(16,062)	(232,033)	(35,507)	(9,490)	(1,537)
Projected revenue surplus at 31 March 2024	(16,062)	(232,033)	(35,686)	(9,490)	(1,552)

Income budgets are based on anticipated rental income from properties owned by Ayr and Prestwick Common Good Funds due to the impact of economic recovery from Covid-19 restrictions and other market pressures. Expenditure budgets have been increased where possible to try to address market pressures on property maintenance, while seeking to maintain a minimum break-even position on revenue reserves.

Appendix 10 – Common Good Fund Capital Budget 2023-24

	Ayr £	Prestwick £	Troon £	Girvan £	Maybole £
Projected surplus balance at 1 April 2023	(532,448)	(34,699)	-	-	-
Planned expenditure	-	-	-	-	-
Anticipated income	(10,000)	-	-	-	-
Projected surplus balance as at 31 March 2024	(542,448)	(34,699)	-	-	-

This position assumes completion during 2022-23 of ongoing capital works to Rozelle House. Any new capital expenditure proposals will be brought forward during the year for Members' approval.

Carbon Budget 2023-24

1. Background

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

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

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

2. Carbon Budget 2023-24 target

Total accounted carbon emissions of the council in relation to electricity, direct fossil fuel use and grey mileage equated to 19,424.47 TCO₂e in 2019-20. The service delivery driving the generation of these emissions has been analysed on a service basis. Taking account of the council's adopted target and allowing for a proportionate and incrementally stepped approach to delivery of this, carbon expenditure for these source areas should total no more than 14,314.68 TCO₂e for financial year 2023-24 and these areas can be devolved to service level. Other organisational emissions source areas, namely emissions driven by the Councils commercial waste recycling and disposal and water use, have also been calculated as a top line, but at the current time can only be accounted for on an organisational basis.

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

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

3. Carbon Budget 2023-24 allocation on a service basis

<i>Directorate</i>	<i>Service Area</i>	<i>TCO_{2e}</i>
Chief Executive	Risk and Safety	7.03
	Employee Services and HR	44.49
	Legal and Licensing	17.96
	ICT Operations	165.53
	Revenue and Benefits	75.98
	Senior Leadership	15.55
	ICT Enterprise Architecture	3.91
	Corporate and Service Finance	42.98
	Trading Standards and Environmental Health	26.97
	Democratic Governance	87.33
	Internal Audit and Corporate Fraud	5.13
	Procurement	15.33
	Total Chief Executive	508.19
Education	Central ASN	100.59
	Central Early Years and Primary	47.48
	Central Education	20.95
	Education - Ayr Cluster	466.23
	Education - Belmont Cluster	945.99
	Education - Carrick Cluster	528.18
	Education - Girvan Cluster	494.50
	Education - Kyle Cluster	463.05
	Education - Marr cluster	844.08
	Education - Prestwick Cluster	812.73
	Education - Queen Margaret Cluster	366.28
	Total Education	5,090.06
Health and Social Care	Children's housing	45.88
	Reablement	158.99
	Maintenance Care	358.02
	Children's Services	104.23
	Children's Health	15.18
	Social Work Justice	36.04

<i>Directorate</i>	<i>Service Area</i>	<i>TCO_{2e}</i>
	Performance Planning and Administration	79.13
	Service Hubs – Troon, Prestwick, Maybole and Girvan	43.56
	Service Hubs - Ayr	44.77
	Learning Disability and Sensory Impairment	112.40
	Public Protection	6.64
	Mental Health	4.12
	Total Health and Social Care	1,008.96
Housing, Operations and Development	Planning and Building Standards	77.66
	Housing Services	353.17
	Professional Design Services	11.32
	Asset Management	95.54
	Property Maintenance	342.96
	Facilities Management	1,074.30
	Neighbourhood Services	1,700.58
	Total Housing, Operations and Development	3,655.53
Strategic Change and Communities	Sport and Leisure	1,304.32
	Golf	248.66
	Community Development and Employee Skills	437.35
	Housing Policy & Corporate Planning and Improvement	23.01
	Organisational Development and Customer Services	44.12
	Maybole Regeneration	26.09
	Tourism Events and Community Facilities	602.41
	Economic Regeneration	27.52
	Special Property Projects	5.36
	Total Strategic Change and Communities	2,718.84
Ayrshire Roads Alliance	Ayrshire Roads Alliance	1,333.10
	Total Ayrshire Roads Alliance	1,333.10
	Total all Services	14,314.68

4. Carbon Budget for years 2024-25 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. As part of the refresh of the Sustainable Development and Climate Change Strategy our carbon budget information and how it can be developed is being considered. There is a need to consider these given changes in organisational structure and the progress we made in the way we use technology and physical assets since the pandemic.

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

It should also be noted that there will be times when delivering appropriately in relation to our public sector climate change duties on an area wide basis in relation to climate change may compromise organisational carbon budget targets. In relation to this point, it should be noted that the council's area wide targets will also require to evolve and increasingly be factored into financial decision making and annual reporting. The Council's Sustainable Development and Climate Change Strategy refresh 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 hoped to become viable in the second half of the decade.

5. Future Financial Implications

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

