

SOUTH AYRSHIRE COUNCIL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 2nd March 2017 at 10.00 a.m.

Present: Councillors Helen Moonie (Provost), John Allan, Andy Campbell, Douglas Campbell, Ian Cavana, Alec Clark, Ian Cochrane, Brian Connolly, Peter Convery, Kirsty Darwent, Allan Dorans, Ian Douglas, Ann Galbraith, Bill Grant, William J. Grant, John Hampton, Hugh Hunter, Mary Kilpatrick, John McDowall, Nan McFarlane, Brian McGinley, Bill McIntosh, Rita Miller, Alec Oattes, Robin Reid, Philip Saxton, Margaret Toner and John Wallace.

Apologies: Councillors Hywel Davies and Sandra Goldie.

Attending: E. Howat, Chief Executive; V. Andrews, Executive Director – Resources, Governance and Organisation; L. Bloomer, Executive Director – Economy, Neighbourhood and Environment; D. Hutchison, Director of Educational Services; T. Eltringham, Director of Health and Social Care; R. Riddiough, Head of Legal and Democratic Services; T. Baulk, Head of Finance and ICT; J. Cronin, Head of Enterprise, Development and Leisure; C. Monaghan, Head of Communities; F. Mullen, Planning Manager; P. Dunne, Project Executive, Ayr Renaissance LLP; and J. McClure, Committee Services Lead Officer.

1. Provost.

The Provost

- (1) welcomed everyone to the meeting;
- (2) intimated that apologies had been received from Councillor Hywel Davies and noted the apologies now submitted on behalf of Councillor Sandra Goldie;
- (3) advised that she had written, on the Council's behalf, to express the Council's warmest congratulations to the following recipients of an award in the New Year's Honours List:-
 - Janette Henderson, MBE for services to health care;
 - George Powell, MBE for services to the community of Ayrshire; and
 - John Duncan, Lord Lieutenant of Ayrshire and Arran who received a CVO; and
- (4) outlined that, with the agreement of the Council, Item 14 on the agenda, the "Notice of Motions" would be considered after Item 4 on the agenda, the Minutes of Previous Meetings. The Council so concurred.

2. Sederunt.

The Chief Executive called the Sederunt for the meeting.

3. **Declarations of Interest.**

In terms of Council Standing Order No. 17 and the Councillors' Code of Conduct

- (1) Councillor Hunter declared an interest in Item 18 of this Minute entitled 'Service Review - General Services Housing' as he was Chair of South Ayrshire Care and Repair which was part of this review, and advised he would not take part in this item of business;
- (2) Councillor Oattes declared an interest in Item 18 of this Minute entitled 'Service Review - General Services Housing' as he was Vice-Chair of South Ayrshire Care and Repair which was part of this review, and advised he would not take part in this item of business;
- (3) Councillors Darwent, Dorans and McIntosh declared an interest in Item 14 of this Minute entitled 'Ayr Renaissance Business Plan' as they were members of the Ayr Renaissance LLP Board, however they advised that, as they perceived there was no conflict of interest, they would not leave the room when this item was being considered and would take part in discussions on this matter; and
- (4) the Executive Director – Economy, Neighbourhood and Environment declared an interest in Item 14 of this Minute entitled "Ayr Renaissance LLP Business Plan' as she was a member of the Ayr Renaissance LLP Board, however, as she was not part of the decision making process she would remain in the meeting to answer any questions from Elected Members on these reports.

4. **Minutes of previous meetings of Council and Panels.**

(1) **Minutes of previous meeting of Council.**

The Minutes of South Ayrshire Council of 15th December 2016 (**issued**) were submitted and authorised to be signed as a correct record of this meeting.

(2) **Minutes of previous meetings of Panels.**

The Minutes of the undernoted Panels (issued) were submitted for information:-

- (i) Audit and Governance Panel of [24th November 2016](#).
- (ii) Leadership Panel of [29th November 2016](#) and [17th January 2017](#).
- (iii) Local Review Body of [22nd November 2016](#), [13th December 2016](#) and [24th January 2017](#).
- (iv) Partnerships Panel of [22nd November 2016](#).
- (v) Public Processes Panel of [7th December 2016](#).
- (vi) Regulatory Panel – Licensing of [1st December 2016](#) and [19th January 2017](#).
- (vii) Regulatory Panel – Planning of [17th November](#) and [14th December 2016](#).
- (viii) Service and Performance Panel of [8th November](#), [8th December 2016](#).
- (ix) Ayrshire Shared Services of [10th November](#) and [8th December 2016](#).

5. **Variation in order of business.**

In terms of Council Standing Order No. 13(2), the Council agreed to vary the order of business as hereinafter minuted.

6. **Notice of Motions.**

- (a) A Notice of Motion having been submitted in accordance with Standing Order 18, Councillor Ian Cochrane, seconded by Councillor Allan Dorans, moved:-

“That Council note the Secretary of State for Work and Pensions has opted to use an 0345 premium rate telephone line for the new Universal Credit service. Department of Work and Pensions analysis revealed that 45% of all claimants are expected to use telephones to make claims or seek support.

That Council supports the recommendations made by the House of Commons Work and Pensions Select Committee which called on Government to use 0800 Freephone numbers for all benefit services and that vulnerable people and those on low incomes in South Ayrshire should not face expensive charges for seeking advice on or trying to process their benefit claims.

That Council requests the Chief Executive to write to The Secretary of State for Work and Pensions to make them aware of the view of the Council on this matter and to ask that they reconsider this matter.”

A full debate then took place regarding the terms of the Motion and the Council

Decided: unanimously, to agree the terms of the Motion as set out above.

- (b) A Notice of Motion having been submitted in accordance with Standing Order 18, Councillor Allan Dorans, seconded by Councillor Nan McFarlane, moved:-

In response to the significant dissatisfaction expressed by the general public and more specifically on behalf of the approximately 4,500 women in South Ayrshire who believe that this Council, who were elected to represent them, have unnecessarily rejected a valid opportunity to show their support for those adversely affected by the changes in the pension arrangements as outlined in part (2) of the Motion as submitted, it is proposed that Council agrees in accordance with Section 22.1 of Standing Orders Relating to Meetings, to the Suspension of Standing Orders, in order that the Motion at part (2) as submitted, which was considered and determined by this Council on 6th December 2016, be heard again and subject of further consideration and determination.

The Executive Director – Resources, Governance and Organisation advised that, in order to reconsider a Motion contrary to a previous decision of the Council within six months from the date of that decision, the Council would, in accordance with Standing Order No. 22.1, require to agree to do so by a two thirds majority of those present and voting.

On a vote being taken by a show of hands, eleven members voted for the Motion and seventeen members voted against. Accordingly as an insufficient number of members had supported the Motion in terms of Standing Order 22,

Decided: not to reconsider the matter detailed in part (2) of the Motion as submitted.

7. Revenue Estimates 2017/18 and Capital Estimates 2017.18.

There was submitted a [report](#) (issued) of 22nd February 2017 by the Head of Finance and ICT outlining the issues to be considered in setting revenue budgets for 2017/18 and setting capital budgets for 2017/18 and recommending that the Council

- (1) note the funding proposal as outlined by the Cabinet Secretary for Finance and the Constitution's letters of 15th December 2016 and 2nd February 2017 (attached as [Appendices 1](#) and [2](#) to the report);
- (2) note that the funding levels included within Finance Circular 9/2016 remained provisional until the Finance Order was approved in late February/early March 2017;
- (3) present and approve the budget proposals for revenue and capital for 2017/18 taking account of the conditions of the settlement that required to be met and incorporating:-
 - (a) planned net revenue expenditure on services for 2017/18;
 - (b) the level of reserves and fund balances held and contributions to/from these;
 - (c) the appropriate Band D Council Tax levy for 2017/18;
 - (d) the level of bad debt provision for non-collection of Council Tax;
 - (e) the proposed capital programme for 2017/18 and beyond and associated debt charge implications; and
 - (f) consideration of the financial projections for 2018/19 and;
- (4) presents and approves proposals for Common Good budgets for 2017/18.

Councillor McIntosh, seconded by Councillor McDowall, moved that the Council should accept the recommendations at (1) to (4) above and approve the proposals of the Conservative and Labour Members (copies of these proposals were previously issued and form Annex 1 to this Minute).

By way of Amendment, Councillor Dorans, seconded by Councillor Douglas Campbell, moved that the Council should accept the recommendations at (1) to (4) above and approve the General Services Revenue Budget 2017/18 proposals of the SNP Members (copies previously issued and which form Annex 2 to this Minute).

Clarification was sought by an elected member and confirmation provided by Councillor Dorans that the Amendment did not seek to amend the proposals relating to Capital and Common Good budgets as contained in the proposals of the Conservative and Labour Members.

Concerns were raised by Members regarding two separate budgets being submitted to this meeting for consideration and how it was hoped that any future administration and opposition members would work collaboratively to set the budget.

Discussions took place in relation to the challenges faced when producing the budget and the impact of the budget; the “running down” of reserves; Local Government funding cuts imposed by the Scottish Government; the budget allocation for the Health and Social Care Partnership; the procurement of locally sourced food for school meals; the new administration addressing rural poverty; the increase in Council Tax; the funding for improvements to Carrick Academy; and pupil : teacher ratios.

Following a question on the proposed date for removal of the generator from the courtyard of the County Buildings, Councillor McIntosh advised that he would respond to this question in writing.

On a vote being taken by a show of hands, nine Members voted for the Amendment and seventeen for the Motion which was accordingly declared carried.

The Council

Decided:

- (i) to accept the recommendations in the report by the Head of Finance and ICT and to approve the proposals of the Conservative and Labour Members as detailed in Annex 1 which forms part of this Minute; and
- (ii) to record their appreciation of the work undertaken on the Revenue Estimates 2017/18 and Capital Estimates 2017/18 by Elected Members, the Head of Finance and ICT and his Finance team and all Officers involved in the process.

8. Treasury Management and Investment Strategy 2017/18.

There was submitted a [report](#) (issued) of 23rd February 2017 by the Head of Finance and ICT seeking approval of the proposed Treasury Management and Investment Strategy for financial year 2017/18 (attached as [Appendix 1](#) to the report).

A question was raised regarding the overall capital payments within the PPP scheme and the Head of Finance and ICT advised that he would respond to this in writing.

Clarification was sought and provided on the impact the value of the pound continuing to fall against other currencies would have on the Strategy; and the credit rating of European countries and the Council, having thanked the Head of Finance and ICT and his Finance Team for their work,

Decided: to approve the Treasury Management and Investment Strategy for 2017/18.

Councillor Miller left the meeting at this point.

9. Revised Schedule of Meetings.

There was submitted a [report](#) (issued) of 22nd February 2017 by the Executive Director – Resources, Governance and Organisation seeking approval to amend the current Schedule of Council and Panel meetings for April 2017.

Following a question from a Member regarding arrangements for preparing new Elected Members for serving on Panels, the Executive Director – Resources, Governance and Organisation advised that discussion had taken place at the Member/Officer Working Group on this matter and that induction training would be provided for all Members following the Election.

The Council

Decided: to approve the revised Schedule of Meetings for April 2017 as outlined in Appendix 1(b) to the report.

Councillor Miller re-joined the meeting at this point.

10. South Ayrshire Charitable Trust.

There was submitted a [report](#) (issued) of 22nd February 2017 by the Executive Director – Resources, Governance and Organisation providing an annual update on the South Ayrshire Charitable Trust and seeking approval to amend the Trust Business Plan for the next financial year.

Clarification was sought and provided on the guidelines for the disbursement of funds and, having congratulated the Head of Legal and Democratic Services and his staff on the contents of the report, the Council as Trustees of South Ayrshire Charitable Trust

Decided:

- (1) to note the summary of grant funding made by the Trust during 2016/17 as detailed in [Appendix 1](#); and
- (2) to approve the Business Plan for the running of the Trust for the year 2017/18 as detailed in [Appendix 2](#) to the report.

Councillor McFarlane left the meeting at this point.

11. Social Work Complaints Handling Procedure.

There was submitted a [report](#) (issued) of 22nd February 2017 by the Head of Legal and Democratic Services seeking approval to adopt the Social Work Complaints Handling Procedure, attached as [Appendix 1](#) to the report.

Questions were raised on the number of complaints that had been received in the last twelve months and the Head of Legal and Democratic Services outlined that the full analysis had been included within a report which had previously been considered by the Service and Performance Panel and that he would provide the Member with this information; and the position in relation to complaints that had already been received and the Head of Legal and Democratic Services advised that those complaints received prior to 1st April 2017 would be considered by the Complaints Review Committee and all complaints received after that date would be considered under the Social Work Complaints Handling Procedure.

The Council, having noted that letters of thanks had been issued to all members of the Complaints Review Committee for their valuable work,

Decided:

- (1) to approve the adoption and publication of the Social Work Complaints Handling Procedure, attached as Appendix 1 to the report;
- (2) to adopt the 'Listening To You' public facing guide for customers on complaints for use in relation to social work complaints as well as other complaints;

- (3) to delegate to the Executive Director – Resources, Governance and Organisation the making of the necessary consequential amendments to the Council's guidance and policy documents to include reference to social work complaints; and
- (4) to delegate to the Chief Executive the completion and submission of the necessary statement and self-assessment of compliance to the Scottish Public Services Ombudsman (SPSO).

Councillor McFarlane re-joined the meeting at this point.

12. Proposed Town Centre and Retail Local Development Plan Modifications and Adoption.

There was submitted a [report](#) (issued) of 1st February 2017 by the Executive Director – Economy, Neighbourhood and Environment seeking approval

- (1) to modify the Proposed Town Centre and Retail Local Development Plan (RLDP) in line with Scottish Ministers' recommendations arising from the examination of the RLDP;
- (2) to publish the modified Plan and submit it to the Scottish Ministers as the Local Development Plan the Council intended to adopt;
- (3) of the Action Programme associated with the RLDP which set out the timescales and responsibilities for delivering the actions set out in the Plan; and
- (4) to retain the Local Development Plan Project Board as the mechanism to oversee implementation of the RLDP, including the post adoption Strategic Environmental Statement.

Concerns were expressed by Members that the Plan mainly related to Ayr and not other towns within South Ayrshire and the Head of Enterprise, Development and Leisure responded to this.

The Council

Decided:

- (a) to approve the modified Proposed Town Centre and Retail Local Development Plan for publication and submission to Scottish Ministers as the Council's intended subject specific adopted Local Development Plan;
- (b) to approve the Strategic Environmental Assessment on the Plan contained in Appendix 2 to this report as modified for submission to the Scottish Ministers;
- (c) to approve the Action Programme related to the Town Centre and Retail Local Development Plan, contained in Appendix 3 to the report, for consultation and subsequent submission to the Scottish Ministers for approval; and
- (d) to approve the retention of the Local Development Plan Project Board to oversee the implementation of the RLDP.

13. Formal Agreements Relating to the Quayzone, Girvan.

There was submitted a [joint report](#) (issued) of 21st February 2017 by the Head of Communities and the Head of Property and Risk seeking approval to agree the Minute of Agreement and the Lease for the Quayzone in Girvan with South Carrick Community Leisure.

The Council, having thanked the relevant officers for their work on this Project,

Decided:

- (1) to agree that the Council enter into a Minute of Agreement between the Council and South Carrick Community Leisure in terms of the draft contained in Appendix 1 for the operation of the Quayzone facility in Girvan; and
- (2) to delegate authority to the Executive Director – Resources, Governance and Organisation to conclude a Lease between the Council and South Carrick Community Leisure of the Quayzone facility in Girvan for a period of 40 years at a rent of £1 (if requested) per annum and on such other reasonable terms and conditions as appropriate and agreed between the parties.

Councillor Hampton left the meeting at this point.

Adjournment.

The time being 12.30 p.m., the Council agreed to adjourn for fifteen minutes.

Resumption of meeting.

The Council resumed at 12.45 p.m.

14. Housing Revenue Account (HRA) Revenue and Capital Estimates 2016/17.

There was submitted a [joint report](#) (issued) of 20th February 2017 by the Head of Housing and Facilities and the Head of Finance and ICT outlining the outcome of the review of the HRA Business Plan and seeking approval of the 2017/18 Revenue and 2017/18 – 2021/22 Capital Budgets.

Questions were raised by Members regarding the security of lock-ups which were being demolished to prevent vandalism; whether those tenants in rent arrears would still receive the two “free” periods where rent was not payable; and whether Local Members and Community Groups would be consulted regarding the construction of play parks and the Head of Housing and Facilities responded to these questions and confirmed that Local Members and Community Groups would be consulted regarding the play park construction.

The Council, having congratulated the Head of Housing and Facilities and his staff on the work undertaken,

Decided:

- (1) to note the work undertaken as part of the HRA Business Plan Review;

- (2) to agree to a review of the rental structure for temporary accommodation being undertaken to ensure transparency in payments to both the Housing Revenue Account and General Fund;
- (3) to agree to the demolition of lock-ups at Central Avenue and Brown Avenue, Troon and to declare lock-ups at Davidson Place, Ayr as surplus to requirements; and
- (4) to approve the 2017/18 HRA Revenue Budget and Five Year Capital Programme.

15. Ayr Renaissance Business Plan 2017/18.

There was submitted a [report](#) (issued) of February 2017 by the Executive Director – Economy, Neighbourhood and Environment seeking approval of the Ayr Renaissance Business Plan for 2017/18.

Clarification was sought and provided on the timescales and consultants for the archaeological digs taking place at the Riverside Block and the Council, having welcomed this report

Decided:

- (1) to approve this Council's contribution of £362,000; and
- (2) to note the progress made by Ayr Renaissance LLP in 2016/17.

16. Formal Questions.

The Council noted that no formal questions had been submitted.

17. Exclusion of press and public.

The Council resolved, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the press and public be excluded during consideration of the remaining items of business on the grounds that they involved the likely disclosure of exempt information in terms of paragraphs 4, 6 and 8 of Part 1 of Schedule 7A of the Act.

18. Complaint.

There was submitted a report (issued to members only) of 24th February 2017 by the Head of Legal and Democratic Services advising of further correspondence received from the Scottish Public Services Ombudsman (SPSO); and seeking approval to consider implementation of the additional recommendations.

A Motion by Councillor McIntosh and seconded by Councillor McDowall was circulated and a request to adjourn to consider this Motion was made by Councillor Ian Douglas and seconded by Councillor John Wallace.

On a vote being taken by a show of hands, fourteen Members voted to adjourn and eleven Members voted not to adjourn. The vote to adjourn was accordingly carried.

Adjournment.

The time being 1.25 p.m., the Council agreed to adjourn for 10 minutes.

Resumption of Meeting.

The Council resumed at 1.35 p.m.

Having reconvened, Councillor McIntosh, seconded by Councillor McDowall, moved

“that SPSO Recommendation 1 be accepted, that SPSO Recommendation 2 not be accepted and that the Chief Executive be requested to write to the complainant, a Director of the Company in the terms tabled to Council; and that the Council does not further consider SPSO Recommendation 3, as the payment of interest was considered and determined by the Leadership Panel on 17th January 2017 and there has been no change of circumstances which would suggest that decision should be reconsidered.

Decided: to agree the terms of the Motion as outlined above.

Having previously declared an interest in this item, Councillors Hunter and Oattes left the meeting during consideration thereof.

19. Service Review - General Services Housing.

There was submitted a report (issued to members only) of 24th February 2017 by the Head of Housing and Facilities seeking approval of the findings of the General Services Housing Service Review.

Decided: to approve the findings and recommendations of the General Services Housing Service Review as set out in Appendix 2 of the report.

Councillors Hunter and Oattes re-joined the meeting at this point.

20. Consideration of Disclosure of the above Confidential Reports.

Having heard the Executive Director – Resources, Governance and Organisation, the Council

Decided: not to authorise the disclosure under Standing Order 32.4 of the whole or part of the following reports:-

- Complaint; and
- Service Review – General Services Housing.

The meeting ended at 1.50 p.m.



**General Services Revenue Budget
2017/18**

and

**Capital Investment Programme
2017/18 to 2022/23**

**Proposals of
the Conservative and Labour
Members**

2 March 2017

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Summary Budget Proposals

I) General Services Revenue

Specific Revenue Budget Recommendations for 2017/18:

- (1) to levy a council tax charge of £1,188.57 for Band D. The resulting Council tax for all bands is as follows:

Table 1 - Calculation of Council Tax

<i>Band</i>	<i>Maximum house value</i>	<i>Number of houses</i>	<i>Weighting</i>	<i>Number weighted</i>	<i>Council tax</i>
A	27,000	5,838	240/360	3,892	£792.38
B	35,000	10,751	280/360	8,362	£924.44
C	45,000	7,615	320/360	6,769	£1,056.51
D	58,000	7,419	360/360	7,419	£1,188.57
E	80,000	8,641	473/360	11,353	£1,561.65
F	106,000	4,559	585/360	7,408	£1,931.43
G	212,000	2,918	705/360	5,714	£2,327.62
H	>212,000	279	882/360	684	£2,912.00
				51,601	
				Less bad debts 2.75 percent	1,419
				50,182	
				Council tax Band D £1,188.57	

- (2) to note that council tax income of £59.645m is available to fund service expenditure in 2017/18;
- (3) to provide 2.75 per cent for the non-collection of Council tax;
- (4) to utilise Aggregate External Finance of £195.658m to fund planned expenditure per Finance Circular 9/2016 and incorporating the additional £2.752m of funding allocated to the Council by the Scottish Government in February 2017, and comply with the settlement conditions;
- (5) to approve 2017/18 net service expenditure of £191.786m as shown in Table 2, excluding Health and Social Care Services, below:

Table 2/

Table 2 – Planned funding and expenditure 2017/18

	£m	£m
Funding:		
Council Tax income		59.645
Aggregate External Finance (AEF)		195.658
Use of reserves:		
Per June 2016 Council approval	4.600	
Per November 2016 Leadership Panel approval	0.652	5.252
Total anticipated SAC funding		260.555
Less funding delegated to South Ayrshire HSC		68.769
Total anticipated funding (excluding HSCP)		191.786
Expenditure:		
Base expenditure:		
Base net service expenditure		185.859
Updated service expenditure demands:		
Pay awards, increments, superannuation etc	2.840	
Key Strategic Objectives (Appendix 3)	3.178	
Improving educational attainment (specific grant funded)	2.423	
Gaelic initiatives (specific grant funded)	0.010	
Revised debt charges (Appendix 10)	1.215	9.666
Efficiency measures:		
Previously approved efficiencies (Appendix 4)	(3.509)	
Removed or delayed efficiencies (Appendix 5)	0.540	(2.969)
New efficiencies/savings proposed (Appendix 6)		(0.770)
Total planned net service expenditure (excluding HSCP)		191.786

(6) to note that the planned funding and expenditure of £191.786m shown, excluding Health and Social Care incorporates;

- ◆ directorate base expenditure from 2016/17 totalling, £185.859m;
- ◆ additional service expenditure of £6.018m for pay, corporate adjustments and additional investment in key priorities;
- ◆ additional spending of £2.423m for improving educational attainment allocated to schools across the council area as specified by the Scottish Government;
- ◆ additional spending of £0.010m for Gaelic initiatives;
- ◆ increased debt charge expenditure of £1.215m per **Appendix 10** to reflect the updated Capital Investment Programme detailed in **Appendix 8 and 9**;
- ◆ previously approved efficiency measures of £3.509m per **Appendix 4**

- ◆ the removal of £0.540m of efficiencies now considered unachievable per **Appendix 5**;
- ◆ new savings proposals of £0.770m as outlined in **Appendix 6**;
- ◆ the approved use of £4.600m of unallocated reserves per the council decision in June 2015; and
- ◆ the approved use of £0.652m of unallocated reserves to meet the requirements of the Councils recycling contract, being the first year of the two year agreement to utilise £1.304m of unallocated reserves approved by the Leadership Panel in November 2016.

A directorate service expenditure analysis of the above is shown in **Appendix 1** and a subjective analysis (employee costs, property costs etc.) version is shown in **Appendix 2**.

- (7) to delegate funding to the South Ayrshire Health and Social Care Integrated Joint Board of £68.769m, 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 2017/18 as follows:

Table 3 – Delegated Health and Social Care Partnership funding 2017/18

	£m	£m
Funding:		
2016/17 base budget		65.765
Base funding reduction per settlement agreement		(1.850)
Revised base funding 2017/18		63.915
Additional funding provided for:		
Expenditure pressures (Pay, Demographics, Contractual etc.)	2.801	
Expenditure pressures (Inspection related issues)	0.500	
Criminal Justice Social Work (specific grant funding)	1.553	4.854
Total SAC funding		68.769
Scottish Government funding via Health		8.300
Total anticipated HSCP funding 2017/18		77.069

- (8) to note that the approved Council Financial Strategy is to aim to maintain uncommitted reserves at 2% of net expenditure to meet the potential cost of unforeseen liabilities. This equates to circa £5.2m for 2017/18, inclusive of the Council's delegated Health and Social Care Partnership spending;
- (9) to note that the latest projected uncommitted balances on the Council's General Reserves at 31 March 2017, as considered by the Leadership Panel of 14 February, was estimated to be £8.181m, or 3.14% of planned future expenditure;
- (10) to approve the use of uncommitted reserves of £3.000m to support the initiatives outlined in Table 4 below for 2017/18:

Table 4 – Use of uncommitted reserves

	£m
Proposal:	
Invest in South Ayrshire	1.000
Ayrshire Growth Deal	0.500
Contribution to Participatory Budgeting	0.500
Contribution to Efficiency & Improvement fund	1.000
Total	3.000

- the Council approved the establishment of Invest South Ayrshire in March 2015 to attract and retain mobile investment from businesses headquartered outside of South Ayrshire. In order to secure investments the £1.000m contribution will facilitate the delivery of projects and will give South Ayrshire a real edge on its competitors in securing investment and jobs.
 - £0.500m to fund the continued development of the Ayrshire Growth Deal and secure sufficient provision for the Council to conclude negotiations on the growth deal work and to provide a fund to draw on for implementation;
 - to build on the Council’s successful community empowerment initiative, a further £0.500m of reserves is to be allocated over the six South Ayrshire localities. This amounts to more than £80,000 per locality, which will empower people and groups in local communities to submit funding bids for approval by their local community, limited to £10,000 per organisation; and
 - £1.000m as a contribution to the Efficiency & Improvement fund to ensure the continued investment in business transformation and efficiency projects to deliver long term financial savings and service benefits.
- (11) to note that, as part of the 2017/18 budget considerations, further efficiency proposals will be necessary to achieve a balanced budget for 2018/19, as shown in **Appendix 7**. Proposals are being developed and will be subject to further discussion and consultation in the coming months. It is therefore requested that the proposals, as they are developed and finalised, be brought before members during 2017/18 for consideration at future Council meetings.
- (12) to approve the 2017/18 revenue and capital budgets for Common Good Funds as stated in **Appendix 11 and 12**.

II) General Services Capital Investment Programme

Specific Budget Recommendations for 2017/18 to 2022/23:

- (1) to note that the current five Capital Investment Programme 2016/17 to 2020/21 was approved by the Council on 3 March 2016. 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 8**;
- (3) to note that, per recommended practice, the programme has been extended from its current five year timeframe to a six year timeframe. It is intended to extend this to an eight to ten year programme as part of future budget cycles. This approach will allow 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 2017/18 to incorporate a bid process for capital investment. This bid process has resulted in £38.152m of additional project spend being brought forward for inclusion in the six year investment programme. Details of these projects are outlined in **Appendix 8**;
- (5) to approve the overall Capital Investment programme as detailed in **Appendix 9** along with the estimated debt charge (revenue) implications of the borrowing required to undertake the programme as outlined in **Appendix 10**; and
- (6) to note the overall six year investment which, in line with the Council's financial strategy of investing an average of £25m per annum (inclusive of projects brought forward from 2016/17 to be completed in future years) stands at £144.821m spread across the following key strategic objectives;

Table 5 –Overall six year capital investment

	£m
Investment in:	
Our children and families	62.610
Our adults and older people	2.100
Our communities	28.852
Other Investment in:	
Buildings	29.167
Information Technology	3.123
Other	1.655
New unallocated project spend 2022/23	17.314
Total 6 year investment plan	144.821
Funding:	
General Capital Grants	64.386
Capital receipts/other contributions	3.823
Borrowing	76.612
Total anticipated funding	144.821

- (7) to note that the Council has committed to develop the Ayrshire Growth Deal along with other partner organisations. Given that projects within the bid are still being considered and the exact funding requirements are unknown, **no account** for any associated Ayrshire Growth Deal capital spend is included within the proposed six year capital programme attached as **Appendix 9**. Any future investment agreed by Council would require to be factored in to the programme and funded either through the allocation of funding from the 'projects yet to be specified' allowance held in 2022/23, additional borrowing, reduced spend elsewhere within the programme, utilising unallocated general reserves or by seeking funding from external sources such as the UK or Scottish Government.

Appendix 1 – Directorate Service Expenditure Analysis

	Chief Executive's Strategic Office £	Education Services £	Economy, Neighbourhood and Environment £	Resources, Governance and Organisation £	Miscellaneous Services (including debt charges) £	TOTAL £
Base expenditure	1,446,778	93,293,845	46,542,682	30,843,023	13,732,333	185,858,661
Service Expenditure demands:						
Pay awards, increments, superannuation etc.	95,418	1,212,146	709,947	321,575	501,107	2,840,193
Key strategic objectives (Appendix 3)	-	454,920	912,710	299,215	1,511,457	3,178,302
Specific Grant (Educational attainment/Gaelic)	-	2,423,000	-	-	10,000	2,433,000
Debt charges	-	-	-	-	1,214,607	1,214,607
Efficiency/Savings						
Previously approved savings (Appendix 4)	(25,000)	(1,139,701)	(437,062)	(916,991)	(990,000)	(3,508,754)
Removal of Previously approved prior year savings (Appendix 5)	-	-	540,000	-	-	540,000
New savings (Appendix 6)	-	(430,000)	(50,000)	-	(290,000)	(770,000)
NET SERVICE EXPENDITURE	1,517,196	95,814,210	48,218,277	30,546,822	15,689,504	191,786,009
SAC Health and Social Care Partnership funding						68,768,703
OVERALL PLANNED EXPENDITURE						260,554,712

Appendix 2 – Subjective Expenditure Analysis

	Chief Executive's Strategic Office £	Education Services £	Economy, Neighbourhood and Environment £	Resources, Governance and Organisation £	Miscellaneous Services (including debt charges) £	TOTAL £
Employee costs	1,409,762	71,003,000	38,234,925	18,971,696	(884,923)	128,734,460
Property costs	-	16,845,416	3,489,102	4,657,579	614,774	25,606,871
Supplies & services costs	70,513	2,598,552	6,669,907	2,447,565	346,868	12,133,405
Transport costs	2,236	3,649,544	5,409,517	118,982	105,730	9,286,009
Administrative costs	34,685	1,106,739	923,363	371,645	733,841	3,170,273
Support Service Costs	-	-	49,178	-	-	49,178
Payments to agencies & other bodies	-	2,159,800	18,931,093	1,769,055	1,143,912	24,003,860
Transfer payments		179,940	9,750	43,587,599	-	43,777,289
Financing costs	-	-	102,065	-	15,344,627	15,446,692
GROSS EXPENDITURE	1,517,196	97,542,991	73,818,900	71,924,121	17,404,829	262,208,037
Income	-	(1,728,781)	(25,600,623)	(41,377,299)	(1,715,325)	(70,422,028)
NET SERVICE EXPENDITURE	1,517,196	95,814,210	48,218,277	30,546,822	15,689,504	191,786,009

Appendix 3

Key Strategic objectives – additional investment

	£
Our Children & Families	
School Management: PPP inflationary cost	123,810
Ayr Academy new build - SAC unitary charge element (balance funded by SG contribution of £1.324m anticipated to be allocated later in the year)	222,000
Facilities management increased cost – new/refurbished school builds	151,511
Grounds Maintenance increase – new build schools	42,350
Local RCS Programme Officer funding	12,400
Named Person initiative funding	54,360
Safeguarders – Curator Fee statutory increase	25,000
Our Communities	
HSCP – Change fund (held by SAC awaiting a programme of bids for investment)	1,000,000
Gaiety Theatre revenue contribution for 2017/18 (one year only)	100,000
Our Environment	
Waste Management: Recycling contract increase (funded from reserves for two years)	652,000
Improvement programme investment in:	
<i>Buildings</i>	
Electricity, gas and fuel oil contractual increases	45,582
NDR and water increase	395,320
PPP utilities: contractual increase	6,555
Facilities management increased cost – new/refurbished properties	9,199
<i>Other</i>	
Modern Apprenticeships: Wage increase (combines national minimum wage increase plus increase to new rate of £5.50 per hour)	124,215
Investment in ICT core funding	150,000
Vehicle, plant and equipment leasing	64,000
Total	3,178,302

Appendix 4 – Previously approved 2017/18 savings

<i>Service area</i>	<i>Approved June 2015 £</i>	<i>Approved March 2016 £</i>	<i>Approved August 2016 £</i>
Chief Executive's Strategic Office			
Chief Executive	25,000	-	-
Total	25,000	-	-
Educational Services			
Schools	791,000	32,308	-
Curriculum, Qualification & assessment	110,000	-	-
Early Years & Childcare	-	17,765	-
Additional Support Needs	50,000	138,628	-
Total	951,000	188,701	-
Economy Neighbourhood and Environment			
Enterprise, Development & Leisure	30,000	105,216	-
Neighbourhood Services	162,000	21,000	-
Housing and Facilities	100,000	18,846	-
Total	292,000	145,062	-
Resources, Governance and Organisation			
Property & Risk	200,000	-	-
Finance & ICT	145,200	30,000	-
Legal & Democratic Services	101,894	27,000	-
<i>Employee & Customer Services</i>	412,897	-	-
Total	859,991	57,000	-
Miscellaneous			
All Services - procurement	-	200,000	-
All Services – 2015/16 out-turn review savings	-	-	790,000
Total	-	200,000	790,000
Previously approved savings total – All directorates	2,127,991	590,763	790,000
Total all previously approved			3,508,754

Appendix 5 - Removal of previously approved savings

<i>Service area</i>	<i>Proposal</i>	<i>2016/17 approved amount £</i>	<i>2017/18 approved amount £</i>
Sports, Leisure & Golf	Formation of Leisure Trust	334,493	-
	Transfer of Dam Park Athletics Stadium to alternative provider	17,608	52,824
Libraries Arts & Culture	Rozelle House Operating Model	55,075	-
Waste Management	Review of domestic waste collection	-	80,000
		407,176	132,824
Total savings removed			540,000

Appendix 6 - New savings proposals

<i>Service area</i>	<i>Proposal</i>	<i>2017/18 Amount £</i>
Corporate		
All services	Reduce revenue contribution to Ayr Renaissance (CORP – EQIA CORP01)	14,000
	Reduce revenue contribution to Ayrshire Joint Valuation Board (CORP – EQIA CORP02)	18,000
	Insurance premium cost reduction (CORP – EQIA CORP03)	250,000
	Reduce External Audit Fee(CORP – EQIA CORP04)	8,000
	Total	290,000
Educational Services		
Schools	School roll adjustment (EDU – EQIA ES01)	300,000
	School transport cost reduction (EDUC – EQIA ES02)	130,000
	Total	430,000
Economy Neighbourhood and Environment		
Neighbourhood Services	Reduced Strathclyde Passenger Transport requisition cost (ENE – EQIA ENE01)	50,000
	Total	50,000
Proposed savings total – All directorates		770,000

Equality Impact assessment

Equality Impact Assessment documentation for each of the new savings proposals outlined in **Appendix 6** can be found at: [link](#)

**Indicative Revenue Budget 2018/19
(Including HSCP)**

	2018/19 £m
Funding:	
Council Tax income	61.434
Aggregate External Finance	195.658
Assumed reduction in funding (2.5%)	(4.792)
Use of surplus for recycling contract spend	0.652
Total anticipated SAC funding	252.952
Direct HSCP funding	8.300
Total anticipated funding including HSCP	261.252
Expenditure:	
Base expenditure:	
Base net service expenditure	268,855
Service expenditure pressures:	
Key Strategic Objectives - additional investment (including HSCP)	6.593
Pay awards, increments, superannuation etc	2.411
Re-profiled/additional debt charges linked to revised capital investment programme (Appendix 10)	0.312
Total revised expenditure	278.171
Initial Budget surplus/(gap)	(16.919)

- (1) It should be noted that the above 2018/19 indicative budget assumes:
- a 2.5% reduction in Scottish Government General Revenue Grant funding;
 - that Council Tax is increased by 3% above the 2017/18 level;
 - that the £8.300m Health & Social Care Partnership direct funding received via Health is mainlined but not increased for 2018/19;
 - that the delegated spending on the Health and Social Care Partnership is contained in the base expenditure of £268.855m; and
 - the service expenditure pressures for 2018/19 are based on draft information provided during the current budget cycle.
- (2) In terms of a sensitivity analysis, any variation in Scottish Government funding from the 2.5% reduction assumed will vary the budget gap accordingly. For example if funding were to reduce by 3.5% instead of the 2.5% assumed, then this would increase the budget gap by a further £1.917m to £18.836m, whereas a 1.5% reduction in government funding would reduce the budget gap by £1.917m to £15.002m.

Appendix 8

General Services Capital Investment Programme 2017/18 to 2022/23

1. Background

The draft General Services Proposed six 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 2016/17 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 and allow bids to be developed throughout the year with full appropriate consultation.

Adjustments has been made to the programme to introduce new projects and to ensure funding that is not expended in the current financial year (2016/17) is re-profiled to future years to ensure that projects previously approved by Council are carried out. A total of £38.152m of new projects and additional project spend are proposed for inclusion in the 2017/18 to 2022/23 capital investment programme.

2. Proposed new projects for inclusion

Carrick Academy (Appendix 9 Ref. 1[a])

Funding for improvements to Carrick Academy in the amount of £7,010,000 has been added to the programme over two financial years: £5,510,000 (2021/22) and £1,500,000 (2022/23). Major maintenance works are required at the school which has a condition rating of C. Investment will be is required to address the condition issues at this school.

ICT Replacement in Schools (Appendix 9 Ref. 1[b])

Funding has been added to the programme in the amount of £200,000 and will be utilised in 2021/22.

School Refurbishment Programme (Appendix 9 Ref. 1[c])

An allowance of £2,500,000 has been added to the 2021/22 budget for future works to the school estate properties. These works will be identified and developed to ensure they are carried out in the planned year.

Window and Roof Replacement at Schools and Other premises (Appendix 9 Ref. 1[d])

An allowance of £500,000 has been added to the 2021/22 budget for future window and roof replacement works within the school estate properties. These works will be identified and developed to ensure they are carried out in the planned year.

Scheme of Assistance (Appendix 9 Ref. 2[a])

Funding has been added to the programme in the amount of £500,000 and will be utilised in 2021/22.

Ayr Renaissance Project (Appendix 9 Ref. 3[a])

Funding in the amount of £1,215,000 has been re-profiled into financial year 2017-18 relating to the major demolition project at the Riverside site in Ayr.

Cemetery Infrastructure Project (Appendix 9 Ref. 3[b])

Provision has been made in the programme for cemetery infrastructure works in the amount of £500,000 over two financial years: £300,000 (2021/22) and £200,000 (2022/23).

Girvan Harbour Jetty Repairs (Appendix 9 Ref. 3[c])

Funding in the amount of £300,000 has been added to the 2021/22 budget to carry out repairs to the jetty at Girvan Harbour.

Masonhill Crematorium – Upgrade of Drainage (Appendix 9 Ref. 3[d])

Funding to carry out an upgrade of the drainage system at Masonhill Crematorium has been added to the programme in the amount of £500,000 over two financial years: £250,000 (2021/22) and £250,000 (2022/23). The existing drainage installation at the crematorium is unsatisfactory and needs to be replaced including improved treatment and pipework.

Northfield Bowling Centre – Refurbishment (Appendix 9 Ref. 3[e])

Funding to carry out a refurbishment of Northfield Bowling Centre has been added to the programme in the amount of £535,000 over two financial years: £335,000 (2021/22) and £200,000 (2022/23). These works will ensure the National Bowling Centre is fit for purpose and the enhancements will enable an increase in the number of competitions held at this venue.

Roads Improvement and Reconstruction (Appendix 9 Ref. 3[f])

A further £3,450,000 has been identified for road improvements and reconstruction over two financial years: £2,000,000 (2021/22) and £1,450,000 (2022/23). These works will provide road users with a much improved and safer road network.

Streetlighting including LED Conversion (Appendix 9 Ref. 3[g])

An allowance has been added to the programme for the renewal of streetlighting including an LED conversion programme in the amount of £640,000 (2021/22). This budget will allow the replacement of sub-standard streetlighting columns and underground cabling together with an improved light fittings programme.

Burns House Demolition (Appendix 9 Ref. 4[a])

Funding of £1,260,000 has been added to the programme in 2021/22 for the demolition of Burns House. This property occupies a prominent position within Ayr and is in poor condition. New office accommodation project will allow staff to be relocated in office space that is modern and fit for purpose.

Equalities Act Budget (Appendix 9 Ref. 4[b])

An allowance of £500,000 has been added to the 2021-22 budget for future Equalities Act works within council properties. These works will be identified and developed to ensure they are carried out in the planned year.

Property Refurbishment (Appendix 9 Ref. 4[c])

Funding has been added to the programme in the amount of £1,250,000 and will be utilised in 2021/22. These works will be identified and developed to ensure they are carried out in the planned year.

Works to Facilitate Property Rationalisation (Appendix 9 Ref. 4[d])

Funding has been added to the programme in the amount of £250,000 and will be utilised in 2021/22.

Social Work Client Database (Appendix 9 Ref. 4[e])

A further £282,540 has been identified for the social work client database in 2019/20. This project has been approved in previous years, however additional costs to the project have been identified as being required.

Initial Work on Projects for Future Years (Appendix 9 Ref. 4[f])

Provision has been made in the programme for initial work on projects in future year in the amount of £300,000 over three financial years: £100,000 (2019/20), £100,000 (2020/21) and £100,000 (2021/22).

Project Management Costs (Appendix 9 Ref. 4[g])

Provision has been made in the programme for project management costs in the amount of £360,000 over three financial years: £120,000 (2019/20), £120,000 (2020/21) and £120,000 (2021/22).

New Projects yet to be Specifically Identified (Appendix 9 Ref. 4[h])

An allowance of £17,314,293 has been made in 2022/23 for the above. This will allow for new projects coming forward to be developed with consultation, project planning and design development.

Appendix 9 – Capital Investment Programme 2017/18 to 2022/23

		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
		£	£	£	£	£	£	£
1)	Our children and families							
	Annbank Primary	300,000	-	-	-	-	-	300,000
	Ayr Grammar Primary and Nursery project	750,000	7,850,000	2,950,000	-	-	-	11,550,000
	Carrick Academy All-weather pitch	195,000	-	-	-	-	-	195,000
a)	Carrick Academy	-	-	-	-	5,510,000	1,500,000	7,010,000
	Children's Residential Estate	440,000	-	-	-	-	-	440,000
	Children & Young People Bill - 3 and 4 year olds & looked after 2 year olds	1,150,000	-	-	-	-	-	1,150,000
	Dailly Primary School	75,000	-	-	-	-	-	75,000
	Early Learning and Childcare Secondary Legislation (1/7/14)- additional eligible 2 year olds	600,000	-	-	-	-	-	600,000
	Free School Meals Primaries 1 - 3	159,000	-	-	-	-	-	159,000
	Glenburn Primary	-	650,000	3,219,000	5,756,000	-	-	9,625,000
b)	ICT Replacement in Schools	50,000	75,000	125,000	-	200,000	-	450,000
	ICT Schools Wireless Network	185,000	100,000	-	-	-	-	285,000
	Invergarven School - New Build	2,660,000	739,000	-	-	-	-	3,399,000
	Kingcase Primary Upgrade	20,000	-	-	-	-	-	20,000
	Marr College Refurbishment	9,502,025	-	-	-	-	-	9,502,025
	Monkton Primary school	30,000	-	-	-	-	-	30,000
	Queen Margaret academy – New Build and upgrade works	55,000	564,424	-	-	-	-	619,424
	Sacred Heart Primary	-	-	1,230,000	2,355,000	-	-	3,585,000
c)	School Refurbishment programme - to be allocated	1,429,695	2,389,387	3,500,000	1,940,000	2,500,000	-	11,759,082
	Tarbolton - New Primary School	100,000	-	-	-	-	-	100,000
	Troon Primary Dining Hall	750,000	-	-	-	-	-	750,000
d)	Window & Roof Replacement at Schools & other premises - to be allocated	106,000	100,000	150,000	150,000	500,000	-	1,006,000
		18,556,720	12,467,811	11,174,000	10,201,000	8,710,000	1,500,000	62,609,531

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£	£	£	£	£	£	£
2) Our adults and older people							
a) Scheme of Assistance	400,000	400,000	400,000	400,000	500,000	-	2,100,000
	400,000	400,000	400,000	400,000	500,000	-	2,100,000
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£	£	£	£	£	£	£
3) Our communities							
Ayr Cemetery Extension	250,000	-	-	-	-	-	250,000
a) Ayr Renaissance Project	1,215,000	-	-	-	-	-	1,215,000
Bridge strengthening projects - general	65,000	-	-	-	-	-	65,000
Bridge strengthening - Bridge of Coyle Deck Replacement	150,000	-	-	-	-	-	150,000
Bridge strengthening - South Balloch bridge	69,000	-	-	-	-	-	69,000
Bridge strengthening - Bowburn bridge	34,744	-	-	-	-	-	34,744
b) Cemetery infrastructure project	375,000	1,900,000	1,410,000	1,490,000	300,000	200,000	5,675,000
Citadel Enhancement	45,695	-	-	-	-	-	45,695
Clubhouse Improvements (Girvan Golf Club)	34,000	-	-	-	-	-	34,000
CWSS	154,000	-	-	-	-	-	154,000
Girvan regeneration project	50,000	-	-	-	-	-	50,000
c) Girvan Harbour jetty repairs	-	-	-	-	300,000	-	300,000
Heritage lottery match funding - Belleisle	927,000	765,000	200,000	-	-	-	1,892,000
Masonhill Crematorium boiler replacement	50,000	-	-	-	-	-	50,000
d) Masonhill Crematorium upgrade of drainage	-	-	-	-	250,000	250,000	500,000
e) Northfield Bowling Centre refurbishment	-	-	-	-	335,000	200,000	535,000
Public Conveniences	140,000	-	-	-	-	-	140,000
f) Roads Reconstruction & Improvement	1,000,000	1,000,000	2,750,000	4,000,000	2,000,000	1,450,000	12,200,000
g) Streetlighting	500,000	700,000	1,060,000	640,000	640,000	-	3,540,000
SPT/Transport Scotland projects	42,001	-	-	-	-	-	42,001

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£	£	£	£	£	£	£
Our communities (cont.)							
Travellers Site	-	110,375	-	-	-	-	110,375
Troon Cemetery Extension	400,000	-	-	-	-	-	400,000
Waste Transfer Station - Walker Road	-	-	50,000	1,350,000	-	-	1,400,000
	5,501,440	4,475,375	5,470,000	7,480,000	3,825,000	2,100,000	28,851,815

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£	£	£	£	£	£	£
4) Other investment in:							
Buildings							
a) Burns House demolition	-	-	-	-	1,260,000	-	1,260,000
County Buildings – new power supply	184,240	-	-	-	-	-	184,240
Developers' Contributions	1,277,074	-	-	-	-	-	1,277,074
Depot Improvements throughout South Ayrshire	500,000	-	606,000	-	-	-	1,106,000
b) Equalities Act Budget	240,226	250,000	-	-	500,000	-	990,226
New Office Accommodation	249,243	8,000,000	5,406,219	-	-	-	13,655,462
c) Property Refurbishment - Unallocated	1,250,000	1,000,000	1,500,000	1,279,125	1,250,000	-	6,279,125
Relocation of Archive Centre	200,000	2,000,000	520,000	825,000	-	-	3,545,000
Rewiring Programme (including Residual Decoration Work etc)	220,000	-	-	-	-	-	220,000
d) Works to Facilitate Property Rationalisation	200,000	100,000	100,000	-	250,000	-	650,000
Information Technology							
Corporate MFD's	105,000	-	-	-	-	-	105,000
Finance System Upgrade (budgeting)	250,000	-	-	-	-	-	250,000
Finance System Upgrade (debtors)	180,000	-	-	-	-	-	180,000
ICT Infrastructure Renewal	296,000	50,000	50,000	40,000	-	-	436,000
Mobile devices	38,000	65,000	-	-	-	-	103,000
Oracle system development	144,335	-	-	-	-	-	144,335

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Other Investment (cont.)	£	£	£	£	£	£	£
Oracle payroll development	100,000	-	-	-	-	-	100,000
Oracle dataguard	140,000	-	-	-	-	-	140,000
PC refresh	308,986	100,000	200,000	100,000	-	-	708,986
Property Maintenance work scheduling system	90,000	-	-	-	-	-	90,000
e) Social Work Client Database	302,517	280,617	282,540	-	-	-	865,674
Other							
Facilitate Introduction of Flexible Working	85,000	50,000	100,000	250,000	-	-	485,000
f) Initial Work on Projects For Future Years	170,000	100,000	100,000	100,000	100,000	-	570,000
g) Project Management Costs	120,000	120,000	120,000	120,000	120,000	-	600,000
h) New projects – to be identified	-	-	-	-	-	17,314,293	17,314,293
	6,650,621	12,115,617	8,984,759	2,714,125	3,480,000	17,314,293	51,259,415
Total 6 year Capital Programme Spend	31,108,781	29,458,803	26,028,759	20,795,125	16,515,000	20,914,293	144,820,761

Capital Investment Programme: Funding

	2017-18	2017-18	2018-19	2019-20	2020-21	2022/23	Total
	£	£	£	£	£	£	£
Funding Type							
General Capital Grant	12,077,000	-	-	-	-	-	12,077,000
Estimated capital grant in future years	-	11,155,000	11,000,000	10,000,000	10,000,000	10,000,000	52,155,000
Specific Capital grants:-							
Cycling, Walking & Safer Streets	154,000	-	-	-	-	-	154,000
	12,231,000	11,155,000	11,000,000	10,000,000	10,000,000	10,000,000	64,386,000
Additional funding identified							
Capital receipts	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000
Citadel funding brought forward from previous years	45,695	-	-	-	-	-	45,695
Travellers site brought forward from previous years	-	110,375	-	-	-	-	110,375
Developers contributions to match expenditure	1,277,074	-	-	-	-	-	1,277,074
Other Contributions - Grants/CFCR/CRA	889,821	-	-	-	-	-	889,821
	2,462,590	360,375	250,000	250,000	250,000	250,000	3,822,965
Cash Funding available	14,693,590	11,515,375	11,250,000	10,250,000	10,250,000	10,250,000	68,208,965
Borrowing	16,415,191	17,943,428	14,778,759	10,545,125	6,265,000	10,664,293	76,611,796
Total funding requirement	31,108,781	29,458,803	26,028,759	20,795,125	16,515,000	20,914,293	144,820,761

Appendix 10 - Capital Investment Programme: Debt Charge implications

Base 2017/18		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
£		£	£	£	£	£	£
6,983,548	Principal	7,812,681	8,138,565	8,317,684	8,727,957	9,482,983	9,895,828
5,995,162	Interest	6,182,055	6,167,624	6,373,452	6,328,430	6,355,376	6,300,895
104,177	Expenses	157,566	158,334	159,688	160,117	159,556	158,625
(279,867)	Investment Income	(134,675)	(134,675)	(134,675)	(134,675)	(134,675)	(134,675)
12,803,020		14,017,627	14,329,848	14,716,149	15,081,829	15,863,240	16,220,673
	Movement from previous year - increase/(decrease)	1,214,607	312,221	386,301	365,680	781,411	357,433

Appendix 11 – Common Good Fund revenue budgets 2017/18

	Ayr £	Prestwick £	Troon £	Girvan £	Maybole £
Income:					
Rental income	(626,000)	(23,650)	-	-	-
Other income	(7,500)	-	-	-	-
Contribution from South Ayrshire Council	-	-	-	(45,000)	-
Interest on balances	(15,000)	(2,000)	(200)	-	(15)
Total planned income	(648,500)	(25,650)	(200)	(45,000)	(15)
Expenditure:					
Caretaker recharge	22,000	-	-	-	-
Repairs and maintenance	130,000	-	200	1,750	-
Grounds maintenance	170,000	30,000	-	43,000	-
Utilities	50,000	-	-	250	-
Non-domestic rates/ council tax/ water	168,000	900	-	-	-
Insurance	5,000	-	-	-	-
Other property costs	19,000	-	-	-	-
Supplies and services	7,000	-	-	-	-
Other administrative costs	2,500	-	-	-	-
Grants to voluntary organisations	-	500	-	-	-
Total planned expenditure	573,500	31,400	200	45,000	-
Planned (surplus)/ deficit for the year	(75,000)	5,750	-	-	(15)
Projected revenue surplus at 1 April 2017	(152,513)	(261,741)	(34,652)	(9,490)	(1,601)
Budgeted 2017/18 (surplus)/ deficit	(75,000)	5,750	-	-	(15)
Projected revenue surplus at 31 March 2018	(227,513)	(255,991)	(34,652)	(9,490)	(1,616)

Appendix 12 – Common Good Fund capital budgets 2017/18

	Ayr £	Prestwick £	Troon £	Girvan £	Maybole £
Projected surplus balance at 1 April 2017	(1,039,915)	(34,699)	-	-	-
Planned expenditure	-	-	-	-	-
Anticipated income	(10,000)	-	-	-	-
Projected surplus balance as at 31 March	(1,049,915)	(34,699)	-	-	-

At present there is no planned activity in terms of capital spend for Common Good Funds during 2017/18.

south
AYRSHIRE
COUNCIL

South Ayrshire Council

General Services Revenue Budget for 2017/18

**Proposals of the SNP Group
2 March 2017**

To implement the SNP proposals for Moving South Ayrshire Forward

- ◆ to provide for SNP priority of £150,000 to increase staff to support communities in Ayr North and Girvan;
- ◆ to provide for SNP priority to employ 2 staff £70,000 to be deployed to reduce delays in the delivery of support to those affected by the effects of Westminster welfare reform;
- ◆ to provide for SNP priority of £20,000 to support local galas during 2017 pending a full review of the support for community events;
- ◆ To provide for SNP priority of £138,000 for Education Additional Support Needs staff (all above detailed in Appendix 2);

- ◆ to increase debt charge expenditure of £1.264m to reflect the updated Capital Investment Programme for SNP priority to include an additional £2 million investment to develop Ayr riverside in support of Ayr Renaissance;
- ◆ to provide for additional service expenditure of £6.028m for pay, corporate adjustments and additional investment in key priorities as shown in Appendix 1 with further analysis in Appendix 2;
- ◆ to note previously approved efficiency measures of £3.509m per Appendix 3, excluding measures approved for the Health and Social Care Partnership;
- ◆ to approve the removal of £0.646m of previously approved efficiencies as shown in Appendix 4 and to request a review of the Planning Service and Building Control service as a result of a fall in anticipated income;
- ◆ To approve new savings of £1.914m as detailed in Appendix 5 which includes an increase in payroll management savings target in recognition of the underspend in teachers' salaries over the past 6 years; savings in Education caused by the decline in population, the effect on school rolls and to reassess the Local Development Plan for measures that are limiting the opportunities for housing developments in South Ayrshire;
- ◆ Reduce use of reserves agreed on 30 June 2016 by £1.175m and to instruct work to establish medium term financial plan over the term of the next Council and to consider best use of reserves to smooth the anticipated effect of varying Grant Aided Expenditure.

- (1) to note the revised Council Tax Banding and to increase the Council tax by 3%;
- (2) to note that council tax income of £59.645m is available to fund service expenditure in 2017/18;
- (3) to provide 2.75 per cent for the non-collection of council tax;
- (4) to utilise Aggregate External Finance of £195.658m to fund planned expenditure per Finance Circular, inclusive of additional notified funding of £2.423m for Educational Attainment and comply with settlement conditions;
- (5) to delegate funding to the South Ayrshire Health and Social Care Integrated Joint Board of £68.573m to be added to the £8.3m of funding provided by the Scottish Government via Health to ensure desired outcomes for Social Care in 2017/18;
- (6) to approve 2017/18 net service expenditure of £190.807m as shown in Appendix 1.

Council Tax

Band	Maximum house value	Number of houses	Weighting	Number weighted	Council tax
A	27,000	5,838	240/360	3,892	£792.38
B	35,000	10,751	280/360	8,362	£924.44
C	45,000	7,615	320/360	6,769	£1,056.51
D	58,000	7,419	360/360	7,419	£1,188.57
E	80,000	8,641	473/360	11,353	£1,561.65
F	106,000	4,559	585/360	7,408	£1,931.43
G	212,000	2,918	705/360	5,714	£2,327.62
H	>212,000	279	882/360	684	£2,912.00
				51,601	
				Less bad debts 2.75 percent	1,419
				50,182	

Council tax Band D	£1,188.57
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	£m
Gross Council tax income	59.645

Summary Budget 2017/18 - Appendix 1

	£m	£m
Funding:		
Aggregate External Finance (AEF)		195.658
Council Tax income		59.645
Use of reserves:		
Per June 2016 Council approval	3.425	
Per November 2016 Leadership Panel approval	0.652	4.077
Total anticipated SAC funding		259.380
Less funding delegated to South Ayrshire HSC (see below)		68.573
Total anticipated funding (excluding HSCP)		190.807
Expenditure:		
Base expenditure:		
Base net service expenditure		185.859
Updated service expenditure demands:		
Service expenditure pressures (Appendix 2)	3.188	
Pay awards, increments, superannuation etc	2.840	
Improving educational attainment (specific grant funded)	2.423	
Gaelic initiatives (specific grant funded)	0.010	
Revised debt charges	1.264	9.725
Efficiency measures:		
Previously approved efficiencies (Appendix 3)		(3.509)
Removed or delayed efficiencies (Appendix 4)		0.646
New efficiencies/savings proposed (Appendix 5)		(1.914)
Total planned net service expenditure (excluding HSCP)		190.807

The above budget is summarised on a service analysis basis in Appendix 1

Health & Social Care Partnership Funding

	£m	£m
Funding:		
2016/17 base budget		65.765
Base funding reduction per settlement agreement		(1.850)
Revised base funding 2017/18		63.915
Additional funding provided for:		
Expenditure pressures (Demographics, Contractual etc.)	2.568	
Expenditure pressures (Pay)	0.609	
Criminal Justice Social Work (specific grant funding)	1.553	4.730
Spend to save expenditure pressure investment: associated saving		(0.072)
Total SAC contribution		68.573
Scottish Government funding via Health		8.300
Total anticipated HSCP funding 2017/18		76.873

Service Analysis - Appendix 1

	Chief Executive's Strategic Office	Education Services	Economy, Neighbourhood and Environment	Resources, Governance and Organisation	Miscellaneous Services (including debt charges)	TOTAL
	£m	£m	£m	£m	£m	£m
Base expenditure	1.447	93.294	46.543	30.843	13.732	185.859
Service Expenditure demands:						
Service pressures (Appendix 2)	-	0.596	1.503	0.577	0.512	3.188
Pay awards, increments, superannuation etc.	0.095	1.212	0.710	0.322	0.501	2.840
Specific Grant (Educational attainment/Gaelic)	-	2.423	-	-	0.010	2.433
Debt charges	-	-	-	-	1.264	1.264
Efficiency/Savings						
Previously approved savings (Appendix 3)	(0.025)	(1.140)	(0.437)	(0.917)	(0.990)	(3.509)
Removal of Previously approved prior year savings (Appendix 4)	-	-	0.646	-	-	0.646
New savings (Appendix 5)	-	(1.500)	(0.050)	(0.106)	(0.258)	(1.914)
NET SERVICE EXPENDITURE	1.517	94.885	48.915	30.719	14.771	190.807
SAC Health and Social Care Partnership funding						68.573
OVERALL PLANNED EXPENDITURE						259.380

Service Pressures and Priority Spend - Appendix 2

	£m
Educational Services	
Investment in ASN - to continue support for children with learning issues	0.138
School Management: PPP inflationary cost	0.124
Ayr Academy new build - SAC unitary charge element	0.222
SQA payments	0.003
Copyright obligations in schools	0.001
Early Years QIO Post	0.035
Local RCS Programme Officer	0.031
Grounds maintenance for capital - Invergarven and Ayr Academy	0.042
Educational Services Total	0.596
Economy, Neighbourhood and Environment	
Communities staff - to provide support to communities in Girvan and Ayr North	0.150
Investment in Galas - to ensure community events for 2017	0.020
Waste Mgmt: Gate fees/ contractual increases	0.112
Waste Management: Recycling contract increase (funded from reserves for two years)	0.652
Woodland Risk Assessments & Management Plans	0.068
Facilities Management - Revenue Consequences due to Capital Expenditure	0.173
Facilities Management - Revenue Consequences due to Capital Expenditure	0.025
General Services Housing - Rough Sleeping Initiative	0.120
General Services Housing - homeless accommodation	0.183
ENE Total	1.503
Resources Governance & Organisation	
2 additional Welfare staff - to reduce delays for vulnerable individuals and families	0.070
Modern Apprenticeships: Wage increase (combines national minimum wage increase plus increase to new rate of £5.50 per hour)	0.124
Revenues & Benefits - Reduction in Housing Benefit Administration Grant	0.025
Scottish Welfare Fund increase	0.022
Strategic Procurement: additional permanent L5 and additional permanent L9/10	0.068
Safeguarders -Curator fees	0.025
Finance: new Corporate Appointee/ Access to Funds post	0.039
Finance: new Social Care Partnership Senior Finance Advisor	0.050
New ICT maintenance contracts	0.004
Investment in ICT core funding	0.150
RGO Total	0.577
Miscellaneous Services	
Electricity, gas and fuel oil contractual increases	0.046
NDR and water increase	0.395
PPP utilities: contractual increase	0.007
Vehicle, plant and equipment leasing	0.064
Miscellaneous Total	0.512
Total	3.188

Previously Approved Savings - Appendix 3

<i>Service area</i>	<i>June 2015 £</i>	<i>March 2016 £</i>	<i>August 2016 £</i>
Chief Executive's Strategic Office			
Chief Executive	0.025	-	-
Chief Executive's Total	0.025	-	-
Educational Services			
Schools	0.791	0.032	-
Curriculum, Qualification & assessment	0.110	-	-
Early Years & Childcare	-	0.018	-
Additional Support Needs	0.050	0.139	-
Educational Services Total	0.951	0.189	-
Economy Neighbourhood and Environment			
Enterprise, Development & Leisure	0.030	0.105	-
Neighbourhood Services	0.162	0.021	-
Housing and Facilities	0.100	0.019	-
ENE Total	0.292	0.145	-
Resources, Governance and Organisation			
Property & Risk	0.200	-	-
Finance & ICT	0.145	0.030	-
Legal & Democratic Services	0.102	0.027	-
Employee & Customer Services	0.413	-	-
RGO Total	0.860	0.057	-
Miscellaneous			
All Services - procurement	-	0.200	-
All Services – 2015/16 out-turn review savings	-	-	0.790
Miscellaneous Total	-	0.200	0.790
Previously approved savings total – All directorates	2.128	0.591	0.790
Total all previously approved			3.509

Service Pressures and Priority Spend - Appendix 4

	£m
Economy, Neighbourhood and Environment	
Transfer of Dam park Athletics Stadium to an alternative provider	0.017
Develop a green waste facility to allow reduced Grounds green waste disposal costs.	
Formation of leisure trust	0.335
Review the operational model for Rozelle House	0.050
Increase in planning fee income target	0.040
Introduce charging for Pre-application advice for planning applications	0.004
Review Community Learning work to increase targeting to communities most in need	0.040
Review of Domestic Waste Collection Frequency and Landfill Reduction	
Increase of Building Warrant fee income target	0.050
Building Standards - Income	0.050
Review cleaning staff following outcome of office accommodation rationalisation programme	0.060
ENE Total	0.646

Proposed new savings - Appendix 5

Service area	£m
Educational Services	
Increase payroll Management target	0.500
Review teacher:pupil ratio/school meals take up/overall education provision	1.000
Educational Services Total	1.500
Economy, Neighbourhood and Environment	
Strathclyde Passenger Transport requisition reduction	0.050
ENE Total	0.050
Resources Governance & Organisation	
Spend to save investment: associated saving	0.106
RGO Total	0.106
Miscellaneous Services	
Insurance premium reduction	0.250
External Audit Fee reduction	0.008
Miscellaneous Total	0.258
Total	1.914