



**General Services Revenue Budget
2016/17**

and

**Capital Investment Programme
2016/17 to 2020/21**

**Proposals of
the Conservative and Labour
Members**

3 March 2016

General Services Revenue Budget 2016/17
and
Capital Investment Programme 2016/17 to 2020/21

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Summary Budget Proposals

I) General Services Revenue

Specific Revenue Budget Recommendations for 2016/17:

- (1) to freeze council tax charges at 2007/08 levels for an ninth year, in recognition of the additional £1.646m funding available to South Ayrshire Council from Scottish Government for this purpose;
- (2) to note that council tax income of £55.080m is available to fund service expenditure in 2016/17;
- (3) to provide 2.75 per cent for the non-collection of Council tax;
- (4) to utilise Aggregate External Finance of £197.923m to fund planned expenditure per Finance Circular 7/2015, inclusive of additional notified funding of £1.038m for Free School Meals and £0.648m for Discretionary Housing Payments, and comply with the settlement conditions;
- (5) to delegate funding to the South Ayrshire Health and Social Care Integrated Joint Board of £65.868m to be added to the £5.830m of funding provided by the Scottish Government via Health to ensure desired outcomes for Social Care in 2016/17;
- (6) to approve 2016/17 net service expenditure of £187.135m as shown in Appendix 1, excluding Health and Social Care Services, incorporating:
 - ◆ departmental base expenditure from 2015/16 totalling, £191.463m;
 - ◆ additional service expenditure of £6.671m for pay, corporate adjustments and additional investment in key priorities;
 - ◆ reduced debt charge expenditure of £0.350m per Appendix 9 to reflect the updated Capital Investment Programme detailed in Appendix 7 and 8;
 - ◆ removal of the annual contribution of £0.750m to the workforce change fund in light of the level of committed reserves held at present for this purpose (circa £3.5m by 31 March 2016);
 - ◆ an increase in payroll management savings target of £0.500m;
 - ◆ previously approved efficiency measures of £6.597m per Appendix 4, excluding measures approved for the Health and Social Care Partnership;
 - ◆ removal of the previously approved 2016/17 ICT efficiency of £0.316m, following the approval in September 2015 of a revised ICT operating model and associated change implementation plan;
 - ◆ a delay of a proportion (£0.055m) of the previously approved Employee and Customer Services structural efficiency until 2017/18, to allow process improvements to be established following the implementation of the new payroll system which is due to go live in the Autumn of 2016;
 - ◆ a delay until 2018/19 of the £0.066m saving in rental costs which is anticipated following the relocation of the archive facility from its current location at Auchincruive to an alternative council owned facility. The planned exit from the location is now anticipated to be in 2018/19; and
 - ◆ new savings proposals as outlined in Appendix 5.

(7)/

(7) to note the planned funding and expenditure for 2016/17, excluding Health and Social Care is £187.135m as follows:

	Budget 2016/17 £m	Budget 2016/17 £m
Funding:		
Council Tax income		55.080
Aggregate External Finance (AEF) per Finance Order 2016	196.237	
Additional AEF anticipated:		
Free School Meals	1.038	
Discretionary Housing Payments (80% distributed)	0.648	197.923
Total anticipated SAC funding		253.003
Less funding delegated to South Ayrshire HSC		65.868
Total anticipated funding excluding HSC		187.135
Expenditure:		
Base expenditure:		
Base net service expenditure		191.463
Updated service expenditure demands:		
Pay awards, increments, superannuation etc	3.993	
Key Strategic Objectives (Appendix 3)	2.678	6.671
Revised debt charges (Appendix 9)		(0.350)
Removal of contribution to workforce change fund		(0.750)
Increased payroll management target		(0.500)
Efficiency measures:		
Previously approved efficiencies (Appendix 4)	(6.597)	
Removed or delayed efficiencies (Appendix 4)	0.437	(6.160)
New efficiencies/savings proposed (Appendix 5)		(3.239)
Total planned net service expenditure (excluding HSC)		187.135

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.

(8)/

- (8) to approve the use of uncommitted reserves of £3.161m to support the initiatives outlined below for 2016/17:

	£m
Proposal:	
Replace Capital Grant removed from the settlement	2.155
Glenburn Recycling Centre – compositing facility	0.080
Beaches & Shorefront – additional litter bins	0.025
Employability – replacement for revenue funding	0.050
Ayrshire Growth Deal – project team/bid development	0.100
Property Maintenance – reimbursement to HRA	0.251
Contribution to Efficiency & Improvement fund	0.500
Total	3.161

Further detail on each of the proposed uses can be found in Part II) - Accumulated Reserves and Statutory Fund Balances.

- (9) to confirm the use of the Welfare Reform budget as follows:

	£m	£m
Available budget		0.500
Proposed commitments:		
Remote benefit processing	0.123	
Employability match funding	0.250	
Signpost project – continued development	0.025	
Hybrid posts	0.030	0.428
Unallocated budget		0.072

The balance of unallocated funds will be held pending the outcome the planned Discretionary Housing Payment 2016/17 three month review agreed by the Leadership Panel in February 2016;

- (10) to note that, as part of the 2017/18 budget considerations, further efficiency proposals are necessary to achieve a balanced budget as shown in Appendix 6. Proposals are being developed and will be subject to further discussion in the coming months. It is therefore requested that the proposals, as they are developed and finalised, be brought before members during 2016/17 for consideration at future Council meetings;

- (11)/

- (11) to generate the required level of council tax income in 2016/17 by again levying a council tax of £1,153.95 for Band D. The resulting Council tax for all bands is as follows:

Indicative 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	5,925	6/9	3,950	£769.30
B	35,000	10,758	7/9	8,367	£897.52
C	45,000	7,583	8/9	6,741	£1,025.73
D	58,000	7,818	9/9	7,818	£1,153.95
E	80,000	8,602	11/9	10,514	£1,410.38
F	106,000	4,451	13/9	6,429	£1,666.82
G	212,000	2,825	15/9	4,708	£1,923.25
H	>212,000	277	18/9	554	£2,307.90
				49,081	
Less bad debts 2.75 percent				1,350	
				47,731	
Council tax Band D				£1,153.95	

II) Accumulated Reserves and Statutory Fund Balances

Specific Budget Recommendations for 2016/17:

- (1) to note that the latest projected accumulated balances on the Council's General Reserves at 31 March 2016 are outlined in the tables below;

Accumulated General Fund Reserve

	Projected Balance at 31 March 2016 £m	Projected Balance at 31 March 2016 £m	Current Committed Spend £m
Projected accumulated General Reserves		26.700	
Earmarked amounts:			
Estimated fund balances:			
Affordable Homes strategy	1.485		-
Efficiency & Improvement fund	1.022		0.757
Local Election fund	0.214		-
Workforce Change fund	3.500	6.221	-
Use of reserves approved during 2015/16:			
2016/17 expenditure commitments	1.813		1.813
Flight route development	0.154		0.154
ICT change implementation	0.500		0.500
Children's residential unit (HSC)	0.295	2.762	0.295
Total uncommitted funds		17.717	
Proposed use of reserves 2016/17 (per (4) below):			
Capital grant replacement		2.155	
Composting facility		0.080	
Seafront bins		0.025	
Replace employability revenue funding		0.050	
Ayrshire Growth Deal		0.100	
Property Maintenance surplus transfer		0.251	
Contribution to Efficiency & improvement fund		0.500	
Revised uncommitted funds		14.556	

- (2) to note that £6.211m is earmarked/committed within the accumulated reserve for specific council initiatives and that £2.762m of accumulated reserves have previously been earmarked during 2015/16 for specific purposes in 2016/17;
- (3) to note that the approved Council Financial Strategy is to maintain uncommitted reserves at between 2% and 4% of the following year's net expenditure to meet the potential cost of unforeseen liabilities. This equates to between £5.1m and £10.1m for 2016/17;
- (4) to approve the use of £3.161m of unallocated general reserves and thereby reduce the balance of uncommitted funds to £14.556m, for the following purposes in 2016/17:

- ◆ £2.155m to fund capital expenditure in 2016/17 as a direct replacement for the General Capital Grant funding withdrawn by the Scottish Government as part of the 2016/17 financial settlement;
 - ◆ £0.080m to fund required investment to create a composting facility at the Glenburn recycling centre to facilitate the achievement of the Neighbourhood Services, Green Space and Streetscene saving proposal outlined in Appendix 5;
 - ◆ £0.025m to fund the required investment to provide additional bins for shorefront and beach areas to increase waste disposal capacity to mitigate the impact and facilitate the achievement of the Neighbourhood Services, Waste Management operation saving proposal outlined in Appendix 5
 - ◆ £0.050m to replace a proportion of the budgeted employability revenue funding and facilitate the achievement of the Employee and Customer Services, European Social Fund Employability Pipeline Programme saving proposal outlined in Appendix 5;
 - ◆ £0.100m to fund the continued development of the Ayrshire Growth Deal;
 - ◆ £0.251m as a reimbursement from General Reserves to the HRA for the element of the net Property Maintenance surplus attributable to housing activities for the two years since the cessation of the trading account operation (financial years 2013/14 and 2014/15); and
 - ◆ £0.500m 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.
- (5) to approve the use of £0.200m from the Efficiency & Improvement Fund (currently earmarked within General Reserves) to replace the budgeted revenue funding of the Business Improvement Team and facilitate the achievement of the Policy & Performance saving proposal outlined in Appendix 5;
- (6) to note that the latest projected accumulated balances on the Council's Other Statutory Funds at 31 March 2016 are outlined in the tables below position:

Other Statutory Funds held

	Projected Balance at 31 March 2016 £m	Current Committed Spend £m
Repair & Renewals Fund	5.050	1.846
Insurance Fund	0.425	-
Capital Fund	-	-
Total other funds held	5.475	

- (7) to approve the use of £0.750m of the Repairs & Renewals fund to replace a proportion of the budgeted Central Repairs Account revenue funding and facilitate the achievement of the Property and Risk, Central Repairs Account saving proposal outlined in Appendix 5.

III) General Services Capital Investment Programme

Specific Budget Recommendations for 2016/17 to 2020/21:

- (1) to note that the current Capital Investment Programme 2015/16 to 2019/20 was approved by the Council on 18 December 2014. 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 7;
- (3) to note that the revised approach to capital asset management, approved in September 2014, has allowed the budget setting process for 2016/17 to incorporate a bid process for capital investment. This bid process has resulted in £38.300m of additional projects being brought forward for inclusion in the five year investment programme. Details of these projects are also outlined in Appendix 7;
- (4) to approve the use of £2.155m of unallocated general reserves to fund capital expenditure in 2016/17 as a direct replacement for the General Capital Grant funding withdrawn by the Scottish Government as part of the 2016/17 financial settlement;
- (5) to approve the overall Capital Investment programme as detailed in Appendix 8 along with the estimated debt charge (revenue) implications of the borrowing required to undertake the programme as outlined in Appendix 9; and
- (6) to note the overall five year investment (inclusive of projects brought forward from 2015/16 to be completed in future years) stands at £152.508m spread across the following key strategic objectives;

	£m
Investment in:	
Our children and families	85.244
Our adults and older people	2.000
Our communities	30.362
Other Investment in:	
Buildings	29.450
Information Technology	4.512
Other	0.940
Total 5 year investment plan	152.508
Funding:	
General Capital Grants	51.055
Capital receipts and other contributions	4.171
Use of unallocated reserves (2016/17)	2.155
Borrowing	95.127
Total anticipated funding	152.508

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- (7) to note that the Council has committed to develop the Ayrshire Growth Deal along with other partner organisations. At present the initial bid documentation is due for submission to the Scottish Government in March 2016. Given that projects within the bid are still in the definition stage and the exact funding requirements are unknown, **no account** for any associated Ayrshire Growth Deal capital spend is included within the proposed five year capital programme attached as Appendix 8. Any future investment agreed by Council would require to be factored in to the programme and funded either through 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	1,749,414	92,989,339	47,067,974	32,396,630	17,259,389	191,462,746
Service Expenditure demands:						
Pay awards, increments, superannuation etc.	7,082	2,130,392	1,757,663	507,400	(410,000)	3,992,537
Key strategic objectives (Appendix 3)	15,000	146,204	1,482,984	1,121,482	(87,179)	2,678,491
Revised Debt Charges (Appendix 9)	-	-	-	-	(350,194)	(350,194)
Removal of workforce change contribution	-	-	-	-	(750,000)	(750,000)
Increased payroll management target	-	-	-	-	(500,000)	(500,000)
Efficiency measures						
Previously approved savings (Appendix 4)	(57,500)	(1,299,039)	(2,244,713)	(902,257)	(1,656,484)	(6,159,993)
New savings (Appendix 5)	(270,639)	(439,264)	(1,244,231)	(964,000)	(320,951)	(3,239,085)
NET SERVICE EXPENDITURE	1,443,357	93,527,632	46,819,677	32,159,255	13,184,581	187,134,502

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	1,314,344	69,675,477	36,960,922	18,202,602	(1,316,030)	124,837,315
Property costs	-	16,600,419	3,709,367	4,891,315	41,565	25,242,666
Supplies & services costs	95,513	1,456,408	7,042,028	2,704,258	354,868	11,653,075
Transport costs	2,236	3,978,089	5,650,002	130,102	58,430	9,818,859
Administrative costs	31,264	1,184,445	500,815	590,672	1,282,141	3,589,337
Support Service Costs	-	-	49,178	-	-	49,178
Payments to agencies & other bodies	-	2,182,456	17,922,355	1,386,055	1,175,912	22,666,778
Transfer payments	-	199,980	39,750	45,625,599	-	45,865,329
Financing costs	-	-	947,788	-	13,303,020	14,250,808
GROSS EXPENDITURE	1,443,357	95,277,274	72,822,205	73,530,603	14,899,906	257,973,345
Income	-	(1,749,642)	(26,002,528)	(41,371,348)	(1,715,325)	(70,838,843)
NET SERVICE EXPENDITURE	1,443,357	93,527,632	46,819,677	32,159,255	13,184,581	187,134,502

Appendix 3

Key Strategic objectives – additional investment

	£
Our Children & Families	
School Management: School transport inflationary increase	2,000
School Management: PPP inflationary cost	48,868
Schools: roll adjustment	92,271
SQA Payment increase	3,065
Free School Meals provision (spend in line with SG funding allocation)	1,038,000
Our Communities	
Ayrshire Roads Alliance: contractual increases	171,344
Our Environment	
Waste Management: Gate fees/ contractual increases	220,000
Waste Management: Food waste collection	50,000
Improvement programme investment in:	
<i>Buildings</i>	
Electricity, gas and fuel oil contractual reductions	(384,397)
NDR and water increase	32,251
PPP utilities: contractual increase	6,426
Insurance: Premium and Tax (IPT) Increase	190,341
McCall's Avenue: rent increase	29,000
<i>Other</i>	
Revenues & Benefits: Reduction in Housing Benefit Administration Grant	50,000
Revenues & Benefits: Discretionary Housing Payments (spend in line with 80% SG funding allocation)	648,000
Modern Apprenticeships: reduced grant implications and national minimum wage increase	152,649
Homelessness / literacy: funding reduction	27,081
ICT contractual commitments	83,392
Investment in ICT core funding	150,000
Vehicle, plant and equipment leasing	58,200
Gaelic investment (spend in line with SG specific grant allocation)	10,000
Total	2,678,491

Appendix 4 – Previously approved savings

<i>Service area</i>	2016/17 Amount £	2017/18 Amount £
Chief Executive's Strategic Office		
Chief Executive	27,000	25,000
Policy and Performance	30,500	-
Total	57,500	25,000
Corporate		
All Services Total	536,700	-
Educational Services		
Schools	1,276,112	791,000
Curriculum, Qualification & assessment	100,000	110,000
Early Years & Childcare	9,000	-
Additional Support Needs	215,948	50,000
Quality Improvement & Service Planning	64,979	-
Total	1,666,039	951,000
Economy Neighbourhood and Environment		
Directorate	50,000	-
Ayrshire Roads Alliance	207,000	-
Enterprise, Development & Leisure	679,308	30,000
Communities	554,507	-
Neighbourhood Services	880,460	162,000
Housing and Facilities	603,438	100,000
Total	2,974,713	292,000
Resources, Governance and Organisation		
Property & Risk	297,553	200,000
Finance & ICT	626,414	145,200
Legal & Democratic Services	96,000	101,894
<i>Employee & Customer Services</i>	342,290	357,897
Total	1,362,257	804,991
Previously approved savings total – All directorates		
	6,597,209	2,072,991

Delay or removal of the previously approved savings

<i>Service area</i>	<i>Proposal</i>	2016/17 Amount £	2017/18 Amount £
ICT	Review of systems and processes - removal of the previously approved 2016/17 ICT efficiency, following the approval in September 2015 of a revised ICT operating model and associated change implementation plan.	(316,000)	-
Employee & Customer Services	Improved ECS Processes and Systems - delay of a proportion (£0.055m) of the previously approved Employee and Customer Services structural efficiency until 2017/18, to allow process improvements to be established following the implementation of the new payroll system which is due to go live in the Autumn of 2016	(55,000)	55,000
Registration & Archives	Relocate archives to council owned property as part of accommodation review - delay until 2018/19 of the £0.066m saving in rental costs which is anticipated following the relocation of the archive facility from its current location at Auchincruive to an alternative council owned facility. The planned exit from the location is now anticipated to be in 2018/19	(66,000)	-
Total savings delayed or removed		(437,000)	55,000
Net revised previously approved savings		6,160,209	2,127,991

Appendix 5 - New savings proposals

Service area	Proposal	2016/17 Amount £	2017/18 Amount £
Chief Executive's Strategic Office			
Internal Audit	Structure Review (CEX – EQIA CEX01)	45,000	-
Policy & Performance	Remove vacant post (CEX – EQIA CEX02)	25,639	-
	Business Improvement Team – replace core revenue budget with a draw from Efficiency & Improvement fund (CEX – EQIA CEX03)	200,000	-
	Total	270,639	-
Corporate			
All services	Reduce revenue contribution to Ayr Renaissance (CORP – EQIA CORP01)	60,000	-
	Reduce revenue contribution to Ayrshire Joint Valuation Board (CORP – EQIA CORP02)	25,951	-
	Introduce Corporate procurement target (CORP – EQIA CORP03)	200,000	200,000
	Reduce postages, printing and telephone costs following outcomes from Business Improvement Team review of processes (CORP – EQIA CORP04)	35,000	-
	Total	320,951	200,000
Educational Services			
Schools	School Transport – remove underspends in SPT budget (EDU – EQIA ES13)	50,000	-
	Outdoor Education – move outdoor Instructors at Dolphin House to term time (EDUC – EQIA ES02)	17,135	-
	Music/Instrumental Service - Reduction in music instruction through the removal of 2fte music instructors (EDUC – EQIA ES06)	51,692	32,308
	Remove window cleaning budgets in schools not utilised (EDUC – EQIA ES07)	5,866	-
Early Years and Childcare	Early Years - Cease contract with Stepping Stones for support for child minders. The contract terminates on 30th September so only part year savings can be achieved in 2016/17 (EDUC – EQIA ES11)	17,765	17,765
	Early Years – remove underspends in 600 hours provision (EDUC – EQIA ES14)	50,000	-
Additional Support Needs	ASN – Homelink Service 50 % reduction (EDUC – EQIA ES01)	98,729	61,705
	ASN school assistants – reduce by 13fte (EDUC – EQIA ES05)	123,077	76,923
	ASN Income - Increase income target for outwith authority placements (EDUC – EQIA ES12)	25,000	-
	Total	439,264	188,701
Economy Neighbourhood and Environment			
Directorate	Ayrshire Roads Alliance – Reduce revenue road renewal work as a consequence of additional capital investment (ENE – EQIA ARA01)	212,560	-
	Ayrshire Roads Alliance - Restrict evening street lighting patrols	25,000	-

Service area	Proposal	2016/17 Amount £	2017/18 Amount £
	to between October and April (ENE – EQIA ARA02)		
	Ayrshire Roads Alliance – Development of new income stream through lighting design work for new developments (ENE – EQIA ARA03)	21,440	-
	Ayrshire Roads Alliance - Reduce fuel consumption by 10% through newer and fewer vehicles plus improved vehicle maintenance (ENE – EQIA ARA04)	32,000	-
Enterprise, Development & Leisure	Sport, Leisure and Golf –Transfer of Dam park Athletics Stadium to an alternative provider, while ensuring continued community access (ENE – EQIA SLG04)	17,608	52,824
	Sport, Leisure and Golf – increase Golf Season Tickets by a further 7.5% (ENE – EQIA SLG07)	59,901	1,497
	Sport, Leisure and Golf – increase Sport and leisure prices by a further 5% (ENE – EQIA SLG08)	50,200	1,255
	Libraries, Arts and Culture – Reduce contribution to Concert Series by 50% (ENE – EQIA LAC01)	12,500	-
	Libraries, Arts and Culture – Close Dailly, Coylton and Dundonald libraries and utilise the mobile library to ensure continued book lending services in these communities and also work with the community to provide alternative wi-fi provision (ENE – EQIA LAC02)	35,447	11,816
	Libraries, Arts and Culture – Reduce opening hours at Alloway, Ballantrae, Carnegie, Forehill, Girvan, Maybole, Mossblown, Symington, Tarbolton and Troon libraries (ENE – EQIA LAC06)	62,981	37,824
Housing & Facilities	General Services Housing - Scheme of Assistance for Homeowners – further reduction in Mixed Tenure Grants (ENE – EQIA GSH01)	30,000	-
	Facilities Management - P1-P3 free school meals budget reduction based on current and estimated uptake (ENE – EQIA FM01)	150,000	-
	Facilities Management - Increase charge for school meals by 5%, (10p increase on a Primary School meal to £2.10 per child and to £2.20 for secondary school meal (ENE – EQIA FM02)	30,154	18,846
	Facilities Management - Increase let charges for all outdoor pitches, games halls and rooms within schools by 15% (ENE – EQIA FM03)	30,950	-
Communities	Grants - reduce the allocations to the component parts of the new approach to small grants emerging from the Grants Review and delete a grants administration post (ENE – EQIA G01)	80,000	-
	Community Safety - Reduction in Programme budget (ENE – EQIA CS01)	25,000	-
	Community Planning & Regeneration - Remove funding for rural capacity building resource (ENE – EQIA CP01)	42,000	-
	Community Planning & Regeneration - Remove funding for regeneration forum (ENE – EQIA CP02)	17,413	-
	Youth and Adult Services - Relocation of Learning Shop Premises to other council location (ENE – EQIA YA01)	27,577	-
Neighbourhood Services	Green Space and Streetscene – remove free support for Gala days/events (ENE – EQIA GSS01)	15,000	-
	Green Space and Streetscene – 4 FTE reduction in seasonal gardeners (ENE – EQIA GSS02)	39,000	-

Service area	Proposal	2016/17 Amount £	2017/18 Amount £
	Green Space and Streetscene – develop a green waste facility to allow reduced Grounds green waste disposal costs. Requires investment of £80,000 from reserves in a composting facility at Glenburn recycling centre (ENE – EQIA GSS03)	66,000	21,000
	Waste Management – 2FTE reduction in Litter operatives (ENE – EQIA WM01)	36,000	-
	Waste Management – Reduce opening hours at Maybole Civic Amenity Site (ENE – EQIA WM02)	12,500	-
	Waste Management Operations – reduce seasonal employees and provide a service in line with the Code of Practice on Litter and Refuse in relation to cleansing at beaches and shorefront promenades (ENE – EQIA WM03)	38,000	-
	Bereavement Services - Further increase in bereavement charges (ENE – EQIA BS01)	75,000	-
	Total	1,244,231	145,062
Resources, Governance and Organisation			
Finance & ICT	Revenues & Benefits - Sheriff Officer contract – renegotiation on contract renewal (RGO – EQIA FICT01)	30,000	30,000
	Revenues and Benefits - Scottish Welfare fund reduced spend in line with funding reduction (RGO – EQIA FICT02)	24,000	-
Legal & Democratic Services	Legal - Reduce Taxi inspection spend (RGO – EQIA LD01)	13,000	-
	Democratic Support - Reduced Civic Support (RGO – EQIA LD02)	27,000	27,000
Property & Risk	Central Repairs Account – replace revenue budget with a contribution from the Repairs & Renewal Fund for a minimum of three years whilst a programme of property downsizing progresses (RGO – EQIA PR01)	750,000	-
Employee & Customer Services	Employability & Skills - Remove the Poverty and Social Inclusion element of the European Social Fund Employability Pipeline Programme (RGO – EQIA ECS01)	50,000	-
	Employability & Skills - Reduce Council match funding from revenue budgets for the European Social Fund Employability Pipeline Programme and replace with funding from reserves (RGO – EQIA ESC02)	50,000	-
	Customer Services - Close the Customer Contact Centre at John Pollock Centre, reduce staff numbers and relocate remaining staff to deliver service from The Wallace Tower (RGO – EQIA ECS03)	20,000	-
	Total	964,000	57,000
Proposed savings total – All directorates		3,239,085	590,763

Equality Impact assessment

Equality Impact Assessment documentation for each of the new savings proposals outlined in Appendix 5 can be found at: [link](#)

**Indicative Revenue Budget 2017/18
(Excluding HSC)**

	Indicative 2017/18 £m
Funding:	
Council Tax income	55.430
Aggregate External Finance (AEF)	196.237
Assumed reduction in funding (1.5%)	(2.919)
Additional AEF	
Free School Meals	1.038
Discretionary Housing Payments (80% distributed)	0.648
Total anticipated SAC funding	250.434
Less funding delegated to South Ayrshire HSC	65.868
Total anticipated funding excluding HSC	184.566
Expenditure:	
Base expenditure:	
Base net service expenditure	187.135
Updated service expenditure demands:	
Key Strategic Objectives - additional investment	1.208
Pay awards, increments, superannuation etc	2.879
Re-profiled/additional debt charges linked to revised capital investment programme (Appendix 9)	1.491
Efficiency measures:	
Re-instatement of delayed savings	(0.055)
Previously approved savings	(2.073)
New Savings (full year impact of 2016/17 approvals)	(0.591)
Total revised expenditure	189.994
Initial Budget surplus/(gap)	(5.428)

- (1) It should be noted that the above 2017/18 indicative budget assumes a 1.5% reduction in Scottish Government funding, that Council Tax remains at 2007/08 levels for a tenth year and that the level of delegated contribution to the Health and Social Care Integrated Joint board will remain at the 2016/17 level.
- (2) Any reduction in Scottish Government funding beyond the 1.5% assumed above will increase the budget gap accordingly. For example if funding were to reduce by 2.5% instead of the 1.5% assumed then this would increase the budget gap by a further £1.946m to £7.374m.

Appendix 7

General Services Capital Investment Programme 2016/17 to 2020/21

1. Background

The draft General Services Proposed 5 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 new process approved in September 2014 for capital investment planning.

The Corporate Asset Management Group has considered capital bids developed during 2015/16 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 (2015/16) is re-profiled to future years to ensure that projects previously approved by Council are carried out. A total of £38.300m of new projects are proposed for inclusion in the 2016/17 to 2020/21 capital investment programme.

2. Proposed new projects for inclusion

Sacred Heart Primary (Appendix 8 Ref. 1[a])

Funding for a new school has been added to the programme in the total amount of £3,585,000. This funding has been profiled over two financial years: £1,230,000 (2019/20) and £2,355,000 (2020/21). The present Sacred Heart School is in poor condition and is considered unsuitable for learning and teaching.

Glenburn Primary (Appendix 8 Ref. 1[b])

Funding for a new school has been added to the programme in the total amount of £9,625,000. This funding has been profiled over three financial years: £650,000 (2018/19), £3,219,000 (2019/20) and £5,756,000 (2020/21). The present Glenburn Primary is lacking accommodation in a number of key areas. There are also significant condition issues. This project will ensure that the school facilities are fit for the modern curriculum and meet the needs of the children.

Carrick Academy All Weather Pitch (Appendix 8 Ref. 1[c])

Funding in the amount of £200,000 has been added to the 2016/17 budget for the renewal of the carpet on the all-weather pitch at Carrick Academy. This also includes replacement kickboards, pitch equipment and an upgrade to the lighting. The existing carpet is in poor condition and renewal will ensure continued use of the pitch.

Ayr Grammar Primary and Nursery Project (Appendix 8 Ref. 1[d])

Funding for a new school has been added to the programme in the total amount of £11,600,000. This funding has been profiled over four financial years: £100,000 (2016/17), £1,250,000 (2017/18), £7,850,000 (2018/19) and £2,400,000 (2019/20).

Street lighting (Appendix 8 Ref. 3[e])

An allowance has been added to the programme for the renewal of street lighting in the amount of £3,200,000 over five financial years: £300,000 (2016/17), £500,000 (2017/18), £700,000 (2018/19), £1,060,000 (2019/20) and £640,000 (2020/21). This budget will allow the replacement of sub-standard street lighting columns and underground cabling. Improved light fittings will be installed which will provide a safer environment.

Road Reconstruction (Appendix 8 Ref. 3[f])

A total of £2,250,000 has been identified for road reconstruction over two financial years: £750,000 (2019/20) and £1,500,000 (2020/21). These works will provide road users with a much improved and safer road network.

Cemetery Infrastructure Project (Appendix 8 Ref. 3[g])

Funding in the amount of £5,400,000 has been added to the programme over five years to carry out repairs to cemetery walls, railings and buildings which are in poor condition. The funding has been profiled as follows: £300,000 (2016/17), £300,000 (2017/18), £1,900,000 (2018/19), £1,410,000 (2019/20) and £1,490,000 (2020/21).

Waste Transfer Station – Walker Road (Appendix 8 Ref. 3[h])

Funding for a new waste transfer station has been added to the programme in the total amount of £1,400,000. This funding has been profiled over two financial years: £50,000 (2019/20) and £1,350,000 (2020/21).

Financial system upgrade/replacement (Appendix 8 Ref. 4[i])

Funding has been added to the programme in the amount of £800,000 and will be utilised in 2016/17. It is proposed to upgrade the current version of the finance system to a cloud based version which is more efficient and effective in terms operational maintenance aspects and reduces overall risk of system failure. In addition the Council uses a software system purpose designed and constructed by the former Strathclyde Regional Council to invoice and recover its sundry debt accounts. The current system lacks some key features required to facilitate effective and efficient recovery. The age of the system means that the availability of ICT to support, maintain, service and develop the application continues to diminish.

Payroll/HR Systems Development (Appendix 8 Ref. 4[j])

Funding has been added to the programme in the amount of £240,000 and will be utilised in 2016/17. As a result of recent changes announced in relation to Teachers terms & conditions, all local authorities are required to amend their HR/Payroll systems to accommodate these new requirements. The required changes to be made are in addition to those included within the current Payroll module implementation and therefore additional capital resources are required to ensure compliance.

Appendix 8 – Capital Investment Programme 2016/17 to 2020/21

		2016/17	2017/18	2018/19	2019/20	2020/21	Total
		£	£	£	£	£	£
1)	Our children and families						
	Children's Residential Estate	1,039,863	300,000	-	-	-	1,339,863
	Annbank Primary	1,097,125	700,000	-	-	-	1,797,125
	Ayr Academy (New Build - Net of Scottish Government Grant)	44,000	-	-	-	-	44,000
	Dailly Primary School	2,437,267	-	-	-	-	2,437,267
	ICT Replacement in Schools	150,000	50,000	75,000	125,000	-	400,000
	ICT Schools Wireless Network	69,782	100,000	100,000	-	-	269,782
	Kingcase Primary Upgrade	200,000	137,903	-	-	-	337,903
	Marr College Refurbishment	15,000,000	11,180,000	-	-	-	26,180,000
	School Refurbishment programme - to be allocated	906,260	1,500,000	2,389,387	3,500,000	1,940,000	10,235,647
	Tarbolton - New Primary School and Possible Rationalisation of Other Services within village	6,901,019	-	-	-	-	6,901,019
	Troon Primary Dining Hall	854,758	1,300,000	-	-	-	2,154,758
	QMA Upgrade Works	100,000	150,000	250,000	-	-	500,000
	Early Learning and Childcare Secondary Legislation (1/7/14)- additional eligible 2 year olds	-	500,000	-	-	-	500,000
	Invergarven School - New Build	750,000	2,100,000	739,000	-	-	3,589,000
	Southcraig Campus - Link Building	650,000	-	-	-	-	650,000
	Queen Margaret Academy - New Build	-	-	320,000	-	-	320,000
	Kyle Academy - Improvement Works	250,808	-	-	-	-	250,808
	Window & Roof Replacement at Schools & other premises - to be allocated	17,245	50,000	100,000	150,000	150,000	467,245
	Children & Young People Bill - 3 and 4 year olds & looked after 2 year olds	555,650	700,000	-	-	-	1,255,650
	Free School Meals Primaries 1 - 3	604,000	-	-	-	-	604,000
New (a)	Sacred Heart Primary	-	-	-	1,230,000	2,355,000	3,585,000
New (b)	Glenburn Primary	-	-	650,000	3,219,000	5,756,000	9,625,000
New (c)	Carrick Academy All-weather pitch	200,000	-	-	-	-	200,000
New (d)	Ayr Grammar Primary and Nursery project	100,000	1,250,000	7,850,000	2,400,000	-	11,600,000
		31,927,777	20,017,903	12,473,387	10,624,000	10,201,000	85,244,067

		2016/17	2017/18	2018/19	2019/20	2020/21	Total
		£	£	£	£	£	£
2)	Our adults and older people						
	Scheme of Assistance	400,000	400,000	400,000	400,000	400,000	2,000,000
		400,000	400,000	400,000	400,000	400,000	2,000,000

		2016/17	2017/18	2018/19	2019/20	2020/21	Total
		£	£	£	£	£	£
3)	Our communities						
	Ayr Renaissance Project	365,330	300,000	300,000	200,000	200,000	1,365,330
	Citadel Enhancement	46,225	-	-	-	-	46,225
	Clubhouse Improvements (Girvan Golf Club)	50,000	50,000	-	-	-	100,000
	Girvan regeneration project	3,850,000	-	-	-	-	3,850,000
	Travellers Site	-	60,375	50,000	-	-	110,375
	Public Conveniences	564,000	-	-	-	-	564,000
	Ayr Cemetery Extension	466,303	-	-	-	-	466,303
	Troon Cemetery Extension	495,153	-	-	-	-	495,153
	Road Improvement	710,473	1,000,000	1,000,000	2,000,000	2,500,000	7,210,473
	Troon Clubhouse	1,742,941	-	-	-	-	1,742,941
	Troon Pool - Gym Extension	75,000	-	-	-	-	75,000
	Heritage lottery match funding - Belleisle	541,422	550,000	200,000	200,000	-	1,491,422
	Design Works C2 Bridge of Coyle Deck Replacement	324,887	100,000	-	-	-	424,887
	CWSS	123,000	32,000	-	-	-	155,000
	Parking consultation	15,000	-	-	-	-	15,000
New	(e) Streetlighting	300,000	500,000	700,000	1,060,000	640,000	3,200,000
New	(f) Roads Reconstruction	-	-	-	750,000	1,500,000	2,250,000
New	(g) Cemetery infrastructure project	300,000	300,000	1,900,000	1,410,000	1,490,000	5,400,000
New	(h) Waste Transfer Station - Walker Road	-	-	-	50,000	1,350,000	1,400,000
		9,969,734	2,892,375	4,150,000	5,670,000	7,680,000	30,362,109

		2016-17	2017-18	2018-19	2019-20	2020-21	Total
		£	£	£	£	£	£
4)	Other investment in:						
	Buildings						
	Depot Improvements throughout South Ayrshire	2,087,897	-	-	606,000	-	2,693,897
	Relocation of Archive Centre	50,000	1,000,000	2,000,000	520,000	-	3,570,000
	Works to Facilitate Property Rationalisation	155,000	200,000	100,000	100,000	-	555,000
	Property Refurbishment - Unallocated	729,190	1,250,000	1,000,000	1,500,000	1,279,125	5,758,315
	County Buildings - roof	390,000	-	-	-	-	390,000
	Rewiring Programme (including Residual Decoration Work etc	150,000	150,000	-	-	-	300,000
	Equalities Act Budget - Unallocated	450,000	400,000	250,000	-	-	1,100,000
	Developers' Contributions	-	1,277,074	-	-	-	1,277,074
	New Office Accommodation	256,219	4,000,000	8,000,000	1,550,000	-	13,806,219
	Information Technology						
	Payroll/HR Systems development	812,467	-	-	-	-	812,467
	ICT Infrastructure Renewal	222,714	130,000	50,000	50,000	40,000	492,714
	Server reconfiguration & PC refresh	25,000	-	-	-	-	25,000
	PC refresh	50,000	350,000	100,000	200,000	100,000	800,000
	Mobile devices	41,500	10,000	65,000	-	-	116,500
	Social Work Client Database	450,000	500,000	-	-	-	950,000
	Property Maintenance work scheduling system	275,000	-	-	-	-	275,000
New	(i) Finance System Upgrade (e-business suite to cloud and debtors)	800,000	-	-	-	-	800,000
New	(j) Payroll/HR Systems development	240,000	-	-	-	-	240,000
	Other						
	Facilitate Introduction of Flexible Working	49,675	50,000	50,000	100,000	250,000	499,675
	Initial Work on Projects For Future Years	100,000	100,000	-	-	-	200,000
	Project Management Costs	120,000	120,000	-	-	-	240,000
		7,454,662	9,537,074	11,615,000	4,626,000	1,669,125	34,901,861
Total 5 year Capital Programme Spend		49,752,173	32,847,352	28,638,387	21,320,000	19,950,125	152,508,037

Capital Investment Programme: Funding

	2016-17	2017-18	2018-19	2019-20	2020-21	Total
	£	£	£	£	£	£
Funding Type						
General Capital Grant	8,857,000	-	-	-	-	8,857,000
Estimated capital grant in future years	-	12,043,000	10,000,000	10,000,000	10,000,000	42,043,000
Specific Capital grants:-						
Cycling, Walking & Safer Streets	123,000	32,000	-	-	-	155,000
	8,980,000	12,075,000	10,000,000	10,000,000	10,000,000	51,055,000
Additional funding identified						
Capital receipts	475,000	250,000	250,000	250,000	250,000	1,475,000
Citadel funding brought forward from previous years	45,695	-	-	-	-	45,695
Travellers site brought forward from previous years	-	60,375	50,000	-	-	110,375
Developers contributions to match expenditure	-	1,277,074	-	-	-	1,277,074
Other Contributions - Grants/CFCR/CRA	1,247,778	-	-	-	-	1,247,778
Repairs & Renewals Contribution - Parking consultation for Ayr & Prestwick	15,000	-	-	-	-	15,000
New Use of reserves to replace reduced capital grant	2,155,000	-	-	-	-	2,155,000
	3,938,473	1,587,449	300,000	250,000	250,000	6,325,922
Cash Funding available	12,918,473	13,662,449	10,300,000	10,250,000	10,250,000	57,380,922
Borrowing	36,833,700	19,184,903	18,338,387	11,070,000	9,700,125	95,127,115
Total funding requirement	49,752,173	32,847,352	28,638,387	21,320,000	19,950,125	152,508,037

Appendix 9 - Capital Investment Programme: Debt Charge implications

Base 2015/16		2016/17	2017/18	2018/19	2019/20	2020/21
£		£	£	£	£	£
6,653,224	Principal	6,983,528	7,817,242	8,199,138	8,394,123	8,753,762
6,668,793	Interest	5,995,162	6,598,180	6,913,595	7,301,095	7,369,351
101,402	Expenses	104,177	111,823	108,792	111,284	112,838
(270,225)	Investment Income	(279,867)	(233,222)	(233,222)	(233,222)	(233,222)
13,153,194		12,803,000	14,294,023	14,988,303	15,573,280	16,002,729
	Movement from previous year - increase/(decrease)	(350,194)	1,491,023	694,280	584,977	429,449

