



**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	
<b>Less</b> bad debts 2.75 percent				1,419	
				50,182	
<b>Council tax Band D</b>				<b>£1,188.57</b>	

- (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
<b>Funding:</b>		
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
<b>Total anticipated SAC funding</b>		<b>260.555</b>
Less funding delegated to South Ayrshire HSC		68.769
<b>Total anticipated funding (excluding HSCP)</b>		<b>191.786</b>
<b>Expenditure:</b>		
<b>Base expenditure:</b>		
Base net service expenditure		185.859
<b>Updated service expenditure demands:</b>		
Pay awards, increments, superannuation etc	2.840	
Key Strategic Objectives ( <b>Appendix 3</b> )	3.178	
Improving educational attainment (specific grant funded)	2.423	
Gaelic initiatives (specific grant funded)	0.010	
Revised debt charges ( <b>Appendix 10</b> )	1.215	9.666
<b>Efficiency measures:</b>		
Previously approved efficiencies ( <b>Appendix 4</b> )	(3.509)	
Removed or delayed efficiencies ( <b>Appendix 5</b> )	0.540	(2.969)
New efficiencies/savings proposed ( <b>Appendix 6</b> )		(0.770)
<b>Total planned net service expenditure (excluding HSCP)</b>		<b>191.786</b>

(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
<b>Funding:</b>		
2016/17 base budget		65.765
Base funding reduction per settlement agreement		(1.850)
<b>Revised base funding 2017/18</b>		<b>63.915</b>
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
<b>Total SAC funding</b>		<b>68.769</b>
Scottish Government funding via Health		8.300
<b>Total anticipated HSCP funding 2017/18</b>		<b>77.069</b>

- (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**

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

- 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
<b>Investment in:</b>	
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
<b>Total 6 year investment plan</b>	<b>144.821</b>
<b>Funding:</b>	
General Capital Grants	64.386
Capital receipts/other contributions	3.823
Borrowing	76.612
<b>Total anticipated funding</b>	<b>144.821</b>

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

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

## Appendix 3

### Key Strategic objectives – additional investment

	£
<b>Our Children &amp; Families</b>	
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
<b>Our Communities</b>	
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
<b>Our Environment</b>	
Waste Management: Recycling contract increase (funded from reserves for two years)	652,000
<b>Improvement programme investment in:</b>	
<b><i>Buildings</i></b>	
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
<b><i>Other</i></b>	
Modern Apprenticeships: Wage increase (combines national minimum wage increase plus increase to new rate of £5.55 per hour)	124,215
Investment in ICT core funding	150,000
Vehicle, plant and equipment leasing	64,000
<b>Total</b>	<b>3,178,302</b>

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

## 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>
<b>Sports, Leisure &amp; Golf</b>	Formation of Leisure Trust	334,493	-
	Transfer of Dam Park Athletics Stadium to alternative provider	17,608	52,824
<b>Libraries Arts &amp; Culture</b>	Rozelle House Operating Model	55,075	-
<b>Waste Management</b>	Review of domestic waste collection	-	80,000
		<b>407,176</b>	<b>132,824</b>
<b>Total savings removed</b>			<b>540,000</b>

## Appendix 6 - New savings proposals

<i>Service area</i>	<i>Proposal</i>	<i>2017/18 Amount £</i>
<b>Corporate</b>		
<b>All services</b>	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
	<b>Total</b>	<b>290,000</b>
<b>Educational Services</b>		
<b>Schools</b>	School roll adjustment (EDU – EQIA ES01)	300,000
	School transport cost reduction (EDUC – EQIA ES02)	130,000
	<b>Total</b>	<b>430,000</b>
<b>Economy Neighbourhood and Environment</b>		
<b>Neighbourhood Services</b>	Reduced Strathclyde Passenger Transport requisition cost (ENE – EQIA ENE01)	50,000
	<b>Total</b>	<b>50,000</b>
<b>Proposed savings total – All directorates</b>		<b>770,000</b>

### 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)**

	<b>2018/19 £m</b>
<b>Funding:</b>	
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
<b>Total anticipated SAC funding</b>	<b>252.952</b>
Direct HSCP funding	8.300
<b>Total anticipated funding including HSCP</b>	<b>261.252</b>
<b>Expenditure:</b>	
<b>Base expenditure:</b>	
Base net service expenditure	268,855
<b>Service expenditure pressures:</b>	
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 ( <b>Appendix 10</b> )	0.312
<b>Total revised expenditure</b>	<b>278.171</b>
<b>Initial Budget surplus/(gap)</b>	<b>(16.919)</b>

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

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£	£	£	£	£	£	£
<b>2) Our adults and older people</b>							
<b>a) Scheme of Assistance</b>	400,000	400,000	400,000	400,000	500,000	-	<b>2,100,000</b>
	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>500,000</b>	<b>-</b>	<b>2,100,000</b>

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

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£	£	£	£	£	£	£
<b>Our communities (cont.)</b>							
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
	<b>5,501,440</b>	<b>4,475,375</b>	<b>5,470,000</b>	<b>7,480,000</b>	<b>3,825,000</b>	<b>2,100,000</b>	<b>28,851,815</b>

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£	£	£	£	£	£	£
<b>4) Other investment in:</b>							
<b>Buildings</b>							
<b>a) Burns House demolition</b>	-	-	-	-	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>b) Equalities Act Budget</b>	240,226	250,000	-	-	500,000	-	990,226
New Office Accommodation	249,243	8,000,000	5,406,219	-	-	-	13,655,462
<b>c) Property Refurbishment - Unallocated</b>	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
<b>d) Works to Facilitate Property Rationalisation</b>	200,000	100,000	100,000	-	250,000	-	650,000
<b>Information Technology</b>							
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
<b>Other Investment (cont.)</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Oracle payroll development	100,000	-	-	-	-	-	<b>100,000</b>
Oracle dataguard	140,000	-	-	-	-	-	<b>140,000</b>
PC refresh	308,986	100,000	200,000	100,000	-	-	<b>708,986</b>
Property Maintenance work scheduling system	90,000	-	-	-	-	-	<b>90,000</b>
<b>e)</b> Social Work Client Database	302,517	280,617	282,540	-	-	-	<b>865,674</b>
<b>Other</b>							
Facilitate Introduction of Flexible Working	85,000	50,000	100,000	250,000	-	-	<b>485,000</b>
<b>f)</b> Initial Work on Projects For Future Years	170,000	100,000	100,000	100,000	100,000	-	<b>570,000</b>
<b>g)</b> Project Management Costs	120,000	120,000	120,000	120,000	120,000	-	<b>600,000</b>
<b>h)</b> New projects – to be identified	-	-	-	-	-	17,314,293	<b>17,314,293</b>
	<b>6,650,621</b>	<b>12,115,617</b>	<b>8,984,759</b>	<b>2,714,125</b>	<b>3,480,000</b>	<b>17,314,293</b>	<b>51,259,415</b>
<b>Total 6 year Capital Programme Spend</b>	<b>31,108,781</b>	<b>29,458,803</b>	<b>26,028,759</b>	<b>20,795,125</b>	<b>16,515,000</b>	<b>20,914,293</b>	<b>144,820,761</b>



## Capital Investment Programme: Funding

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

## Appendix 10 - Capital Investment Programme: Debt Charge implications

<b>Base 2017/18</b>		<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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)
<b>12,803,020</b>		<b>14,017,627</b>	<b>14,329,848</b>	<b>14,716,149</b>	<b>15,081,829</b>	<b>15,863,240</b>	<b>16,220,673</b>
	<b>Movement from previous year - increase/(decrease)</b>	<b>1,214,607</b>	<b>312,221</b>	<b>386,301</b>	<b>365,680</b>	<b>781,411</b>	<b>357,433</b>

## Appendix 11 – Common Good Fund revenue budgets 2017/18

	Ayr £	Prestwick £	Troon £	Girvan £	Maybole £
<b>Income:</b>					
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)
<b>Total planned income</b>	<b>(648,500)</b>	<b>(25,650)</b>	<b>(200)</b>	<b>(45,000)</b>	<b>(15)</b>
<b>Expenditure:</b>					
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	-	-	-
<b>Total planned expenditure</b>	<b>573,500</b>	<b>31,400</b>	<b>200</b>	<b>45,000</b>	<b>-</b>
<b>Planned (surplus)/ deficit for the year</b>	<b>(75,000)</b>	<b>5,750</b>	<b>-</b>	<b>-</b>	<b>(15)</b>
<b>Projected revenue surplus at 1 April 2017</b>	<b>(152,513)</b>	<b>(261,741)</b>	<b>(34,652)</b>	<b>(9,490)</b>	<b>(1,601)</b>
Budgeted 2017/18 (surplus)/ deficit	(75,000)	5,750	-	-	(15)
<b>Projected revenue surplus at 31 March 2018</b>	<b>(227,513)</b>	<b>(255,991)</b>	<b>(34,652)</b>	<b>(9,490)</b>	<b>(1,616)</b>

## Appendix 12 – Common Good Fund capital budgets 2017/18

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

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



