ARGYLL AND BUTE COUNCIL **COUNCIL**

FINANCIAL SERVICES **22 FEBRUARY 2024**

REVENUE BUDGET OVERVIEW 2025-26 to 2028-29

1. EXECUTIVE SUMMARY

1.1 This report summarises the position with regard to the key issues surrounding the revenue budget estimates and setting of council tax for 2024-25. It also provides budget estimates for 2025-26 to 2028-29; within the report the mid-range estimates are noted, with the best case and worse case estimates included in Appendix 1.

1.2 The Local Government Finance Circular 08/2023 was published on 21 December 2023 provides detail of the provisional total revenue and capital funding allocations for 2024-25. The Council's provisional General Revenue Grant is £237.475m (there is also £4.526m of Revenue Specific Grants). There is also an expectation that additional funding will be received during the year in respect of the increase to the Teachers Pension Scheme. It is expected that there will be an announcement as part of the UK Spring Budget in respect of funding for the increase to the Teachers Pension Scheme (from 1 April 2024). If this is the case, this will provide Barnett Consequentials that the Scottish Government confirmed on 2 February 2024 will be passed onto Local Government and additional funding of £1.427m has been assumed.

1.3 The Council Tax budget for 2023-24 was set at £58.896m. In terms of the growth in the council tax base, throughout the year a growth of 0.5% was assumed within the mid-range scenario (0.25% in worst case and 0.75% in best case). The growth in future years remains the same as 2024-25 in all scenarios. The 0.5% growth in 2024-25 amounts to an estimated increase of £0.294m.

1.4 Throughout the year there was an assumption of an approval of a 5% increase in Council Tax in 2024-25 in all scenarios. It was estimated that the 5% increase would generate £2.960m in additional income. The 2024-25 Scottish Government Draft Budget has made available £144m to fund a freeze in Council Tax across each of Scotland's 32 local authorities. The funding earmarked is equivalent to a 5% net increase in Council Tax nationally, taking into account the average rise in Council Tax in 2023-24. Our indicative allocation is £2.860m, which is £0.100m less than we had estimated, meaning the funding is equivalent to a 4.8% increase for Argyll and Bute.

1.5 The budget for 2023-24 has been rolled forward into 2024-25 and the main changes to the 2024-25 base budget are summarised below:

- Removal of one-off Management/Operational savings of £1.053m
- Removal of cost pressures relating to 2023-24 only of £0.442m

- Adjustment for additional budget allocated for floral displays during 2023-24 of £0.008m
- Recognition of the 2023-24 Teachers pay award being agreed at a higher cost than the original estimate by £3.333m
- Recognition of the 2023-24 SJC pay award being agreed at a higher cost than the original estimate by £2.942m
- Adjustment to ferries budget of £0.191m following confirmation of specific grant
- Adjustment to base of £0.024m regarding Council Tax collection rates as a result of the Business Process Review (BPR)
- Removal of inflationary contingency of £0.058m.

1.6 The employee cost changes for 2024-25 amount to a £1.718m reduction and this includes pay inflation, increments, employee base changes, the increase to the teachers pension scheme rate and the gain from the Strathclyde Pension Fund (both recurring and one-off).

1.7 Only unavoidable/inescapable inflation has been included within 2024-25 and this amounts to £3.351m. This includes utilities, catering purchases, contract inflation, and landfill tax.

1.8 There are a number of cost and demand pressures for 2024-25, amounting to £2.995m summarised as follows:

- Housing Benefits Admin Grant £0.040m
- IFRS16 Implementation £0.018m
- ASN Support £0.198m
- Sustainable rate for partner providers £0.327m
- NPDO/HUB Schools 2023-24 inflation £0.480m
- Leisure SLA's 2023-24 inflation £0.010m
- Repairs and Maintenance – Helensburgh Leisure Complex £0.105m
- Print and Mail Room £0.063m
- Depots Unachievable saving £0.108m
- Waste - PPP 2023-24 Inflation £0.255m
- Waste – Persistent Organic Pollutants £0.150m
- Waste – Increased Gate Fees £0.162m
- Local Development Plan £0.050m
- Export Health Certificates £0.090m
- Rightsize Insurance budgets £0.126m
- Civica Revenue and Benefits System £0.063m
- Piers and Harbours rightsizing of budget £0.500m
- Scottish Welfare Fund £0.250m

1.9 The revised payment to the Health and Social Care Partnership, reflects 2023-24 in year adjustments and the net changes to the settlement in respect of Social Work that we have been directed to pass over to the Health and Social Care Partnership. The revised payment amounts to £74.326m.

1.10 The budget gap prior to any measures to balance the budget is a deficit of £10.167m in 2024-25.

1.11 There are a number of measures to balance the budget that have previously been agreed at the Council's budget meetings in 2022 and 2023 which have a net effect of reducing the 2024-25 budget gap by £0.093m.

1.12 On 23 November 2023, Council agreed a new policy relating to the council tax treatment of second and long-term empty homes. The implementation of a double charge on these properties is estimated to generate an additional £4m of income in 2024-25, rising slightly in future years.

1.13 There are a number of other measures to balance the budget that are for Council approval, summarised as follows:

- General inflationary increase of 6% to fees and charges resulting in £0.385m of additional income.
- 10% reduction to Live Argyll management fee.
- Strathclyde Pension Fund Gain totalling £2.206m (part of Council gain and Live Argyll gain).
- New management/operational savings amounting to £3.950m.
- New policy options savings amounting to £1.024m.

The budget gap after the measures to balance the budget is a deficit of £0.715m in 2024-25.

1.14 The setting of Council Tax should happen on the same day as the Council sets its revenue budget as once all proposals are considered, Council Tax is the balancing figure. The gap noted above is based on acceptance of the Council Tax freeze with funding from the Scottish Government equivalent to 4.8% for Argyll and Bute being made available. In order to get to a balanced budget, Council should consider whether to reject the Council Tax freeze and increase Council Tax by 6.04% to balance the budget. The alternative is that Council would need to fund the gap using reserves or other funds held, which would be a one-off fix, however, Members need to be mindful of the significant gap within the capital programme that requires funding.

1.15 The budget gap over the period 2025-26 to 2028-29 across each scenario is summarised in the table below.

Budget Gap	**2025-26 £000**	**2026-27 £000**	**2027-28 £000**	**2028-29 £000**	**Total £000**
Best Case	(1,503)	(1,856)	(2,130)	(3,185)	**(8,674)**
Mid-Range	(6,583)	(12,133)	(15,991)	(21,191)	**(55,898)**
Worst Case	(20,351)	(38,317)	(55,229)	(73,943)	**(187,840)**

1.16 The Council are asked to consider four funding requests summarised within Appendix 8. Members are asked to give consideration to these requests and how they would be funded.

REVENUE BUDGET OVERVIEW 2025-26 to 2028-29

2. INTRODUCTION

2.1 This report summarises the position with regard to the key issues surrounding the revenue budget estimates and setting of council tax for 2024-25. It also provides budget estimates for 2025-26 to 2028-29; within the report the mid-range estimates are noted, with the best case and worse case estimates included in Appendix 1.

2.2 Regular reports on the budget outlook 2024-25 to 2028-29 have been presented to Members throughout the year. Reports were presented to the Policy and Resources Committee on 11 May 2023, 10 August 2023, 12 October 2023 and 7 December 2023.

3. DETAIL

3.1 Funding

Finance Settlement

3.1.1 The Scottish Budget was announced by the Deputy First Minister on 19 December 2023 and the Local Government Finance Circular 08/2023 was published on 21 December 2023 providing detail of the provisional total revenue and capital funding allocations for 2024-25 (one year only). The provisional total funding allocations form the basis for the annual consultation between the Scottish Government and COSLA ahead of the Local Government Finance (Scotland) Order 2024 presented to the Scottish Parliament. The Finance Order is due to be laid in Parliament on 7 February with Stages 1-3 between 8 February and 27 February with the Finance Order Debate taking place on 28 February.

3.1.2 The Circular outlines that the Scottish Government will work in partnership with local government to implement the budget and the joint priorities in return for the full funding package worth £13.9 billion which includes:

- £950.9m of funding that has now been baselined into the General Revenue Grant, as part of the commitment under the Verity House Agreement to review ring-fenced funding;
- £230m to deliver the payment of £12 per hour minimum pay settlement for adult social care workers in commissioned services via agreed contract uplifts;
- £11.5m to support the uprating of Free Personal and Nursing Care rates;

- £6m to support the expansion of the Free School Meals policy;
- £6.8m for Discretionary Housing Payments;
- £145.5m to support additional teachers and support staff;
- £242m to support teacher pay uplifts; and
- £266.2m to support local government pay.

3.1.3 The 2004-25 Scottish Government Draft Budget also made available £144m to fund a freeze in Council Tax across each of Scotland's 32 local authorities. The funding earmarked is equivalent to a 5% net increase in Council Tax nationally, taking into account the average rise in Council Tax in 2023-24, whilst recognising that inflationary pressures have eased in the last 12 months.

Scottish Government Funding for Argyll and Bute Council

3.1.4 The funding excluding ring-fenced grants for 2023-24 noted within the February 2023 budget pack was £221.607m. The funding for 2024-25, excluding ring-fenced grants is £237.475m as outlined within the Finance Circular.

3.1.5 The table below represents the changes between 2023-24 and 2024-25:

	£000	£000
Funding Budget 2023-24 as per budget pack		221,607
SG Policy Commitments – Health and Social Care:		
Self Directed Support	5	
Kinship and Foster Care	207	
		212
SG Policy Commitments – Council:		
Discretionary Housing Payments & Other	900	
Adjustments to Finance Order	(67)	
SNCT Pay	2,392	
Ukraine Refugee Resettlement Teams	54	
Summer Programmes	53	
Further Ukraine Funding	559	
Climate Intelligence Service	(7)	
Temporary Accommodation	47	
Education Psychologists	15	
Teacher Induction Scheme	33	
Employability Staffing	213	
		4,192
Local Government Pay		2,739
Rounding		2
Updated Funding 2023-24 (FC 8/2023)		**228,752**
Updating of Indicators		714
Specific Grants now part of General Revenue Grant		7,609
Change to the floor		(3,020)

Remove one-off allocations		(934)
Indicators Still to be Distributed (Discretionary Housing Payments and Scottish Disability Assistance)		(1,002)
SG Policy Commitments – Health and Social Care		290
SG Policy Commitments – Council		64
Teachers Pay		895
Local Government Pay		4,107
Provisional Settlement 2024-25 (FC 8/2023)		**237,475**

3.1.6 If you compare the settlement of £237.475m to the finalised cash funding in 2023-24 the funding has increased by £8.723m – in cash terms. However, this is not a like-for-like comparison as there is some funding in 2023-24 that was one-off, some funding for 2024-25 that still has to be distributed and there is also funding that was previously specific grant that is now part of the general revenue grant so this needs to be accounted for. The like-for-like cash terms comparison is an increase of £3.050m or 1.30%

	£000	£000
2023-24	228,752	
Ukraine Refugee Resettlement Teams	(54)	
Summer Programmes	(53)	
Further Ukraine Funding	(559)	
Climate Intelligence Service	7	
Temporary Accommodation	(47)	
Education Psychologists	(15)	
Employability Staffing	(213)	
Specific Grant now GRG	7,609	
2023-24 Settlement for comparison		**235,427**
2024-25 Settlement	237,475	
Teachers Induction	33	
Discretionary Housing Benefit	900	
Scottish Disability Assistance	69	
2024-25 Settlement for comparison		**238,477**
Increase		**3,050**
Increase %		**1.30%**

3.1.7 Although there has been a cash increase, much of the cash increase is due to additional funding either to support pay or directed towards Scottish Government Policy. Adjusting for these amounts (£0.290m, £0.064m, £0.895m & £4.107m) the increase swings to a reduction to funding of -£2.306m or -0.98% for core services.

3.1.8 In considering the assumption related to future years funding, I have reflected on the funding change in the last 4 years after accounting for new policy commitments:

- 2021-22 funding increase of 0.39%.
- 2022-23 funding decrease of 0.01%
- 2023-24 funding increase of 0.09%
- 2024-25 funding decrease of 0.98%

The spending review published in May 2022 had indicated that the total budget for Local Government would remain flat cash until 2027-28, however, this was not the case for 2024-25. There was also a recent announcement of an additional £600m for English Councils and at the time of writing it is unclear as to whether the Barnett Consequentials for this funding will be passed over to Scottish Councils.

3.1.9 It may be prudent to assume a funding reduction in the mid-range scenario for future years in light of the 2024-25 settlement. However, I suggest waiting until we know whether the consequentials in respect of the English Councils additional funding is passed over, the UK budget announcement in March and the Scottish Governments refreshed medium term spending plan before finalising the assumption. Meantime the current assumptions will remain, that is a range between a 0.5% increase (best case) and 0.5% reduction (worst case) with a mid-range reduction of flat cash. This will be kept under close review.

3.1.10 On 27 October 2023 the Department for Education (DfE) published the outcome of the 2020 valuation of the Teachers' Pension Scheme (TPS). A 5% increase in the employer contribution rate has been confirmed, to take effect from 1 April 2024 to ensure that the scheme continues to meet present and future obligations. The UK Government has confirmed (with an announcement expected as part of the UK Budget in March) that it will provide additional funding to cover the rate increase for directly funded scheme employers (e.g. schools) in England and there should therefore be Barnett Consequentials that flow through to Scotland for this. The Scottish Government confirmed on 2 February 2024 that any funding associated with this will be passed onto Local Government. There is a risk that the funding quantum is insufficient or there is a shortfall due to the distribution formula, however, at this stage we are estimating that the additional cost of £1.427m will be fully funded.

Council Tax

3.1.11 The Council Tax budget for 2023-24 was set at £58.896m. This included a 5% increase and a 1.5% growth in the council tax base. This is the starting position for 2024-25.

3.1.12 In terms of the growth in the council tax base, throughout the year a growth of 0.5% has been assumed within the mid-range scenario (0.25% in worst case and 0.75% in best case). The 0.5% growth in 2024-25 amounts to an estimated increase of £0.294m. The growth in future years remains the same as 2024-25 in all scenarios.

3.1.13 Throughout the year there was an assumption of an approval of a 5% increase in Council Tax in 2024-25 in all scenarios. It was estimated that the 5% increase would generate £2.960m in additional income. The 2024-25 Scottish Government Draft Budget has made available £144m to fund a freeze in Council Tax across each of Scotland's 32 local authorities. The funding earmarked is equivalent to a 5% net increase in Council Tax nationally, taking into account the average rise in Council Tax in 2023-24. Our indicative allocation is £2.860m, which is £0.100m less than we had estimated, meaning the funding is equivalent to a 4.8% increase for Argyll and Bute.

3.1.14 As part of the 2023-24 budget setting process, a business process review was undertaken of the Revenues and Benefits Service where one of the outcomes was anticipated increased Council Tax recoveries equating to £0.264m in 2024-25. Furthermore, the creation of the self-funded Counter Fraud team also ensures minimum additional collections of £0.085m in 2024-25. These additional Council Tax recoveries total £0.349m in 2024-25 with the recoveries reducing in future years.

3.1.15 The estimated Council Tax income over the next five years (excluding future years Council Tax increases, which are dealt with later in the report) is noted in the table below.

	Draft 2024-25 £000	**Mid-Range 2025-26 £000**	**Mid-Range 2026-27 £000**	**Mid-Range 2027-28 £000**	**Mid-Range 2028-29 £000**
Council tax budget 2023-24	58,896	58,896	58,896	58,896	58,896
Growth at 0.5% in all years	294	590	887	1,186	1,486
Council Tax Freeze funding	2,860	2,860	2,860	2,860	2,860
Council Tax Review and Counter Fraud Income	349	200	202	204	206
Total Council Tax Income	**62,399**	**62,546**	**62,845**	**63,146**	**63,448**

Total Funding

3.1.16 The table below summarises the total estimated funding over the next five years within the mid-range scenario.

	Draft 2024-25 £000	Mid-Range 2025-26 £000	Mid-Range 2026-27 £000	Mid-Range 2027-28 £000	Mid-Range 2028-29 £000
Scottish Government funding	237,475	237,171	237,171	237,171	237,171
Funding for Teachers Pension increase	1,427	1,427	1,427	1,427	1,427
Council Tax income	62,399	62,546	62,845	63,146	63,448
Total Funding	**301,301**	**301,144**	**301,443**	**301,744**	**302,046**

3.2 Base Budget

3.2.1 As with previous years the base budget for 2024-25 is the current years approved budget adjusted for any:

- one-off items included within 2023-24 that are not carried forward into 2024-25;
- previously agreed items for future years; and
- funding adjustments since the 2023-24 budget was agreed.

3.2.2 The split of the base budget across services and other central commitments is based on a snapshot of the copy budget for 2023-24 as this is the most up to date budget provision reflecting any coding improvements and virements up until this time.

3.2.3 The base budget for 2024-25 is £284.536m. The changes to the base budget are as follows:

- Removal of one-off Management/Operational savings of £1.053m
- Removal of cost pressures relating to 2023-24 only of £0.442m
- Adjustment for additional budget allocated for floral displays during 2023-24 of £0.008m.
- Recognition of the 2023-24 Teachers pay award being agreed at a higher cost than the original estimate by £3.333m
- Recognition of the 2023-24 SJC pay award being agreed at a higher cost than the original estimate by £2.942m
- Adjustment to ferries budget of £0.191m following confirmation of specific grant
- Adjustment to base of £0.024m regarding Council Tax collection rates as a result of the Business Process Review (BPR)
- Removal of inflationary contingency of £0.058m.

3.2.4 Although the majority of the funding from the Scottish Government is not strictly ring-fenced, there are many elements of the funding that are directed to deliver on Scottish Government policy. The base budget needs to be adjusted to reflect the additional costs for delivering on these

directions and the budget increase is limited to the funding provided. The adjustments for the Council are listed in the table below and it should be noted that any relating to the HSCP are detailed at section 3.6 of the report.

	Increase / (Decrease) £000
Early Learning and Childcare (transferred from specific grant to general revenue grant)	7,607
School Meals Funding Increase	61
Scottish Disability Assistance not distributed yet (50% Educ/50% HSCP)	(34)
Net Increase	**7,634**

3.2.5 The revised base budget over the next five years is summarised in the table below.

	Draft 2024-25 £000	**Mid-Range 2025-26 £000**	**Mid-Range 2026-27 £000**	**Mid-Range 2027-28 £000**	**Mid-Range 2028-29 £000**
Base Budget 2023-24	284,536	284,536	284,536	284,536	284,536
Remove one-off management/ operational savings from 2023-24	1,053	1,045	1,045	1,045	1,045
Remove one off cost pressures from 2023-24	(442)	(442)	(442)	(442)	(442)
Adjustment for additional budget allocated for floral displays during 2023-24	8	8	8	8	8
Pay Award – Teachers	3,333	3,333	3,333	3,333	3,333
Pay Award – SJC	2,942	2,942	2,942	2,942	2,942
Adjustment to ferries budget following	(191)	(191)	(191)	(191)	(191)

confirmation of funding					
Adjustment to base as a result of BPR	24	24	24	24	24
Removal of inflationary contingency no longer required	(58)	(58)	(58)	(58)	(58)
SG Policy Directions	7,634	7,634	7,634	7,634	7,634
Revised Base Budget	**298,839**	**298,831**	**298,831**	**298,831**	**298,831**

3.3 Employee Costs

3.3.1 Financial Services have populated salary templates with details of the current establishment and where necessary liaised with budget holders to confirm their staff. The templates calculate the next years pay bill including superannuation and national insurance contributions. The cost of the employees from the template is compared to the previous year and reasons for differences explained.

3.3.2 In terms of the level of employee budgets for 2024-25, the expectation would be that the budget would reflect the 2023-24 budget plus any increase due to incremental progression, inflation and any other unavoidable employee cost increases less previously approved employee budget savings. For 2024-25 there is an overall decrease in the employee budget base of £0.007m (excluding Social Work).

3.3.3 The 2024-25 pay award has not been agreed yet and therefore an estimate will require to be built into the budget. In terms of assumptions, I have assumed a pay award in 2024-25 of 3%. For future years, the mid-range scenario has been scaled back to 2% on the basis that it is expected that as inflation reduces, pay awards could also reduce. It is acknowledged that as the pay award is not yet agreed it could differ from this estimate so a financial risk has been recognised within the Financial Risks Analysis Report.

3.3.4 The cost of employee increments for 2024-25 equates to £0.605m. Every year it is assumed that most employees will be on the top of the scale and therefore there should be no further incremental cost, however, there is still a turnover on the employee base and as a result, staff may leave who are on the top point of the grade, with a new/transferred employee commencing on the bottom point of the grade. This gives rise to an incremental cost which can be partly offset by a decrease to the employee base. For 2024-25 the increment is based on the actual calculated cost. For future years the cost of employee increments is based on 50% of the 2024-25 increment in the

best case scenario and 100% of the 2024-25 increment in the mid-range and worst case scenario.

3.3.5 On 27 October 2023 the Department for Education (DfE) published the outcome of the 2020 valuation of the Teachers' Pension Scheme (TPS). A 5% increase in the employer contribution rate has been confirmed, to take effect from 1 April 2024 to ensure that the scheme continues to meet present and future obligations. The UK Government has confirmed (with an announcement expected as part of the UK Budget in March) that it will provide additional funding to cover the rate increase for directly funded scheme employers (e.g. schools) in England and there should therefore be Barnett Consequentials that flow through to Scotland for this. The Scottish Government confirmed on 2 February 2024 that any funding associated with this will be passed onto Local Government. There is a risk that the funding quantum is insufficient or there is a shortfall due to the distribution formula, however, at this stage we are estimating that the additional cost of £1.427m will be fully funded.

3.3.6 The Strathclyde Pension Fund (SPF) has reported an exceptionally strong set of results with a surplus of almost £9bn which will allow a reduction in the employer contribution rate. The largest employers, including 12 councils of which Argyll and Bute Council is one, will see a reduction in their employer contributions from 19.3% to 6.5% over the next two years, before reverting to a sustainable long-term rate in the third year of 17.5%. The recurring saving associated with the long term reduction to 17.5% is estimated to be £1.085m and this has been built into the budget.

There is also a one-off saving in the first two years associated with a reduction to 6.5% of £6.875m in each year. It is recommended that the saving in each of these years is transferred to the General Fund to be set aside for transformational/spend to save projects that would create a saving in revenue in the future. This will be covered in paragraph 3.7.1.

3.3.7 The changes to the employee budgets estimated over the next five years for Council services are summarised in the table below. The employee cost increases relating to the Health and Social Care Partnership are summarised within paragraph 3.6.6.

	Draft 2024-25 £000	**Mid-Range 2025-26 £000**	**Mid-Range 2026-27 £000**	**Mid-Range 2027-28 £000**	**Mid-Range 2028-29 £000**
Pay Award	4,217	7,350	10,546	13,806	17,131
Increments	605	1,210	1,815	2,420	3,025
Change to employee base	(7)	(7)	(7)	(7)	(7)
Teachers Pension Scheme increase	1,427	1,427	1,427	1,427	1,427

One-off element of SPF reduction	(6,875)	(6,875)	0	0	0
Recurring element of SPF reduction	(1,085)	(1,085)	(1,085)	(1,085)	(1,085)
Total Employee Increases	**(1,718)**	**2,020**	**12,696**	**16,561**	**20,491**

3.4 Non-Pay Inflation

3.4.1 The position remains that only unavoidable/inescapable inflation has been included for 2024-25, this is with a view to only including a provision in the budget for an inflationary increase where it is absolutely required. The inflationary increases for 2024-25 for Council Services are noted below with further detail provided in Appendix 2. The total of £3.351m is a decrease of £0.335m on the £3.686m reported to the Policy and Resources Committee on 7 December 2023. This is due to the removal of the general contingency for unidentified/insufficient inflation estimates (£0.250m) and reductions to the CPI rate affecting a number of categories of spend, partially offset by an increase in utility costs.

Service	**Inflation Category**	**Amount**
Council Wide	Utilities – Electricity, Gas, Oil and Solid Fuel	963
Council Wide	Vehicle Fuel	53
Council Wide	Insurances	95
Education	Residential Schools	49
Education	Pre-Primary Partner Uplift	323
Commercial Services	Catering and Milk	216
Commercial Services	Central Repairs – Outside Contractor	107
Legal and Regulatory Support	Community Pools	65
Legal and Regulatory Support	NPDO/HUB Schools	651
Customer Support Services	ICT	201
Roads and Amenity Services	Waste PPP/Landfill Tax	376
Roads and Amenity Services	Street Lighting Electricity	121
Roads and Amenity Services	Bitumen	24

Other Operating Income and Expenditure	Contribution to Joint Boards	61
Other Operating Income and Expenditure	Annual Audit Fee	46
Total		**3,351**

3.4.2 In terms of the budget outlook for 2025-26 to 2028-29 the estimated impact of unavoidable / inescapable non-pay inflation has been calculated based on projected inflation rates at this point in time. The worst case scenario is 0.5% higher than the value included within the mid-range and the best case is 0.5% less than the mid-range scenario. This position will be monitored closely and reported to the Policy and Resources Committee throughout the year.

3.4.3 The overall additional budget requirement for non-pay inflation estimated over the next five years is summarised in the table below. Further detail is provided in Appendix 2. The estimated inflationary increases relating to the Health and Social Care Partnership are summarised within paragraph 3.6.6.

	Draft 2024-25 £000	**Mid-Range 2025-26 £000**	**Mid-Range 2026-27 £000**	**Mid-Range 2027-28 £000**	**Mid-Range 2028-29 £000**
Unavoidable/ inescapable Non-Pay Inflation	3,351	5,752	8,005	10,365	12,837

3.5 Cost and Demand Pressures

3.5.1 For a number of years, services have worked on the basis of having to contain any cost and demand pressures within current resources where possible. An allowance for unidentified cost and demand pressures has been included from 2025-26 onwards at £0.250m per annum within the mid-range scenario and £0.500m per annum within the worst case scenario.

3.5.2 The estimated cost and demand pressures identified for Council services are noted in the table below, with further detail provided in Appendix 3. The cost and demand pressures relating to the Health and Social Care Partnership are summarised within paragraph 3.6.6.

	Draft 2024-25 £000	**Mid-Range 2025-26 £000**	**Mid-Range 2026-27 £000**	**Mid-Range 2027-28 £000**	**Mid-Range 2028-29 £000**

Housing Benefits Admin Grant	40	80	120	160	200
IFRS16 Implementation	18	18	18	18	18
ASN Support	198	400	608	822	822
SEEMIS Membership Fees	0	0	7	7	7
Sustainable Rate for Partner Providers	327	327	327	327	327
NPDO/HUB Schools 2023-24 Inflation	480	480	480	480	480
Election Costs	0	0	0	350	0
Leisure SLA's 2023-24 Inflation	10	10	10	10	10
Repairs and Maintenance – Helensburgh Leisure Complex	105	105	105	105	105
Print and Mail Room	63	63	63	63	63
Depots – unachievable saving	108	108	108	108	108
Compliance with BMW Ban	0	608	2,433	2,433	2,433
Waste PPP 2023-24 Inflation	255	255	255	255	255
Waste – Persistent Organic Pollutants	150	150	150	150	150
Waste – Increased Gate Fees	162	162	162	162	162
Local Development Plan	50	0	50	0	0
Export Health Certificates	90	90	90	90	90
Rightsize Insurance Budgets	126	126	126	126	126
Civica Revenue and Benefits System	63	63	63	126	126
Piers and Harbours	500	500	500	500	500

rightsizing of budget					
Scottish Welfare Fund	250	250	250	250	250
Allowance for pressures in future years	0	500	1,000	1,500	2,000
Total Cost and Demand Pressures	**2,995**	**4,295**	**6,925**	**8,042**	**8,232**

3.6 Health and Social Care Partnership (HSCP)

3.6.1 The Council agreed an allocation to the HSCP of £76.253m for 2023-24 at its meeting on 23 February 2023 and noted that the level of future years funding is subject to the level of Scottish Government funding and the Council's overall financial position in future years.

3.6.2 During 2023-24 additional funding was allocated by the Scottish Government for the SJC pay award. This was a similar situation to what happened in 2022-23 and Council agreed to pass over a share of this funding to the HSCP. To do the same this year would see £1.140m passed over relating to the 2023-24 pay award.

3.6.3 The Local Government Finance Circular 8/2023 included additional funding to be passed over to the Health and Social Care Partnership for 2024-25. The net amount to be passed over to the HSCP is summarised below:

- £11.5m to support the uprating of Free Personal and Nursing Care rates – ABC share £0.292m.
- £16m for Kinship Care – ABC share £0.207m.
- £0.176m for Self Directed Support – ABC share £0.003m.
- Removal of Scottish Disability Assistance until distributed at a later date – ABC share £0.035m.

3.6.4 Paragraph 3.3.6 outlines the reduction in employer pension contribution rate for the Council. The HSCP will also see a reduction in employer contributions of £0.481m on a recurring basis with a one off saving in both 2024-25 and 2025-26 of £3.053m. It is recommended by officers that the recurring saving of £0.481m is retained by the Council and that the £6.106m is ring-fenced within the Council reserves for utilisation by the HSCP in the future. This will have no consequences for the overall HSCP position as the reduction in funding will be matched by a reduction in expenditure.

3.6.5 The revised payment to the Health and Social Care Partnership is noted below.

	Draft 2024-25 £000	Mid-Range 2025-26 £000	Mid-Range 2026-27 £000	Mid-Range 2027-28 £000	Mid-Range 2028-29 £000
Funding agreed for 2023-24	**76,253**	**76,253**	**76,253**	**76,253**	**76,253**
2023-24 share of SJC pay award funding	1,140	1,140	1,140	1,140	1,140
2024-25 net additional funding to be passed to HSCP	467	467	467	467	467
Recurring element of HSCP SPF gain	(481)	(481)	(481)	(481)	(481)
One-off element of HSCP SPF gain	(3,053)	(3,053)	0	0	0
Payment to HSCP	**74,326**	**74,326**	**77,379**	**77,379**	**77,379**

3.6.6 Members should note that the payment assumes that the HSCP will absorb any inflationary and cost and demand pressures. The latest estimated inflation and cost and demand pressures for Social Work have been discussed with the HSCP Chief Financial Officer. The mid-range estimates are summarised in the table below and further detail is contained within Appendix 4. These pressures are not included within the Council's budget gap but are included within this report for information. Note that these only extend to three years rather than the five years that the Council's budget outlook extends to. Extending the outlook to five years is a decision for the HSCP to take and their Chief Financial Officer is currently of the view that a five year planning window is not appropriate at the current time.

	Draft 2024-25 £000	Mid-Range 2025-26 £000	Mid-Range 2026-27 £000
Pay Inflation	930	1,568	2,323
Pay Increments	152	304	456
Non-Pay Inflation	923	1,770	2,595
Non-Pay Inflation on NHS posts recharged to Social Work	172	312	460
Older People Demand Growth	445	897	1,356

Younger Adults Demand Growth	418	840	1,359
Mental Health Budget Adjustment	93	186	186
Continuing care for looked after young people	0	250	500
Kintyre Care Centre	249	498	747
Allowance for unknown cost and demand pressures	500	1,000	1,500
Social Work Pressures	**3,882**	**7,625**	**11,482**

3.7 Budget Gap PRIOR to Measures to Balance the Budget

3.7.1 The budget gap prior to factoring in any previous savings decisions or potential options towards balancing the budget is summarised in the table below.

	Draft 2024-25 £000	**Mid-Range 2025-26 £000**	**Mid-Range 2026-27 £000**	**Mid-Range 2027-28 £000**	**Mid-Range 2028-29 £000**
Base Budget	298,839	298,831	298,831	298,831	298,831
Employee Cost Changes	(1,718)	2,020	12,696	16,561	20,491
Non-Pay Inflation	3,351	5,752	8,005	10,365	12,837
Cost and Demand Pressures	2,995	4,295	6,925	8,042	8,232
(Decrease)/ Increase to HSCP allocation	(1,927)	(1,927)	1,126	1,126	1,126
Transfer one-off SPF gain to General Fund per para 3.3.6	6,875	6,875	0	0	0
Transfer one-off HSCP SPF gain to General Fund per para 3.6.4	3,053	3,053	0	0	0
Total Net Expenditure	**311,468**	**318,899**	**327,583**	**334,925**	**341,514**
Total Funding	301,301	301,144	301,443	301,744	302,046
Budget Surplus / (Gap) Cumulative	**(10,167)**	**(17,755)**	**(26,140)**	**(33,181)**	**(39,471)**

3.8 Measures to Balance the Budget – Previously Agreed

3.8.1 There are a number of measures to balance the budget which have been previously agreed by Council and these are summarised in the table below.

	Draft 2024-25 £000	Mid-Range 2025-26 £000	Mid-Range 2026-27 £000	Mid-Range 2027-28 £000	Mid-Range 2028-29 £000
Management/ Operational Savings Agreed February 2023	(45)	(80)	(80)	(80)	(80)
Policy Savings Agreed February 2022	(3)	(3)	(3)	(3)	(3)
Policy Savings Agreed February 2023	(45)	(293)	(769)	(1,405)	(1,874)
Total Previously Agreed Savings	**(93)**	**(376)**	**(852)**	**(1,488)**	**(1,957)**

3.9 Measures to Balance the Budget – For Council Approval

3.9.1 There is a separate report included in the budget pack which relates to fees and charges together with the detailed schedule of charges for 2024-25. The general increase to fees and charges is proposed at 6% for 2024-25. The general inflationary increase would give additional income of £0.385m. In terms of the outlook for 2025-26 to 2028-29, fees and charges have been estimated at a 6% in the mid-range scenario (3% in worst case and 9% in best case).

3.9.2 A 10% reduction relating to the 2024-25 Live Argyll management fee has been built into the budget position which equates to £0.363m. It is for Council to agree the reduction in the management fee and the responsibility of the Live Argyll Board to consider and approve the options to deliver their service within their overall quantum of funding.

3.9.3 Savings options totalling £4.194m were included in the Budget Update report that was presented to Policy and Resources Committee on 7 December 2023. These savings have been refined and further savings options identified taking overall value of savings options to £4.974m.

3.9.4 The savings options have been classified as either:

- Management / Operational – meaning they do not result in either redundancies or any change in policy and can be implemented without Council approval
- Policy – meaning they require Council approval due to having staff or policy implications.

The management/operational savings are set out in Appendix 5 and the proposed policy savings are set out in Appendix 6.

3.9.5 A summary of the savings identified are noted in the table below. The savings reduce between 2024-25 and 2025-26 due to one-off savings included within 2024-25.

Saving Type	**2024-25 £000**	**2025-26 £000**	**2026-27 £000**	**2027-28 £000**	**2028-29 £000**
Management/ Operational	3,950	2,256	2,138	2,138	138
Policy	1,024	1,024	1,024	1,024	1,024
Total	**4,974**	**3,280**	**3,162**	**3,162**	**1,162**

3.9.6 The number of staff affected by potential redundancy required the Council to undertake a statutory 45 day consultation. This has been concluded in accordance with the Council's redundancy policy and procedures seeking to avoid compulsory redundancy wherever possible.

3.9.7 On 23 November 2023, Council agreed a new policy relating to the council tax treatment of second and long-term empty homes. The implementation of a double charge on these properties is estimated to generate an additional £4m of income in 2024-25, rising slightly in future years. This additional income is included within the budget gap table shown in section 3.10.

3.9.8 As per paragraph 3.1.13 throughout the year there was as assumption of an approval of a 5% increase in Council tax in 2024-25 and a 3% increase in Council Tax in all scenarios beyond 2024-25. This estimate for future years is included within the budget gap table below in Section 3.10.

3.10 Budget Gap AFTER Measures to Balance the Budget

3.10.1 The budget gap after applying all the measures to balance the budget is summarised within the table below.

	Draft 2024-25 £000	**Mid-Range 2025-26 £000**	**Mid-Range 2026-27 £000**	**Mid-Range 2027-28 £000**	**Mid-Range 2028-29 £000**
Estimated Budget Gap Prior to Measures to Balance Budget	**(10,167)**	**(17,755)**	**(26,140)**	**(33,181)**	**(39,471)**
Previously Agreed Savings	93	376	852	1,488	1,957

Fees and Charges 6% Increase	385	771	1,156	1,541	1,927
NEW Management/Operational Savings	3,950	2,256	2,138	2,138	138
NEW Policy Savings Options	1,024	1,024	1,024	1,024	1,024
Council Tax on second homes	4,000	4,120	4,244	4,371	4,502
Council Tax 3% Increase in future years	0	1,888	3,835	5,851	7,936
Budget Surplus / (Gap) Cumulative	**(715)**	**(7,320)**	**(12,891)**	**(16,768)**	**(21,987)**
Budget Surplus / (Gap) In Year	**(715)**	**(6,605)**	**(5,571)**	**(3,877)**	**(5,220)**

3.10.2 The setting of Council Tax should happen on the same day as the Council sets its revenue budget as once all proposals are considered, Council Tax is the balancing figure. The gap shown in the table above is based on acceptance of the Council Tax freeze with funding from the Scottish Government equivalent to 4.8% for Argyll and Bute being made available. In order to get to a balanced budget, Council should consider whether to reject the Council Tax freeze and increase Council Tax by 6.04% to balance the budget. The alternative is that Council would need to fund the gap using reserves or other funds held, which would be a one-off fix, however, Members need to be mindful of the significant gap within the capital programme that requires funding. The table below summarises the position across the years if Council tax is increased.

	Draft 2024-25 £000	**Mid-Range 2025-26 £000**	**Mid-Range 2026-27 £000**	**Mid-Range 2027-28 £000**	**Mid-Range 2028-29 £000**
Budget Surplus / (Gap) in Year as noted in 3.10.1 above	**(715)**	**(7,320)**	**(12,891)**	**(16,768)**	**(21,987)**
Council Tax additional income based on 6.04% increase	715	737	758	777	796
Final Budget Surplus / (Gap) Cumulative	**0**	**(6,583)**	**(12,133)**	**(15,991)**	**(21,191)**
Final Budget Surplus / (Gap) In Year	**0**	**(6,583)**	**(5,550)**	**(3,858)**	**(5,200)**

3.10.3 Appendix 7 provides a summary of the draft budget for 2024-25 at service level.

3.10.4 Members should note the recurring nature of proposals and how this impacts future year's budget estimates. As an example, should Council reject a budget saving that is recurring in nature, say for £0.150m and replace with a one-off measure, the next year budget gap will be increased by £0.150m.

3.11 Balancing Future Years Budget

3.11.1 The budget gap in the period 2025-26 to 2028-29 across each scenario is summarised in the table below.

Budget Gap	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000	Total £000
Best Case	(1,503)	(1,856)	(2,130)	(3,185)	**(8,674)**
Mid-Range	(6,583)	(12,133)	(15,991)	(21,191)	**(55,898)**
Worst Case	(20,351)	(38,317)	(55,229)	(73,943)	**(187,840)**

4. CONCLUSION

4.1 This report summarises the position with regard to the key issues surrounding the revenue budget and setting of council tax for 2025-26. It also provides estimates of the budget outlook for the period 2026-27 to 2028-29.

4.2 All proposals included within this report result in a balanced budget for 2025-26.

4.3 There remains a significant budget gap in future years and officers will continue to explore options to generate future savings or additional income.

4.4 The Council are asked to consider four funding requests summarised within Appendix 8. Members are asked to give consideration to these requests and how they would be funded.

5. IMPLICATIONS

5.1 Policy – There are policy implications associated with the new saving options and also previously agreed savings options which impact 2025-26 and beyond.

5.2 Financial – The report outlines the budget position over 2025-26 to 2028-29.

5.3 Legal – Any legal implications have and will be considered when developing the savings options.

5.4 HR – Any HR implications have and will be considered when developing savings options.

5.5 Fairer Scotland Duty – See below

5.5.1 Equalities – Equality and Socio-Economic Impact Assessments have been carried out where appropriate for savings options already agreed or developed.

5.5.2 Socio Economic Duty – Equality and Socio-Economic Impact Assessments have been carried out where appropriate for savings options already agreed or developed.

5.5.3 Islands Duty - Equality and Socio-Economic Impact Assessments have been carried out where appropriate for savings options already agreed or developed. This includes consideration of Islands Duties.

5.6 Climate Change – The Council is committed to addressing climate change and reviews of how Services are delivered is ongoing within the available budget resources.

5.7 Risk – There is a separate report assessing financial risks and there is also an overall assessment of risk included within the separate report on Reserves and Balances.

5.8 Customer Service – There may be some customer service implications arising from the new savings options. Future customer service implications will be considered when developing savings options.

5.9 The Rights of the Child (UNCRC) - None

Kirsty Flanagan
Executive Director /Section 95 Officer
6 February 2024

Policy Lead for Finance and Commercial Services: Councillor Gary Mulvaney

APPENDICES:
Appendix 1 – 2025-26 – 2028-29 Budget Outlook Scenarios
Appendix 2 – Non-Pay Inflation Estimates 2025-26
Appendix 3 - Cost and Demand Pressures 2025-26 to 2028-29
Appendix 4 – Health and Social Care Partnership Cost Pressures
Appendix 5 – New Management/Operational Savings
Appendix 6 – New Policy Options Savings Summary and Templates
Appendix 7 – Service Summary of Budget Position
Appendix 8 – Funding Requests

For further information contact Anne Blue, Head of Financial Services
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BUDGET OUTLOOK 2024-25 to 2028-29 **APPENDIX 1**
BUDGET PACK - 22 FEBRUARY 2024

	DRAFT	Best Case Scenario				Mid-Range Scenario				Worst Case Scenario			
	2024-25	2025-26	2026-27	2027-28	2028-29	2025-26	2026-27	2027-28	2028-29	2025-26	2026-27	2027-28	2028-29
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Base Budget	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536
Base Budget Adjustments	6,669	6,661	6,661	6,661	6,661	6,661	6,661	6,661	6,661	6,661	6,661	6,661	6,661
Settlement Commitments	7,634	7,634	7,634	7,634	7,634	7,634	7,634	7,634	7,634	7,634	7,634	7,634	7,634
Revised Base Budget	**298,839**	**298,831**	**298,831**	**298,831**	**298,831**	**298,831**	**298,831**	**298,831**	**298,831**	**298,831**	**298,831**	**298,831**	**298,831**
Pay Award	4,217	7,350	10,546	13,806	17,131	7,350	10,546	13,806	17,131	15,316	26,970	39,207	52,056
Pay Increments	605	934	1,262	1,591	1,919	1,210	1,815	2,420	3,025	1,262	1,919	2,576	3,233
Additional Costs - Teachers Pension Scheme	1,427	1,427	1,427	1,427	1,427	1,427	1,427	1,427	1,427	1,427	1,427	1,427	1,427
Adjustment to Employee Base	(7,967)	(7,967)	(1,092)	(1,092)	(1,092)	(7,967)	(1,092)	(1,092)	(1,092)	(7,967)	(1,092)	(1,092)	(1,092)
Total Employee Cost Changes (Council Services)	**(1,719)**	**1,744**	**12,143**	**15,732**	**19,385**	**2,020**	**12,696**	**16,561**	**20,491**	**10,038**	**29,224**	**42,118**	**55,624**
Non-Pay Inflation - Council Services	**3,351**	**4,991**	**6,955**	**9,003**	**11,141**	**5,752**	**8,005**	**10,365**	**12,837**	**8,116**	**12,263**	**16,542**	**20,961**
Housing Benefits Admin Grant	40	80	120	160	200	80	120	160	200	80	120	160	200
IFRS16 Implementation	18	18	18	18	18	18	18	18	18	18	18	18	18
ASN Support	198	400	608	822	822	400	608	822	822	400	608	822	822
SEEMIS Membership Fees	0	0	7	7	7	0	7	7	7	0	7	7	7
Sustainable Rate for Partner Providers	327	327	327	327	327	327	327	327	327	327	327	327	327
NPDO and HUB Schools 2023/24 inflation	480	480	480	480	480	480	480	480	480	480	480	480	480
Election Costs	0	0	0	327	0	0	0	350	0	0	0	370	0
Leisure SLA's 2023/24 inflation	10	10	10	10	10	10	10	10	10	10	10	10	10
Repairs and Maintenance - Helensburgh Waterfront Leisure Complex	105	105	105	105	105	105	105	105	105	105	105	105	105
Print and Mail Room	63	63	63	63	63	63	63	63	63	63	63	63	63
Depots - saving shortfall	108	108	108	108	108	108	108	108	108	108	108	108	108
Compliance with BMW Ban	0	0	462	925	925	608	2,433	2,433	2,433	608	2,433	2,433	2,433
Waste PPP Contract 2023/24 Inflation	255	255	255	255	255	255	255	255	255	255	255	255	255
Waste disposal of Persistent Organic Pollutants (POPs)	150	66	66	66	66	150	150	150	150	324	324	324	324
Waste - Increased Gate Fees	162	162	162	162	162	162	162	162	162	162	162	162	162
Planning (Local Development Plan)	50	0	50	0	0	0	50	0	0	0	50	0	0
Export Health Cerificates	90	90	90	90	90	90	90	90	90	90	90	90	90
Insurances	126	126	126	126	126	126	126	126	126	126	126	126	126
Civica Revenue and Benefits System	63	63	63	100	100	63	63	126	126	63	63	200	200
Piers and Harbours Rightsizing of Budget	500	500	500	500	500	500	500	500	500	500	500	500	500
Scottish Wefare Fund	250	232	232	232	232	250	250	250	250	270	270	270	270
Allowance for Cost and Demand Pressures Future Years	0	250	500	750	1,000	500	1,000	1,500	2,000	1,000	2,000	3,000	4,000
Total Cost and Demand Pressures	**2,995**	**3,335**	**4,352**	**5,633**	**5,596**	**4,295**	**6,925**	**8,042**	**8,232**	**4,989**	**8,119**	**9,830**	**10,500**
Adjustment to Health and Social Care Partnership Payment	**(1,927)**	**(1,927)**	**1,126**	**1,126**	**1,126**	**(1,927)**	**1,126**	**1,126**	**1,126**	**(1,927)**	**1,126**	**1,126**	**1,126**
Transfer to Reserves in respect of SPF (Council and HSCP share)	**9,928**	**9,928**	**0**	**0**	**0**	**9,928**	**0**	**0**	**0**	**9,928**	**0**	**0**	**0**
Total Estimated Expenditure PRIOR to measures to balance the budget	**311,468**	**316,902**	**323,407**	**330,325**	**336,079**	**318,899**	**327,583**	**334,925**	**341,517**	**329,975**	**349,563**	**368,447**	**387,042**
Scottish Government Grant	238,902	239,745	240,899	242,058	243,223	238,598	238,598	238,598	238,598	237,451	236,310	235,174	234,045
Council Tax	62,399	62,694	63,143	63,596	64,052	62,546	62,845	63,146	63,448	62,404	62,556	62,710	62,864
Total Funding	**301,301**	**302,439**	**304,042**	**305,654**	**307,275**	**301,144**	**301,443**	**301,744**	**302,046**	**299,855**	**298,866**	**297,884**	**296,909**
Budget Surplus / (Gap) PRIOR to measures to balance the budget	**(10,167)**	**(14,462)**	**(19,365)**	**(24,671)**	**(28,804)**	**(17,755)**	**(26,140)**	**(33,181)**	**(39,471)**	**(30,120)**	**(50,697)**	**(70,563)**	**(90,133)**
Measures to Balance the Budget:													
Fees and Charges	385	1,156	1,734	2,312	2,890	771	1,156	1,541	1,927	385	578	771	963
Council Tax Increase	715	3,875	7,216	10,746	14,476	2,607	4,565	6,590	8,685	2,602	4,550	6,561	8,637
Council Tax Increase (Growth element)	0	72	135	202	272	18	27	37	47	36	55	74	94
Council Tax - Second Homes double charge	4,000	4,200	4,410	4,631	4,862	4,120	4,244	4,371	4,502	3,090	3,183	3,278	3,377
Policy savings agreed February 2022	3	3	3	3	3	3	3	3	3	3	3	3	3
Management/Operational Savings agreed Feb 2023	45	80	80	80	80	80	80	80	80	80	80	80	80
Policy Savings agreed February 2023	45	293	769	1,405	1,874	293	769	1,405	1,874	293	769	1,405	1,874
Council SPF over 4 years	2,000	2,000	2,000	2,000	0	2,000	2,000	2,000	0	2,000	2,000	2,000	0
Live Argyll SPF	206	206	88	88	88	206	88	88	88	206	88	88	88
Teachers Strike Monies - one off	800	0	0	0	0	0	0	0	0	0	0	0	0
Education Logistics Funding - one off	500	0	0	0	0	0	0	0	0	0	0	0	0
Treasury Gain - one off	294	0	0	0	0	0	0	0	0	0	0	0	0
Live Argyll Management Fee Reduction of 10%	363	363	363	363	363	363	363	363	363	363	363	363	363
Governance Restructure	62	62	62	62	62	62	62	62	62	62	62	62	62
Reduction of various grants over 3 years	299	299	299	299	299	299	299	299	299	299	299	299	299
Positive Starts Community Childminding	100	100	100	100	100	100	100	100	100	100	100	100	100
Planning Fee Income	100	0	0	0	0	0	0	0	0	0	0	0	0
Roads and Infrastructure Review	200	200	200	200	200	200	200	200	200	200	200	200	200
Kilmory Business Park Income	50	50	50	50	50	50	50	50	50	50	50	50	50
Total Measures to Balance the Budget	**10,167**	**12,959**	**17,509**	**22,540**	**25,619**	**11,172**	**14,006**	**17,189**	**18,280**	**9,769**	**12,380**	**15,334**	**16,190**
Budget Surplus / (Gap) Cumulative AFTER measures to balance the budget	**0**	**(1,503)**	**(1,856)**	**(2,130)**	**(3,185)**	**(6,583)**	**(12,133)**	**(15,991)**	**(21,191)**	**(20,351)**	**(38,317)**	**(55,229)**	**(73,943)**
Budget Surplus / (Gap) In Year AFTER measures to balance the budget	**0**	**(1,503)**	**(353)**	**(274)**	**(1,055)**	**(6,583)**	**(5,550)**	**(3,858)**	**(5,200)**	**(20,351)**	**(17,966)**	**(16,912)**	**(18,714)**

NON-PAY INFLATION (COUNCIL) **Appendix 2**

Service	Category	Basis of Inflation	Inflation Percentage	Mid Range 2023/24
Council Wide	Electricity	Due to current market condition for electricity 16% increase mid range, with a 0.5% tolerance for best and worst case.	16.00%	780,241
Council Wide	Gas	Due to current market condition for gas 15% increase with mid range based on latest information available from Property Services, with a 0.5% tolerance for best and worst case.	15.00%	133,355
Council Wide	Heating Oils	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	13,183
Council Wide	Solid Fuel	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	17,414
Council Wide	Water Charges	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	20,174
Council Wide	Vehicle Fuel	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	52,822
Council Wide	Central Repairs - Outside Contractors	Based on Office for National Statistics Inflation Rate for RPI at November 2023, with a 0.5% tolerance for best and worst case .	5.30%	106,806
Council Wide	Insurances	Based on indicative 2024/25 pricing information received from the Council's insurance providers, with a 0.5% tolerance for best and worst case.	5.00%	94,693
Council Wide	Contribution to Joint Boards	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	61,441
Council Wide	Contingency for unidentified/insufficient inflation estimate	£250k built in to mid-range and £500k built in to worst case scenario		0
Council Wide Total				**1,280,129**
Education	Pre-Primary Partner Provider Uplift	Reflects the increase in the Scottish Living Wage hourly rate from £10.90 to £12.00 per hour.	8.50%	322,964
Education	External School Placements	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	49,091
Commercial Services	Catering Purchases	Based on Office for National Statistics Inflation Rate for Food and Non-Alcoholic Beverages at November 2023, with a 0.5% tolerance for best and worst case .	9.20%	215,777
Legal & Regulatory Support	Leisure SLA-MAKI/Islay Pools	Based on actual RPI rate at November 2023, with a 0.5% tolerance for best and worst case.	5.30%	10,152
Legal & Regulatory Support	Leisure SLA-Atlantis	Based on RPI at September 2023 with a 0.5% tolerance in the best and worst case scenarios.	8.86%	55,289
Legal & Regulatory Support	NPDO-Variable Element	Based on actual RPI rate at November 2023, with a 0.5% tolerance for best and worst case.	5.30%	442,655
Legal & Regulatory Support	NPDO-Utilities Rebate	Based on actual RPI rate at November 2023, with a 0.5% tolerance for best and worst case.	5.30%	-16,746
Legal & Regulatory Support	NPDO-Electricity	Due to current market condition for electricity 16% increase mid range, with a 0.5% tolerance for best and worst case.	16.00%	93,528
Legal & Regulatory Support	NPDO-Gas	Due to current market condition for gas 15% increase with mid range based on latest information available from Property Services, with a 0.5% tolerance for best and worst case.	15.00%	35,844
Legal & Regulatory Support	NPDO-Heating Oil	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	4,541
Legal & Regulatory Support	NPDO-LPG	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	3,953
Legal & Regulatory Support	NPDO-Water	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	16,985
Legal & Regulatory Support	HUB-Variable Element	Based on actual RPI rate at November 2023, with a 0.5% tolerance for best and worst case.	5.30%	69,281
Executive Director Douglas Hendry - Total				**1,303,314**
Customer and Support Services	ICT	Estimate based on feedback from ICT staff in relation to significant price increases for ICT services and equipment.	10.00%	201,168
Financial Services	Annual External Audit Fee	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	46,036
Roads and Infrastructure	Waste PPP-Private Contractor Inflation	Based on 85% of the Bank of England Monetary Policy Committee RPIX Rate at November 2023, with a 0.5% tolerance for best and worst case.	3.99%	289,971
Roads and Infrastructure	Waste PPP-Central Government Inflation	Based on Landfill Tax increase between 23/24 and proposed 24/25 rate with a 0.5% tolerance for best and worst case.	1.57%	85,163
Roads and Infrastructure	Roads - Bitumen for Road Surfacing	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	4.40%	24,411
Roads and Infrastructure	Electricity - Street Lighting	Due to current market condition for electricity 16% increase mid range, with a 0.5% tolerance for best and worst case.	16.00%	120,958
Executive Director Kirsty Flanagan - Total				**767,707**
Total Non-Pay Inflation in the Mid Range				**3,351,150**

COUNCIL COST AND DEMAND PRESSURES 2024-25 to 2028-29 **APPENDIX 3**

			Best Case					Mid Range Scenario					Worst Case				
Department	**Service**	**Cost/Demand Pressure**	**2024-25 £,000**	**2025-26 £,000**	**2026-27 £,000**	**2027-28 £,000**	**2028-29 £,000**	**2024-25 £,000**	**2025-26 £,000**	**2026-27 £,000**	**2027-28 £,000**	**2028-29 £,000**	**2024-25 £,000**	**2025-26 £,000**	**2026-27 £,000**	**2027-28 £,000**	**2028-29 £,000**
Executive Director - Kirsty Flanagan	Financial Services	Universal Credit "Full" Service went live in Sept 2018, managed migration for working age claimants began in August 2023 and will be completed by March 2025. Details of the migration of Pension age Housing Benefit claimants have not yet been released however it is anticipated that the overall migration will be completed in 2028/2029. The DWP will reduce the Housing Benefit Administration Subsidy they pay to the Council as some claimants come off of Housing Benefit processed by Council staff and go onto Universal Credit processed by the DWP. The Council's caseload has reduced since implementation of Universal Credit but it is hard to predict just how quickly the rest of the caseload will migrate from Housing Benefit to Universal Credit between now and 2028/2029. These figures represent our best estimates at this time.	40	80	120	160	200	40	80	120	160	200	40	80	120	160	200
Executive Director - Kirsty Flanagan	Financial Services	Implementation of new IFRS16 system to manage leases and accounting requirements of the IFRS Finance Leases accounting standard.	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
Executive Director - Douglas Hendry	Education	The demand for ASN support in Argyll and Bute has continued to grow with a significant increase in, and early identification of children and young people presenting with complex additional support needs, including mental health difficulties which manifests often in dysregulated behaviours. It is anticipated that growth continues over the next 5 years however the extent of this growth is difficult to determine. Scottish Government statistics show that the number of pupils identified with ASN has increased markedly since 2010 and there continue to be year on year increases. These increases are likely due to continue as we see the impact of the Covid 19 pandemic on children and young people who were born from 2020 onwards and as we work with partners to streamline assessment processes which help us to understand need more thoroughly. Scottish Government statistical datasets show that the percentage of school roll in mainstream schools of pupils with ASN has increased by approximately 3% year on year. Within many authorities, this means increased numbers of children accessing specialist provision. As Argyll and Bute do not have equitable access to Specialist provision in all areas, the cost pressure associated with offering appropriate support within our local schools continues to increase in line with need.	198	400	608	822	822	198	400	608	822	822	198	400	608	822	822
Executive Director - Douglas Hendry	Education	The SEEMiS group, provider of the Council's Education Management Information System, recently reviewed their long term financial plan and it is anticipated there may be a small pressure from 2026-27 onwards.	0	0	7	7	7	0	0	7	7	7	0	0	7	7	7
Executive Director - Douglas Hendry	Education	The Council has had a requirement to deliver 1140 hours of Early Learning and Childcare from August 2021. The Council has been notified that the ring fenced funding will be reduced by £1.124m from 2022-23. Also, as part of the 1140 expansion programme, the Scottish Government 'Funding Follows the Child' guidance, requires local authorities to set a rate locally that is paid to funded providers in the private and third sectors, including childminders, to deliver the funded entitlement that allows them to deliver a high quality ELC experience for all children. This rate should be sustainable and reflect national policy priorities, including funding to enable payment of the real Living Wage to all childcare workers delivering the funded entitlement and have a margin for re-investment built in. The service has worked hard to mitigate the effects of this and has reduced expenditure as far as possible. However there remains a funding gap, the service were able to cover the over spend for 2022-23 and 2023-24 from carry forwards so the cost pressure is requested from 2024-25 onwards.	327	327	327	327	327	327	327	327	327	327	327	327	327	327	327
Executive Director - Douglas Hendry	Education	Adjustment to the base budget for the Schools NPDO and Hub Schools contracts due to the rate of inflation at February 2023 being higher than forecast when the 2023/24 budget was prepared.	480	480	480	480	480	480	480	480	480	480	480	480	480	480	480
Executive Director - Douglas Hendry	Legal and Regulatory Services	Estimated cost (to be borne by the Council) of carrying out local Government elections in May 2027 (and in financial year 2027/28). Operating approx. 100 polling stations and carrying out poll and count for 11 Multi member wards – requiring 11 separate counts	0	0	0	327	0	0	0	0	350	0	0	0	0	370	0
Executive Director - Douglas Hendry	Commercial Services	Adjustment to the base budget for the swimming pools service level agreements due to the rate of inflation at February 2023 being higher than forecast when the 2023/24 budget was prepared.	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Executive Director - Douglas Hendry	Commercial Services	There is an ongoing need for the Council to manage the maintenance and repair of its buildings. Now that the new Helensburgh Waterfront Leisure Complex is operational there are additional pressures on this budget for maintenance and inspection of fabric, mechanical systems and electrical systems for this new asset. The cost of maintenance and inspection over the next 9 years is estimated at £939k, averaging £105k per annum.	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105
Executive Director - Kirsty Flanagan	Customer Support Services	Recent years have shown a reduction in income within the Print and Mail room due to a shift to digital communication channels resulting in reduction in mail and printing acitivity but same recharge model being applied.	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63
Executive Director - Kirsty Flanagan	Roads & Infrastructure Services	Previously agreed saving from 2018-19 for Depots (TB07) is now not fully achievable with a shortfall of £107,500. Delays in progressing the Depot Rationalisation programme and limited capital investment available has resulted in the savings not being realised. Cost pressure to remove this saving with further work ongoing on the Depot Rationalisation programme which will hopefully generate further savings in the future.	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108

COUNCIL COST AND DEMAND PRESSURES 2024-25 to 2028-29 **APPENDIX 3**

			Best Case					Mid Range Scenario					Worst Case				
Department	**Service**	**Cost/Demand Pressure**	**2024-25 £,000**	**2025-26 £,000**	**2026-27 £,000**	**2027-28 £,000**	**2028-29 £,000**	**2024-25 £,000**	**2025-26 £,000**	**2026-27 £,000**	**2027-28 £,000**	**2028-29 £,000**	**2024-25 £,000**	**2025-26 £,000**	**2026-27 £,000**	**2027-28 £,000**	**2028-29 £,000**
Executive Director - Kirsty Flanagan	Roads & Infrastructure Services	Achieving compliance with ban on biodegradable municipal waste (BMW) in 2025. This is the estimated revenue costs from potential scenarios, remaining in or coming out of the current waste PPP contract. Coming out of the Waste PPP contract would create an additional one-off cost. Due to the complexity of the model, estimates are subject to change. The best case scenario reflects option 4 detailed in the report to the Environment, Development and Infrastructure Committee on 01/12/2022. The mid range and worst case scenarios reflects option 3 included in the same report and take into account the risk that the SG will not agree a derogation.	0	0	462	925	925	0	608	2,433	2,433	2,433	0	608	2,433	2,433	2,433
Executive Director - Kirsty Flanagan	Roads & Infrastructure Services	Adjustment to the base budget for the Waste PPP contract due to the rate of inflation at February 2023 being higher than forecast when the 2023/24 budget was prepared.	255	255	255	255	255	255	255	255	255	255	255	255	255	255	255
Executive Director - Kirsty Flanagan	Roads & Infrastructure Services	Disposal of Persistent Organic Pollutants (POPs) as a result of the Persistent Organic Pollutants Regulation 2007 and the anticipated ban on placing these materials in landfill. Disposal of these will create a cost pressure to transport, shred and process the shredded material through Energy from Waste (EfW).	66	66	66	66	66	150	150	150	150	150	324	324	324	324	324
Executive Director - Kirsty Flanagan	Roads & Infrastructure Services	Contract with Barr Environmental for waste disposal in Helensburgh & Lomond is coming to an end at the end of March 2024. Work is being carried out to determine options for when contract ends but initial projections indicate that there will likely be an increase in costs due to the distance we will need to transport waste and likley increase in Gate Fee Rates.	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162
Executive Director - Kirsty Flanagan	Development & Economic Growth	Local development plan will require to be done under the new Planning legislation which is a revised process from the current one and will have a 10 year life. The new process has 2 stages where there is likely to be a cost pressure - a gate check followed by an examination some time later.	50	0	50	0	0	50	0	50	0	0	50	0	50	0	0
Executive Director - Kirsty Flanagan	Development & Economic Growth	Requests for export health certificates to the Council has reduced significantly over the last 3 years as an indirect result of EU Exit and changes to the export companies operating models. There has been a reduction in exports to non-EU countries (e.g. China etc.) associated with trade agreements and the majority of businesses are using the new commercial hubs for EU consignments, rather than using local authorities. Some local businesses are also using approved vets for certification. These issues are largely out with our control of the Council and discussions with local exporters has identified this trend is likely to continue.	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90
Council Wide	Council Wide	Rightsize Council Insurance Budget - Insurance premiums have risen higher than previous inflationary forecasts due to changes in law, Increase in building values, higher contractor costs for building works, repairs and higher component parts for cars.	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126
Executive Director - Kirsty Flanagan	Financial Services	The Council's contract with Civica for the Revenue and Benefits Management System ends in August 2024, this is the system that allows us to bill and collect Council Tax and administer Housing Benefit on behalf of the UK government under statute. In addition the contract for the corporate Electronic Document Management system currently used by Revenue and Benefits services, Social Care, Human Resources and Creditors will end in September 2024. The Council has been engaged in discussions with the supplier of both systems, Civica for around a year to negotiate a reasonable way forward before Civica press ahead with plans to migrate their systems to the Cloud and remove its support and development of its existing on premise solutions. The outcome of these discussions is an extension to the contracts for current on premise solutions for three further years to August/September 2027 with full support, however with increases in annual recurring support and maintenance charges and licensing costs. Beyond that three year period we expect significant increases in charges as the supplier moves the systems to the Cloud. The cost pressure for 2027-28 onwards when more information becomes available.	63	63	63	100	100	63	63	63	126	126	63	63	63	200	200
Executive Director - Kirsty Flanagan	Roads & Infrastructure Services	Recent years have shown a reduction in income received in Piers & Harbours which is projected to continue into future years. Decrease is as a result of changes in CalMac vessels resulting in lower berthing fees as well as a significant number of cancelled ferry sailings resulting in reduced berthing income as well as passenger and vehicle income.	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Executive Director - Kirsty Flanagan	Financial Services	The Scottish Welfare Fund is a Scottish Government Initiative with conditions attached. The payment of grants continue to rise in excess of funding and in order to continue paying grants at the current priority level additional funding is required. A paper on this was presented to Policy and Resources Committee on 15 February 2024.	232	232	232	232	232	250	250	250	250	250	270	270	270	270	270
Council Wide	Council Wide	General provision for unidentified Cost and Demand Pressures	0	250	500	750	1,000	0	500	1,000	1,500	2,000	0	1,000	2,000	3,000	4,000
TOTAL			**2,893**	**3,335**	**4,352**	**5,633**	**5,596**	**2,995**	**4,295**	**6,925**	**8,042**	**8,232**	**3,189**	**4,989**	**8,119**	**9,830**	**10,500**

SOCIAL WORK COST AND DEMAND PRESSURES - 2024-25 to 2026-27 **APPENDIX 4**

		Best Case			Mid Range			Worst Case		
Service	**Cost/Demand Pressure**	**2024-25 £000**	**2025-26 £000**	**2026-27 £000**	**2024-25 £000**	**2025-26 £000**	**2026-27 £000**	**2024-25 £000**	**2025-26 £000**	**2026-27 £000**
All Social Work	Estimated Pay inflation reflecting a best case 2%, a mid-range of 3% for 2024/25 then 2% for 2025/26 and 2026/27 and a worst case of 5%. Adjusted for the impact of the reduction in the employer's pension contribution rate to 6.5% in 2024/25 and 2025/26 and to 17.5% in 2026/27.	620	1,252	1,999	930	1,568	2,323	1,549	3,176	5,155
All Social Work	Estimated Pay increments, best case is that 50% of the incremental changes based on 2023/24 are absorbed and in the mid-range and worst case, the increase is in line with the increase in 2023/24.	76	152	228	152	304	456	152	304	456
All Social Work	Non-pay inflation, best and worst case based on unavoidable/inescapable inflation and worst case.	526	964	1,372	923	1,770	2,595	1,321	2,581	3,837
All Social Work	Non-pay inflation impact of payroll inflation on NHS posts which are recharged to Social Work.	158	284	416	172	312	460	185	340	504
Adult Care	Older People Demand Growth: The number of older people is increasing and older people are living longer with significant health and support needs and significant expectations of the support they are entitled to receive. Demand pressure estimates 3% growth in homecare and care home placements, this increase is supported by the growth in clients and care requirements over a number of years although in some areas the service capacity is being fully utilised and service expansion is proving difficult. The best case assumes a 0% increase in spending reflecting the limited service capacity in the area, the mid-range reflects 1.5% growth and the worst case reflects 3% growth.	0	0	0	445	897	1,356	891	1,809	2,755
Adult Care	Younger Adults Demand Growth (Excluding Physical Disability): There has been continuing increase in demand for care and support services for profoundly disabled younger adults (ie under 65) whose parents have historically provided care but are no longer able to. The best case assumes a 1% increase in spending reflecting the limited service capacity in the area, the mid-range reflects 2% growth and the worst case reflects 3% growth.	179	358	537	360	723	1,090	543	1,096	1,660
Adult Care	Younger Adults Demand Growth - Physical Disability: There has been continuing increase in demand for care and support services for profoundly disabled younger adults (ie under 65) whose parents have historically provided care but are no longer able to. The best case assumes a 1% increase in spending reflecting the limited service capacity in the area, the mid-range reflects 2% growth and the worst case reflects 3% growth.	29	58	87	58	117	269	88	177	269
Adult Care	Mental Health Budget Adjustment - The Mental Health Supported Living and Residential budgets are carrying a recurring unbudgeted commitment. To address this situation, it is proposed to continue to realign the budget over 2024-25 and 2025-26 whilst also reviewing cases and redesigning services. The adjustment will be reviewed annually to reflect spending reductions delivered as well as any changes to funding and practice resulting from the implementation of the Independent Review of Adult Social Care.	93	186	186	93	186	186	93	186	186
Children and Families	Continuing Care demand for Looked After young people who are cared for by the HSCP. The best case scenario is that the expected additional demand can be funded from within existing resources as a result of planned improvements to the service delivery model (eg shift away from high cost external residential care to local foster and kinship care), the mid case reflects that additional demand in 24/25 be funded from existing resource with £250k per annum thereafter and the worst case reflects £250k per annum.	0	0	0	0	250	500	250	500	750
Adult Care	Kintyre Care Centre - Cost pressure as a result of transfer of KCC facility to HSCP Management at the end of 2022/23 including continued programme to transfer employees onto Council/NHS employment T&Cs as well as provision for any unknown service costs at time of transfer.	249	498	747	249	498	747	249	498	747
All Social Work	Allowance for unknown cost and demand pressures which could arise. The best case assumes unknown pressures totalling £250k per annum, the mid range £500k per annum and the worst case £750k per annum.	250	500	750	500	1,000	1,500	750	1,500	2,250
TOTAL UNFUNDED COST AND DEMAND PRESSURES		**2,180**	**4,252**	**6,322**	**3,882**	**7,625**	**11,482**	**6,071**	**12,167**	**18,569**

MANAGEMENT/OPERATIONAL SAVINGS - 2024/25 **APPENDIX 5**

Ref	Service Area	Saving Summary	2024/25			2025/26			2026/27		
			Saving £'000	FTE	H/Count	Saving £'000	FTE	H/Count	Saving £'000	FTE	H/Count
202425 001	Education	Savings made during the period of teachers strikes in 2023-24 that are one-off in nature and can be used to bridge the budget gap on a non-recurring basis.	800	0	0	0	0	0	0	0	0
202425 002	Education	COVID logistics funding that was received during the pandemic which are no longer required within Education therefore can be used to bridge the budget gap on a non-recurring basis.	500	0	0	0	0	0	0	0	0
202425 003	Financial Services	Treasury gain through the early repayment of 3 loans at a discount. These loans were taken out when interest rates were low and due to sufficient cash balances we were able to repay them at a discount. This underspend will be earmarked at the end of 2023-24 and carried forward into 2024-25 where it can then be released to the General Fund to bridge the budget gap.	294	0	0	0	0	0	0	0	0
202425 004	Development & Economic Growth	Increase in planning fees for one year as the Service catches up with the back log of applications resulting in non-recurring additional income.	100	0	0	0	0	0	0	0	0
202425 005	Commercial Services	Income generation from leases at Kilmory Business Park.	50	0	0	50	0	0	50	0	0
202425 006	Council Wide	Strathclyde Pension Fund reduction in the employer contribution rate from 19.3% to to 6.5% in the first 2 years before reverting to a sustainable long term rate of 17.5%. The recurring saving has been built into the budget outlook already but there is also a one off saving in the first two years. This saving proposes to utilise some of the one off gain by allocating £2m every year for a four year period.	2,000	0	0	2,000	0	0	2,000	0	0
202425 007	Live Argyll	Similar to the saving above the employer pension rate for Live Argyll will also reduce albeit by a lesser percentage. This saving proposes to reduce the Live Argyll Management Fee equivalent to the reduction as this will have no bottom line impact on Live Argyll and both their costs and management fee will reduce.	206	0	0	206	0	0	88	0	0
			3,950	**0**	**0**	**2,256**	**0**	**0**	**2,138**	**0**	**0**

POLICY SAVINGS OPTIONS - 2024/25

APPENDIX 6

Ref	Service Area	Saving	Detail	Risks	2024/25			2025/26			2026/27		
					Saving £'000	FTE	H/Count	Saving £'000	FTE	H/Count	Saving £'000	FTE	H/Count
202425 008	Live Argyll	Live Argyll 10% reduction	10% reduction to the Management Fee paid to Live Argyll Leisure Trust from the Council.	While the Leisure Trust plan to meet this saving through additional income generation there is a risk that cost reductions may have to be considered if it later develops that this is not achievable.	363	0	0	363	0	0	363	0	0
202425 009	Governance, Risk and Safety	Governance Restructure	Reorganisation of Governance team and remove posts that are currently vacant. The proposed restructure will ensure current level of service will be maintained.	None	62	2.5	3	62	2.5	3	62	2.5	3
202425 010	Education, Economic Development and Community Planning	Strategic Events and Festivals, Community and Third Sector (Education) Grants	Over a period of 3 years the level of funding will gradually reduce by 33% each year until it is zero. It is suggested that £596k from the Councils Priorities Investment Fund is utilised to maintain the fund in 24/25 and the reduced budgets in years 2 and 3 allowing the full saving to be realised immediately.	A reduction of the Events and Festivals Fund may mean the number of events held could reduce however other funding streams are available. A reduction in grant funding to support 3rd tier groups may result in them closing or ending certain activities.	299	0	0	299	0	0	299	0	0
202425 011	Education	Positive Starts	Referrals to the Positive Starts support scheme have been reducing year on year, furthermore the Early Years team no longer have capacity to quality assure and administer this budget to a level where they can ensure a positive impact for children and families or best value in relation to the service. Referrals come form Health and Social Work, not Education however the HSCP were not willing to manage this budget.	Risk that this will be seen as reducing early intervention approaches.	100	0	0	100	0	0	100	0	0
202425 012	Roads and Infrastructure	Roads and Infrastructure Services (RIS) Review	A RIS Review was undertaken during 2023/24 and the implementation of the outcomes will begin in 2024-25. It is anticipated that further efficiency savings will be achievable in future years but the level of which are not known at this stage.	This is a early estimate and should be seen as a target saving for the first year and may not be achievable in year 1.	200	0	0	200	0	0	200	0	0
					1,024	**2.5**	**3**	**1,024**	**2.5**	**3**	**1,024**	**2.5**	**3**

2024-25 BUDGET PREPARATION – SAVING OPTION

	Ref: 2024/25 008
Service Delivery Area	Live Argyll
Saving Title	Reduction to Management Fee

Summary of Savings Proposal

As part of the budget setting process an ELT group met with the General Manager of Live Argyll to discuss the financial position of Live Argyll and consider what savings may be deliverable, in a similar way to all other Services of the Council. Consideration was also given to the significant increase in costs paid by the Council for Live Argyll in relation to utilities, property costs, insurances and non-domestic rates.

As a result of these discussions a 10% reduction in management fee was proposed to Live Argyll and it is hoped this can be achieved through additional income generation.

Note that it is for Council to agree the reduction in the management fee and the responsibility of the Live Argyll Board to consider and approve the options to deliver their service within their overall quantum of funding.

Impact and Risk Associated with Proposed Saving

While Live Argyll plan to meet this saving through additional income generation there is a risk that cost reductions may have to be made if this is found not to be achievable.

Current Status of Developing the Option and Next Steps

Live Argyll have been considering options to deliver this saving.

Saving

2024-25			**2025-26**			**2026-27**		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
363	0	0	363	0	0	363	0	0

2024-25 BUDGET PREPARATION – SAVING OPTION

Head of Legal and Regulatory Support	**Ref: 2024/25 009**
Service Delivery Area	Governance
Saving Title	Service Restructure

Summary of Savings Proposal

Reorganise the Governance Team. Take advantage of current vacant posts and take these as savings. Carry out a review of the structure ensuring that this is targeted at the needs of the current committee structure, recognises the additional support required to service hybrid and online Council committee meetings and maintains a resilient approach across the team while allowing for further savings which will be achievable through redeployment within the team, allowing retirement and without the need for compulsory redundancy.

Impact and Risk Associated with Proposed Saving

While a reduction in FTE across the team always poses a level of risk in service delivery and there is a higher level of support required in regard to hybrid and online meetings, the approach to the restructure will seek to have better use of available resource while ensuring that the service is directed to the key areas of priority delivery, having regard to the changed circumstances post covid, and that service levels are maintained.

The proposed restructure will ensure that the current level of service in terms of Committee Support will be maintained and through development of team members look to maintain a level of resilience in the team.

The Member Services Team will continue to provide support to Elected Members.

Current Status of Developing the Option and Next Steps

The Governance Manager has;

Looked at the key priority areas for service delivery across members, committees (recognising the new normal of hybrid meetings), service and elections;
Developed the proposals to deliver against the key priorities;
Sought to maintain flexibility and resilience while capturing resultant efficiencies and savings

Saving

2024-25			**2025-26**			**2026-27**		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
62	2.5	3	62	2.5	3	62	2.5	3

2024-25 BUDGET PREPARATION – SAVING OPTION

		Ref: 2024/25 010
Service Delivery Area	Strategic Events and Festivals, Community and Third Sector (Education) Grants	
Saving Title	Re-alignment of grants to Council priorities	

Summary of Savings Proposal

It is proposed that the three grant areas detailed below are amalgamated and realigned to support delivery of the Council's priorities:-

- Strategic Events and Festivals (£90,000)
- Community Grants (£103,950)
- Education – Early Years Third Sector Grants and Services (£105,431)

Over a period of 3 years it is proposed that the level of available funding will gradually reduce by 33% each year –

It is suggested that the Council's Priorities Fund is utilised to maintain the budget in 2024/25, and the reduced budget in years 2 and 3 as per above, totalling £595,967 over the 3 years.

Year 1 (24/25) – maintain current budget	£299,381
Year 2 (25/26) – reduce to 66% of current budget	£197,592
Year 3 (26/27) – reduce to 33% of current budget	£98,796

The proposed amalgamation of the three grant areas will enable a community wealth building approach to be adopted moving forward, allowing local organisations and communities to submit applications for the combined grant pot. This people centred approach places control and benefits into the hands of local people, allowing them to bid for funding for projects/services that are most valuable to local communities, and which are aligned to/support delivery of the Council's strategic priorities.

It is also proposed that for future years consideration is given to implementing a simplified and streamlined online application/bidding process, providing a single point of entry for communities to bid for the grant funding, making the process as efficient as possible. Suitable options for this will be explored with ICT/Digital Customer Transformation team.

Impact and Risk Associated with Proposed Saving

There will be no staff reductions as a result of the proposals.

A review of the current, separate, grant application processes will be undertaken to provide a single point of entry for customers, making it easier to submit online applications for the grant funding.

Amalgamation of the grants provides an increased level of flexibility for communities in terms of the type of project that can be applied for, and contributes to delivery of the Council's priorities.

A reduction in the Strategic Events and Festivals fund does not support the delivery of any statutory services for the Council, however there is a risk that the number of events and festivals, which contribute significantly to the culture, heritage and economy of Argyll and Bute will diminish.

However, other/alternative funding streams are available, including Events Scotland funding, for this type of activity.

A reduction in the grant funding currently used to support the running costs of a number of third sector groups may result in these non-statutory groups/organisations closing or ending certain activities.

The proposal, if implemented, will mean that the Council will require to give further consideration, in the light of the circumstances at that time, whether they wish to allocate any funding beyond 2026-27, however this has not been built into the budget estimates at this stage.

Current Status of Developing the Option and Next Steps

Initial discussions have taken place at the Budget Group and it is proposed that current SEF, together with the other community and Education grants, are taken as a saving in 2024/25, with the Priorities fund being used to maintain the current level of funding available to the public for 2024/25 and the reduced amounts in 2025/26 and 2026/27.

If the proposal is approved, promotion of the decision and the new funding approach to the public will be required.

Detailed work is required to develop potential options for a single online point of entry for applications to the grant.

Saving

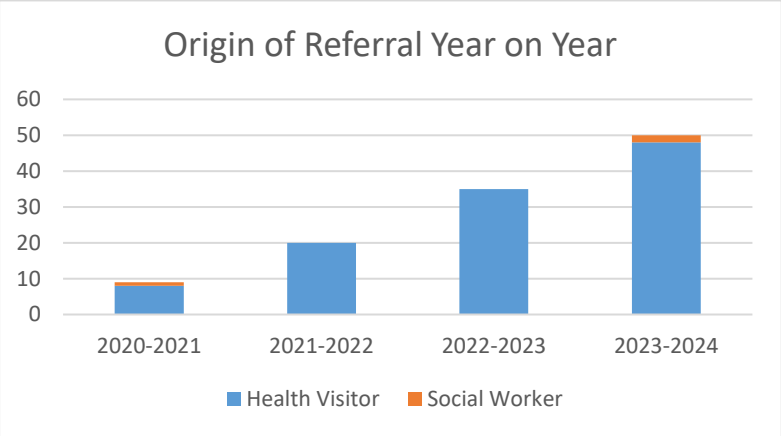
2024-25			**2025-26**			**2026-27**		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
299	0	0	299	0	0	299	0	0

2024-25 BUDGET PREPARATION – SAVING OPTION

Head of Education Wendy Brownlie	**Ref: 2024/25 011**
Service Delivery Area	Education
Saving Title	Positive Starts

Summary of Savings Proposal

As a result of the 1140 Funding Follows the Child policy, referrals to the Positive Starts support scheme have been reducing year on year. In addition, as a result of
Increased scrutiny pressures on the ELC sector by the introduction of the National Standard and increased inspection, the Early Years team no longer have capacity to quality assure and administer the Positive Start budget to a level where we can ensure positive impact for children and families or best value in relation to the service. Referrals for support do not come from Education, they come from Health and Social work.



Education offered the budget to HSCP who make all of the referrals. However, this was not a budget they were willing to manage.

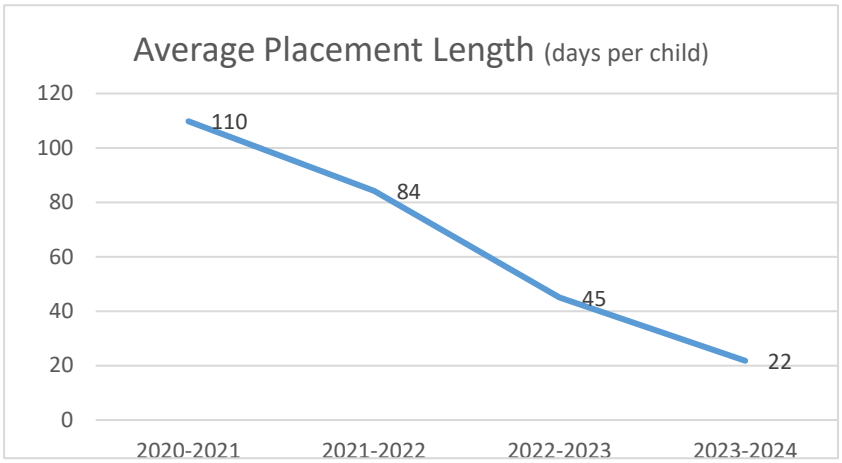
It is proposed that this budget stream be offered as a saving.

Impact and Risk Associated with Proposed Saving

Positive Start budget will no longer provide support for families with children aged 0-3 when required, although some of these children may be eligible to receive their funded entitlement within an ELC setting.
Risk is that this will be seen as reducing early intervention approaches, although this is a non-statutory provision.

Although as can be seen below the financial spend has been decreasing since 2021 and length of placement has also been reducing.

Actual spends over 4 years from the Positive Start budget	2020-21	2021-22	2022-23	2023-24 as at the 31st of December 2023
Partner Nurseries	19,529	52,964	24,075	33,684
Community Childminders	39,727	52,414	37,463	8,645
Total	**59,256**	**105,378**	**61,537**	**42,329**



Total budget proposed to save is approx. £100,000

We have 6 community childminders who have this year had 6 children placed with them for on average 22 days. These childminders could be affected by loss of income although they operate private businesses in tandem with this work.

42% of Positive Start Placements are in Partner Provider Nurseries. These partners could be affected by loss of income although they operate private businesses in tandem with this work.

40% of Positive Start Placements are in Local Authority Nurseries. If Scottish Government continues expansion of eligible children to 1 and 2 year olds Local Authority Nurseries could would not have capacity to accommodate the Positive Start children.

To date this session Positive Start placements have totalled:
80 days in Bute and Cowal
218 days in Helensburgh and Lomond
117 days in Mid Argyll, Kintyre and Islay
0 days in Oban Lorn and the Isles

Current Status of Developing the Option and Next Steps

This funding will be offered as a savings option for 2024-2025.

Saving

2024-25			2025-26			2026-27		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
100	0	0	100	0	0	100	0	0

2024-25 BUDGET PREPARATION – SAVING OPTION

	Ref: 2024/25 012
Service Delivery Area	Roads and Infrastructure Services (RIS)
Saving Title	RIS Review

Summary of Savings Proposal

During 2023-24 the service undertook a review and external consultants were appointed to conduct this. Some initial saving opportunities have been identified but the detail and time line associated with these have not been fully worked up.

It is anticipated that in future years further efficiency savings will be achievable but the level of these are not yet known therefore currently a part year saving target is included to allow time for implementation of the findings from the review.

Impact and Risk Associated with Proposed Saving

The figure of £0.200m is a target in year 1 and at this stage it cannot be guaranteed to be fully deliverable in 2024-25.

Current Status of Developing the Option and Next Steps

The findings from the review require to be fully planned and implemented so that savings can be accurately identified both in 2024-25 and future years.

Saving

2024-25			**2025-26**			**2026-27**		
£000	FTE	H/Count	Cumulative £000	FTE	H/Count	Cumulative £000	FTE	H/Count
200	0	0	200	0	0	200	0	0

APPENDIX 7
SERVICE SUMMARY OF BUDGET POSITION 2024-25

Department	Service	2023-24 Budget	Other Base Budget Adjustments	Settlement Commitments	Updated Base Budget	Employee Budget Changes	Non-Pay Inflation - Inescapable	Cost and Demand Pressures	Live Argyll Management Fee Adjustment	Measures to Balance the Budget	Social Work Pressures Absorbed by HSCP	Funding Requests	2024-25 Draft Budget
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Council Departments:													
Chief Executive's Unit	Chief Executive	**922**	33	0	**955**	40	0	0	0	(104)	0	0	**891**
Executive Director (Douglas Hendry)	Executive Director (Douglas Hendry)	**41**	14	0	**55**	(26)	0	0	0	0	0	0	**29**
Executive Director (Douglas Hendry)	Head of Commercial Services	**11,689**	431	0	**12,120**	(630)	552	115	(363)	(291)	0	0	**11,503**
Executive Director (Douglas Hendry)	Head of Education	**99,573**	4,288	7,634	**111,495**	1,882	680	525	0	(206)	0	0	**114,376**
Executive Director (Douglas Hendry)	Head of Legal and Regulatory Support	**15,651**	141	0	**15,792**	(332)	658	480	0	(92)	0	0	**16,506**
Executive Director (Kirsty Flanagan)	Executive Director (Kirsty Flanagan)	**(410)**	12	0	**(398)**	(15)	0	0	0	0	0	0	**(413)**
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	**9,004**	30	0	**9,034**	(418)	131	63	0	(15)	0	0	**8,795**
Executive Director (Kirsty Flanagan)	Head of Development and Economic Growth	**7,911**	579	0	**8,490**	(626)	18	140	0	(216)	0	0	**7,806**
Executive Director (Kirsty Flanagan)	Head of Financial Services	**5,711**	(56)	0	**5,655**	(328)	35	353	0	(25)	0	0	**5,690**
Executive Director (Kirsty Flanagan)	Head of Roads and Infrastructure Services	**32,022**	954	0	**32,976**	(1,249)	697	1,175	0	(546)	0	0	**33,053**
Non Departmental:													
Joint Boards	Joint Boards	**1,496**	0	0	**1,496**	0	61	0	0	0	0	0	**1,557**
Other Operating Income & Expenditure	Elected Members	**1,261**	0	0	**1,261**	(62)	0	0	0	0	0	0	**1,199**
Other Operating Income & Expenditure	Sundry Services	**2,325**	(464)	0	**1,861**	0	425	0	0	(1,594)	0	0	**692**
Other Operating Income & Expenditure	Unfunded Pensions	**1,554**	0	0	**1,554**	0	0	0	0	0	0	0	**1,554**
Non Controllable Costs:													
Insurances		**1,768**	0	0	**1,768**	0	95	126	0	0	0	0	**1,989**
Non Domestic Rates		**5,095**	0	0	**5,095**	0	0	0	0	0	0	0	**5,095**
Apprenticeship Levy (Council)		**545**	22	0	**567**	46	0	0	0	0	0	0	**613**
Capital Charges (loans charges)		**12,125**	685	0	**12,810**	0	0	18	0	0	0	0	**12,828**
COUNCIL TOTAL		**208,283**	**6,669**	**7,634**	**222,586**	**(1,718)**	**3,352**	**2,995**	**(363)**	**(3,089)**	**0**	**0**	**223,763**
Health and Social Care Partnership:													
Social Work	Chief Officer	**(704)**	14	(35)	**(725)**	(28)	0	0	0	0	(1,929)	0	**(2,682)**
Social Work	Acute and Complex Care	**20,216**	161	0	**20,377**	(342)	0	0	0	0	0	0	**20,035**
Social Work	Children & Families	**16,718**	395	207	**17,320**	(828)	0	0	0	0	0	0	**16,492**
Social Work	Health and Community Care	**39,516**	555	295	**40,366**	(374)	0	0	0	0	0	0	**39,992**
Social Work	Strategic Planning and Performance	**507**	15	0	**522**	(33)	0	0	0	0	0	0	**489**
SOCIAL WORK TOTAL		**76,253**	**1,140**	**467**	**77,860**	**(1,605)**	**0**	**0**	**0**	**0**	**(1,929)**	**0**	**74,326**
Rounding													**(1)**
TOTAL		**284,536**	**7,809**	**8,101**	**300,446**	**(3,323)**	**3,352**	**2,995**	**(363)**	**(3,089)**	**(1,929)**	**0**	**298,088**
Funding:													
Scottish Government Funding													**238,902**
Council Tax Income													**67,114**
Balance to reserves - Council (6,875 one off pension saving less 2,000 released for 24-25)													**(4,875)**
Social Work - one off pension saving to be held in Council reserves													**(3,053)**
OVERALL FUNDING SURPLUS / (GAP)													**0**

Appendix 8

FUNDING REQUESTS

1. Introduction

1.1 Five funding requests have been received to be considered as part of the Budget as outlined below. Further information can be provided by the organisations if required.

2. The International Eight Metre Association (IEMA) World Cup Championship

2.1 The International Eight Metre Association (IEMA) will hold its World Cup Championship at Rhu between the 19th and 24th August 2024. The event will be jointly hosted by the Royal Northern and Clyde and the Mudhook Yacht Clubs. This is a major and prestigious international sporting event which will be a significant showcase for the Helensburgh area and for Clyde yachting.

2.2 Accommodation in hotels and rental houses will be required for up to 250 people. There will be interest in local attractions (Hill House, distilleries etc) and hospitality venues will see additional custom. It is estimated that the event will bring some £35,000 income to the marinas, boat yards and boat transport companies directly involved in the event and some £45,000 income to the hospitality industry. In general, the local profile will be raised by a concerted publicity and media campaign showcasing the event. It is expected that visitor footprint to the Helensburgh area will increase during the week.

2.3 This is an expensive sporting event with a budget currently estimated to be circa £80,000 for the week. Some of this is covered by entry fees and ticket sales to social events but the organisers need to find additional funding through sponsorship. In 2007 the Council supported the World Cup with a generous grant of £10,000. It would be very much appreciated if that donation could be repeated in 2024. In addition, it would be very good if the Opening Reception in the Helensburgh Civic Centre was officially hosted by the Council as a demonstration of the importance of the event to the local area.

2.4 The request is for 1 year of funding at £10,000. Members are asked to give consideration to this request and how it would be funded.

3 AITC

3.1 The budget requested to support the overall delivery of the marketing activities for 2024-25 comes from several different sources and will be delivered by the AITC team and specialist partners as required. Funds will be drawn from membership fees paid to AITC, the requested grant from Argyll and Bute Council and may include grants from Visit Scotland if available.

3.2 The £75,000 Argyll and Bute Grant is anticipated to be apportioned as follows:

ACTIVITY	BUDGET	OUTCOMES
PR & media – Destination positioning	5,000	• Reach new audiences.
Bloggers, Influencers	10,000	• Reach new audiences, island focus.
Paid social promotion	5,000	• Boost marketing reach across all campaigns.
New format, license-free photography	10,000	• Assets that can be shared with Visit Scotland, A&BC & and AITC Members.
SEO Copywriting & and new content development	10,000	• Insight-based new content across all Wild About Argyll & Love Oban areas.
Campaign delivery	30,000	
Business support initiatives	5,000	
TOTAL	**£75,000**	

3.3 The marketing campaigns and activities planned for delivery aim to deliver the following strategic priorities:

- Extending the season and spreading visitors across the destination.
- Reaching new audiences
- The Journey to Net Zero

3.4 The request is for 1 year of funding at £75,000. Members are asked to give consideration to this request and note that it could be funded from the existing Staycation and Marketing Earmarked Reserve.

4 CHARTS

4.1 The Culture, Heritage and Arts Assembly, Argyll and Isles (CHARTS), is requesting £75,000 of financial support from Argyll & Bute Council for the year 2024-25. This will be used to fund foundational support for our delivery plan 2024-25, which has been designed to build resilience and profile across the region's culture, heritage and arts sector. It aims to further drive the sector forward and build on the successes the organisation has achieved to date, including through the £75k support received from the Council in 2023-24. The current and previous Council grant award has assisted to lever an additional £452,438 of external funding for use during financial years 2023-25, and for direct distribution to the culture sector excluding organisational costs, with potential of further project income (circa £30k) expected before this financial year end. Since 2020, CHARTS has raised £1,135,628 building on £250k foundational support from the Council. This demonstrates

significant return on Council investment that has enabled CHARTS to continue its successful project delivery and fundraising reputation. During December, our Vice Chair was able to present our achievements and plans to each of the Council Area Business Committees and to answer questions from Councillors. Presentations received strong interest and support. However, as a third sector organisation the board is also conscious of the need to diversify income streams and gradually reduce reliance on grant funding. This is a priority as the organisation develops in order to become more sustainable. The board and staff team are currently working on a new business plan for publication in April 2024 and for the term of the next plan have identified an earned income strategy for activity with an ambition to raise 20% of turnover from earned income sources.

4.2 The request is for 1 year of funding at £75,000. Members are asked to give consideration to this request and how it would be funded.

5 SCREEN MACHINE

5.1 The Screen Machine is a visible and important cornerstone of Scotland's vibrant film and cinema culture. It brings a diverse range of films and events to areas throughout Scotland that otherwise lack regular, professional cinema provision. The loss of the Screen Machine service at this point would likely be irreversible in the coming years. At present there are three parallel funding requirements attached to the continuation of both RSS and the Screen Machine service, which is not a commercial service in the current climate and is only viable with public support. The primary source of that support is Creative Scotland, which awards RSS an annual (revenue) grant of £206,783 as a Regularly Funded Organisation (RFO). RSS does not currently receive revenue support from HIE (it did until end 2022-23), or any of the councils in the areas that benefit from and enjoy the Screen Machine service. RSS is experiencing funding issues as a result of: a) standstill RFO revenue funding from Creative Scotland since 2018; b) the loss in the current and coming year of HIE revenue funding; c) the inflationary cost pressures we are all dealing with; d) a reduction in box office income as the Screen Machine they leased with Screen Scotland's support in 2023-24 cannot reach all of the previous Machine's regular stops.

5.2 The leased Screen Machine operating in 2023-24 replaced the previous Machine which operated for a number of years but which can no longer travel. The current lease funding from Screen Scotland (which is on top of the RFO award) expires at the end of the current financial year.

5.3 HIE has offered capital support for the purchase of the new Screen Machine, though additional fundraising will be required. RSS are undertaking that fundraising, but their weak financial position means that without additional revenue funding in 2023/24, and across 2024/25 and 2025/26 they may cease trading before that fund raising can be completed. The projections show a balanced budget from 2026/27 if the new Machine is in place. Screen Scotland is considering an additional in-year award to RSS to improve

business resilience, allow for further fundraising, and support the lease of the temporary Screen Machine across 2024/25 and 2025/26. The additional revenue sum (on top of RFO) they are considering awarding is in the region of £350k – inclusive of the 24-month lease costs. They seek the continued delivery of the Screen Machine service, which they believe is best achieved via its expert operator RSS, but they believe that a service that delivers both national and local value should be supported at both a national and local level. On this basis their offer of the £350k will be conditional upon RSS securing aggregate revenue funding from those councils in which the Screen Machine operates of at least £100k per annum.

5.4 The Screen Machine serves a wide range of coastal, remote and island communities. It is a well-loved and well-used resource for residents in those communities. This reduction in access to cultural cinema risks impacting the sense of community and shared experiences that the service brings, along with missed opportunities to showcase a diverse range of Scottish and international films and cultural activity. Additionally, it will lead to significantly increased travel time for audiences to attend other venues, more use of private transport for those audiences who are willing and able to travel, and significantly decreased opportunities for those who aren't able.

5.5 The Screen Machine currently operates in the following council areas: Highland (41% of the Screen Machine's stops), Argyll & Bute (28%), Comhairle nan Eilean Siar (20%), North Ayrshire (5%), Moray (3%), and Orkney (3%). We acknowledge the budgetary constraints faced by all public bodies at present – our own budget is under significant pressure but we feel the Screen Machine is vital, likely irreplaceable should RSS fail, and at immediate risk of failure unless its revenue funding position improves. Following RSS's initial round of letters (early November 2023) to the councils it operates within seeking revenue support North Ayrshire Council have written with an offer of £5k.

5.6 The request is for 1 year of funding at £28,000. Members are asked to give consideration to this request and how it would be funded.

6 Mid Argyll Community Pool (MACPool)

6.1 MACPool supports 600 swimmers per week to learn to swim, for recreation, to keep active and to aid recovery from injury or illness.

6.2 MACPool reports that income from activities to March 2024 is expected to increase by 14% year on year and by 11% next year. Labour costs will have grown by only 2% during 2023-24 mainly due to staff shortages but it is expected to grow by 8% next year due to the national living wage increase impacting salaries. Energy costs have grown by 64% (an extra £25k) and is due to grow by a further 3% next year. The accountants have advised that the reserves are too low and need to increase by £30,000, which together with maintenance issues which are currently underfunded, means MACPool are

needing to find an extra £50,000 income per annum in the coming years to remain a going concern in the future.

6.3 The request is for 1 year of funding at £30,000. Members are asked to give consideration to this request and how it could be funded.