

Argyll and Bute Council:

- a) Approves the revenue budget for 2024/25 as set out in the Revenue Budget Overview Report, subject to the decisions outlined below and in the Administration Revenue Budget Model provided at Appendix 1 (A) to this motion.
- b) Approves the revenue estimates for 2024/25 and consequently that the local tax requirement estimated at £69.458m is funded from Council Tax. Approves the following rates and charges for the year 2024/25:
 - (i) Council Tax to be paid in respect of a chargeable dwelling in Band 'D' of £1,627.12, representing a 10% increase.
 - (ii) Council Tax to be paid in respect of a chargeable dwelling in each of the other valuation bands in accordance with Section 74(1) of the Local Government Finance Act 1992 as amended.
 - (iii) Business Rates as determined by Scottish Ministers.
- c) In respect of the gain received from the reduction in the Strathclyde Pension Employer's Contribution rate between 17.5% and 6.5% over 2024/25 and 2025/26:
 - (i) Notes that £2m is proposed to be used towards the Council Revenue Budget each year over the next three years (see management/operational savings) with £2m for 2027/28 as noted in the budget pack, now allocated as part of the measures to balance the Capital Plan budget, as set out in the Administration Capital Budget Model provided at Appendix 1(B) to this motion.
 - (ii) Agrees that the balance remaining attributable to all Council employees is transferred to the General Fund and set aside for transformation/spend to save projects.
 - (iii) Agrees that Health and Social Care Partnership projects that fit the criteria at point (ii) above, or if the HSCP needs any funds to balance its budget within 2024/25 and 2025/26, be eligible for funding up to the value of £6.106m, with the release of any funding delegated to the Chief Executive and the Executive Directors of the Council in consultation with the Council Leader, Depute Leader, Policy Lead for Health and Social Care and the Leader of the Largest Opposition Group.
 - (iv) Notes that reports on the drawdowns from the General Fund balance will be submitted to the Policy and Resources Committee as part of the monitoring pack.
- d) Approves a base allocation to the Health and Social Care Partnership of £78.611m for 2024/25. Approves indicative base allocations of £78.611m for 2025/26 and £81.664m for 2026/27. 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.

- e) Endorses the new management/operational savings totalling £3.950m as outlined in Appendix 5 of the Revenue Budget Overview Report and approves policy savings options totalling £685k as outlined in Appendix 6 of the Revenue Budget Overview Report but with the exception of the following:
 - (i) Rejects in full proposal 202425-010 – proposed phased reduction of Strategic Events and Festivals, Third Sector (Education) and Community Grant funding, £299k.
 - (ii) In respect of proposal 202425-011, rightsizes the Positive Starts Support Scheme budget from £100k to £60k delivering a saving of £40k.

- f) Agrees and notes the following:
 - (i) Agrees to allocate £45k to augment area-based Environmental Warden service levels through provision of a dedicated warden for the Mid Argyll, Kintyre and the Islands area in line with other localities.
 - (ii) Notes that the total investment in roads repair and maintenance for 2024/25 will be £8m following an increased allocation of £4.588m at the 2023 budget meeting to safeguard this year's programme.

- g) Agrees the following in relation to external funding requests, including those set out within Appendix 8 of the Revenue Budget Overview Report:
 - (i) International Eight Metre Association World Cup - £10k
 - (ii) Argyll and the Isles Tourism Co-operative - £75k
 - (iii) CHARTs (Culture, Heritage and Arts Assembly) - £75k
 - (iv) Screen Machine - £28k
 - (v) Mid Argyll Community Pool - £30k
 - (vi) Mactaggart Leisure – Islay Pool - £30k

- h) Notes that officers have advised that there is a £57,453 underspend from the Scotland Loves Local scheme and agrees to allocate these resources to support measures to help with the costs of living by funding member organisations of the Community Food Forum, ALIEnergy, Argyll and Bute Citizens Advice Bureau and Bute Advice Centre, with detailed proposals to be agreed by the Executive Director with responsibility for Finance, in consultation with the Leader, Depute Leader and Leader of the Largest Opposition Group. Details of the agreed spend are to be reported to elected members.

- i) Approves the following in relation to fees and charges with effect from 1st April 2024 unless otherwise noted:
 - (i) Approves the proposals for the fees and charges inflationary increase of 6% and approves the charges that are over and above inflation. Notes that this would generate additional income of £0.385m in total.

- (ii) Approves no increase to school meal charges in 2024/25 as detailed in section 3.6.2 of the Fees and Charges Report.
 - (iii) Approves the changes proposed to the Social Work fees and charges.
 - (iv) Approves that fees for all Civic Government licences be increased as set out at Appendix 2 of the Fees and Charges report.
 - (v) Approves that licences currently subject to a fixed three-year period and due for renewal in June 2024 continue to be granted on that basis.
 - (vi) Approves all other charges as noted within the Fees and Charges schedule.
- j) Notes the financial risks analysis.
- k) Approves the contingency level for the General Fund balance at a level of 2% of net expenditure, equivalent to £6.038m and notes the report on reserves and balances, subject to the decisions set out in the Administration Capital Budget Model at Appendix 1(B).
- l) Approves the capital plan as set out in Appendix 3 of the Capital Plan Summary Report and agrees to address the £29.384m gap through transfers to the Capital Plan as set out in the Administration Capital Budget Model provided at Appendix 1(B) to this motion.
- m) In respect of the Learning Estate Investment Programme (LEIP):
- (i) Notes the successful award of a major funding bid.
 - (ii) Notes that the funding provided by the Scottish Government is not a capital grant for the full cost of the project and that, while the Scottish Government has indicated that it may provide up to 50% of eligible costs over a 25-year period, that contribution to the overall project could in fact be as low as 35%, with the Council required to make up the balance. The Council will be required to fund the total cost in advance.
 - (iii) Notes that due to the one-year time delay in the Scottish Government's LEIP announcement, the requirement to open the new campus by December 2027 (which was the original timescale) cannot now be met and is now forecast for October 2028 at the earliest.
 - (iv) Notes the updated timescale programme forecast at outlined at Appendix A and B of the report.
 - (v) Agrees that, in the light of the update on funding, that no decision as to whether or not to proceed be taken at this time and that officers prepare a further report with more detail regarding the financial aspects and affordability of LEIP, to be the subject of a Members Seminar and then brought to the Council meeting in April 2024 for members' consideration.
- n) In respect of Rothesay Pavilion, after consideration of updates on the Stage 1 works, the progress of the Lobby Group and the latest position on anticipated final costs, the Council:
- (i) Agrees to make provision for an allocation of £8.859m towards the completion of the capital project, this sum being subject to:

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- a) Receipt of affordable tenders due on 26th April 2024.
 - b) Securing the estimated additional funding of £2.7m from external partners.
 - c) Confirmation of a successful Treasury 5 Business Case in relation to the £9m funding from the Rural Growth Deal.
 - d) Further scrutiny of the business plan from the Rothesay Pavilion Charity.
- o) Approves the Corporate Asset Management Strategy and Plan including the Asset Group Summaries.
- p) Agrees that proposals for use of the additional funding confirmed by the Scottish Government in the late stages of the budget development process, will be determined at a future date once it has been confirmed after the UK Government Spring Budget.

Proposed by: Councillor Robin Currie, Leader

Seconded by: Councillor Gary Mulvaney, Depute Leader

Appendix 1 – Administration Budget Model Reconciliation

(A) Revenue Budget

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Budget Gap as Per Budget Pack (prior to savings)	(10,167)	(17,755)	(26,140)	(33,181)	(39,471)
Previously Agreed Savings	93	376	852	1,488	1,957
Fees and Charges Increases	385	771	1,156	1,541	1,927
New Management/Operational Savings	3,950	2,256	2,138	2,138	138
New Policy Savings	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% in future years	0	1,888	3,835	5,851	7,936
Budget Gap as Per Budget Pack (after Measures to Balance Budget)	(715)	(7,320)	(12,891)	(16,768)	(21,987)
Reduction to Funding as per Supplementary Report	(65)	(65)	(65)	(65)	(65)
Revised Budget Gap as Per Budget Pack (after Measures to Balance Budget)	(780)	(7,385)	(12,956)	(16,833)	(22,052)
Council Tax Increase to 10%	3,059	3,163	3,255	3,350	3,447

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Policy Savings Rejected :					
202425-10 Grants	(299)	(299)	(299)	(299)	(299)
202425-11 Right Size Positive Starts	(60)	(60)	(60)	(60)	(60)
Use SPF Gain for Capital Plan				(2,000)	
New Warden Post in MAKI	(45)	(45)	(45)	(45)	(45)
Fund Borrowing to pay for weather incident costs	0	(282)	(282)	(282)	(282)
Transfer surplus to Unallocated General Fund and Capital Plan	(1,875)				
Revised Budget Gap	0	(4,908)	(10,387)	(16,169)	(19,291)

(B) Capital Budget and Other Funds

	Capital Plan £000	Unallocated General Fund £000	Priority Investment Fund £000	Capital Contract Increases Earmark £000	SPF Gain (Council) £000	Asset Management Fund £000
Balances as Per Budget Pack	(29,843)	2,220	6,150	2,703	5,750	2,070
Defer Decision of LEIP School until April Council	11,560					
Use of SPF Gain from 2027-28 Revenue for Capital Plan	2,000					
Transfer £3.750m from SPF Gain to Capital Plan	3,750				(3,750)	
Transfer Asset Management Fund to Capital Plan	2,070					(2,070)
Use Earmarked Reserves Released for Capital Budget - as per Budget Pack	2,212	(2,212)				
Transfer £1.028m from Priorities Investment Fund to Capital Plan	1,028		(1,028)			
Use £500k Crown Estate Funding in 2024-25 for Capital Plan	500					
Use £500k Crown Estate Funding in 2025-26 for Capital Plan	500					
Borrowing to Fund weather incident costs including repair and reinstatement of roads and bridges and new permanent route at A816, which are not claimable via Bellwin	4,348					

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Funding Ask - 8metre World Cup Championship		(10)				
Funding Ask - Charts		(75)				
Funding Ask - AITC (fund from Staycation Earmarking)						
Funding Ask - Screen Machine		(28)				
Funding Ask - MACPool		(30)				
Funding Ask - MacTaggart Leisure Centre		(30)				
Transferred from Revenue Surplus	1,875					
Increase Capital Contract Earmarking to £3m to protect current capital projects in plan		(297)		297		
Adjustment to 2% Contingency Required as a result of budget decisions		82				
Transfer £380k from Priorities Investment Fund to Unallocated General Fund		380	(380)			
Revised Balances	0	0	4,742	3,000	2,000	0

The budget detailed above:

- Balances the revenue budget in 2024-25 and reduces the gap in future years by £3m as a result of the increase in Council Tax by 10%.
- Removes the gap in the capital plan by investing £18.283m into the capital plan. The decision on LEIP – Mull Campus is deferred until April.
- Uses the Unallocated General Fund noting that there remains £6.038m (equivalent to 2% of the budget) within contingency.
- Maintains £4.742m within the Priorities Investment Fund to support delivery of the Council Priorities 2022 to 2027.
- Increases the Capital Contract Earmarking to £3m to protect against contract rises for projects already committed to within our Capital Plan.
- Keeps £2.0m of the Strathclyde Pension Fund Gain to be directed towards transformation and projects that will save revenue in the future.