

Argyll and Bute Council, Thursday 27th February 2025

Administration Budget Motion

The Council:

- a) Approves the revenue budget for 2025/26 as set out in the Revenue Budget Overview Report, subject to the decisions set out below and within the Administration Revenue Budget Model provided at Appendix A to this motion.
- b) Approves the revenue estimates for 2025/26 and that consequently the local tax requirement estimated at £70.204m is funded from Council Tax. Approves the following rates and charges for the year, 2025-26:
 1. Council Tax to be paid in respect of a chargeable dwelling in Band “D” of £1,625.64, representing a 9.9% increase.
 2. 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.
 3. Business Rates as determined by Scottish Ministers.
- c) Acknowledges Argyll and Bute Health and Social Care Partnership’s transformation journey balanced with the delivery of services in a rural and island context, alongside numerous financial and other external pressures. Agrees to support the HSCP by:
 1. Providing an additional recurring funding contribution of £500k to the HSCP alongside the contributions noted below and in the Administration Revenue Budget Model;
 2. Agreeing that £0.5m of Strathclyde Pension Fund gain will be ring-fenced in 2025/26 for future HSCP transformation and/or spend-to-save projects;
 3. Assisting the HSCP to fund 1% staff pay assumption with a contribution of £370k;
 4. Ensuring the HSCP is able to cover increased employers National Insurance contributions with a top-up allocation of £346k, equating to 40% of the overall costs, noting that if there is any increase in national funding for this particular pressure, the council’s contribution will be adjusted or retained accordingly;
 5. Approving a base allocation to the HSCP of £81.992m for 2025/26. Approving indicative base allocations for 2026/27 and 2027/28 of £85.045m, with the level of future years funding being subject to the level of Scottish Government funding and the Council’s overall financial position in future years.

- d) Endorses the new management/operational savings as outlined in Appendix 5 of the revenue budget overview report. In addition, agrees to the removal of the Provost's car with a view to achieving any possible savings therein.
- e) Approves policy savings options for 2025-26 as outlined in Appendix 6 of the revenue budget overview report and, with the exception of the proposals set out at f) and g) below, agrees that any new policy savings relating to 2026-27 onwards will be considered as part of next year's budget process.
- f) In recognition of Live Argyll's current pressures, agrees, in respect of policy savings option LA 001 25/26, to fund from reserves the proposed management fee reduction of £311k on a one-off basis for 2025/26, deferring the saving until 2026/27 onwards.
- g) Agrees to fund Community Sports payments for shinty and rugby development, policy savings option CS 001 25/26, from reserves on a one-off basis for 2025/26, deferring the saving until 2026/27 onwards.
- h) Notes the detail provided at recommendation f) of the Section 95 Officer's Introductory Report and Recommendations, and her subsequent update, in respect of the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025, and agrees that payments from 1st April 2025 will be made as per the updated recommendation.
- i) Agrees to fund from the Priorities Investment Fund the following external funding requests totalling £210k, as listed within Appendix 8 of the Revenue Budget Overview Report and in addition the subsequent request in respect of the Clipper Race advised to members by email on 24th February. Asks officers to explore future options for consideration of external funding requests from the 2026/27 budget process onwards, as appropriate, including through any potential future arrangements and/or income-generating activities, that may be agreed or introduced by the council:
 - 1. CHARTS - £75k
 - 2. Argyll and the Isles Tourism Co-operative - £75k
 - 3. Mactaggart Leisure Centre, Islay - £30k
 - 4. Loch Lomond and the Trossachs National Park - £10k
 - 5. Clipper Round the World Race contribution to hosting fee - £20k

- j) Approves the following in relation to fees and charges with effect from 1 April 2025 unless otherwise noted:
1. Approves the proposals for the fees and charges inflationary increase of 6%, with the exception of charges for internal, council-run ferry services which will not be subject to an increase in 2025/26. Notes the introduction of six new concessionary fares, which will be charged on the basis of the proposed fare set out at Appendix C, which recognises the fare freeze this year, and a minor adjustment required in respect of specific single ferry fares on the Jura service, the detail of which is set out at Appendix C. Approves the charges that are over and above inflation. Notes that this would generate additional income of £0.323m in total;
 2. Agrees there will be no increase to charges for school meals to assist families in managing cost of living expenses;
 3. Approves all other charges as noted within the Fees and Charges Schedule.
 4. In respect of Electric Vehicle charging, approves a delegation to the Director with responsibility for Roads and Infrastructure in consultation with the Leader and the Policy Lead for Roads, Transport and Amenity Services, to vary the charge in line with increasing utility prices.
- k) Notes the financial risks analysis.
- l) Approves the contingency level for the General Fund balance at a level of 2% of net expenditure, equivalent to £6.539m, and note the report on reserves and balances, subject to the decisions set out in the Administration Capital/Other Funds Budget Model at Appendix B to this motion.
- m) Approves the capital plan as set out in Appendix 3, noting that this incorporates the red risks (£0.376m) and estimated forecast overspend on the capital plan (£0.117m) and subject to the funding decisions set out below and in the Administration Capital/Other Funds Budget Model at Appendix B to this motion.
- n) Agrees the following priority investments, as set out in the Administration Capital/Other Funds Budget Model at Appendix B and noted below:
1. Increasing the Roads Reconstruction Budget for 2025/26 to £10m in total with an investment of £8m;
 2. Boosting future resilience with provision of £2.9m for severe weather related costs, to include £2m funded from the Priorities Investment Fund;
 3. Allocating £200k from the Priorities Investment Fund to assist in the creation of a business case for the future development of leisure facilities in Dunoon;
 4. Contributes £5k each to 12 foodbanks across Argyll and Bute and its islands, making a total investment of £60k to assist local families in coping with cost of living pressures.

- o) Notes the remaining fund balances outlined in the Administration Capital/Other Funds Budget Model at Appendix B following the capital investments set out at (n) plus the funding requests and allocations set out at (f), (g) and (i).
- p) Notes that a review of the capital arrangements will be undertaken during the year and reported to Members.
- q) Acknowledges the contributions from local people to the Council's Budget Survey and notes that these have been taken into consideration in the development of the Administration's Budget. Requests that officers make the necessary arrangements to formally commence the planning process for the 2026/27 budget from June 2025, to include proactive engagement with the Health and Social Care Partnership and exploration of innovative and/or different approaches to delivery of services in line with the council's agreed Priorities.
- r) Approves the Corporate Asset Management Strategy and Plan including the Priority Investments Plans (PIPS).

Appendix A – Revenue Budget Position

	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000	2029-30 £000
Budget Gap as per Budget Pack (after measures to balance the budget)	(2,471)	(12,137)	(22,640)	(27,201)	(32,556)
Reject policy saving option ref: LA 001 25/26 in respect of 10% cut to Live Argyll in 2025-26 and fund from Priority Investment Fund. Accept saving for future years.	(311)				
Reject policy saving option ref: CS 001 25/26 in respect of Community Support Shinty and Rugby in 2025-26 and fund from Priority Investment Fund. Accept saving for future years.	(20)				
Freeze internal run ferry services fares at 2024-25 levels	(40)	(40)	(40)	(40)	(40)
Provide additional recurring funding to the HSCP in addition to that outlined in the budget pack	(500)	(500)	(500)	(500)	(500)
Cost of servicing £2.9m additional borrowing for capital plan	(94)	(189)	(189)	(189)	(189)
Transfer from Priority Investment Fund for two rejected savings options in 2025-26 (as noted above)	331				
Revised Gap	(3,105)	(12,866)	(23,369)	(27,930)	(33,285)
Additional Council Tax of 4.9% bringing Council Tax up to 9.9% in 2025-26	3,105	3,278	3,442	3,614	3,795
Revised Budget Position	0	(9,588)	(19,927)	(24,316)	(29,490)

Appendix B – Capital Budget Position and Other Funds

	Capital Budget £000	Unallocated General Fund £000	Priorities Investment Fund £000	Storm Costs Provision £000
As Per Budget Pack	3,560	(283)	3,748	0
Additional Resources:				
Additional forecast underspend as at end of January		533		
Refund on gift cards from LACER Funding		64		
Reduce Private Sector Housing Grant Topslice in capital programme to £820k in 2025-26 and 2026-27 and £819k in 2027-28	640			
Allocate previous years underspend on Private Sector Housing Grant accumulated to £1.8m to other purposes	1,800			
Borrow £2.9m for capital plan	2,900			
Revised Balances for Use	8,900	314	3,748	0
Additional budget in 2025-26 Roads Reconstruction Programme	(8,000)			
Provision for Storm Costs allocated to capital budget	(900)			
Provision for Storm Costs allocated to storm cost reserve			(2,000)	2,000
Funding allocated towards creation of a business case for the future development of leisure facilities in Dunoon			(200)	
Fund Live Argyll budget saving for 2025-26			(311)	
Fund Community Sport Shinty and Rugby saving for 2025-26			(20)	
CHARTS – funding capped at £75,000			(75)	
AITC			(75)	
Islay Pool			(30)	
National Park			(10)	

Clipper Race contribution			(20)	
12 Foodbanks across Argyll and Bute at £5,000 each		(60)		
Adjustment to maintain 2% Contingency		(19)		
Revised Position	0	235	1,007	2,000

Appendix C – Internal Ferry Fares (from J) fees and charges)

Detail - introduction of new concessionary fares and adjustment required in respect of Jura service single fares

New Fees and Charges	Current Fare as per Fees and Charges	Proposed Fare for 2025/26 (reduced by 6%)	Detail
Cuan Vehicle Fares – Car including concession driver return – must present SPT ferry travel card	£12.40	£11.70	New concession fare introduced for 2025-26 to combine driver and car tickets in similar manner to other fares in 2024-25.
Cuan Vehicle Fares - Car with blue badge holder (25% discount) including concession driver return - must present SPT ferry travel card	£9.70	£9.15	New concession fare introduced for 2025-26 to combine driver and car tickets in similar manner to other fares in 2024-25. Blue badge holder discount reduced from 50% to 25% to align to common practice on other ferries (see Cal Mac)
Cuan Vehicle Fares - Car with blue badge holder (25% discount) including driver return	£11.10	£10.47	New concession fare introduced for 2025-26 to combine driver and car tickets in similar manner to other fares in 2024-25. Blue badge holder discount reduced from 50% to 25% to align to common practice on other ferries (see Cal Mac)
Jura Vehicle Fares - Private Vehicles - Car including concession driver return - must present SPT ferry travel card	£21.10	£19.91	New concession fare introduced for 2025-26 to combine driver and car tickets in similar manner to other fares in 2024-25.
Jura Vehicle Fares - Private Vehicles - Car with blue badge holder (25% discount) including concession driver return - must present SPT ferry travel card	£16.20	£15.28	New concession fare introduced for 2025-26 to combine driver and car tickets in similar manner to other fares in 2024-25. Blue badge holder discount reduced from 50% to 25%

			to align to common practice on other ferries (see Cal Mac)
Jura Vehicle Fares - Private Vehicles - Car with blue badge holder (25% discount) including driver return	£19.70	£18.58	New concession fare introduced for 2025-26 to combine driver and car tickets in similar manner to other fares in 2024-25. Blue badge holder discount reduced from 50% to 25% to align to common practice on other ferries (see Cal Mac)

Detail - Adjustment in respect of Jura ferry service:

Exceptions to General Inflation	Increase on Fees and Charges Report	Current Fare on Fees and Charges	Proposed Fare (reduced by 6% and increased by 40p)	2024/25 Rate	Detail
Jura Vehicle Fares - all vehicles up to and including 6m - single journey (incl driver)	10%	£12.50	£11.80	£11.40	Service request for an additional £0.40 increase on what would have been the 6% uplift as the cost of 2 single journeys would come in less than the excursion return ticket