



Glasgow City Region

Cabinet

Report by Director of Regional Economic Growth

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Item 9

25th February 2025

Draft PMO Budget and Member Recharges 2025/26

Purpose of Report

To present to the Cabinet a draft PMO Budget and member recharges for financial year 2025/26.

Recommendations

The Cabinet is invited to:

1. Consider and comment on the draft PMO budget for 2025/26 and member recharges; and
2. Approve the budget at Appendix 1.

1. Purpose and Budget

- 1.1 To present to the Cabinet a draft PMO Budget and member recharges for financial year 2025/26 as per Appendix 1
- 1.2 The total draft budget for 2025/26 is £2,808,003 which is an increase of £719,673 from the 2024/25 approved budget. This increase can be explained by the following:
 - 1.2.1 An increase in payroll budget following the transfer of the existing Clydeplan staff as well as four new posts approved for Clydeplan amounting to £676,599, note these posts are funded from the Clydeplan contributions.
 - 1.2.2 A net payroll cost increase of £43,074, related to the estimated annual inflation increase, pay increments, additional Legal support costs, the previously approved posts of Programme Manager (Investment Zone), Regional Programme Management Officer and Research and Policy Officer offset by the deletion of 2 x SiPHER funded posts, 2 x 5GIR funded posts and an SPF funded Multiply Engagement Officer.
 - 1.2.3 An increase in third party costs of £7,378, principally related to the purchase of economic data from Data City, offset by a reduction in external audit fees.
 - 1.2.4 A decrease in other costs of £33,802, principally related to the Economies for Healthier Lives project which is nearing completion (funded by the Health Foundation).
- 1.3 The total member contributions for 2025/26 amount to £1,347,438 which maintains the total recharges at 2022/23 levels continuing the no increase agreement from the 2023/24 budget. It should be noted, however, that there will be small changes to the individual recharges as detailed in section 3 due to changes in population levels. The deficit in the level of recharge against the annual budget is expected to be funded by temporary loan interest earned on grant sums held together with prior year surpluses.
- 1.4 It should be noted that, other than the already approved posts, the budget does not yet contain the Investment Zone UK Government funding, the Scottish Government Clyde Mission funding and SiPHER (Systems Science in Public Health and Health Economics Research) funding, pending receipt of the income and budget plans being collated.

2. Proposed Budget Impact on Carried Forward Balances from prior years

- 2.1 The Glasgow City Region carried forward balance at the start of 2024/25 amounted to £1.9m. By the end of the year it is anticipated that this would reduce to around £1.5m, however, this excludes the unbudgeted grant interest income and it is estimated that after interest the surplus could be in the range of £1.7m – £2.1m at year end. The grant interest income continues to be unbudgeted due to the variable nature of the rates and timescale over which the grants are held. The interest on grants held pending distribution applies to both City Deal and Shared Prosperity Fund grants.
- 2.2 In 2025/26, following the anticipated approval of the Gateway 2 return the City Deal grant will increase back to £60m. It is anticipated that this will be distributed based on Q2 and Q4 member returns meaning large sums will be held and continue to accrue interest. Given the 1 year extension to the Shared Prosperity Fund into 2025/26 there will also be some additional interest accruing on this grant prior to distribution.

- 2.4 Overall the interest income in 2025/26 should continue to reduce, subject to interest rates maintaining their existing trajectory, with the result that the Glasgow City Region surplus should similarly reduce by the end of 2025/26.

3 Member Recharges

- 3.1 Consistent with previous years the level of recharges split by member authority is reviewed every 3 years based on currently available population statistics. The latest available National Registers of Scotland (NRS) mid-year populations by local authority area is for June 2023 and these together with the resultant percentage split by member authority are shown in the table below.
- 3.2 The population figures have, with the exception of Glasgow, all shown an increase as a result of the original 2021 NRS numbers being overstated for Glasgow and understated for the other authorities. The NRS subsequently revised these numbers, however, previous year charges will not be amended to reflect the update.
- 3.3 The impact this percentage split has on the proposed 2025/26 Glasgow City Region member recharges is also shown in the table below. This percentage split will be applied to the approved member recharge budget for the 3 years 2025/26 to 2027/28.

	NRS Mid Year Population 30 June 2023	%	Charge for 2025/26
East Dunbartonshire	109,230	5.855%	78,892
East Renfrewshire	98,600	5.285%	71,215
Glasgow	631,970	33.875%	456,446
Inverclyde	78,330	4.199%	56,575
North Lanarkshire	341,890	18.326%	246,933
Renfrewshire	186,540	9.999%	134,730
South Lanarkshire	330,280	17.704%	238,547
West Dunbartonshire	88,750	4.757%	64,100
Total	1,865,590	1	1,347,438

- 3.3 Please note that the annual charges for Climate Ready Clyde (£11,000 per member) and Clydeplan (variable £6k to £48k) previously billed separately will be billed alongside the Glasgow City Region charges. Clydeplan charges will be dependent on the treatment of the reserves, i.e. if they are repaid to members the full charges will be levied for 2025/26, if the reserves are transferred to GCR then the fees will continue to be reduced/zeroed as appropriate whilst reserves are utilised.

4 Recommendations

- 4.1 The Cabinet is invited to:
- 4.1.1 Consider and comment on the draft PMO budget for 2025/26 and member recharges; and
- 4.1.2 Approve the budget at Appendix 1.

Glasgow City Region Programme Management Office		Appendix 1
Annual Budget 2025/26		
Title	Original Approved Budget 2024/25	Proposed Annual Budget 2025/26
Total PMO Salary Costs	1,913,352	2,633,025
Third Party Costs	59,300	66,678
Internal Audit Fees	23,300	23,999
External Audit	18,000	14,679
Marketing	10,000	10,000
Intelligence Hub:	8,000	18,000
Others	142,102	108,300
Provisions	2,000	2,000
Supplies	2,000	2,000
EfHL Costs	34,802	0
Sniffer for Climate Ready Clyde	88,000	88,000
Wildcat Applications - Cenefits licences	4,800	4,800
CITB Labour Market Tool	3,500	3,500
Meetings, Workshops and Catering	2,000	2,000
Training	5,000	6,000
Total PMO, Intelligence Hub and Portfolio Development Actual and Projected Spend	2,114,754	2,808,003
Funding		
SiPHER funding	-61,459	-53,184
Clyde Mission	-97,260	-106,420
5G Innovation Region	-100,554	0
SPF Multiply funding of post	-41,312	0
Investment Zone Funding	0	-63,976
Health Foundation Funding	-34,802	0
Clydeplan staff funded from Clydeplan	0	-676,599
Intelligence Hub - Scottish Cities Alliance	-4,000	0
Climate Ready Clyde from MA's 24/25	-88,000	-88,000
Funding from Member Authorities 24/25	-1,347,438	-1,347,438
Total Funding	-1,774,825	-2,335,617
Notes:		
- There is a £1,929k carry forward from 2023/24.	Budgeted Deficit	472,386