



**Glasgow City Council**

**City Administration Committee**

**Report by Councillor Allan Gow, City Treasurer**

**Contact: Martin Booth Ext. 73837**

**Item 2**

4th April 2019

**Budget Monitoring: Investment Programme 2018/19 - Quarter 3**

**Purpose of report:**

To provide a monitoring statement of financial performance and progress on the council's Investment Programme as at quarter 3 (period 12).

**Recommendations:**

The committee is asked to:

- i Approve the requested budget adjustments as detailed in paragraph 2.3;
- ii Note that this report and all detailed monitoring statements will be referred to the Finance and Audit Scrutiny Committee.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No

consulted: Yes  No

## **1. Introduction**

- 1.1** This monitoring statement provides a summary of the financial performance and progress on the delivery of the council's Investment Programme to 15 February 2019. It is based on information contained within the council's corporate financial systems and includes accruals and adjustments in line with agreed financial policies.
- 1.2** Appendix 1 attached compares the total probable outturn gross expenditure with the total approved budget for each Service, and provides a profile of the probable outturn over years. Details of actual expenditure in 2018/19 and cumulative to date are also provided. A similar analysis of income is provided within Appendix 2 with the net expenditure position outlined within Appendix 3.

## **2. Budget changes**

### **Total budget changes**

- 2.1** The net expenditure for the Investment Programme has increased by £200.5m to the end of period 8. During period 9, 10, 11 and 12 there has been a net budget increase of £2.5m resulting in a total net budget increase for the year of £203.0m.

### **Previously approved budget changes**

- 2.2** The following adjustments have been approved and increase the gross expenditure budget by £3.4m and the gross income budget by £0.9m resulting in an increase to the net expenditure budget of £2.5m:
- 2.2.1** An increase to the gross expenditure and income budgets of £0.12m as a result of additional Sustrans funding for public realm works to Langside Hall Square. This was approved at the City Administration Committee on 1 November 2018;
- 2.2.2** An increase to the gross expenditure budget of £2.5m in relation to the "Invest to Improve" fund to enhance the efficiency and effectiveness of demolitions and disposals of surplus land and buildings. This was approved at the City Administration Committee on 1 November 2018;
- 2.2.3** An increase to the gross expenditure and income budgets of £0.3m in relation to Sustrans funding for Phase 2 of Barras Public Realm works. This was approved at City Administration Committee on 24 January 2019;
- 2.2.4** An increase to the gross expenditure and gross income budgets of £0.177m in relation to Scottish Government funding for sustainable transport projects to provide eBikes within the Glasgow Nextbike Cycle Hire Scheme. This was approved at City Administration Committee on 13 December 2018;
- 2.2.5** There have been a number of transfers, approvals and technical adjustments to expenditure and income approved under delegated authority by the Executive Director of Finance.

## **2.3 Budget approvals requested**

The following adjustments require approval by the City Administration Committee and have no impact on the net expenditure budget:

- 2.3.1** A transfer of £1.5m gross expenditure and £0.92m gross income budgets from DRS project Blairtumloch Surface Water Management Plan (SWMP) to City Deal project Metropolitan Glasgow Strategic Draining Plan (MGSDP). This transfer aligns budgets to allow accurate monitoring of contractor payments within the overall programme of works for MGSDP;
- 2.3.2** A transfer between Education projects of £1.9m gross expenditure and gross income budgets from Education Estate 2017-21 to Glasgow Gaelic School Grant. This transfer is to enable separate monitoring of this project and funding.

## **3. Summary position**

- 3.1** Approved gross expenditure on the investment programme, net of amounts paid in previous years, totals £723.8m. Probable outturn gross expenditure for 2018/19 totals £228.1m.
- 3.2** Approved direct income on the investment programme, net of amounts received in previous years, totals £182.3m. Probable outturn direct income for 2018/19 totals £65.3m.
- 3.3** Actual gross expenditure in 2018/19 to period 12 totals £181.0m. Actual receipts, directly related to specific projects, total £25.1m and general capital grant totals £62.3m.

## **4 Management of the programme**

### **Financial performance**

- 4.1** In net expenditure terms, the current forecast for the delivery of the approved programme is on target. Forecast gross expenditure highlights an underspend of £0.1m with gross income also under-recovered by £0.1m.

### **Physical progress**

- 4.2** Gross expenditure for the total investment programme to period 12 totals £181.0m, representing 79.3% of the £228.1m estimated for the year. Individual service monitoring reports contain more detail on physical progress. The reports will be provided to the Finance and Audit Scrutiny Committee.

## **5. Asset sales**

- 5.1** The council's investment programme is partly funded by the proceeds of asset sales which supports the delivery of major capital projects.

- 5.2** The asset sales target for the period 2018/19 to 2019/20 is £20.3m and was profiled at £10.3m 2018/19 and £10m in 2019/20. Asset sales to period 12 total £14.1m which exceeds the target for 2018/19. The 2019/20 target will be adjusted accordingly.

**6. Recommendation**

The committee is asked to:

- 6.1** Approve the requested budget adjustments as detailed in paragraph 2.3;
- 6.2** Committee is asked to note that this report and all detailed monitoring statements will be referred to the Finance and Audit Scrutiny Committee.

GLASGOW CITY COUNCIL  
INVESTMENT PROGRAMME GROSS EXPENDITURE 2018/19

	Budget/Probable Outturn					Probable Outturn Profile					Actual Gross Expenditure		
	Original Approved Gross Exp Budget	Approved Budget Movement	Revised Approved Gross Exp Budget	Total Gross Exp Probable Outturn	Variance (Under)/Over Budget	Previous Years Actual	2018/19	2019/20	2020/21	Future Years	Previous Years Actual	Actual to Period 12 2018/19 15-Feb-19	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>INVESTMENT PROGRAMME</u></b>													
CHIEF EXECUTIVE	2,500	0	2,500	2,500	0	0	375	2,125	0	0	0	0	0
GLASGOW LIFE	170,082	957	171,039	170,970	-69	65,772	22,156	43,036	24,037	15,969	65,772	11,075	76,847
DEVELOPMENT & REGENERATION SERVICES	150,974	60,971	211,945	211,945	0	143,101	14,598	35,984	12,133	6,128	143,101	10,663	153,765
CITY DEAL	123,729	29,300	153,029	153,029	0	61,039	52,981	32,249	6,760	0	61,039	43,235	104,274
EDUCATION SERVICES	485,659	44,550	530,209	530,210	1	384,669	40,094	46,845	40,748	17,854	384,669	35,358	420,027
NEIGHBOURHOODS AND SUSTAINABILITY	451,593	39,712	491,305	491,305	0	335,474	35,289	62,370	29,431	28,741	335,474	26,417	361,891
SOCIAL WORK SERVICES	107,469	44,926	152,395	152,396	1	115,253	24,432	12,157	554	0	115,253	21,079	136,332
INSURANCE PROJECTS	387	9	396	397	1	393	4	0	0	0	393	3	396
TRANSFORMATION	204,866	10,831	215,697	215,683	-14	99,047	38,193	40,255	24,052	14,136	99,047	33,159	132,206
<b>TOTAL GROSS EXPENDITURE</b>	<b>1,697,259</b>	<b>231,256</b>	<b>1,928,515</b>	<b>1,928,435</b>	<b>-80</b>	<b>1,204,748</b>	<b>228,122</b>	<b>275,022</b>	<b>137,715</b>	<b>82,828</b>	<b>1,204,748</b>	<b>180,989</b>	<b>1,385,738</b>

GLASGOW CITY COUNCIL  
INVESTMENT PROGRAMME GROSS INCOME 2018/19

	Budget/Probable Outturn					Probable Outturn Profile					Actual Income		
	Original Approved Gross Inc Budget	Approved Budget Movement	Revised Approved Gross Inc Budget	Total Gross Inc Probable Outturn	Variance (Under)/ Over budget	Previous Years Actual	2018/19	2019/20	2020/21	Future Years	Previous Years Actual	Actual to Period 12 2018/19 15-Feb-19	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>INVESTMENT PROGRAMME</b>													
CHIEF EXECUTIVE	0	0	0	0	0	0	0	0	0	0	0	0	0
GLASGOW LIFE	54,273	555	54,828	54,729	-99	23,623	4,463	9,593	15,607	1,443	23,623	761	24,384
DEVELOPMENT & REGENERATION SERVICES	50,980	13,933	64,913	64,913	0	40,524	7,621	13,812	1,872	1,085	40,524	5,837	46,361
CITY DEAL	90,282	10,337	100,618	100,619	1	53,778	29,780	14,294	2,767	0	53,778	168	53,946
EDUCATION SERVICES	56,995	11,260	68,255	68,240	-15	25,477	15,663	16,000	11,100	0	25,477	15,663	41,140
NEIGHBOURHOODS AND SUSTAINABILITY	94,173	24,704	118,877	118,876	-1	82,559	7,492	12,141	5,207	11,477	82,559	2,684	85,243
SOCIAL WORK SERVICES	7,070	-6,900	170	170	0	170	0	0	0	0	170	0	170
INSURANCE PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFORMATION	21,000	-10,784	10,216	10,202	-14	9,496	306	400	0	0	9,496	0	9,496
<b>TOTAL DIRECT INCOME</b>	<b>374,773</b>	<b>43,105</b>	<b>417,877</b>	<b>417,749</b>	<b>-128</b>	<b>235,627</b>	<b>65,325</b>	<b>66,240</b>	<b>36,553</b>	<b>14,005</b>	<b>235,627</b>	<b>25,113</b>	<b>260,740</b>
ASSET SALES	20,300	0	20,300	20,300	0	0	10,300	10,000	0	0	0	14,091	14,091
GENERAL CAPITAL GRANT	68,017	0	68,017	68,017	0	0	68,017	0	0	0	0	62,349	62,349
<b>TOTAL INCOME</b>	<b>463,090</b>	<b>43,105</b>	<b>506,194</b>	<b>506,066</b>	<b>-128</b>	<b>235,627</b>	<b>143,642</b>	<b>76,240</b>	<b>36,553</b>	<b>14,005</b>	<b>235,627</b>	<b>101,553</b>	<b>337,180</b>

**GLASGOW CITY COUNCIL**  
**INVESTMENT PROGRAMME NET EXPENDITURE 2018/19**

	Budget/Probable Outturn					Probable Outturn Profile					Actual Net Expenditure		
	Original Approved Net Exp Budget	Approved Budget Movement	Revised Approved Net Exp Budget	Total Net Exp Probable Outturn	Variance (Under)/ Over Budget	Previous Years Actual	2018/19	2019/20	2020/21	Future Years	Previous Years Actual	Actual to Period 12 2018/19 15-Feb-19	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>INVESTMENT PROGRAMME</u></b>													
CHIEF EXECUTIVE	2,500	0	2,500	2,500	0	0	375	2,125	0	0	0	0	0
GLASGOW LIFE	115,809	402	116,211	116,241	30	42,149	17,693	33,443	8,430	14,526	42,149	10,314	52,463
DEVELOPMENT & REGENERATION SERVICES	99,994	47,038	147,032	147,032	0	102,578	6,977	22,173	10,261	5,043	102,578	4,826	107,404
CITY DEAL	33,447	18,964	52,411	52,410	-1	7,261	23,201	17,955	3,993	0	7,261	43,067	50,328
EDUCATION SERVICES	428,664	33,290	461,954	461,970	16	359,192	24,431	30,845	29,648	17,854	359,192	19,695	378,887
NEIGHBOURHOODS AND SUSTAINABILITY	357,420	15,008	372,428	372,429	1	252,915	27,797	50,229	24,224	17,264	252,915	23,733	276,648
SOCIAL WORK SERVICES	100,399	51,826	152,225	152,226	1	115,083	24,432	12,157	554	0	115,083	21,079	136,162
INSURANCE PROJECTS	387	9	396	397	1	393	4	0	0	0	393	3	396
TRANSFORMATION	183,866	21,615	205,481	205,481	0	89,551	37,887	39,855	24,052	14,136	89,551	33,159	122,710
<b>TOTAL DIRECT NET EXPENDITURE</b>	<b>1,322,486</b>	<b>188,151</b>	<b>1,510,638</b>	<b>1,510,686</b>	<b>48</b>	<b>969,122</b>	<b>162,797</b>	<b>208,782</b>	<b>101,162</b>	<b>68,823</b>	<b>969,122</b>	<b>155,876</b>	<b>1,124,998</b>
ASSET SALES	-20,300	0	-20,300	-20,300	0	0	-10,300	-10,000	0	0	0	-14,091	-14,091
GENERAL CAPITAL GRANT	-68,017	0	-68,017	-68,017	0	0	-68,017	0	0	0	0	-62,349	-62,349
<b>TOTAL NET EXPENDITURE</b>	<b>1,234,169</b>	<b>188,151</b>	<b>1,422,321</b>	<b>1,422,369</b>	<b>48</b>	<b>969,122</b>	<b>84,480</b>	<b>198,782</b>	<b>101,162</b>	<b>68,823</b>	<b>969,122</b>	<b>79,436</b>	<b>1,048,558</b>