



Glasgow City Council

City Administration Committee

Report by Councillor Richard Bell, Depute Leader and City Treasurer and Convener for Financial Inclusion

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BUDGET MONITORING: INVESTMENT PROGRAMME 2024/25 - QUARTER 2

Purpose of report:

To provide a monitoring statement of financial performance and progress on the council's Investment Programme as at Quarter 2 (Period 7).

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 the second quarter of 2024/25 (Period 7, 20 September 2024). The overall Investment Programme comprises individual service programmes plus a council-wide Transformation programme.
- 1.2** This summary statement is based on information contained in the council's corporate financial systems and includes accruals and adjustments in line with agreed financial policies. Appendix 1 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 2024/25 and cumulative to date are also provided. A similar analysis for income is provided within Appendix 2, with the overall net expenditure position outlined within Appendix 3.
- 1.3** The Executive Director of Finance has delegated authority to transfer up to £500,000 between projects to correct any projected overspend that cannot be addressed through remedial action. Where this is not possible, or is insufficient to resolve the problem, a request for additional resources or a larger transfer may be submitted to the City Administration Committee.

2 Budget changes

Total budget changes

- 2.1** The net expenditure budget for the investment programme increased by £1.574 up to the end of quarter 2.

Previously approved budget changes

- 2.2** The following adjustments have been approved and increase the gross expenditure budget by £2.645m and increased the gross income budget by £2.571m resulting in an increase to the net expenditure budget of £0.074m:
- 2.2.1** An increase to the gross expenditure and income budgets of £1.270m in relation to Scottish Government funding from the Vacant and Derelict Land Fund (VDLF) 2024/25. This was approved by City Administration Committee on 22 August 2024.
- 2.2.2** An increase to the gross expenditure and gross income budgets of £1.014m following the award from Transport Scotland Road Safety Improvement fund for 2024/25. This was approved at City Administration Committee on 5 September 2024.

- 2.2.3** In addition, 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.

Budget approvals requested

- 2.3** The following adjustments require approval by the City Administration Committee and increase the gross expenditure budget by £8.860m and increase the gross income budget by £7.360m resulting in an increase to the net expenditure budget of £1.500m:
- 2.3.1** A reduction to the gross expenditure and income budgets of £0.640m following a reduction in anticipated Low Carbon Travel and Transport funding for the Transforming Pollock Park project.
- 2.3.2** An increase to the gross expenditure budget of £1.500m reflecting the annual allocation to the Life Cycle Maintenance Programme for 2024/25.
- 2.3.3** A transfer of £2.369m gross expenditure and income budgets from the Vacant and Derelict Land Investment Programme 2023/24 to the City Deal – Waterfront & West End Innovation Quarter project that will be delivering the Govan Graving Docks project.
- 2.3.4** A transfer of £3.833m gross expenditure budget and £3.784m gross income budgets from Vacant and Derelict Land Allocation for 2018/19 (£0.049m), Vacant and Derelict Land Investment Programme 2021/22 (£0.451m) and Regeneration Capital Grant Fund 2020/21 (£3.333m) to the City Deal – Collegelands project that will be delivering the Meat Market project.
- 2.3.5** An increase to the gross expenditure and gross income budgets of £8.000m following the award from Scottish Government for the Citizens Theatre Redevelopment project.

3 Summary financial position

- 3.1** Approved gross expenditure on the investment programme, net of payments in previous financial years, totals £539.435m. Probable outturn of gross expenditure for 2024/25 totals £184.663m.
- 3.2** Approved direct income on the investment programme, net of receipts in previous financial years, totals £158.043m. Probable outturn of direct income for 2024/25 totals £54.281m.
- 3.3** Actual gross expenditure in 2024/25 to quarter 2 totals £38.773m. Actual receipts directly related to specific projects, total £9.431m and general capital grant totals £28.647m.

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. A nil variance is forecast for both gross expenditure and income.

Physical progress

- 4.2** Actual gross expenditure in respect of the investment programme in 2024/25 to quarter 2 totals £38.773m, representing 21% of the £184.663m estimated total expenditure in 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 2024/25 and 2025/26 is £12.000m and has been profiled at £5.000m in 2024/25 and £7.000m in 2025/26. Asset sales received up to the end of quarter 2 of 2024/25 were £0.519m.

6 Recommendation

The committee is asked to:

- 6.1** Approve the requested budget adjustments as detailed in paragraph 2.3;
- 6.2** 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 2024/25**

	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	2024/25	2025/26	2026/27	Future Years	Previous Years Actual	Actual to Period 7 2024/25 20-Sep-24	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>INVESTMENT PROGRAMME</u>													
GLASGOW LIFE	72,244	7,293	79,537	79,537	0	77,919	159	1,009	450	0	77,919	13	77,932
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	560,159	196,057	756,216	756,216	0	390,621	113,007	175,895	61,932	14,761	390,621	22,221	412,842
CITY DEAL	125,594	264,296	389,890	389,890	0	310,198	38,848	38,140	1,411	1,293	310,198	10,247	320,445
EDUCATION SERVICES	112,004	51,503	163,507	163,507	0	109,824	22,021	23,105	8,324	233	109,824	1,922	111,746
SOCIAL WORK SERVICES	36,300	8,492	44,792	44,792	0	14,155	5,223	18,092	6,692	630	14,155	2,325	16,480
INSURANCE PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFORMATION	106,000	636	106,636	106,636	0	98,426	5,405	2,805	0	0	98,426	2,045	100,471
TOTAL GROSS EXPENDITURE	1,012,301	528,277	1,540,578	1,540,578	0	1,001,143	184,663	259,046	78,809	16,917	1,001,143	38,773	1,039,916

GLASGOW CITY COUNCIL
INVESTMENT PROGRAMME GROSS INCOME 2024/25

	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	2024/25	2025/26	2026/27	Future Years	Previous Years Actual	Actual to Period 7 2024/25 20-Sep-24	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>INVESTMENT PROGRAMME</u>													
GLASGOW LIFE	33,000	5,075	38,075	38,075	0	37,489	125	461	0	0	37,489	0	37,489
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	129,245	98,854	228,099	228,099	0	134,490	37,915	49,376	6,318	0	134,490	4,884	139,374
CITY DEAL	86,102	168,314	254,416	254,416	0	190,889	15,920	14,911	4,018	28,678	190,889	4,223	195,112
EDUCATION SERVICES	44,648	13,090	57,738	57,738	0	57,417	321	0	0	0	57,417	324	57,741
SOCIAL WORK SERVICES	0	0	0	0	0	0	0	0	0	0	0	0	0
INSURANCE PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFORMATION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DIRECT INCOME	292,995	285,333	578,328	578,328	0	420,285	54,281	64,748	10,336	28,678	420,285	9,431	429,716
ASSET SALES	17,400	(5,400)	12,000	12,000	0	0	5,000	7,000	0	0	0	519	519
GENERAL CAPITAL GRANT	47,842	4,605	52,447	52,447	0	0	52,447	0	0	0	0	28,647	28,647
TOTAL INCOME	358,237	284,538	642,775	642,775	0	420,285	111,728	71,748	10,336	28,678	420,285	38,597	458,882

**GLASGOW CITY COUNCIL
INVESTMENT PROGRAMME NET EXPENDITURE 2024/25**

	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	2024/25	2025/26	2026/27	Future Years	Previous Years Actual	Actual to Period 7 2024/25 20-Sep-24	Cumulative to date
<u>INVESTMENT PROGRAMME</u>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
GLASGOW LIFE	39,244	2,218	41,462	41,462	0	40,430	34	548	450	0	40,430	13	40,443
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	430,914	97,203	528,117	528,117	0	256,131	75,092	126,519	55,614	14,761	256,131	17,337	273,468
CITY DEAL	39,492	95,982	135,474	135,474	0	119,309	22,928	23,229	(2,607)	(27,385)	119,309	6,024	125,333
EDUCATION SERVICES	67,356	38,413	105,769	105,769	0	52,407	21,700	23,105	8,324	233	52,407	1,598	54,005
SOCIAL WORK SERVICES	36,300	8,492	44,792	44,792	0	14,155	5,223	18,092	6,692	630	14,155	2,325	16,480
INSURANCE PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFORMATION	106,000	636	106,636	106,636	0	98,426	5,405	2,805	0	0	98,426	2,045	100,471
TOTAL DIRECT NET EXPENDITURE	719,306	242,944	962,250	962,250	0	580,858	130,382	194,298	68,473	(11,761)	580,858	29,342	610,200
ASSET SALES	(17,400)	5,400	(12,000)	(12,000)	0	0	(5,000)	(7,000)	0	0	0	(519)	(519)
GENERAL CAPITAL GRANT	(47,842)	(4,605)	(52,447)	(52,447)	0	0	(52,447)	0	0	0	0	(28,647)	(28,647)
TOTAL NET EXPENDITURE	654,064	243,739	897,803	897,803	0	580,858	72,935	187,298	68,473	(11,761)	580,858	176	581,034