

Item 2

8th August 2024



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 1

Purpose of report:

To provide a monitoring statement of financial performance and progress on the council's Investment Programme as at Quarter 1 (Period 4).

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 first quarter of 2024/25 (Period 4, 28 June 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 decreased by £74.229m up to the end of quarter 1.

Previously approved budget changes

- 2.2** The following adjustments have been approved and increase the gross expenditure budget by £22.961m and decreased the gross income budget by £0.155m resulting in an increase to the net expenditure budget of £23.116m:
- 2.2.1** An increase to the gross expenditure budget of £7.200m for the Bin Hub Rollout. This was approved at the Full Council meeting on 15 February 2024.
- 2.2.2** An increase to the gross expenditure budget of £1.393m for Enhanced Parking Management Measures. This was approved at the Full Council meeting on 15 February 2024.

- 2.2.3** An increase to the gross expenditure budget of £8.930m for LED Street Lighting Conversion. This was approved at the Full Council meeting on 15 February 2024.
- 2.2.4** An increase to the gross expenditure budget of £5.600m for Spend to Save – Property Investment Proposals. This was approved at the Full Council meeting on 15 February 2024.
- 2.2.5** 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 reduce the gross expenditure budget by £138.780m and reduce the gross income budget by £41.435m resulting in a reduction to the net expenditure budget of £97.345m:
- 2.3.1** Completed projects have been removed from the programme, reducing the gross expenditure and income budgets by £143.385m and £97.338m respectively. The table below compares the outturn position for the completed schemes for each service against the approved budget.

Service	Expenditure		Income	
	Budget	Actual	Budget	Actual
	£000	£000	£000	£000
Education	9.770	9.593	2.598	2.598
Neighbourhoods Regeneration and Sustainability	133.065	132.610	33.949	33.694
Insurance - Capital	0.550	0.430	-	-
General Capital Grant	-	-	54.935	54.935
Asset Sales	-	-	5.856	5.856
Total	143.385	142.633	97.338	97.083

- 2.3.2** An increase to the gross income budget of £52.447m to reflect the General Capital Grant awarded from the Scottish Government per the Finance Circular 2/2024 for 2024/25 (£47.842m) combined with an allocation for Tier 1 Active Travel awarded for 2024/25 as part of the General Capital Grant (£4.605m).
- 2.3.3** An increase to the gross expenditure budget of £4.605m following allocation of Scottish Government funding via the General Capital Grant for Tier 1 Active Travel.
- 2.3.4** Establish an Asset Sales target of £12m across financial years 2024/25 and 2025/26.

3 Summary financial position

- 3.1** Approved gross expenditure on the investment programme, net of payments in previous financial years, totals £527.930m. Probable outturn of gross expenditure for 2024/25 totals £205.907m.
- 3.2** Approved direct income on the investment programme, net of receipts in previous financial years, totals £148.112m. Probable outturn of direct income for 2024/25 totals £64.461m.
- 3.3** Actual gross expenditure in 2024/25 to quarter 1 totals £16.522m. Actual receipts directly related to specific projects, total £5.629m and general capital grant totals £11.960m.

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 1 totals £16.522m, representing 8% of the £205.907m 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 £7.000 in 2025/26. Asset sales received up to the end of quarter 1 of 2024/25 were £0.020m.

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 4 2024/25 28-Jun-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	319	1,029	270	0	77,919	0	77,919
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	560,159	191,186	751,345	751,345	0	390,621	129,729	174,936	44,231	11,828	390,621	9,602	400,223
CITY DEAL	125,594	257,664	383,258	383,258	0	310,198	40,014	30,342	1,411	1,293	310,198	4,549	314,747
EDUCATION SERVICES	112,004	51,501	163,505	163,505	0	109,824	25,021	21,104	7,324	232	109,824	935	110,759
SOCIAL WORK SERVICES	36,300	8,492	44,792	44,792	0	14,155	5,419	17,896	6,692	630	14,155	368	14,523
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	1,068	99,494
TOTAL GROSS EXPENDITURE	1,012,301	516,772	1,529,073	1,529,073	0	1,001,143	205,907	248,112	59,928	13,983	1,001,143	16,522	1,017,665

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 4 2024/25 28-Jun-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	586	0	0	0	37,489	0	37,489
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	129,245	95,291	224,536	224,536	0	134,490	51,619	38,421	6	0	134,490	4,876	139,366
CITY DEAL	86,102	161,948	248,050	248,050	0	190,889	11,937	12,543	4,017	28,664	190,889	429	191,318
EDUCATION SERVICES	44,648	13,088	57,736	57,736	0	57,417	319	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	275,402	568,397	568,397	0	420,285	64,461	50,964	4,023	28,664	420,285	5,629	425,914
ASSET SALES	17,400	(5,400)	12,000	12,000	0	0	5,000	7,000	0	0	0	20	20
GENERAL CAPITAL GRANT	47,842	4,605	52,447	52,447	0	0	52,447	0	0	0	0	11,960	11,960
TOTAL INCOME	358,237	274,607	632,844	632,844	0	420,285	121,908	57,964	4,023	28,664	420,285	17,609	437,894

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 4 2024/25 28-Jun-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	(267)	1,029	270	0	40,430	0	40,430
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	430,914	95,895	526,809	526,809	0	256,131	78,110	136,515	44,225	11,828	256,131	4,726	260,857
CITY DEAL	39,492	95,716	135,208	135,208	0	119,309	28,077	17,799	(2,606)	(27,371)	119,309	4,120	123,429
EDUCATION SERVICES	67,356	38,413	105,769	105,769	0	52,407	24,702	21,104	7,324	232	52,407	611	53,018
SOCIAL WORK SERVICES	36,300	8,492	44,792	44,792	0	14,155	5,419	17,896	6,692	630	14,155	368	14,523
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	1,068	99,494
TOTAL DIRECT NET EXPENDITURE	719,306	241,370	960,676	960,676	0	580,858	141,446	197,148	55,905	(14,681)	580,858	10,893	591,751
ASSET SALES	(17,400)	5,400	(12,000)	(12,000)	0	0	(5,000)	(7,000)	0	0	0	(20)	(20)
GENERAL CAPITAL GRANT	(47,842)	(4,605)	(52,447)	(52,447)	0	0	(52,447)	0	0	0	0	(11,960)	(11,960)
TOTAL NET EXPENDITURE	654,064	242,165	896,229	896,229	0	580,858	83,999	190,148	55,905	(14,681)	580,858	(1,087)	579,771