



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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Item 2

21st August 2025

BUDGET MONITORING: INVESTMENT PROGRAMME 2025/26 - 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 2025/26 (Period 4, 27 June 2025). 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 2025/26 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 £29.548m 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 £56.793m and increased the gross income budget by £6.213m resulting in an increase to the net expenditure budget of £50.580m:
- 2.2.1** An increase to the gross expenditure budget of £4.989m following allocation of Scottish Government funding via the General Capital Grant for Tier 1 Active Travel for 2025/26. This was approved by City Administration Committee on 19 June 2025.
- 2.2.2** An increase to both the gross expenditure and income budgets of £3.880m following allocation of Transport Scotland funding for Tier 2 Active Travel for 2025/26. This was approved by City Administration Committee on 19 June 2025.

- 2.2.3** An increase to the gross expenditure budget of £1.500m reflecting the annual allocation to the Life Cycle Maintenance Programme for 2025/26. This was approved at the Full Council meeting on 20 February 2025.
- 2.2.4** An increase to the gross income budget of £0.743m to reflect City Deal income received for the City Deal – Collegelands, Calton / Barras project. This was approved at the Council's Executive Committee on 25 June 2015.
- 2.2.5** An increase to the gross expenditure budget of £29.465m for the City Deal – City Centre project to reflect approval of Full Business Case for Kyle Street / North Hannover Street (£6.044m) and George Square and surrounding avenues project (£23.421m). This was approved at the Council's Executive Committee on 25 June 2015.
- 2.2.6** An increase to the gross expenditure budget of £5.744m for the City Deal – Clyde Waterfront & West End project to reflect approval of Full Business Case for Byres Road (Phase 2). This was approved at the Council's Executive Committee on 25 June 2015.
- 2.2.7** An increase to the gross expenditure budget of £10.111m for the City Deal – Sighthill TRA project to reflect additional City Deal funding to fund inflation on the M8 bridge and Contract 2 along with an increase to the gross income budget of £0.653m to reflect City Deal income received for the City Deal – Sighthill TRA project. This was approved at the Council's Executive Committee on 25 June 2015.
- 2.2.8** 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 decrease the gross expenditure budget by £54.046m and decrease the gross income budget by £33.014m resulting in a decrease to the net expenditure budget of £21.032m:
- 2.3.1** Completed projects have been removed from the programme, reducing the gross expenditure and income budgets by £45.593m and £97.841m 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
Neighbourhoods Regeneration and Sustainability	32.989	32.859	18.488	18.358
Social Work	12.604	12.604	-	-
General Capital Grant	-	-	67.353	67.353
Asset Sales	-	-	12.000	8.096
Total	45.593	45.463	97.841	93.807

- 2.3.2** An increase to the gross income budget of £57.430m to reflect the General Capital Grant awarded from the Scottish Government per the Finance Circular 1/2025 for 2025/26.
- 2.3.3** Establish an Asset Sales target of £15.000m across financial years 2025/26 and 2026/27.
- 2.3.4** A reduction to the gross expenditure and income budgets of £11.738m in respect of Sustrans Funding. This reflects changes in the funding mechanisms introduced by the Scottish Government and Transport Scotland which now operate on a single year basis as opposed to multiyear funding agreements as was the previous arrangement with Sustrans.
- 2.3.5** A transfer of £2.000m gross expenditure budget from the Glasgow Life General Capital Fund to the Peoples Palace and Winter Gardens project to consolidate funding for this project.
- 2.3.6** An increase to the gross income budget of £0.850m for the Peoples Palace and Winter Gardens project to reflect an award from the National Lottery Heritage Fund.
- 2.3.7** A transfer of £2.400m gross expenditure budget from Roads and Footways 22/23 project to Lighting 22/23 project to fund replacement of circa 9,000 lighting columns.
- 2.3.8** An increase to the gross expenditure and income budgets of £2.000m to reflect Scottish Government funding awarded for the Calton Gaelic school (former St James Primary).
- 2.3.9** An increase to both the gross expenditure and income budgets of £1.285m for the Capelrig/Auldhouse Burn project to reflect funding awarded from Scottish Environment Protection Agency (SEPA).

3 Summary financial position

- 3.1** Approved gross expenditure on the investment programme, net of payments in previous financial years, totals £909.658m. Probable outturn of gross expenditure for 2025/26 totals £314.910m.

- 3.2** Approved direct income on the investment programme, net of receipts in previous financial years, totals £118.153m. Probable outturn of direct income for 2025/26 totals £46.500m.
- 3.3** Actual gross expenditure in 2025/26 to quarter 1 totals £22.338m. Actual receipts directly related to specific projects, total £0.535m and general capital grant totals £15.605m.

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 2025/26 to quarter 1 totals £22.338m, representing 7% of the £314.910 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 2025/26 and 2026/27 is £15.000m and has been profiled at £5.000m in 2025/26 and £10.000m in 2026/27. Asset sales received up to the end of quarter 1 of 2025/26 were £0.620m.

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 2025/26

	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	2025/26	2026/27	2027/28	Future Years	Previous Years Actual	Actual to Period 4 2025/26 27-Jun-25	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>INVESTMENT PROGRAMME</u>													
GLASGOW LIFE	72,244	12,193	84,437	84,437	0	78,539	1,899	2,000	1,999	0	78,539	12	78,551
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	691,661	196,438	888,099	888,099	0	435,516	136,588	192,044	90,126	33,825	435,516	10,392	445,908
CITY DEAL	125,594	324,501	450,095	450,095	0	336,574	42,880	67,493	3,148	0	336,574	4,990	341,564
EDUCATION SERVICES	119,004	66,528	185,532	185,532	0	114,762	27,876	35,220	6,674	1,000	114,762	1,098	115,860
SOCIAL WORK SERVICES	34,500	9,427	43,927	43,927	0	7,248	18,684	12,593	5,402	0	7,248	1,201	8,449
INSURANCE PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFORMATION	336,000	761	336,761	336,761	0	106,554	86,983	56,684	32,120	54,420	106,554	4,645	111,199
TOTAL GROSS EXPENDITURE	1,379,003	609,848	1,988,851	1,988,851	0	1,079,193	314,910	366,034	139,469	89,245	1,079,193	22,338	1,101,531

GLASGOW CITY COUNCIL
INVESTMENT PROGRAMME GROSS INCOME 2025/26

	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	2025/26	2026/27	2027/28	Future Years	Previous Years Actual	Actual to Period 4 2025/26 27-Jun-25	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>INVESTMENT PROGRAMME</u>													
GLASGOW LIFE	33,000	5,925	38,925	38,925	0	37,654	1,271	0	0	0	37,654	58	37,712
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	109,036	96,153	205,189	205,189	0	135,658	31,537	18,960	12,354	6,680	135,658	400	136,058
CITY DEAL	86,102	170,034	256,136	256,136	0	208,785	13,692	10,422	0	23,237	208,785	77	208,862
EDUCATION SERVICES	44,648	15,115	59,763	59,763	0	59,763	0	0	0	0	59,763	0	59,763
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	272,786	287,227	560,013	560,013	0	441,860	46,500	29,382	12,354	29,917	441,860	535	442,395
ASSET SALES	15,000	0	15,000	15,000	0	0	5,000	10,000	0	0	0	620	620
GENERAL CAPITAL GRANT	57,430	0	57,430	57,430	0	0	57,430	0	0	0	0	15,605	15,605
TOTAL INCOME	345,216	287,227	632,443	632,443	0	441,860	108,930	39,382	12,354	29,917	441,860	16,760	458,620

**GLASGOW CITY COUNCIL
INVESTMENT PROGRAMME NET EXPENDITURE 2025/26**

	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	2025/26	2026/27	2027/28	Future Years	Previous Years Actual	Actual to Period 4 2025/26 27-Jun-25	Cumulative to date
<u>INVESTMENT PROGRAMME</u>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
GLASGOW LIFE	39,244	6,268	45,512	45,512	0	40,885	628	2,000	1,999	0	40,885	(46)	40,839
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	582,625	100,285	682,910	682,910	0	299,858	105,051	173,084	77,772	27,145	299,858	9,992	309,850
CITY DEAL	39,492	154,467	193,959	193,959	0	127,789	29,188	57,071	3,148	(23,237)	127,789	4,913	132,702
EDUCATION SERVICES	74,356	51,413	125,769	125,769	0	54,999	27,876	35,220	6,674	1,000	54,999	1,098	56,097
SOCIAL WORK SERVICES	34,500	9,427	43,927	43,927	0	7,248	18,684	12,593	5,402	0	7,248	1,201	8,449
INSURANCE PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFORMATION	336,000	761	336,761	336,761	0	106,554	86,983	56,684	32,120	54,420	106,554	4,645	111,199
TOTAL DIRECT NET EXPENDITURE	1,106,217	322,621	1,428,838	1,428,838	0	637,333	268,410	336,652	127,115	59,328	637,333	21,803	659,136
ASSET SALES	(15,000)	0	(15,000)	(15,000)	0	0	(5,000)	(10,000)	0	0	0	(620)	(620)
GENERAL CAPITAL GRANT	(57,430)	0	(57,430)	(57,430)	0	0	(57,430)	0	0	0	0	(15,605)	(15,605)
TOTAL NET EXPENDITURE	1,033,787	322,621	1,356,408	1,356,408	0	637,333	205,980	326,652	127,115	59,328	637,333	5,578	642,911