Item 7

18th November 2926

Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Director of Financial and Business Services

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CAPITAL INVESTMENT PROGRAMME – ANNUAL PERFORMANCE REPORT 2025/26

Purpose of Report:

To provide the Committee with an update on the performance of the projects that formed part of the Council's Capital Investment Programme during the period 1 April 2025 to 31 March 2026.

Recommendations:

The Committee is asked to note the update on the performance of the Capital Investment Programme during 2025/26.

Ward No(s):	Citywide: ✓
Local member(s) advised: Yes ☐ No ☐	consulted: Yes ☐ No ☐

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1. Introduction

1.1 To provide the Committee with an update on the performance of the projects that formed part of the Council's Capital Investment Programme during the period 1 April 2025 to 31 March 2026.

2. Background

(a) Capital Investment Programme

2.1 The Council's Capital Investment Programme focuses on a range of assets essential to service delivery and the city's strategic objectives. Key areas include:

- Land and property – new and refurbished schools and care facilities
- Infrastructure – roads, cycleways, waste collection systems, and street lighting
- ICT initiatives – supporting digitalisation and agile working
- Fleet – refurbishment, replacement, and associated infrastructure

2.2 These assets play a fundamental role in the delivery of diverse services and outcomes, contributing to the city's ambitions for inclusive economic growth and tackling poverty, poor health, deprivation, and inequality.

(b) Capital Investment Programme Board

2.3 The Capital Investment Programme Board (CIPB) oversees the effective management and delivery of the Capital Investment Programme. Its remit includes identifying and monitoring available resources across the Council Family to fund the Capital Investment Programme, as approved by the City Administration Committee, and support the successful completion of individual projects within an agreed timescale and budget.

2.4 The CIPB monitors progress on individual projects within the Capital Investment Programme with a value of £2m and above, or that are of a particularly complex nature, high profile and/or to be delivered in a tight timescale.

2.5 The CIPB meets on a quarterly basis. Meetings are supported by ongoing liaison between Corporate Governance and Project Teams and reporting is based on asset classes noted at Paragraph 2.1.

(c) Monitoring and Reporting Arrangements

2.6 As part of the Monitoring Framework, quarterly monitoring reports are presented to the CIPB. Each project is allocated an overall status as a key indicator of performance which is derived from assessments of scope, progress, expenditure and benefits realisation. Projects are reported using the following categories:

- Red – behind programme, and/or over budget, behind expenditure profile, and/or not meeting specification with no recovery plan
- Amber – behind programme, and/or over budget, behind expenditure profile, and/or not meeting specification but with a recovery plan
- Green – on programme, and/or on budget/expenditure profile, and/or meeting specification
- Purple – projects are complete/operational pending settlement of final accounts or residual matters
- Grey – where projects have failed to provide a project status report for that period

2.7 The Monitoring Framework identifies emerging issues and supports informed decision making that enables recovery actions to be put in place where required. Project status ratings should therefore be viewed as a management tool that supports effective delivery and accountability and not necessarily project failure. They provide early visibility of issues and ensure appropriate action can be taken to support successful outcomes.

3. Capital Investment Programme Performance

3.1 During 2025/26, the Capital Investment Programme continued to support delivery of the Council's Strategic Plan 2022 to 2027 through investment across Property and Land, Infrastructure, ICT and Fleet asset classes delivering progress against its Grand Challenges.

3.2 This section provides an overview of Capital Investment Programme performance during 2025/26 highlighting overall project monitoring information; challenges; key benefits and financial position that may impact on outcomes.

(a) Total Number of Projects Monitored

3.3 During 2025/26, a total of 47 projects (as listed in Appendix 1) were reported to the CPB compared with 52 in 2024/25; 54 in 2023/24; 58 in 2022/23; 66 in 2021/22, and 60 in 2020/21. Of the 47 projects monitored, 10 were completed.

3.4 Of the 47 projects monitored during 2025/26, 46 were already in progress at the start of the financial year.

(b) Projects by Asset Class

3.5 Table 1 illustrates the make-up of this total by asset class.

Table 1 – Number of Projects by Asset Class

Asset Class	Number
Land and Property	23
Infrastructure	18
ICT	3

Asset Class	Number
Fleet	3
Total	**47**

(c) Projects added or closed during the year

3.6 During 2025/26, 4 projects were added to the Capital Investment Programme and 10 projects were completed. Projects added were:

- GoMA Basement Remedial Works – remedial repairs to the north basement area of GoMA.
- Tollcross International Swimming Centre Refurbishment – repair of several widespread issues in relation to Pools and seating deck
- Roads Infrastructure 2025/26 – Carriageway, Footway and Drainage Renewal – will continue to improve the condition of carriageways and footways through the delivery of preventative and corrective treatments.
- GCC Fleet Investment Programme – continued development of the vehicle replacement programme based on operational priorities across the GCC Family.

3.7 Completed Projects included:

- Bereavement Services Refurbishment – Linn Crematorium
- Citizen's Theatre
- Pre-1919 Housing Improvement Strategy (also known as Improving the Condition and Energy Efficiency of pre-1919 Tenements (ICEE) Project)
- Project Sky Harvest
- Property Investment Proposals
- Kerbside Recycling Service
- Carriage, Footway and Drainage Renewal 2024/25
- Alloy System Implementation(formerly Yotta)
- Fleet Replacement Programme Phase1
- Fleet Replacement Programme Phase 3

(d) Status Trends

3.8 Table 2 shows the total number of projects reported to each of the CPB meetings held in 2025/26 and the number at each status.

Table 2 – Total Number of Projects Reporting at Reporting Period

Reporting Period	Reporting Status				
	Red	Amber	Green	Purple/Complete	Total
1	5	9	25	7	46
2	4	8	25	8	45
3	6	7	20	8	41
4	5	8	20	7	40
5	5	8	17	9	39

3.9 The following caveats should be noted when interpreting this information:

- The size and composition of the portfolio changed during the year as projects were added and removed. Therefore, changes in status may reflect the composition rather than improvements or deterioration in performance. For example, the reduction in green projects should not automatically be interpreted as worsening performance.
- Project status information measures performance by number of projects and does not reflect differences in project value, complexity, scale or strategic importance.
- Status categories do not indicate the scale or severity of the underlying issue. Projects reporting the same status may be experiencing issues with materially different delivery implications.

(e) Performance Analysis

3.10 Overall, performance in 2025/26 was relatively consistent with 2024/25. The number of projects reporting continuously green status reduced. However, the number reporting continuously red status also reduced, while the proportion of projects experiencing red status at some point during the year remained broadly unchanged.

3.11 Table 3 below shows project performance and status during 2025/26.

Table 3 – Project Performance and Status

Project Status	**2025/26**	**2024/25**
Continuously and exclusively green	13	19
Continuously and exclusively amber	3	3
Only amber or green at some point in the period	9	7
Continuously and exclusively red	2	3
Only red and green at some point in the period	4	2
Red, amber and green at some point in the period	0	0
Both red and amber at some point in the period, not green	0	3
Complete and operational pending FA/ residual matters only all period	15	15
Complete and operational pending FA/ residual and red at some point in the year	1	0
Nil return	0	0
Total	**47**	**52**

(f) Project Restatements

3.12 Where project teams identify that changes are required beyond agreed projects tolerances, a restatement request may be submitted to the CPB for consideration. Restatements ensure the project accurately reflects revised delivery plans, updated cost estimates and changes in phasing.

3.13 In 2025/26, 7 restatement requests were made across two asset classes (compared with 10 restatement requests in 2024/25 across 3 assets classes): 5 in Property and Land and 2 within Infrastructure. Of which, 5 related to restatement of schedule and 2 related to finance. All requests were approved.

3.14 Table 4 shows the breakdown of these requests by asset class across restatement categories:

Table 4 – Breakdown by Asset Class and Restatement Categories

Asset Class	Restatement Categories				Total
	Scope	Schedule	Finance	Benefits	
Property and Land	0	4	1	0	5
Infrastructure	0	1	1	0	2
ICT	0	0	0	0	0
Fleet	0	0	0	0	0
Total	**0**	**5**	**2**	**0**	**7**

3.15 A restatement request does not necessarily mean that a project was failing to deliver its intended outcomes. In many cases, changes in project status reflected programme re-phasing or revisions to delivery assumptions, enabling informed decisions and corrective action to be taken.

(g) Common Delivery Challenges

3.16 During 2025/26, delivery was affected by a number of recurring challenges across the Capital Investment Programme. These included:

- Cost and funding pressures – inflationary pressures increasing construction costs; difficulties estimating future costs; tenders returning over budget; and delays in securing funding approvals.
- Contractor and supply chain issues – including extended commercial discussions, contractors and sub-contractors performance issues, and isolated cases of insolvency also affected resources and delivery timescales.
- Site and operational issues – unforeseen site conditions requiring additional works, alongside changes in operational requirements. Governance and approvals – including legal, procurement and regulatory matters that extended timelines for a number of projects.

3.17 Despite these challenges, projects and programmes continued to progress supported by monitoring, recovery actions and approved changes where required.

(h) Year-End Programme Position at 31 March 2026

3.18 Of the 47 projects monitored by the CIPB as at 31 March 2026:

- 37 projects were still being monitored by the CIPB:

    - 10 at pre-start stages, including design and procurement (2024/25: 18 projects)
    - 21 on site/ ongoing (2024/25: 19 projects)
    - 6 had reached practical completion but still had to complete supplementary works and/or the final account (2024/25: 7 projects)
- 10 were completed.

3.19 Of the 10 projects that were completed:

- 6 projects were completed within budget, schedule and scope
- 2 projects were competed within budget and scope but with a restated schedule
- 1 project was completed within budget and schedule but with a restated scope
- 1 project was completed within scope but a restated budget and schedule

3.20 Restatements relating to these completed projects may have been approved in earlier financial years. The projects summarised above therefore do not necessarily correspond to those covered by the restatement requests reported in Table 4.

4. Capital Investment Programme Benefits and Outcomes

4.1 The Capital Investment Programme continues to play a key role in supporting delivery of the Council's Strategic Plan 2022–2027 with projects across the Programme supporting delivery of all four Grand Challenges.

4.2 Table 5 below illustrates the primary Grand Challenges alignment for each project within the Capital Investment Programme.

Table 5 - Alignment to the Four Grand Challenges

Grand Challenge	Number of Projects	Percentage (%)
1. Reduce Poverty and Inequality in our Communities	3	7
2. Increase Opportunity and Prosperity for all our Citizens	9	19
3. Fight the Climate Emergency in a Just Transition to a Net Zero Glasgow	17	36
4. Enable Staff to Deliver Essential Services in a Sustainable, Innovative and Efficient Way for our Communities	18	38

4.3 Table 6 shows the additional Grand Challenges selected by project teams, where projects supported more than one strategic outcome.

Table 6 – Additional Grand Challenges Supported

Additional Grand Challenge Supported	Number of Selections
1. Reduce Poverty and Inequality in our Communities	15
2. Increase Opportunity and Prosperity for all our Citizens	14
3. Fight the Climate Emergency in a Just Transition to a Net Zero Glasgow	15
4. Enable Staff to Deliver Essential Services in a Sustainable, Innovative and Efficient Way for our Communities	16

4.4 The information in Tables 5 and 6 demonstrates that the Capital Investment Programme supports all four Grand Challenges. Key points for noting include:

- Grand Challenges 3 and 4 account for 74% of projects by primary alignment. This reflects the range of investment delivering, or expected to deliver, benefits relating to environmental sustainability, roads/transport, digital transformation and service delivery. Across the wider programme, investment also supported benefits in education, social care and community and cultural facilities.
- Projects frequently supported more than one strategic outcome. These additional contributions were distributed relatively evenly across the four Grand Challenges, demonstrating the cross-cutting impact of capital investment.
- Not all projects selected more than one Grand Challenge.
- The number of projects aligned to each Grand Challenge does not reflect project value, scale, strategic significance or geographic reach.

4.5 Grand Challenge 1: Reduce poverty and inequality in our communities was identified as the primary alignment for 3 projects and as an additional contribution for a further 15 projects. Projects contributing to this Grand Challenge included:

- 2 School and nursery new builds and refurbishments
- 1 Integrated facilities for the provision of health and social care services
- 2 Digital and information technology projects
- 6 Community, culture and sports venues
- 7 Regeneration, environmental or public realm related projects

4.6 Many projects contribute to reducing inequalities through regeneration, education, community facilities, accessibility improvements and environmental investment. Although only a small number of projects Identified Grand Challenge 1 as their primary alignment, the projects that reported it as an additional contribution, demonstrate the wider role of capital investment in supporting more inclusive outcomes.

4.7 Grand Challenge 2: Increase opportunity and prosperity for all our citizens was identified as the primary alignment for 9 projects and as an additional

contribution for a further 14 projects. Projects contributing to this Grand Challenge included:

- 9 Community, culture and sports venues
- 2 Digital and information technology projects
- 1 Integrated facility for the provision of health and social care services
- 9 Regeneration, environmental or public realm related projects
- 2 School and nursery new builds and refurbishments

4.8 Grand Challenge 3: Fight the climate emergency in a just transition to a net zero Glasgow was identified as the primary alignment for 17 projects and as an additional contribution for a further 15 projects. Projects contributing to this Grand Challenge included:

- 4 Community, Culture and Sport Venues
- 2 Digital and Information Technology Projects
- 3 Fleet
- 2 Improve the Cleanliness, Safety and Accessibility of Neighbourhoods
- 1 Refurbishment
- 11 Regeneration, Environmental and Public Realm related projects
- 4 Roads and Transport
- 2 School and Nursery New Builds
- 3 Waste and Recycling

4.9 A key example contributing to both Grand Challenge 2 and 3 within the Property and Land Class was Improving the Condition and Energy Efficiency of pre-1919 tenements (ICEE) Project. The project enabled property owners across all tenures to carry out works to improve the condition, energy performance and carbon impact of Glasgow's older pre-1919 housing stock. Eligible works included:

- comprehensive fabric repairs;
- energy efficiency measures such as increased insulation;
- improvements to airtightness and ventilation; and
- installation of low carbon or zero direct emissions heating systems.

4.10 The number of properties that have been improved has exceeded the target, with repair and retrofit works being carried out to 138 pre-1919 tenement flats. Energy efficiency improvements varied across properties but included the installation of internal wall, floor and loft insulation, and window repair and replacement. The works have improved property condition, increased energy efficiency, reduced energy demands and energy costs, enhanced thermal comfort and indoor air quality, reduced damp and mould and helped safeguard Glasgow’s historic buildings.

4.11 Delivering this programme presented a number of challenges including the complexity of older buildings, multiple owners and tenures and balancing energy efficiency improvements with the perseveration of traditional building fabric.

4.12 In addition to delivering physical improvements, the programme supported the establishment of a Housing Retrofit Research Programme and Retrofit Advisory Group for the city. This has informed the development of a Housing Retrofit Position Statement (Sept 2025) and Action Framework to guide future investment and activity across the city.

4.13 Grand Challenge 4: Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities was identified as the primary alignment for 18 projects and as an additional contribution for a further 16 projects. Projects contributing to this Grand Challenge included:

- 1 Care Home
- 1 Children's Residential Unit
- 10 Community, Culture and Sport Venues
- 3 Digital and Information Technology Projects
- 2 Integrated Health and Social Care Facility
- 1 Refurbishment
- 9 Regeneration, Environmental Infrastructure and Public Realm
- 2 School and Nursery New Builds
- 1 Service Refurbishment
- 1 Supported Homelessness Accommodation
- 3 Waste and Recycling

4.14 Within the Infrastructure asset class, investment in the Tidal Weirs Repairs – Phase 2 Project supports Grand Challenge 4 by maintaining the continued operation of a key city asset. Works include the structural replacement of the South Gate, site-wide electrical and control upgrades. These works will improve operational and emergency response capabilities; flood risk management and operational safety and protect riverbanks and walkway infrastructure.

4.15 This project has faced several challenges that required the delivery approach to evolve as new information became available. These included:

- Inspections identified the South and Middle gates were in a poorer condition than anticipated requiring the original delivery approach to be revised;
- Subsequent increases in the cost of materials and labour placing pressure on the revised approach and procurement process; and
- Procurement returns exceeding the available budget requiring the scope and delivery arrangements to be reviewed again.

4.16 These developments were identified and managed through established monitoring arrangements providing the Capital Investment Programme Board with visibility of the changing project position and its implications for scope, programme and funding. This supported appropriate oversight and enabled changes to the project to be considered and approved where required.

4.17 This has enabled the project team to respond to changing requirements while maintaining focus on the project's long-term objectives and intended benefits, including the continued operation, safety and resilience of this key city asset.

5. Financial Overview

(a) Capital Investment Programme Expenditure 2025/26

5.1 Gross expenditure for the Capital Investment Programme in 2025/26 was £212.9m. This represents an increase of £93.2m, or 77.8%, compared with £119.7m in 2024/25. Table 7 shows the level of gross capital expenditure over the last 4 financial years.

Table 7 – Gross Capital Expenditure Per Year

Year	Gross Expenditure
2022/23	£142.1m
2023/24	£108.1m
2024/25	£119.7m
2025/26	£212.9m*

*Pre-audit and excludes Sale and Leaseback transactions

5.2 Table 8 shows the distribution of the 2025/26 gross expenditure by Service and ALEO.

Table 8 – Gross Capital Expenditure Split by Service 2025/26

Service	Amount (£)	Per cent (%)
Glasgow Life	5,928,504	2.8
HSCP	9,534,824	4.5
Service Reform	42,033,681	19.7
Education	21,749,293	10.2
City Deal	42,332,378	19.9
NRS	91,320,485	42.9
Total	**212,899,165**	**100**

5.3 Neighbourhoods, Regeneration and Sustainability (NRS) accounted for the largest share at £91.3m or 42.9% of the overall total. The NRS programme includes Property and Land Services investment, part of which supports investment across the other Services.

5.4 Service Reform and City Deal each accounted for approximately one-fifth of expenditure, at £42.0 million and £42.3 million respectively. Together, these areas represented £84.4 million, or 39.6% of total expenditure. Education accounted for a further £21.7 million, or 10.2%.

5.5 The remaining expenditure comprised £9.5 million for HSCP and £5.9 million for Glasgow Life, representing 4.5% and 2.8% of the total respectively. The distribution of expenditure reflects the scale and phasing of activity across

individual projects during 2025/26 and should not, on its own, be interpreted as a longer-term change in investment priorities.

(b) Financing of Capital Expenditure

5.6 The scale of the Capital Investment Programme is determined by both the Council's investment priorities and the availability of funds to support these commitments. Capital income is often received for specific projects or purposes thus reducing the net cost to the Council. This includes capital grants from the Scottish and UK Governments as well as contributions from public and private sector partner organisations. The residual net cost to the Council may be funded from borrowing; capital receipts from asset sales; the use of finance leases; the use of fund balances, and the use of revenue funds, known as Capital Funded from Current Revenue.

5.7 Table 9 shows the financing profile for 2025/26.

Table 9 – Gross Capital Expenditure Financed by Category 2025/26

Finance Category	Amount (£)	Per cent (%)
Revenue	449,275	0.2
Asset sales	3,414,371	1.6
Use of Funds	817,537	0.4
Borrowing	135,923,237	63.8
Grants and Other Contributions	65,083,534	30.6
Assets Acquired under Finance Leases	7,211,211	3.4
Total	**212,899,165**	**100**

5.8 Borrowing was the principal source of finance for the Capital Investment Programme in 2025/26 which accounted for £135.9m or 63.8%. Grants and other contributions was the second largest source of finance and accounted for £65.1 million or 30.6%.

5.9 Together, borrowing and grants and other contributions financed £201.0 million of expenditure, equivalent to 94.4% of the total Capital Investment Programme.

5.10 Assets acquired under finance leases accounted for £7.2 million, or 3.4%. Asset sales accounted for £3.4m (1.6%), with revenue funding accounting for £449,275 (0.2%) and use of funds accounting for £817, 537 (0.4%).

6. Policy and Resource Implications

Resource Implications:

Financial: There are no new financial implications.

Legal: There are no new legal implications.

Personnel:	There are no new personnel implications.
Procurement:	There are no new procurement implications.
Council Strategic Plan:	The Capital Investment Programme supports each of the four Grand Challenges in the Council Strategic Plan 2022 to 2027.
Equality and Socio-Economic Impacts:	
Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.	No proposals are contained within the report.
What are the potential equality impacts as a result of this report?	There are no new direct impacts.
Please highlight if the policy/proposal will help address socio-economic disadvantage.	N/A
Climate Impacts:	
Does the proposal support any Climate Plan actions? Please specify:	The report includes some environmental benefits realised through capital investment.
What are the potential climate impacts as a result of this proposal?	
Will the proposal contribute to Glasgow's net zero carbon target?	
Privacy and Data Protection Impacts:	
	There no new direct impacts

Are there any potential data protection impacts as a result of this report Y/N	
If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out	

7 Recommendations

7.1 The Committee is asked to note the update on the performance of the Capital Investment Programme during 2025/26.

Appendix 1 – Projects monitored by the Capital Investment Programme Board during 2025/26

Property and Land
Baillieston Community Hub
Bereavement Services Refurbishment - Linn
Brighton Place Redevelopment
Burrell Collection
Butterbiggins Children's Unit
Calton Barras Action Plan
Calton Gaelic Primary School
Church Street/Gullane Street Redevelopment
Citizen's Theatre
Drumchapel Town Centre Regeneration
Easter Queenslie Depot Redevelopment
Elder Park Library and Community Centre
Gallery of Modern Art (GoMA) – Basement Wind and Watertight Repairs
Kelvingrove Art Gallery and Museum External Fabric Refurbishment
Langside Library
Linburn Academy
Milton Community Hub
Parkhead Library Hub
Pollok Stable Block and Courtyard
Pre-1919 Housing Improvement Strategy
Riverside Care Home
Scotland Street School Refurbishment
Tollcross International Swimming Centre Refurbishment

Infrastructure
Active Travel (2022/23 – 2024/25)
Camlachie Burn - Phase 3 Flood Prevention Scheme
Carriageway, Footway and Drainage Renewal 2024/25
Carriageway, Footway and Drainage Renewal 2025/26
Climate Action Fund: 20 mph Speed Limit in the in the City
Climate Action Fund: Project Sky Harvest (formerly Solar in Schools)
Closed Landfill Critical Infrastructure Works
Clyde Tunnel Renewal of Carriageway Lighting
Council budget (2024 to 2027) – Bin Hub Roll Out
Council budget (2024 to 2027) – LED Street Lighting Investment Proposals
Council budget (2024 to 2027) – Property Investment Proposals
Flood Prevention Schemes
Kerbside Recycling Service
Seven Lochs Wetland Park
Strategic Plan for Cycling: Connecting Woodside
LED Street Lighting Investment Programme

Infrastructure
Street Lighting Investment Programme (2022-2026)
Tidal Weir Repairs (Phase 2)

ICT
Alloy
ERP (SAP Replacement)
Server Centralisation

Fleet
Fleet Replacement Programme Phase 1
Fleet Replacement Programme Phase 3
GCC Fleet Investment Programme