



Glasgow City Council
City Administration Committee

Item 2

16th November 2023

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

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BUDGET MONITORING: INVESTMENT PROGRAMME 2023/24 - 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 2023/24 (period 7, 21 September 2023). 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 2023/24 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 £36.098m 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 £73.559m and increase the gross income budget by £37.461m resulting in an increase to the net expenditure budget of £36.098m:
- 2.2.1** An increase to the gross expenditure and gross income budgets of £21.202m following the award from the Scottish Government's Recycling Improvement Fund (RIF) administered by Zero Waste Scotland towards the introduction of a new kerbside recycling service and the construction of a new Material Recovery Facility (MRF), to replace the existing Blochairn MRF. This was approved at City Administration Committee on 26 January 2023;
- 2.2.2** An increase to the gross expenditure and gross income budgets of £0.942m following the award from Transport Scotland Road Safety

Improvement Fund for 2023/24. This was approved at City Administration Committee on 14 September 2023;

- 2.2.3** An increase to the gross expenditure and income budgets of £1.965m following funding received for Regeneration Capital Grant Fund (RCGF) projects for 2023/24. This was approved at City Administration Committee on 17 August 2023;
- 2.2.4** An increase to the gross expenditure and income budgets of £5.571m in relation to Scottish Government funding from the Vacant and Derelict Land Investment Programme (VDLIP) 2023/24. This was approved by City Administration Committee on 31 August 2023;
- 2.2.5** An increase to the gross expenditure and income budgets of £1.950m in relation to Scottish Government funding from the Vacant and Derelict Land Fund (VDLF) 2023/24. This was approved by City Administration Committee on 31 August 2023;
- 2.2.6** An increase to the gross expenditure budget of £19.538m, to complete the £22.838m funding package of the new Calton Gaelic school (former St James Primary). This was approved at City Administration Committee on 13 September 2023;
- 2.2.7** An increase to the gross expenditure budget of £8.700m, to complete the £9.200m funding package of Linburn Academy. This was approved at City Administration Committee on 13 September 2023;
- 2.2.8** An increase to the gross expenditure and gross income budgets of £3.159m following the award from the UK Shared Prosperity Fund. Notably, £1.500m of this total has been assigned to the Citizens Theatre Redevelopment project and £0.533m assigned to the Briggait Creation Centre project within the Capital Programme. This was approved at City Administration Committee on 17 August 2023;
- 2.2.9** An increase to the gross expenditure budget of £8.849m, to complete the £10.150m funding package for the new Riverside Care Home. An increase of £2.000m has also been made to the gross income in respect of legal settlement funds. This was approved at City Administration Committee on 17 August 2023.
- 2.2.10** 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 have a net nil impact on the gross expenditure budget and an overall net nil impact to the net expenditure budget;

- 2.3.1 Virement of the residual £2.376m gross expenditure budget related to the Kilgarth and Cathkin Landfill sites, to support critical infrastructure works to the closed Cathkin II and Summerston landfill sites.

3 Summary financial position

- 3.1 Approved gross expenditure on the investment programme, net of payments in previous financial years, totals £591.616m. Probable outturn gross expenditure for 2023/24 totals £162.039m.
- 3.2 Approved direct income on the investment programme, net of receipts in previous financial years, totals £156.056m. Probable outturn direct income for 2023/24 totals £61.383m.
- 3.3 Actual gross expenditure in 2023/24 to period 7 totals £42.920m. Actual receipts directly related to specific projects, total £11.531m and general capital grant totals £33.068m.

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 2023/24 to period 7 totals £42.920m, representing 26% of the £162.039m 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 2023/24 and 2024/25 is £14.4m and has been profiled at £7.4m in 2023/24 and £7.0m in 2024/25. Asset sales received up to the end of quarter 2 of 2023/24 were £2.352m.

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 2023/24

	Budget/Probable Outturn					Probable Outturn Profile					Actual Gross Expenditure		
	Original Approved Gross Exp Budget	Revised Approved Gross Exp Budget	Total Approved Gross Exp Probable	Variance (Under)/Over Budget		Previous Years Actual	2023/24	2024/25	2025/26	Future Years	Previous Years Actual	Actual to Period 7 2023/24 21-Sept-23	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>INVESTMENT PROGRAMME</u>													
GLASGOW LIFE	72,244	6,593	78,837	78,837	0	75,111	2,567	1,159	0	0	75,111	1,984	77,095
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	691,186	147,139	838,325	838,325	0	438,999	103,250	184,541	78,610	32,925	438,999	24,152	463,151
CITY DEAL	125,594	235,200	360,794	360,794	0	277,925	38,071	34,676	9,851	271	277,925	12,135	290,060
EDUCATION SERVICES	117,004	52,510	169,514	169,514	0	112,498	10,798	25,408	20,491	319	112,498	1,956	114,454
SOCIAL WORK SERVICES	36,300	12,421	48,721	48,721	0	12,733	1,767	23,671	10,550	0	12,733	529	13,262
INSURANCE PROJECTS	550	0	550	550	0	439	111	0	0	0	439	2	441
TRANSFORMATION	106,000	636	106,636	106,636	0	94,056	5,475	7,105	0	0	94,056	2,162	96,218
TOTAL GROSS EXPENDITURE	1,148,878	454,499	1,603,377	1,603,377	0	1,011,761	162,039	276,560	119,502	33,515	1,011,761	42,920	1,054,681

**GLASGOW CITY COUNCIL
INVESTMENT PROGRAMME GROSS INCOME 2023/24**

	Budget/Probable Outturn					Probable Outturn Profile					Actual Income		
	Original Approved Gross Inc Budget	Revised Approved Gross Inc Budget Movement	Total Approved Gross Inc Probable Budget	Variance Gross Inc Over budget		Previous Years Actual	2023/24	2024/25	2025/26	Future Years	Previous Years Actual	Actual to Period 7 2023/24 21-Sept-23	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	37,239	836	0	0	0	37,239	0	37,239
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	155,889	84,203	240,092	240,092	0	138,250	52,762	36,423	12,657	0	138,250	7,517	145,767
CITY DEAL	86,102	148,943	235,045	235,045	0	186,053	3,399	22,199	23,123	271	186,053	1,667	187,720
EDUCATION SERVICES	44,648	14,841	59,489	59,489	0	57,103	2,386	0	0	0	57,103	2,347	59,450
SOCIAL WORK SERVICES	0	2,000	2,000	2,000	0	0	2,000	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	319,639	255,062	574,701	574,701	0	418,645	61,383	58,622	35,780	271	418,645	11,531	430,176
ASSET SALES	17,400	(3,000)	14,400	14,400	0	0	7,400	7,000	0	0	0	2,352	2,352
GENERAL CAPITAL GRANT	51,405	30	51,435	51,435	0	0	51,435	0	0	0	0	33,068	33,068
TOTAL INCOME	388,444	252,092	640,536	640,536	0	418,645	120,218	65,622	35,780	271	418,645	46,951	465,596

**GLASGOW CITY COUNCIL
INVESTMENT PROGRAMME NET EXPENDITURE 2023/24**

	Budget/Probable Outturn					Probable Outturn Profile					Actual Net Expenditure		
	Original Approved Net Exp Budget	Revised Approved Budget Movement	Total Revised Approved Net Exp Budget	Net Exp Probable Outturn	Variance (Under)/ Over Budget	Previous Years Actual	2023/24	2024/25	2025/26	Future Years	Previous Years Actual	Actual to Period 7 2023/24 21-Sept-23	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>INVESTMENT PROGRAMME</u>													
GLASGOW LIFE	39,244	1,518	40,762	40,762	0	37,872	1,731	1,159	0	0	37,872	1,984	39,856
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	535,297	62,936	598,233	598,233	0	300,749	50,488	148,118	65,953	32,925	300,749	16,635	317,384
CITY DEAL	39,492	86,257	125,749	125,749	0	91,872	34,672	12,477	(13,272)	0	91,872	10,468	102,340
EDUCATION SERVICES	72,356	37,669	110,025	110,025	0	55,395	8,412	25,408	20,491	319	55,395	(391)	55,004
SOCIAL WORK SERVICES	36,300	10,421	46,721	46,721	0	12,733	(233)	23,671	10,550	0	12,733	529	13,262
INSURANCE PROJECTS	550	0	550	550	0	439	111	0	0	0	439	2	441
TRANSFORMATION	106,000	636	106,636	106,636	0	94,056	5,475	7,105	0	0	94,056	2,162	96,218
TOTAL DIRECT NET EXPENDITURE	829,239	199,437	1,028,676	1,028,676	0	593,116	100,656	217,938	83,722	33,244	593,116	31,389	624,505
ASSET SALES	(17,400)	3,000	(14,400)	(14,400)	0	0	(7,400)	(7,000)	0	0	0	(2,352)	(2,352)
GENERAL CAPITAL GRANT	(51,405)	(30)	(51,435)	(51,435)	0	0	(51,435)	0	0	0	0	(33,068)	(33,068)
TOTAL NET EXPENDITURE	760,434	202,407	962,841	962,841	0	593,116	41,821	210,938	83,722	33,244	593,116	(4,031)	589,085