



Glasgow City Council

City Administration Committee

Report by Councillor Richard Bell, City Treasurer

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Item 4
2nd December 2021

Budget Monitoring: Investment Programme 2021/22 - 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 8).

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 2021/22 (period 8, 22 October 2021). 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 2021/22 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 £100,000 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 £18.250m 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 £25.905m and increase the gross income budget by £7.655m resulting in an increase to the net expenditure budget of £18.250m:
- 2.2.1** An increase to the gross expenditure and gross income budgets of £4.896m following the award of sustainable transport projects grant funding from Strathclyde Partnership for Transport (SPT) (£1.570m), Scottish Government (£2.773m – Cycling, Walking and Safer Routes (CWSR) specific grant), and Scottish Government (£0.553m – Smarter Choices, Smarter Places (SCSP)). This was approved at City Administration Committee on 5 August 2021;
- 2.2.2** An increase to the gross expenditure and income budgets of £1.655m in relation to the Bus Partnership Fund for bus priority interventions across Glasgow City Region. This change was approved at City Administration Committee on 19 August 2021;
- 2.2.3** An increase to the gross expenditure budget of £7m in relation to the procurement of hydrogen Refuse Collection Vehicles. This change was approved at City Administration Committee on 25 March 2021;
- 2.2.4** An increase to the gross expenditure budget of £3m and gross income budget of £0.750m for the Camlachie – Phase 3 project. This change was approved at the City Administration Committee on 5 August 2021;
- 2.2.5** An increase to the gross expenditure budget of £9m in relation to the Education Estates Plan. This increase consists of an increase of £5m for St

Paul's High School Extension, £3m for Carntyne Primary School Extension and a development budget of £1m for a new City Centre School and the Gaelic St James School project. This change was approved at the City Administration Committee on 25 February 2021;

- 2.2.6 An increase to the gross expenditure and gross income budget of £0.329m for the Low Carbon Infrastructure Transition Programme for new nurseries. This was approved at the City Administration Committee on 16 September 2021;
- 2.2.7 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 and gross income budget by £1.692m:
 - 2.3.1 A reduction to the gross expenditure and income budgets of £1.569m for the Spaces for People project, reflecting the reduced grant offer from SUSTRANS;
 - 2.3.2 A reduction to the gross expenditure and income budgets of £0.808m for the Bus Rapid Development Fund project, to reflect a lower than expected expenditure and associated income;
 - 2.3.3 An increase to the gross expenditure budget of £0.525m following allocation of Scottish Government funding via the General Capital Grant for the Renewal of Play Parks;
 - 2.3.4 An increase to the gross expenditure and income budgets of £0.160m for the City Deal – Metro project.

3. Summary financial position

- 3.1 Approved gross expenditure on the investment programme, net of payments in previous financial years, totals £438.8m. Probable outturn gross expenditure for 2021/22 totals £201.8m.
- 3.2 Approved direct income on the investment programme, net of receipts in previous financial years, totals £114.4m. Probable outturn direct income for 2021/22 totals £67.0m.
- 3.3 Actual gross expenditure in 2021/22 to period 8 totals £73.1m. Actual receipts directly related to specific projects, total £17.6m and general capital grant totals £30.5m.

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. Forecast gross expenditure highlights an overspend of £0.5m with gross income over recovered by £0.5m.

Physical progress

- 4.2** Actual gross expenditure in respect of the investment programme in 2021/22 to period 8 totals £73.1m, representing 36.2% of the £201.8m 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 2021/22 and 2022/23 is £17.4m and has been profiled at £7.4m in 2021/22 and £10m in 2022/23. Assets sales to period 8 are £0.7m.

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 2021/22

	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	2021/22	2022/23	2023/24	Future Years	Previous Years Actual	Actual to Period 8 2021/22 22-Oct-21	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INVESTMENT PROGRAMME													
CHIEF EXECUTIVE	500	0	500	500	0	333	100	67	0	0	333	0	333
GLASGOW LIFE	115,251	4,375	119,626	120,144	518	105,417	13,782	945	0	0	105,417	4,077	109,494
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	622,369	109,490	731,859	731,835	-24	486,103	100,537	111,061	26,393	7,741	486,103	31,274	517,377
CITY DEAL	123,949	168,275	292,224	292,223	-1	216,282	35,520	16,230	4,093	20,098	216,282	15,991	232,273
EDUCATION SERVICES	411,302	42,907	454,209	454,209	0	388,327	32,433	33,249	200	0	388,327	14,349	402,676
FINANCIAL SERVICES	0	0	0	0	0	0	0	0	0	0	0	0	0
SOCIAL WORK SERVICES	111,379	46,943	158,322	158,322	0	149,076	7,866	1,380	0	0	149,076	1,447	150,523
INSURANCE PROJECTS	681	3	684	683	-1	598	85	0	0	0	598	182	780
TRANSFORMATION	106,000	636	106,636	106,636	0	79,099	11,427	9,110	3,500	3,500	79,099	5,750	84,849
TOTAL GROSS EXPENDITURE	1,491,431	372,629	1,864,060	1,864,552	492	1,425,235	201,750	172,042	34,186	31,339	1,425,235	73,070	1,498,305

GLASGOW CITY COUNCIL
INVESTMENT PROGRAMME GROSS INCOME 2021/22

	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	2021/22	2022/23	2023/24	Future Years	Previous Years Actual	Actual to Period 8 2020/21 22-Oct-21	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>INVESTMENT PROGRAMME</u>													
CHIEF EXECUTIVE	0	0	0	0	0	0	0	0	0	0	0	0	0
GLASGOW LIFE	51,897	4,308	56,205	56,723	518	40,133	16,590	0	0	0	40,133	859	40,992
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	139,090	46,052	185,142	185,118	-24	134,484	31,679	16,521	421	2,013	134,484	12,830	147,314
CITY DEAL	90,502	95,222	185,724	185,723	-1	138,356	18,392	9,046	1,728	18,201	138,356	3,929	142,285
EDUCATION SERVICES	58,718	14,015	72,733	72,761	28	72,432	329	0	0	0	72,432	0	72,432
SOCIAL WORK SERVICES	7,070	-6,185	885	885	0	885	0	0	0	0	885	0	885
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	347,277	153,412	500,689	501,210	521	386,290	66,990	25,567	2,149	20,214	386,290	17,618	403,908
ASSET SALES	17,400	0	17,400	17,400	0	0	7,400	10,000	0	0	0	679	679
GENERAL CAPITAL GRANT	50,619	525	51,144	51,144	0	0	51,144	0	0	0	0	30,540	30,540
TOTAL INCOME	415,296	153,937	569,233	569,754	521	386,290	125,534	35,567	2,149	20,214	386,290	48,837	435,127

GLASGOW CITY COUNCIL
INVESTMENT PROGRAMME NET EXPENDITURE 2021/22

	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	2021/22	2022/23	2023/24	Future Years	Previous Years Actual	Actual to Period 8 2021/22 22-Oct-21	Cumulative to date
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INVESTMENT PROGRAMME													
CHIEF EXECUTIVE	500	0	500	500	0	333	100	67	0	0	333	0	333
GLASGOW LIFE	63,354	67	63,421	63,421	0	65,284	-2,808	945	0	0	65,284	3,218	68,502
NEIGHBOURHOODS, REGENERATION AND SUSTAINABILITY	483,279	63,438	546,717	546,717	0	351,619	68,858	94,540	25,972	5,728	351,619	18,444	370,063
CITY DEAL	33,447	73,053	106,500	106,500	0	77,926	17,128	7,184	2,365	1,897	77,926	12,062	89,988
EDUCATION SERVICES	352,584	28,892	381,476	381,448	-28	315,895	32,104	33,249	200	0	315,895	14,349	330,244
SOCIAL WORK SERVICES	104,309	53,128	157,437	157,437	0	148,191	7,866	1,380	0	0	148,191	1,447	149,638
INSURANCE PROJECTS	681	3	684	683	-1	598	85	0	0	0	598	182	780
TRANSFORMATION	106,000	636	106,636	106,636	0	79,099	11,427	9,110	3,500	3,500	79,099	5,750	84,849
TOTAL DIRECT NET EXPENDITURE	1,144,154	219,217	1,363,371	1,363,342	-29	1,038,945	134,760	146,475	32,037	11,125	1,038,945	55,452	1,094,397
ASSET SALES	-17,400	0	-17,400	-17,400	0	0	-7,400	-10,000	0	0	0	-679	-679
GENERAL CAPITAL GRANT	-50,619	-525	-51,144	-51,144	0	0	-51,144	0	0	0	0	-30,540	-30,540
TOTAL NET EXPENDITURE	1,076,135	218,692	1,294,827	1,294,798	-29	1,038,945	76,216	136,475	32,037	11,125	1,038,945	24,233	1,063,178