
Report To:	Policy & Resources Committee	Date:	4 February 2025
Report By:	Chief Financial Officer	Report No:	FIN/05/25/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	Policy & Resources Capital Budget and Council 2024/28 Capital Programme		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of the report is to provide Committee with the latest position of the Policy & Resources Capital Programme and the 2024/28 Capital Programme.
- 1.3 The Policy & Resources Capital Programme has a capital budget over 2024/28 of £7.337m with total projected spend on budget. The Committee is projecting to spend £0.668m in 2024/25 which is the same as the approved budget.
- 1.4 The overall 2024/28 Capital Programme budget is £79.625m with projects totalling £82.189m. This represents a £2.564m (3.22%) over allocation. This is within the agreed 5% tolerance. In the current year net slippage of £0.159m, (0.83%) is being reported. The slippage has occurred in the programme within the individual Committees as follows; Health & Social Care (£2.347m) offset with in advancement within Environment & Regeneration (£0.654m advancement) and Education & Communities (£1.534m advancement). A further breakdown of this movement can be seen within the individual breakdown per Committee in paragraph 3.13. Expenditure at 30 November was £11.080m.
- 1.5 The draft Capital Settlement for 2025/26 has been issues by the Scottish Government and has resulted in an increase for the General Capital Grant in comparison to what was initially estimated by officers. The overall impact on the Capital Programme is a £0.630m decrease in the deficit. The 2025/28 Capital Programme will be approved as part of the overall Budget at a special Council meeting scheduled for 6 March.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the current position of the 2024/28 Policy & Resources Capital Budget and the current position of the 2024/28 Capital Programme.
- 2.2 It is recommended that the Committee note the impact of the draft Settlement from the Scottish Government on the Capital Programme and that the Council will approve the 2025/28 Capital Programme at a Council meeting on 6 March 2025.

Alan Puckrin
Chief Financial Officer

3.0 BACKGROUND AND CONTEXT

3.1 On 29 February 2024 the Council approved the 2024/28 Capital Programme as part of the overall Budget approval. This report shows the current position of the approved Policy & Resources Capital Programme as well as the position of the overall 2024/28 Capital Programme.

2024/28 Policy & Resources Capital Position

3.2 The Policy & Resources capital budget is £7.337m. The current projection is £7.337m which means total projected spend is on budget.

3.3 The approved budget for 2024/25 is £0.668m and the Committee is projecting to spend £0.668m in 2024/25. The spend at 30 November is £0.354m (52.99%) of the approved budget.

3.4 PC Refresh Programme – The 2024/25 Refresh programme is now nearing conclusion in the corporate environment. A programme replacing the first phase of laptops procured following the pandemic and shortly after are being replaced. In tranche one 420 devices have been deployed. Tranche two saw an order for a further 240 devices and the programme is well underway with planned completion by the end of February 2025. A final “clear up” tranche is planned for early 2025. A number of devices have been redeployed in the school’s estate as a result of the refresh

3.5 Server and Switch Replacement – Several servers are being upgraded in response to security and performance requirements, in response, a range of network and server replacement programmes are being developed. Several device replacements across the network estate to improve service and support the implementation of SWAN2 are now under way. Options for improvements to back-up systems are being developed and the replacement of the file storage system in the school estate is being considered.

3.6 As part of the 2023/26 budget setting process £4m was added to a small existing contingency to meet potential cost increases, fund unforeseen projects and to protect core service delivery from unexpected fluctuations in costs. This budget will be allocated by this Committee following the receipt of relevant reports. To date £2.771m has been allocated by Committee leaving an unallocated balance of £1.329m.

3.7 As part of the 2024/28 Capital Programme approval in February, £3.75million generated from reprofiling loans charges repayments was allocated towards the refreshed asset management strategies. These are due to be completed by March 2026 and this expenditure is phased accordingly.

2024/28 Capital Programme

3.8 The overall 2024/28 Capital Programme reflects the confirmed 2024/25 capital grant. The 2024/25 allocation is £9.022m, however this includes £0.052m allocation for Coastal Change Adaptions which is passported to the Property Assets budget, £0.188m for Play Parks strategy which is passported to the Environmental budget and £3m which must be used for the Pay Award. Therefore, available core funding is £5.782m.

3.9 The draft 2025/26 Capital Grant has now been issued by the Scottish Government and is, £6.851m. The Capital Programme has been updated to reflect the draft Grant with corresponding expenditure added where appropriate. This has resulted in a decrease in the deficit of £0.630m. An estimate of the 2025/28 programme, reflecting this settlement and increased estimated Grants in 2026/27 and 2027/28, together with recommendations regarding the use of any available resources will be progressed through the 2025/26 Budget setting process.

- 3.10 An over provision of projects against estimated resources of up to 5% is considered acceptable to allow for increased resources and/or cost reductions. Currently the Capital Programme is reporting an over provision of £2.564m which represents 3.22% of the 2024/28 estimated resources.
- 3.11 In terms of the overall Capital Programme, it can be seen from Appendix 2 that at 30 November 2024 expenditure in 2024/25 is currently 57.1% of projected spend. Phasing and projected spend has been reviewed by the budget holders and the relevant Director. The position in respect of each individual Committee is reported in Appendix 2 and in paragraph 3.13 of this report. Overall Committees are projecting to outturn on budget.
- 3.12 In the current year net slippage of £0.159m, (0.83%) is currently being reported. This is due to slippage within Health & Social Care (£2.347) largely offset by advancement within Education and Communities Committee (£1.534m) and Environment & Regeneration Committee (£0.962m).
- 3.13 The position in respect of individual Committees for 2024/25 is as follows:

Policy & Resources

Expenditure as at 30 November 2024 is £0.354m against an approved budget of £0.668m.

Environment & Regeneration

Expenditure at 30 November 2024 is £8.198m against an approved budget of £13.022m. Net advancement of £0.654m (4.95%) and is mainly due to advancement in West Blackhall Street (£1.009m) offset by slippage in various projects such as Place Based Funding (£0.170m), Port Glasgow Town Centre Regeneration (£0.100m) & Coastal Change Adaptations (£0.090m) alongside other minor movements across the committee.

Education & Communities

Expenditure at 30 November 2024 is £2.514m against an approved budget of £1.907m. Net advancement of £1.534m (79.52%) mainly due to advancement within Parklea Branching Out (£0.200m), the New Community Hub at the King George VI Building (£0.302m), complete on site projects (£0.035m) and the Education Lifecycle Fund (£1.019m).

Health & Social Care

Expenditure at 30 November 2024 is £0.014m against an approved budget of £3.447m. There has been slippage in this Committee of £2.347m (68.09%). All the slippage is due to the delayed start of the New Community Hub Project.

4.0 PROPOSALS

- 4.1 The continued annual shortfall between the Councils core asset investment requirement and the level of Capital Grant continues to put pressure on the wider finances of the Council, however, the 2024/28 Capital Programme remains affordable based on current estimates.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO
Financial		X
Legal/Risk		X
Human Resources		X
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 Legal/Risk

There are no legal issues to raise as part of this report.

5.4 Human Resources

There are no HR matters arising from this report.

5.5 Strategic

The overall Capital Programme contains many projects which contribute to the strategic priorities of the Council. As a result, timeous delivery of projects remains a focus for officers.

6.0 CONSULTATION

6.1 This report has been prepared based on updates to the relevant Strategic Committees.

7.0 BACKGROUND PAPERS

7.1 None.

Project Name	1	2	3	4	5	6	7	8	9
	Est Total Cost	Actual to 31/3/24	Approved Budget 2024/25	Revised Est 2024/25	Actual to 30/11/2024	Est 2025/26	Est 2026/27	Est 2027/28	Future Years
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>Policy & Resources</u>									
<u>ICT</u>									
Storage/Backup Devices/Minor Works and Projects	8	-	0	8	7	0	0	0	0
Rolling Replacement of PC's	295	-	0	295	293	0	0	0	0
Meeting Room, Videoconferencing & Hybrid Working Equipment	2	-	48	2	0	0	0	0	0
Server & Switch Replacement Programme	55	-	0	55	54	0	0	0	0
Home Working Allocation	15	15	10	0	0	0	0	0	0
Annual Allocation	1,883	-	532	230	0	585	534	534	0
<u>ICT Total</u>	2,258	15	590	590	354	585	534	534	0
<u>Miscellaneous</u>									
Capital Programme Contingency	1,329	-	78	78	0	890	361	0	0
Asset Management Strategy	3,750	-	0	0	0	0	1,750	2,000	0
<u>Miscellaneous Total</u>	5,079	0	78	78	0	890	2,111	2,000	0
TOTAL	7,337	15	668	668	354	1,475	2,645	2,534	0

Capital Programme - 2024/25 - 2027/28

	<u>Available Resources</u>					
	A	B	C	D	E	G
	2024/25	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000	£000	£000	£000
Government Capital Support	9,022	6,851	5,750	5,750	-	27,373
Capital Receipts (Note 1)	434	315	315	315	-	1,379
Capital Grants (Note 2)	5,534	341	-	-	-	5,875
Prudential Funded Projects (Note 3)	3,245	7,796	4,174	2,714	125	18,054
Balance B/F From 23/24	12,513	-	-	-	-	12,513
Capital Funded from Current Revenue	603	4,531	4,864	4,433	-	14,431
	<u>31,351</u>	<u>19,834</u>	<u>15,103</u>	<u>13,212</u>	<u>125</u>	<u>79,625</u>

Overall Position 2024/28

Available Resources (Appendix 2a, Column A-E)	<u>£000</u>
Projection (Appendix 2b, Column B-F)	79,625
(Shortfall)/Under Utilisation of Resources	<u>82,189</u>
	<u>(2,564)</u>
(Shortfall)/Under Utilisation of Resources %	<u>(3.22)%</u>

Note 1 (Capital Receipts)

	2024/25	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000	£000	£000	£000
Sales	369	315	315	315	-	1,314
Contributions/Recoveries	65	-	-	-	-	65
	434	315	315	315	-	1,379

Note 2 (Capital Grants)

	2024/25	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000			£000
Government Grant - Place Based Funding	170	-				170
Free School Meals	621	-	-			621
Watt Institute LED Lighting	41	-	-			41
Cycling, Walking & Safer Streets	538	341	-			879
SPT	29	-	-			29
Boglestone Community Centre	500					500
Peatland Action Trust	769	-	-			769
Sustrans	2,866	-	-			2,866
	5,534	341	-	-	-	5,875

Note 3 (Prudentially Funded Projects)

	2024/25	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000	£000	£000	£000
Vehicle Replacement Programme	511	1,265	1,214	1,214	-	4,204
Borrowing in lieu of VRP Reduction	-	636	-			636
Asset Management Plan - Depots	128	50	160			338
Capital Works on Former Tied Houses	6	-	200	-	125	331
New Community Hub	1,100	4,345	1,100			6,545
Additional Prudential Borrowing to Fund Capital Programme	1,500	1,500	1,500	1,500		6,000
	3,245	7,796	4,174	2,714	125	18,054

Capital Programme - 2024/25 - 2027/28Agreed Projects

Committee	A Prior Years	B 2024/25	C 2025/26	D 2026/27	E 2027/28	F Future	G Total	H Approved Budget	I (Under)/ Over	J 2024/25 Spend To 30/11/2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	15	668	1,475	2,645	2,534	-	7,337	7,337	-	354
Environment & Regeneration	8,738	13,876	12,343	15,275	7,840	125	58,197	58,197	-	8,198
School Estate	279	2,035	2,200	4,667	5,000	-	14,181	14,181	-	1,777
Education & Communities (Exc School Estate)	1,333	1,428	305	401	120	-	3,587	3,587	-	737
HSCP	655	1,100	6,452	1,700	-	-	9,907	9,907	-	14
Total	11,020	19,107	22,775	24,688	15,494	125	93,209	93,209	-	11,080