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| <b>Report To:</b>       | <b>Policy &amp; Resources Committee</b>  | <b>Date:</b>       | <b>3 June 2025</b>     |
| <b>Report By:</b>       | <b>Chief Financial Officer</b>   | <b>Report No:</b>  | <b>FIN/32/25/AE/MT</b> |
| <b>Contact Officer:</b> | <b>Matt Thomson</b>  | <b>Contact No:</b> | <b>01475 712256</b>    |
| <b>Subject:</b>         | <b>Policy &amp; Resources Capital Budget and Council 2024/28 Capital Programme</b> |                    |                        |

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## 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 £8.337m with total projected spend on budget. The Committee is projecting to spend £0.590m in 2024/25 against an approved budget of £0.668m.
- 1.4 The overall 2024/28 Capital Programme budget is £83.329m with projects totalling £86.194m. This represents a £2.865m (3.44%) over allocation. This is within the agreed 5% tolerance. It should be noted that this is based on a 4-year Capital resource and the over provision will represent approximately 4.56% of the reduced, 3 year, resources of the 2025/28 programme, which is within the acceptable levels. In the current year net advancement of £0.398m, (1.93%) is being reported. Slippage has occurred in the programme within the individual Committees as follows; Health & Social Care (£2.287m) and Policy & Resources (£0.078m) offset with an advancement within Environment & Regeneration (£0.838m advancement) and Education & Communities (£1.925m advancement). A further breakdown of this movement can be seen within the individual breakdown per Committee in paragraph 3.13. Expenditure at 31 March was £17.510m.
- 1.5 The Capital Programme reflects changes made as a result of the Scottish Government Capital Settlement for 2025/26.

## 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.

**Angela Edmiston**  
**Interim Chief Financial Officer**

### **3.0 BACKGROUND AND CONTEXT**

- 3.1 On 6 March 2025 the Council approved the 2025/28 Capital Programme as part of the overall Budget approval. This report shows the revised grant and allocation assumptions for 2025/28.

#### **2024/28 Policy & Resources Capital Position**

- 3.2 The Policy & Resources capital budget is £8.337m. The current projection is £8.337m 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 £0.590m in 2024/25. The spend at 31 March is £0.479m (71.71%) of the approved budget.
- 3.4 PC Refresh Programme – The 2024/25 Corporate refresh programme is now complete. A programme replacing the first phase of laptops procured following the pandemic and shortly after has now replaced 660 devices. Of these, 300 laptops have been redeployed into Schools to replace the oldest desktop devices that were remaining in the estate. A further small tranche of 60 devices will be deployed into the schools before the end of the Financial year. A number of Android Smartphones have been identified as no longer in support for security and functionality updates – as a result a refresh programme has been implemented to upgrade and review usage as required.
- 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. At the 2024/28 budget setting process, a further £1m was added to this contingency. 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 £2.329m.
- 3.7 As part of the 2024/28 Capital Programme approval in February 2025, £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 £9.268m, 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 has to be used for the Pay Award. Therefore, available core funding is £5.782m.
- 3.9 The 2025/26 Capital Grant has now been issued by the Scottish Government and is, £6.940m, as well as an additional £0.576m for Active Travel Infrastructure Funding and £0.488m for Climate Emergency, which are both shown on the Capital Grants line of the Appendices. The Capital Programme has been updated to reflect the 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 were approved by Council on the 6 March 2025.

- 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 £2.865m which represents 3.44% of the 2024/28 estimated resources. It should be noted that this is based on a 4-year Capital resource and the over provision will represent approximately 4.56% of the reduced, 3 year, resources of the 2025/28 programme.
- 3.11 In terms of the overall Capital Programme, it can be seen from Appendix 2 that at 31 March 2025 expenditure in 2024/25 is currently 83.35% of projected spend, the committee should note that this figure is not the final outturn position for the year end as Final Year End charges and fees have to be processed at this point. 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 advancement of £0.398m, (1.93%) is currently being reported. This is largely due to slippage within Health & Social Care (£2.287m) and Policy & Resources (£0.078m) offset by advancement within Education and Communities Committee (£1.925m) and Environment & Regeneration Committee (£0.838m).
- 3.13 The position in respect of individual Committees for 2024/25 is as follows:

Policy & Resources

Expenditure at 31 March 2025 is £0.479m against an approved budget of £0.668m. Net slippage of £0.078m (11.68%) is due to slippage within the Capital Programme Contingency line.

Environment & Regeneration

Expenditure at 31 March 2025 is £12.458m against an approved budget of £14.589m. Net advancement of £0.838 m (5.74%) and is mainly due to advancement in West Blackhall Street (£1.009m), Greenock Town Hall Roofing, Ventilation & Windows (£0.252m), Scheme of Assistance (£0.100m), Park, Cemeteries & Open Spaces (£0.051m) & Cycling, walking & Safer Roads (£0.193m) offset by slippage in various projects such as Place Based Funding (£0.170m), Town & Village Centre projects (£0.600m) alongside other minor movements across the committee.

Education & Communities

Expenditure at 31 March 2025 is £3.818m against an approved budget of £1.907m. Net advancement of £1.925m (100.94%) mainly due to advancement within Parklea Branching Out (£0.179m), the New Community Hub at the King George VI Building (£0.361m), complete on site projects (£0.111m) and the Education Lifecycle Fund (£1.283m).

Health & Social Care

Expenditure at 31 March 2025 is £0.755m against an approved budget of £3.447m. There has been slippage in this Committee of £2.287m (66.35%). 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                   |
|--|-----------------------|--------------------------|--------------------------------|----------------------------|-----------------------------|--------------------|--------------------|--------------------|---------------------|
|  | <u>Est Total Cost</u> | <u>Actual to 31/3/24</u> | <u>Approved Budget 2024/25</u> | <u>Revised Est 2024/25</u> | <u>Actual to 31/03/2025</u> | <u>Est 2025/26</u> | <u>Est 2026/27</u> | <u>Est 2027/28</u> | <u>Future Years</u> |
|  | <u>£000</u>           | <u>£000</u>              | <u>£000</u>                    | <u>£000</u>                | <u>£000</u>                 | <u>£000</u>        | <u>£000</u>        | <u>£000</u>        | <u>£000</u>         |
| <b><u>Policy &amp; Resources</u></b>                       |                       |                          |                                |                            |                             |                    |                    |                    |                     |
| <b><u>ICT</u></b>  |                       |                          |                                |                            |                             |                    |                    |                    |                     |
| Storage/Backup Devices/Minor Works and Projects            | 19                    | -                        | 0                              | 19                         | 15                          | 0                  | 0                  | 0                  | 0                   |
| Rolling Replacement of PC's                                | 365                   | -                        | 0                              | 365                        | 345                         | 0                  | 0                  | 0                  | 0                   |
| Meeting Room, Videoconferencing & Hybrid Working Equipment | 5                     | -                        | 48                             | 5                          | 0                           | 0                  | 0                  | 0                  | 0                   |
| Server & Switch Replacement Programme                      | 201                   | -                        | 0                              | 201                        | 119                         | 0                  | 0                  | 0                  | 0                   |
| Home Working Allocation                                    | 15                    | 15                       | 10                             | 0                          | 0                           | 0                  | 0                  | 0                  | 0                   |
| Annual Allocation  | 1,653                 | -                        | 532                            | 0                          | 0                           | 585                | 534                | 534                | 0                   |
| <b><u>ICT Total</u></b>                                    | <b>2,258</b>          | <b>15</b>                | <b>590</b>                     | <b>590</b>                 | <b>479</b>                  | <b>585</b>         | <b>534</b>         | <b>534</b>         | <b>0</b>            |
| <b><u>Miscellaneous</u></b>                                |                       |                          |                                |                            |                             |                    |                    |                    |                     |
| Capital Programme Contingency                              | 2,329                 | -                        | 78                             | 0                          | 0                           | 968                | 1,361              | 0                  | 0                   |
| Asset Management Strategy                                  | 3,750                 | -                        | 0                              | 0                          | 0                           | 0                  | 1,750              | 2,000              | 0                   |
| <b><u>Miscellaneous Total</u></b>                          | <b>6,079</b>          | <b>0</b>                 | <b>78</b>                      | <b>0</b>                   | <b>0</b>                    | <b>968</b>         | <b>3,111</b>       | <b>2,000</b>       | <b>0</b>            |
| <b>TOTAL</b>   | <b>8,337</b>          | <b>15</b>                | <b>668</b>                     | <b>590</b>                 | <b>479</b>                  | <b>1,553</b>       | <b>3,645</b>       | <b>2,534</b>       | <b>0</b>            |

Capital Programme - 2024/25 - 2027/28

|                                     | Available Resources |         |         |         |        |        |
|-------------------------------------|---------------------|---------|---------|---------|--------|--------|
|                                     | 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          | 9,268               | 6,940   | 6,104   | 6,350   | -      | 28,662 |
| Capital Receipts (Note 1)           | 434                 | 315     | 315     | 315     | -      | 1,379  |
| Capital Grants (Note 2)             | 6,626               | 1,064   | 300     | 300     | -      | 8,290  |
| Prudential Funded Projects (Note 3) | 3,495               | 7,546   | 4,174   | 2,714   | 125    | 18,054 |
| Balance B/F From 23/24              | 12,513              | -       | -       | -       | -      | 12,513 |
| Capital Funded from Current Revenue | 594                 | 4,740   | 4,664   | 4,433   | -      | 14,431 |
|                                     | 32,930              | 20,605  | 15,557  | 14,112  | 125    | 83,329 |

Overall Position 2024/28

|   | £000    |
|---|---------|
| Available Resources (Appendix 2a, Column A-E) | 83,329  |
| Projection (Appendix 2b, Column B-F)          | 86,194  |
| (Shortfall)/Under Utilisation of Resources    | (2,865) |
| (Shortfall)/Under Utilisation of Resources %  | (3.44)% |

Notes to Appendix 2aNote 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     | 576     | 300     | 300     |        | 1,714 |
| Active Travel Transformation Fund (ATTF) | 296     | -       | -       |         |        | 296   |
| SPT                                      | 29      | -       | -       |         |        | 29    |
| Climate Emergency                        | -       | 488     | -       |         |        | 488   |
| Boglestone Community Centre              | 500     |         |         |         |        | 500   |
| Peatland Action Trust                    | 769     | -       | -       |         |        | 769   |
| Recycling Improvement Fund               | 96      | -       | -       |         |        | 96    |
| Sustrans                                 | 3,566   | -       | -       |         |        | 3,566 |
|  | 6,626   | 1,064   | 300     | 300     | -      | 8,290 |

Note 3 (Prudentially Funded Projects)

|   | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Future | Total  |
|---|---------|---------|---------|---------|--------|--------|
|   | £000    | £000    | £000    | £000    | £000   | £000   |
| Vehicle Replacement Programme                             | 701     | 1,075   | 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   | 1,160   | 4,285   | 1,100   |         |        | 6,545  |
| Additional Prudential Borrowing to Fund Capital Programme | 1,500   | 1,500   | 1,500   | 1,500   |        | 6,000  |
|   | 3,495   | 7,546   | 4,174   | 2,714   | 125    | 18,054 |

**Appendix 2b**

Capital Programme - 2024/25 - 2027/28

Agreed Projects

| Committee                                   | A<br>Prior<br>Years | B<br>2024/25 | C<br>2025/26 | D<br>2026/27 | E<br>2027/28 | F<br>Future | G<br>Total | H<br>Approved<br>Budget | I<br>(Under)/<br>Over | J<br>2024/25 Spend<br>To 31/03/2025 |
|---|---------------------|--------------|--------------|--------------|--------------|-------------|------------|-------------------------|-----------------------|-------------------------------------|
|   | £000                | £000         | £000         | £000         | £000         | £000        | £000       | £000                    | £000                  | £000                                |
| Policy & Resources                          | 15                  | 590          | 1,553        | 3,645        | 2,534        | -           | 8,337      | 8,337                   | -                     | 479                                 |
| Environment & Regeneration                  | 8,738               | 15,427       | 12,747       | 15,800       | 8,365        | 125         | 61,202     | 61,202                  | -                     | 12,458                              |
| School Estate                               | 279                 | 2,375        | 1,936        | 4,591        | 5,000        | -           | 14,181     | 14,181                  | -                     | 2,375                               |
| Education & Communities (Exc School Estate) | 1,333               | 1,457        | 276          | 401          | 120          | -           | 3,587      | 3,587                   | -                     | 1,443                               |
| HSCP  | 655                 | 1,160        | 6,592        | 1,500        | -            | -           | 9,907      | 9,907                   | -                     | 755                                 |
| Total                                       | 11,020              | 21,009       | 23,104       | 25,937       | 16,019       | 125         | 97,214     | 97,214                  | -                     | 17,510                              |