
Report To:	Policy & Resources Committee	Date:	16 September 2025
Report By:	Interim Chief Financial Officer	Report No:	FIN/55/25/AE/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	Policy & Resources Capital Budget and Council 2025/28 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 2025/28 Capital Programme.
- 1.3 The Policy & Resources Capital Programme has a capital budget over 2025/28 of £6.789m with total projected spend on budget. The Committee is projecting to spend £1.614m in 2025/26 against an approved budget of 1.614m.
- 1.4 The overall 2025/28 Capital Programme budget is £64.725m with projects totalling £67.561m. This represents a £2.836m (4.38%) over allocation. This is within the agreed 5% tolerance. In the current year net advancement of £0.414m, (1.64%) is being reported. Advancement has occurred in the programme within the individual Committees as follows; Environment & Regeneration (£0.274m advancement) and Education & Communities (£0.140m advancement). A further breakdown of this movement can be seen within the individual breakdown per Committee in paragraph 3.12. Expenditure at 30 June was £2.207m.
- 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 2025/28 Policy & Resources Capital Budget and the current position of the 2025/28 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.

2025/28 Policy & Resources Capital Position

- 3.2 The Policy & Resources capital budget is £6.789m. The current projection is £6.789m which means total projected spend is on budget.
- 3.3 The approved budget for 2025/26 is £1.614m and the Committee is projecting to spend £1.614m in 2025/26. The spend at 30 June is £0.007m (0.43%) of the approved budget.
- 3.4 PC Refresh Programme – The 2025/26 refresh programme is now being planned. In line with Microsoft's decision to withdraw support for Windows 10, a project to identify and replace all devices that will not support Windows 11 is underway. A desktop exercise has identified the majority of these devices will be in the School Estate and phase 1 of the refresh programme will deliver the replacement of these devices. Once complete a more general age and condition review will determine further phases of the refresh project. The project to replace a number of Android Smartphones that were identified as no longer in support for security and functionality updates has been completed.
- 3.5 Server and Switch Replacement – Several servers are being upgraded in response to planned system upgrades. Investigations into the Virtual Platform and Telephony are currently underway and 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 have now been completed. Options for improvements to back-up systems are being developed and the replacement of the file storage system in the school estate is being planned.
- 3.6 As part of the 2023/26 budget setting process £4.131m 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 2025/28 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 £3.826m has been allocated by Committee across the following projects; Greenock Town Centre Levelling Up Fund (£1.004m), Dunrod Road (£1.500m), Parklea Branching Out (£0.272m), Inverkip City Deal (£0.300m), Roads Projects (£0.330m), Estate Conditions Surveys (£0.250m) and King George VI Building (£0.200m) leaving an unallocated balance of £1.275m.
- 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.

2025/28 Capital Programme

- 3.8 The overall 2025/28 Capital Programme reflects the confirmed 2025/26 capital grant. The 2025/26 allocation is £6.940m, as well as an additional £0.576m for Active Travel Infrastructure Funding, formerly referred to as Cycling Walking and Safer Streets, £0.488m for Climate Emergency and £0.050m for Bus Transformation Fund which are 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. 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.

- 3.9 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 £2.836m which represents 4.38% of the 2025/28 estimated resources.
- 3.10 In terms of the overall Capital Programme, it can be seen from Appendix 2 that at 30 June 2025 expenditure in 2025/26 is currently 8.63% 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 3.12 of this report. Overall Committees are projecting to outturn on budget.
- 3.11 In the current year net advancement of £0.414m, (1.64%) is currently being reported. This is due to advancement within Education and Communities Committee (£0.140m) and Environment & Regeneration Committee (£0.274m).
- 3.12 The position in respect of individual Committees for 2025/26 is as follows:

Policy & Resources

Expenditure at 30 June 2025 is £0.007m against an approved budget of £1.614m. There has been no slippage or advancement within this committee to date this year.

Environment & Regeneration

Expenditure at 30 June 2025 is £1.156m against an approved budget of £14.170m. Net advancement of £0.274m (1.93%) and is mainly due to advancement in the RAMP.

Education & Communities

Expenditure at 30 June 2025 is £0.246 against an approved budget of £2.960m. Net advancement of £0.140m (4.73%) due to advancement within the Leisure Pitches AMP project (£0.140m)

Health & Social Care

Expenditure at 30 June 2025 is £0.798m against an approved budget of £6.433m. There has been no slippage or advancement within this committee to date this year.

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 2025/28 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.

<u>Project Name</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>9</u>
	<u>Est Total Cost</u>	<u>Actual to 31/3/25</u>	<u>Approved Budget 2025/26</u>	<u>Revised Est 2025/26</u>	<u>Actual to 30/6/25</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>Policy & Resources</u>								
<u>ICT</u>								
Storage/Backup Devices/Minor Works and Projects	17	-	17	17	6	0	0	0
Rolling Replacement of PC's	351	-	351	351	0	0	0	0
Meeting Room, Videoconferencing & Hybrid Working Equipment	42	-	42	42	0	0	0	0
Server & Switch Replacement Programme	286	-	286	286	1	0	0	0
Annual Allocation	1,068	-	0	0	0	534	534	0
<u>ICT Total</u>	1,764	0	696	696	7	534	534	0
<u>Miscellaneous</u>								
Capital Programme Contingency	1,275	-	918	918	0	357	0	0
Asset Management Strategy	3,750	-	0	0	0	1,750	2,000	0
<u>Miscellaneous Total</u>	5,025	0	918	918	0	2,107	2,000	0
<u>TOTAL</u>	6,789	0	1,614	1,614	7	2,641	2,534	0

Capital Programme - 2025/26 - 2027/28

	Available Resources				
	A	B	C	D	G
	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	6,940	6,104	6,350	-	19,394
Capital Receipts (Note 1)	618	315	315	-	1,248
Capital Grants (Note 2)	4,025	300	300	-	4,625
Prudential Funded Projects (Note 3)	8,210	3,867	2,714	125	14,916
Balance B/F From 24/25	11,204	-	-	-	11,204
Capital Funded from Current Revenue	4,090	4,815	4,433	-	13,338
	35,087	15,401	14,112	125	64,725

Overall Position 2025/28

	£000
Available Resources (Appendix 2a, Column A-E)	64,725
Projection (Appendix 2b, Column B-F)	67,561
(Shortfall)/Under Utilisation of Resources	(2,836)
(Shortfall)/Under Utilisation of Resources %	(4.38)%

Notes to Appendix 2a

Note 1 (Capital Receipts)

	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000	£000	£000
Sales	538	315	315	-	1,168
Contributions/Recoveries	80	-	-	-	80
	618	315	315	-	1,248

Note 2 (Capital Grants)

	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000		£000
Government Grant - Place Based Funding	407	-			407
Watt Institute LED Lighting	41	-	-		41
Cycling, Walking & Safer Streets	576	300	300	-	1,176
Shared Prosperity Fund	600	-	-		600
SPT	356	-	-		356
Climate Emergency	488	-	-		488
Boglestone Community Centre	350				350
Peatland Action Trust	286	-	-		286
Recycling Improvement Fund	96	-	-		96
Grieve Road Community Hall - Extension & Upgrade	700	-	-		700
RCGF	75	-	-		75
Bus Transformation Fund	50	-	-		50
	4,025	300	300	-	4,625

Note 3 (Prudentially Funded Projects)

	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000	£000	£000
Vehicle Replacement Programme	824	1,214	1,214	-	3,252
Borrowing in lieu of VRP Reduction	-	636	-		636
Asset Management Plan - Depots	70	208	-		278
Capital Works on Former Tied Houses	-	199	-	125	324
New Community Hub	5,816	110	-		5,926
Additional Prudential Borrowing to Fund Capital Programme	1,500	1,500	1,500		4,500
	8,210	3,867	2,714	125	14,916

Appendix 2b

Capital Programme - 2025/26 - 2027/28

Agreed Projects

Committee	A Prior Years	B 2025/26	C 2026/27	D 2027/28	E Future	F Total	G Approved Budget	H (Under)/ Over	I 2025/26 Spend To 30/06/2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	-	1,614	2,641	2,534	-	6,789	6,789	-	7
Environment & Regeneration	5,419	14,444	16,633	8,365	125	44,986	44,986	-	1,156
School Estate	-	1,903	4,591	5,000	-	11,494	11,494	-	246
Education & Communities (Exc School Estate)	251	1,197	261	120	-	1,829	1,829	-	-
HSCP	1,774	6,433	1,700	-	-	9,907	9,907	-	798
Total	7,444	25,591	25,826	16,019	125	75,005	75,005	-	2,207