

2023/2024 Capital Outturn and Capital Programme Monitoring and Proposed Amendments Report as at 20 July 2024, Period 4

Date of meeting 6 September 2024

Date of report 27 August 2024

Report by Director of Finance & Corporate Support

1. Object of report

To report to the Committee on the 2023/2024 capital outturn position; to seek approval for proposed amendments to the 2024/2025 capital programme; to seek approval to Grant Fund as detailed in section 8(iii) of this report; and to provide an update on 2024/2025 treasury management activities.

2. Background to report

SPT undertakes investment in long-term assets which underpins the delivery of the Regional Transport Strategy. These activities are financed through the application of capital and revenue resources and may also give rise to a borrowing requirement. The capital programme over the last five years is summarised in Table 1 below.

Table 1 Capital Programme	2019/2020 £000	2020/2021 £000	2021/2022 £000	2022/2023 £000	2023/2024 £000
Capital Expenditure	36,358	23,059	25,793	37,111	42,412
Scottish Government general capital grant	23,100	15,300	15,327	15,327	15,327
Scottish Government specific capital grants	13,281	7,691	9,968	19,116	22,136
Other grants and contributions	2	68	0	617	1,076
Transfer from Subway Infrastructure Fund	0	0	498	2,051	3,873
Transfers from / (to) other reserves	(25)	0	0	0	0
Capital Funding	36,358	23,059	25,793	37,111	42,412

It should be noted that prior to the period shown in Table 1, SPT received an annual general capital allocation of £25m with the certainty provided by a three-year budget settlement. In recent years, the general capital allocation has fallen and only a single year budget settlement has been

announced. This has had significant implications for both the development of SPT's capital plan and for the award of contracts that might run beyond the financial year-end.

3. 2023/2024 Capital Outturn

The 2023/2024 capital outturn position is detailed in Table 2 below.

Table 2 2023/2024 Capital Outturn	Subway Modernisa tion £000	General Capital £000	Total £000
Projected expenditure as at 23 February 2024	29,458	23,079	52,537
Capital expenditure 2023/2024	22,136	20,276	42,412
Scottish Government general capital grant	0	15,327	15,327
Scottish Government specific capital grants	22,136	0	22,136
Other grants and contributions	0	1,076	1,076
Transfer from Subway Infrastructure Fund	0	3,873	3,873
Capital funding 2023/2024	22,136	20,276	42,412

The final capital outturn of £42.412m is £10.125m less than the last reported projected outturn of £52.537m. The variance is due to significant underspends against Subway Modernisation and Local Authority projects along with a number of other smaller underspends. In terms of Subway Modernisation there was a £7.322m underspend, which predominantly relates to the overall delay in the MSA contract with the planned spend being phased over future years. For Local Authorities there was an overall underspend of £1.824m with various issues being highlighted including the availability of contractors, delays in the procurement process and staff resource constraints.

4. 2024/2025 Approved capital programme position

The 2024/2025 capital budget was approved by the Partnership on 15 March 2024. For 2024/2025 SPT's general capital grant and contribution from Transport Scotland for the Subway Modernisation project was removed completely. SPT is in ongoing discussion with Transport Scotland about the 2024/2025 capital funding position and with a view to ensuring that the SPT general capital grant funding is reinstated from 2025/2026.

Subsequently, SPT has been asked to administer the People and Place programme for Transport Scotland. The programme includes £4.662m of capital funding in the form of other grants and contributions. This funding has been equalled by a corresponding increase in planned expenditure.

Table 3 below provides a summary of the 2024/2025 capital programme position as approved by the Partnership on 28 June 2024.

Table 3 2024/2025 Capital programme position	Subway Modernisa tion £000	General Capital £000	Total £000
Capital expenditure 2024/2025	21,193	16,272	37,465
Scottish Government general capital grant	0	0	0

Scottish Government specific capital grant ¹	0	0	0
Other grants and contributions	0	4,707	4,707
Revenue contribution to the capital programme	1,500	2,742	4,242
Transfer from Subway Fund ²	3,143	0	3,143
Transfer from Subway Infrastructure Fund ²	0	6,000	6,000
Transfer from Capital Grants Unapplied Account ³	11,489	0	11,489
Capital funding 2024/2025	16,132	13,449	29,581
Projected funding gap	5,061	2,823	7,884
Projected variance as a percentage of funding	31%	21%	

¹ ring-fenced grant funding

² General Fund - Earmarked Reserve

³ unspent specific and general capital grants from previous years

5. Actual spend to date

As at Period 4, ending 20 July 2024, the actual expenditure incurred on the SPT capital investment programme totals £12.108m compared to planned expenditure of £13.349m.

Appendix 1 provides detailed financial analysis of the individual projects within the capital programme.

6. Proposed amendments

Four proposed amendments have been received for the 2024/2025 capital programme. These are shown in Appendix 2 and represent a net increase of £0.080m in the 2024/2025 capital programme (General Capital).

If the proposed amendments are approved by the Strategy & Programmes Committee, then the impact on the 2024/2025 programme will be as detailed in Table 4 below.

Table 4 2024/2025 Revised capital programme position, including proposed amendments	Subway Modernisa tion £000	General Capital £000	Total £000
Capital expenditure 2024/2025	21,193	16,272	37,465
Proposed amendments (as at Appendix 2)	0	80	80
Revised capital expenditure 2024/2025	21,193	16,352	37,545
Capital funding 2024/2025 (as at Table 3)	16,132	13,449	29,581
Projected funding gap	5,061	2,903	7,964
Projected variance as a percentage of funding	31%	22%	

There is currently no capital funding formally proposed by the Scottish Government for SPT in 2024/2025 and consequently there is a projected funding gap. SPT is drawing on earmarked reserves for other projects and a contribution from revenue to fund most of this gap, leaving a balance of £7.964m for which funding is still to be identified. SPT is working closely with Transport

Scotland to agree a position in relation to capital funding to resolve the funding gap and ensure longer-term capital funding is in place.

Transport Scotland wrote to SPT on 23/08/2024 confirming their continued commitment and support for the Glasgow Subway Modernisation Programme (copy enclosed at Appendix 4). However, the letter notes that given “significant affordability challenges facing the Scottish Government” they have revised their funding contribution for the project from £246m to £225m, a reduction of £21m. While this does not directly impact the 2024/2025 SPT capital programme, it will impact SPT’s longer term financial position and will therefore be reflected in the next update on the Long Term Financial Strategy.

7. Treasury Management Update

The Treasury Management Strategy 2024/2025, including the Annual Investment Strategy, was approved by the Partnership on 15 March 2024.

During the period from 1 April 2024 to 20 July 2024:

- SPT has had no requirement for borrowing and remains debt free;
- the investment policy, permitted investments, credit rating policy and counterparty limits have been followed in full and there were no liquidity difficulties; and
- SPT has only held investment balances with approved UK institutions.

A summary of the Prudential and Treasury Indicators is shown in Appendix 3.

8. Committee action

The Committee is recommended to:

- (i) note the 2023/2024 capital outturn position;
- (ii) approve the proposed amendments to the 2024/2025 capital programme as per Appendix 2 of this report; and if approved
- (iii) agree to Grant Fund or to vary existing Grant Fund letters to the Local Authorities or other bodies for those awards up to the value of £200,000 and authorise that grant award letters be concluded in line with approved governance arrangements;
- (iv) note the financial performance of the 2024/2025 capital programme as at Period 4;
- (v) note that further work to resolve the funding gap, quantify and manage risk, advance savings and re-phase existing projects is being undertaken to balance spend against budget;
- (vi) note the reduced funding contribution from Transport Scotland for the Subway Modernisation Programme; and
- (vii) note the 2024/2025 treasury management update as at Period 4.

9. Consequences

Policy consequences	<i>Supports delivery of the Regional Transport Strategy.</i>
Legal consequences	<i>None directly.</i>
Financial consequences	<i>Further work to quantify and manage risk, advance savings and re-phase existing projects is being undertaken to balance spend against budget.</i>
Personnel consequences	<i>None directly.</i>

Equalities consequences	<i>Dependent on particular scheme, each project will be reported on in terms of the social inclusion agenda.</i>
Risk consequences	<i>Risk will be quantified and closely monitored during the course of the financial year.</i>
Climate Change, Adaptation & Carbon consequences	<i>SPT's capital programme supports delivery of sustainable transport infrastructure to increase use of walking, wheeling and cycling and public transport and to support a reduction in total transport emissions.</i>

Name Lesley Aird
Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

For further information, please contact *Lesley Aird, Director of Finance & Corporate Support* on 0141 333 3380.



Capital Monitoring Report
For financial year 2024/2025 Period 4 ending 20 July 2024
Summary by Directorate

APPENDIX 1

	Full Year			Period			Cumulative Year to Date				Full Year
	Original Budget	Amendments	Approved Budget	Actual	Approved Budget	Variance	Actual	Approved Budget	Variance	Variance %	Approved Budget Remaining
Bus Operations	1,452,000	0	1,452,000	33,022	40,000	6,978	101,201	96,000	(5,201)	(5)%	1,350,799
Projects	1,381,000	0	1,381,000	1,451	2,000	549	68,343	72,000	3,657	5%	1,312,657
Property	50,000	0	50,000	440	1,000	560	440	1,000	560	56%	49,560
Digital	395,000	0	395,000	6,038	6,000	(38)	64,388	66,000	1,612	2%	330,612
Corporate	225,000	0	225,000	9,460	10,000	540	41,014	43,500	2,486	6%	183,986
Subway	28,060,000	0	28,060,000	1,867,610	1,935,500	67,890	11,808,099	12,120,700	312,601	3%	16,251,901
Local Authorities and Others	1,240,000	0	1,240,000	0	100,000	100,000	25,000	950,000	925,000	97%	1,215,000
People and Place Programme	0	4,662,120	4,662,120	0	0	0	0	0	0		4,662,120
Total	32,803,000	4,662,120	37,465,120	1,918,022	2,094,500	176,478	12,108,484	13,349,200	1,240,716	9%	25,356,636

- Notes
- 1) Original Budget is as agreed by the Partnership at the start of the financial year
 - 2) Approved Budget is the Original Budget and any Amendments agreed by Committee during the financial year



Capital Monitoring Report
 For financial year 2024/2025 Period 4 ending 20 July 2024
 Bus Operations

APPENDIX 1

10044 - Bus Stops and Shelters Upgrade Programme
 10052 - Purchase of Operational Vehicles
 10055 - Buchanan Bus Station Improvements
 10580 - Bus Station Improvements
 10588 - Bus Stop Asset Management System

	Full Year			Period			Cumulative Year to Date				Full Year
	Original Budget	Amendments	Approved Budget	Actual	Approved Budget	Variance	Actual	Approved Budget	Variance	Variance %	Approved Budget Remaining
	300,000	0	300,000	29,957	35,000	5,043	57,710	80,000	22,291	28%	242,291
	0	0	0	0	0	0	30,439	0	(30,439)		(30,439)
	1,120,000	0	1,120,000	3,065	5,000	1,935	8,049	10,000	1,951	20%	1,111,951
	20,000	0	20,000	0	0	0	4,930	5,000	70	1%	15,070
	12,000	0	12,000	0	0	0	74	1,000	926	93%	11,926
Total	1,452,000	0	1,452,000	33,022	40,000	6,978	101,201	96,000	(5,201)	(5)%	1,350,799



Capital Monitoring Report
 For financial year 2024/2025 Period 4 ending 20 July 2024
 Projects

APPENDIX 1

10048 - Smart & Integrated Ticketing
 10374 - Corporate Security Systems Replacement (including CCTV)

Total

Full Year			Period			Cumulative Year to Date				Full Year
Original Budget	Amendments	Approved Budget	Actual	Approved Budget	Variance	Actual	Approved Budget	Variance	Variance %	Approved Budget Remaining
379,000	0	379,000	1,451	2,000	549	29,266	32,000	2,734	9%	349,734
1,002,000	0	1,002,000	0	0	0	39,077	40,000	923	2%	962,923
1,381,000	0	1,381,000	1,451	2,000	549	68,343	72,000	3,657	5%	1,312,657



10416 - Property Improvements (including Accessibility)

Total

Full Year			Period			Cumulative Year to Date				Full Year
Original Budget	Amendments	Approved Budget	Actual	Approved Budget	Variance	Actual	Approved Budget	Variance	Variance %	Approved Budget Remaining
50,000	0	50,000	440	1,000	560	440	1,000	560	56%	49,560
50,000	0	50,000	440	1,000	560	440	1,000	560	56%	49,560



10137 - Technical Refresh
 10571 - Public Wifi and Cellular Network Connectivity

Total

Full Year			Period			Cumulative Year to Date				Full Year
Original Budget	Amendments	Approved Budget	Actual	Approved Budget	Variance	Actual	Approved Budget	Variance	Variance %	Approved Budget Remaining
285,000	0	285,000	549	0	(549)	34,194	35,000	806	2%	250,806
110,000	0	110,000	5,489	6,000	511	30,195	31,000	806	3%	79,806
395,000	0	395,000	6,038	6,000	(38)	64,388	66,000	1,612	2%	330,612



10454 - Corporate System Improvements
 10619 - Workforce Systems Transformation

Total

Full Year			Period			Cumulative Year to Date				Full Year
Original Budget	Amendments	Approved Budget	Actual	Approved Budget	Variance	Actual	Approved Budget	Variance	Variance %	Approved Budget Remaining
25,000	0	25,000	0	0	0	3,150	3,500	350	10%	21,850
200,000	0	200,000	9,460	10,000	540	37,864	40,000	2,136	5%	162,136
225,000	0	225,000	9,460	10,000	540	41,014	43,500	2,486	6%	183,986



Capital Monitoring Report
For financial year 2024/2025 Period 4 ending 20 July 2024
Subway

APPENDIX 1

	Full Year			Period			Cumulative Year to Date				Full Year
	Original Budget	Amendments	Approved Budget	Actual	Approved Budget	Variance	Actual	Approved Budget	Variance	Variance %	Approved Budget Remaining
Subway Infrastructure	6,000,000	0	6,000,000	414,272	425,000	10,728	2,598,351	2,700,000	101,649	4%	3,401,649
10375 - Tunnel & Infrastructure Works	6,000,000	0	6,000,000	414,272	425,000	10,728	2,598,351	2,700,000	101,649	4%	3,401,649
Subway Modernisation	21,193,000	0	21,193,000	1,448,457	1,505,500	57,043	9,089,993	9,297,700	207,707	2%	12,103,007
10073 - Subway Modernisation Programme Support	345,000	0	345,000	13,640	26,000	12,361	58,699	106,000	47,301	45%	286,301
10302 - Rolling Stock & New System: Management & Specialist Support	1,743,000	0	1,743,000	105,301	150,000	44,699	439,585	600,000	160,415	27%	1,303,415
10505 - Rolling Stock & New System: Manufacture & Supply Agreement	19,105,000	0	19,105,000	1,329,517	1,329,500	(17)	8,591,710	8,591,700	(10)	0%	10,513,290
Subway Operations	867,000	0	867,000	4,881	5,000	119	119,754	123,000	3,246	3%	747,246
10310 - Station Minor Works	375,000	0	375,000	4,881	5,000	119	107,076	110,000	2,925	3%	267,925
10417 - Broomloan Depot Improvements	205,000	0	205,000	0	0	0	0	0	0		205,000
10419 - New and Enhanced Plant & Equipment	120,000	0	120,000	0	0	0	0	0	0		120,000
10552 - Secure Mobile Operational Communications System	167,000	0	167,000	0	0	0	12,678	13,000	322	2%	154,322
Total	28,060,000	0	28,060,000	1,867,610	1,935,500	67,890	11,808,099	12,120,700	312,601	3%	16,251,901



East Ayrshire
10458 - Bus Station Improvements

Renfrewshire
10585 - Linburn Bus Turning Loop

West Dunbartonshire
10578 - A8014 Kilbowie Road Bus Route Improvements

	Full Year			Period			Cumulative Year to Date				Full Year
	Original Budget	Amendments	Approved Budget	Actual	Approved Budget	Variance	Actual	Approved Budget	Variance	Variance %	Approved Budget Remaining
East Ayrshire	800,000	0	800,000	0	0	0	25,000	800,000	775,000	97%	775,000
10458 - Bus Station Improvements	800,000	0	800,000	0	0	0	25,000	800,000	775,000	97%	775,000
Renfrewshire	165,000	0	165,000	0	0	0	0	0	0		165,000
10585 - Linburn Bus Turning Loop	165,000	0	165,000	0	0	0	0	0	0		165,000
West Dunbartonshire	275,000	0	275,000	0	100,000	100,000	0	150,000	150,000	100%	275,000
10578 - A8014 Kilbowie Road Bus Route Improvements	275,000	0	275,000	0	100,000	100,000	0	150,000	150,000	100%	275,000
Total	1,240,000	0	1,240,000	0	100,000	100,000	25,000	950,000	925,000	97%	1,215,000



	Full Year			Period			Cumulative Year to Date				Full Year
	Original Budget	Amendments	Approved Budget	Actual	Approved Budget	Variance	Actual	Approved Budget	Variance	Variance %	Approved Budget Remaining
Argyll and Bute	0	97,750	97,750	0	0	0	0	0	0	0	97,750
10620 - Helensburgh and Lomond Active Travel Project (Option 2 - 1 D)	0	97,750	97,750	0	0	0	0	0	0	0	97,750
Ayrshire Roads Alliance	0	200,000	200,000	0	0	0	0	0	0	0	200,000
10621 - Ayrshire Link	0	200,000	200,000	0	0	0	0	0	0	0	200,000
Cycling Scotland	0	1,210,500	1,210,500	0	0	0	0	0	0	0	1,210,500
10622 - Access to Bikes and Cycle Parking for Schools and Young Peop	0	444,000	444,000	0	0	0	0	0	0	0	444,000
10623 - Access to Bikes Programme	0	208,500	208,500	0	0	0	0	0	0	0	208,500
10624 - Cycle Storage Programme	0	187,500	187,500	0	0	0	0	0	0	0	187,500
10625 - Expanding Staff Capacity on Active Travel	0	183,000	183,000	0	0	0	0	0	0	0	183,000
10626 - Workplace Cycle Parking Programme	0	187,500	187,500	0	0	0	0	0	0	0	187,500
Cycling UK	0	1,230,943	1,230,943	0	0	0	0	0	0	0	1,230,943
10627 - Cycle Access Fund (CAF)	0	1,169,119	1,169,119	0	0	0	0	0	0	0	1,169,119
10628 - Inverclyde Bothy	0	61,824	61,824	0	0	0	0	0	0	0	61,824
East Dunbartonshire	0	50,000	50,000	0	0	0	0	0	0	0	50,000
10629 - Access to Bikes	0	50,000	50,000	0	0	0	0	0	0	0	50,000
Glasgow	0	233,648	233,648	0	0	0	0	0	0	0	233,648
10630 - Bike for Good: Acces to Bikes	0	64,000	64,000	0	0	0	0	0	0	0	64,000
10631 - Bike for Good: Promoting Safe Cycling	0	5,710	5,710	0	0	0	0	0	0	0	5,710
10632 - Bike for Good: Training and Employability	0	25,200	25,200	0	0	0	0	0	0	0	25,200
10633 - Play Together on Pedals	0	121,738	121,738	0	0	0	0	0	0	0	121,738
10634 - Training & Bike Repair Programme by Drumchapel Cycle Hub	0	17,000	17,000	0	0	0	0	0	0	0	17,000
Living Streets	0	173,586	173,586	0	0	0	0	0	0	0	173,586
10635 - WOW and Living Streets Walking Programme	0	173,586	173,586	0	0	0	0	0	0	0	173,586
North Lanarkshire	0	102,000	102,000	0	0	0	0	0	0	0	102,000
10636 - North Lanarkshire Active Travel Hubs	0	102,000	102,000	0	0	0	0	0	0	0	102,000
Paths for All	0	466,200	466,200	0	0	0	0	0	0	0	466,200
10637 - People and Places Secondary School Walking Programme	0	311,000	311,000	0	0	0	0	0	0	0	311,000
10638 - People and Place Workplace Walking Programme	0	155,200	155,200	0	0	0	0	0	0	0	155,200
Renfrewshire	0	50,031	50,031	0	0	0	0	0	0	0	50,031
10639 - Cycle and Scooter Parking	0	41,646	41,646	0	0	0	0	0	0	0	41,646
10640 - Active Travel Maps - Schools	0	8,385	8,385	0	0	0	0	0	0	0	8,385
Scottish Cycling	0	586,757	586,757	0	0	0	0	0	0	0	586,757
10641 - Rock Up & Ride (Adaptive Bikes Library)	0	82,400	82,400	0	0	0	0	0	0	0	82,400
10642 - Rock Up & Ride (Childrens)	0	345,748	345,748	0	0	0	0	0	0	0	345,748
10643 - Rock Up & Ride (Communities)	0	158,609	158,609	0	0	0	0	0	0	0	158,609
South Lanarkshire	0	67,500	67,500	0	0	0	0	0	0	0	67,500
10644 - Beat the Street	0	45,500	45,500	0	0	0	0	0	0	0	45,500
10645 - BetterPoints - Think, Move, Breathe	0	22,000	22,000	0	0	0	0	0	0	0	22,000
SPT	0	91,464	91,464	0	0	0	0	0	0	0	91,464
10646 - Active Travel Hubs	0	91,464	91,464	0	0	0	0	0	0	0	91,464
Sustrans	0	32,741	32,741	0	0	0	0	0	0	0	32,741
10647 - I Bike Schools	0	32,741	32,741	0	0	0	0	0	0	0	32,741



Capital Monitoring Report
 For financial year 2024/2025 Period 4 ending 20 July 2024
 People and Place Programme

APPENDIX 1

West Dunbartonshire
 10648 - Love to Ride
 10649 - Revision & Assessment of Core Paths Around Schools
 10650 - Independent Traveller and Walking Programmes, School Travel

	Full Year			Period			Cumulative Year to Date				Full Year
	Original Budget	Amendments	Approved Budget	Actual	Approved Budget	Variance	Actual	Approved Budget	Variance	Variance %	Approved Budget Remaining
	0	69,000	69,000	0	0	0	0	0	0		69,000
	0	43,000	43,000	0	0	0	0	0	0		43,000
	0	16,000	16,000	0	0	0	0	0	0		16,000
	0	10,000	10,000	0	0	0	0	0	0		10,000
Total	0	4,662,120	4,662,120	0	0	0	0	0	0		4,662,120

Proposed Amendments to the 2024/2025 Capital Programme

Ref	Department	Capital Project	Project Description	2024/2025 Category 1 Budget Implication	Partnership Approval Required ('P')	Grant Fund to Local Authority / Other Bodies	Justification	Status
1	Bus Operations	Purchase of Operational Vehicles (10052)	The purchase of vehicles for use on subsidised bus services, or on integrated transport services or as part of the SPT operational fleet. Also, grant funding provided to community transport operators to purchase vehicles.	+£80,000			Funding is requested in 2024/2025 for the purchase of two SPT fleet vehicles for which delivery has been delayed from 2023/2024.	Slippage from 2023/2024. 2024/2025 programme includes Category 2 allocation of £4,310,000. Proposed total 2024/2025 budget of £80,000.
2	People and Place Programme	Active Travel Maps - Schools (10640)	Enhancement and printing of existing active travel zone maps to improve knowledge of active and sustainable travel choices to and from Renfrewshire education destinations.	-£8,385		Renfrewshire Council	The intended expenditure for the programme does not meet capital accounting rules and as such the Council have requested that the budget be reallocated to their other People and Place Programme capital project to increase delivery over 2024/2025. This change will be accommodated within the available funding for People and Place Programme.	Budget amendment. 2024/2025 programme includes Category 1 allocation of £8,385. Proposed total 2024/2025 budget of £0.

Ref	Department	Capital Project	Project Description	2024/2025 Category 1 Budget Implication	Partnership Approval Required ('P')	Grant Fund to Local Authority / Other Bodies	Justification	Status
3	People and Place Programme	Cycle and Scooter Parking (10639)	Enhancement of cycle and scooter parking across Renfrewshire schools to encourage an uptake in active travel for journeys to and from school.	+£30,385		Renfrewshire Council	<p>The Council has requested additional funding to expand the scope of the project being delivered in 2024/2025. This will allow improvements to be made to further schools across Renfrewshire Council.</p> <p>This change will be accommodated within the available funding for People and Place Programme.</p>	<p>Budget amendment.</p> <p>2024/2025 programme includes Category 1 allocation of £41,646.</p> <p>Proposed total 2024/2025 budget of £72,031.</p>
4	People and Place Programme	BetterPoints - Think, Move, Breathe (10645)	BetterPoints is an online, interactive system where users can sign up and collect points for utilising and recording trips made by active and sustainable modes of transport. These trips earn the user BetterPoints which they can then spend at participating local retailers, online, or donate to charity.	-£22,000		South Lanarkshire Council	<p>The intended expenditure for the programme does not meet capital accounting rules and as such the Council have downturned the capital element of the grant for 2024/2025.</p> <p>This change will be accommodated within the available funding for People and Place Programme.</p>	<p>Budget amendment.</p> <p>2024/2025 programme includes Category 1 allocation of £22,000.</p> <p>Proposed total 2024/2025 budget of £0.</p>

Total proposed amendments to capital programme	+£80,000
Total proposed changes in funding	£0
Net change in capital funding requirement	+£80,000

Prudential and Treasury Indicators	2023/2024 Actual £000	2024/2025 Forecast Note (1) £000	2024/2025 Period 4 Actual £000
Prudential Indicators			
Capital Expenditure	42,412	32,803	12,108
Capital Financing Requirement (CFR)	0	0	0
Actual External Debt	0	0	0
Operational Boundary for External Debt	50,000	50,000	50,000
Authorised Limit for External Debt	55,000	55,000	55,000
Ratio of financing costs to net revenue stream	0%	0%	0%
Ratio of net income from service investments to net revenue stream	2%	2%	1%
Treasury Indicators			
Liability Benchmark ^{Note (2)}	(186,896)	(146,517)	(172,861)
Principal sums invested > 365 days ^{Note (3)}			
- Actual	0	50,000	0
- Authorised Limit	50,000	50,000	50,000

Note (1) Information extracted from the Annual Treasury Management Strategy 2024/2025.

Note (2) The Liability Benchmark is calculated as SPT's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned minimum revenue provision and any other major cash flows forecast. Since SPT is currently debt-free, the Liability Benchmark has a negative value, representing the treasury management investments.

Note (3) Investments taken out during the financial year for a period greater than 365 days.

Chief Executive's Office

Alison Irvine

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ceo@transport.gov.scot



Valerie Davidson
CEO
Strathclyde Partnership for Transport
131 St Vincent Street
Glasgow
G2 5JF

Your ref:

Our ref:

Date:
23/8/2024

By email to Valerie.Davidson@spt.co.uk

Dear Valerie,

I am writing to confirm the Scottish Government's continued commitment and support for the Glasgow Subway Modernisation Programme, and to set out the revised funding contribution as discussed at a meeting with the Cabinet Secretary on the 5th June, within subsequent correspondence.

Scottish Ministers remain committed to providing financial contribution to the Subway Modernisation Programme as it reaches its final stages and have been appreciative of the reprofiling of funding contributions that SPT have accommodated in previous years. Given the significant affordability challenges facing the Scottish Government, I can confirm a revised funding contribution of a total of £225 million for the Subway Modernisation Programme. This is reflective of both the financial position pressures facing the Scottish Government, and the progress made in the project thus far.

At the end of the 2023-24 financial year, a total of £171.9 million had been paid by the Scottish Government, leaving a balance of £53.1 million payable over the period to 2027-28. An indicative payment profile, which will be subject to annual confirmation through grant offer letter, is set out below:

2024-25	2025-26	2026-27	2027-28	Total
Up to £10,000,000**	£20,000,000	£10,000,000	£13,100,00 - £23,100,000*	£53,100,000

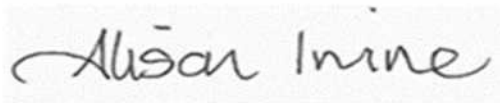
**Balance due to meet £53.1 million commitment by 31 March 2028.*

***Subject to budget becoming available within Transport Scotland, and approval to reprioritise budget to SPT in 2024-25 being received.*

We remain sympathetic to the capital costs required to maintain a safe subway network, including essential maintenance and are aware that SPT have previously reprofiled essential works to support the funding profile of the subway modernisation programme.

We are engaging with Local Government and Exchequer colleagues in an attempt to restore the general capital grant from financial year 2025-26 onwards, and will continue to forecast SPT's capital requirements in future budget setting exercises.

I trust that this confirmation is helpful, and I look forward to continuing to work together.

A handwritten signature in black ink that reads "Alison Irvine". The signature is written in a cursive style and is set against a light grey rectangular background.

Alison Irvine
Interim Chief Executive
Transport Scotland