

EAST RENFREWSHIRE COUNCIL26 February 2025Report by Head of FinanceGENERAL FUND CAPITAL PLAN 2025/26 TO 2034/35**PURPOSE OF REPORT**

1. The purpose of this report is to present for consideration the General Fund Capital Plan covering the 10 years from 2025/26 to 2034/35. This has been prepared in line with the approach set out in the Capital Investment Strategy, which covers the period 2024 to 2034, and was last updated in February 2024.

RECOMMENDATIONS

2. The Council is invited to approve the programme for 2025/26 and authorise officers to progress the projects contained therein.

BACKGROUND

3. The Council has a Capital Investment Strategy to inform investment priorities and to ensure that the capital infrastructure required is in place to service the Council's population demands. This looks beyond the Capital Plan, which covers ten years. This Strategy sets the framework for capital investment expenditure decisions and the arrangements for governance and monitoring of these plans. The current version of the Capital Investment Strategy, which covers the period 2024 to 2034, was last updated during February 2024.

4. As with all public sector bodies, the Council has faced significant external market pressures in relation to both supply and cost of capital works in recent years, which has impacted on the ability to deliver the plan in full each year. Given this environment, alongside the challenging financial landscape the Council will continue to operate in for many years, the Capital Investment Strategy will be refreshed across spring 2025, to update the approach to how the capital programme is both determined and managed moving forward. This will be brought to Council for approval in autumn 2025. The relationship between capital investment planning and revenue consequences will be strengthened, and the governance processes and forums for capital strategy, planning, reporting and monitoring will be reviewed.

5. Funding for the Capital Plan comes from a range of sources including: Scottish Government (General Capital Grant and Specific Ring-fenced Capital Grants), specific City Deal funding, small capital grants from other bodies, developer contributions and capital receipts from asset disposals, with the balance and majority of funding coming from borrowing. This borrowing is repaid each year from the revenue budget through loan charges.

6. The current capital plan reflects the growth and ambition of the Council, with current plans designed to support the delivery of the Council's key plans and strategies, including asset management strategies for key areas of infrastructure. It is also designed to support the future infrastructure requirements across the Council area.

7. In addition to the Capital Plan presented today, on 6 February 2025 the Cabinet approved the use of £1.0m of the Investment in the Future Reserve to purchase additional

housing units and / or modular units, in response to the declaration of a Housing Emergency by the Council in September 2024. This is in addition to the investment of £1.0m from reserves that was allocated for the same purpose in 2024/25. This further £1.0m investment will be reflected in the next update to the Capital Plan in June 2025.

8. Whilst the Council only approves the capital programme for the coming year, the Capital Plan also includes figures for future years so that long-term capital investment plans and their associated financial impacts can be recognised. The rolling Capital Plan aligns with best practice in covering the next ten years.

RESOURCES

9. Details of the available resources are provided in Appendix B.

10. Over the next financial year, the Council does not currently have any confirmed capital receipts from the disposal of assets. This will be kept under review and disposals will only be progressed provided they demonstrate best value.

11. The Council's general capital grant for 2025/26 has been confirmed as £7.2 million. This represents an increase of £1.4 million against the comparable core general capital grant for 2024/25. It also includes £0.6 million for Private Sector Housing Grant, which is accounted for separately from the Council's capital programme.

12. As noted above, the borrowing for capital infrastructure is funded through annual loans fund payments, which are charged to the revenue budget and repaid over the life time of the asset. Interest rates continue to be higher than in recent years, with the expected timescale for these rates to become more favourable continuing to be pushed out into late 2025 and beyond. The interest rate directly impacts on the cost of new borrowing, and it is important to remember that new borrowing must be repaid in addition to existing borrowing. As well as the Capital Investment Strategy, all borrowing decisions are supported by the Treasury Management Strategy to ensure that investment plans remain affordable and sustainable.

13. The Capital Plan assumes total borrowing of £151.6m, (£54.4m in 2025/26, £35.8 million in 2026/27, £18.5m in 2027/28 and £42.9m in later years). The cost of all elements of the planned borrowing has been factored into the Council's revenue budget plans for 2025/26 and beyond, producing significant increases in loan repayments over the next five years.

14. Finance staff will continue to smooth repayment profiles between years to minimise any large variations in repayments between years.

15. The Council continues to have active discussions with developers over contributions receivable in relation to housing developments. The timescale and amount of such receipts are often difficult to evaluate fully until each scheme progresses, however estimates of contributions totalling more than £2.1m have been reflected within the proposed Plan. These will be firmed up as developments progress.

16. In recent years, the Council has built up and utilised a significant Capital Reserve to assist in supporting major projects. The projected balance on this reserve at 31 March 2025 available to support the General Fund Programme is £7.029m. This provides an element of cover should unforeseen costs arise. There are no plans to draw further on this reserve in 2025/26 to support the General Fund Programme.

EXPENDITURE PLAN

17. The detailed programme for 2025/26 and the outline plan for the subsequent nine years are set out in Appendix A. These plans are developed to support the delivery of the Council's overall strategy and the 'Place to Grow' partnership vision. They have also been compiled in line with the approach set out in the Council's Capital Investment Strategy.

18. Significant capital investment of £222.3m is planned for the ten-year period and includes the following (with total project costs quoted below including the current or previous financial years' spend, where appropriate, to assist in clarifying the total investment on a particular project):

Our Children and Young People Flourish

- Investment of £5.4m to repurpose and expand spaces at Mearns Castle High School to address capacity demands and improve the learning environment.
- Investment of £3.4m to extend facilities at Maidenhill Primary School to address further new housebuilding in the area.
- Investment of £2.6m to further improve and extend Free School Meal provision across the school estate.
- A further £1.0m to be invested over the next five years to improve learning environments to better meet modern learning styles and curricular experiences across the school estate.
- Investment of £1.2m to provide more capacity at St Luke's High School.
- Investment of £1.2m to increase classroom and dining capacity at Eastwood High School.
- Investment of £6.5m to fund condition improvements at priority areas within the Primary School estate.
- Investment of £4.4m over the next ten years to upgrade the Council's artificial sports pitches.

Our Communities and Places Thrive

- Further investment of £22.6m in City Deal infrastructure projects over the next two years, including improving the Aurs Road link between Barrhead and Newton Mearns, a new railway halt for Barrhead south and country park developments. This is part of an overall regional investment of £1.1bn across the Glasgow City region, which will bring a wide range of benefits to residents such as increased access to jobs.
- Major capital investment in Roads projects, in addition to the above noted investment in the Aurs Road as part of the City Deal, which will total more than £30.0m over the ten year period. This includes £14.0m of additional investment aimed at achieving a significant improvement in the condition and safety of roads.
- Investment of £1.6m in CCTV technology including improvements to the Council's response centre.

We All Live Well

- Investment of up to £56.6m for the provision of new high quality leisure facilities in Eastwood Park.
- Investment of £1.5m investment over the next ten years to improve existing cultural, leisure and community facilities.
- Investment of £0.9m in Overlee House to increase the provision of homelessness accommodation.

Corporate

- A provision of over £26.7m for further ICT technology projects over the ten year period to support necessary corporate improvements, enhance technology available in schools and other Council premises and provide a more modern, digital service to residents.
- A provision of £28.1m over the period of the plan for improvements necessary to Council property, including the maintenance of the existing school estate and renovation of the Eastwood Council Headquarters.

CONCLUSIONS

19. Substantial borrowing has been planned over the next three years to support the Capital Plan and the revenue consequences have been factored into the Council's revenue budget. Planned 2025/26 expenditure is in line with available resources.

20. The expenditure plan for subsequent years will continue to be subject to review to align it to the 'Place to Grow' partnership vision, and in light of the progress on capital receipts and the levels of funding provided by the Scottish Government.

RECOMMENDATIONS

21. The Council is invited to approve the programme for 2025/26 and authorise officers to progress the projects contained therein.

Further information is available from K Stanners, Head of Finance, phone 0141 577 3035.

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2025/2026 - 2034/2035

	£'000											
	Estimated Spend Prior to 31.03.25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
Property - Schools	33,785	11,486	1,977	1,624	5,100	4,100	2,029	923	900	900	900	63,724
Property - Culture & Leisure	6,093	15,648	23,020	11,924	2,313	9,859	6,733	572	100	0	331	76,593
Property - Other	10,826	23,178	7,849	2,190	960	960	960	960	960	960	960	50,763
Open Spaces	6,326	2,426	638	500	500	500	500	500	500	500	500	13,390
Roads	22,473	8,832	6,175	5,660	4,800	1,300	1,300	1,300	1,300	1,300	1,300	55,740
Corporate Wide - ICT	4,797	4,706	3,307	2,347	2,451	2,800	2,182	2,347	2,451	2,800	2,182	32,370
Fleet	10	95	1,110	1,445	971	2,762	1,502	909	1,445	971	2,762	13,982
Expenditure Total	84,310	66,371	44,076	25,690	17,095	22,281	15,206	7,511	7,656	7,431	8,935	306,562

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GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2025/2026 - 2034/2035

Property - Schools

		£'000											
COST CODE	PROJECT NAME	Estimated Spend Prior to 31.03.25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
	Improvements to Primary Schools				500	3,000	3,000						6,500
	Changing Places Toilet: St Joseph's Primary School		110										110
	Eastwood High School - Modular Classrooms (Part Funded by Developer Contributions)		600										600
		33,785	11,486	1,977	1,624	5,100	4,100	2,029	923	900	900	900	63,724

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GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2025/2026 - 2034/2035

Property - Culture & Leisure

		£'000											
COST CODE	PROJECT NAME	Estimated Spend Prior to 31.03.25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
800200019	Eastwood Park Leisure - Refurbishment	5,126	15,548	22,920	11,537	1,469							56,600
800200021	Neilston Leisure	136			287	744	9,428	6,633	472				17,700
800200020	ERCLT General Building Improvement Fund	831	100	100	100	100	100	100	100	100			1,631
800200015	Equipment - Gym and Theatre						277					277	554
	Theatre Equipment						54					54	108
		6,093	15,648	23,020	11,924	2,313	9,859	6,733	572	100	0	331	76,593

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GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2025/2026 - 2034/2035

Council Wide ICT

		£'000											
COST CODE	PROJECT NAME	Estimated Spend Prior to 31.03.25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
	ICT Infrastructure Review (Includes £200k for improvements at Eastwood HQ)	300	550										850
		4,797	4,706	3,307	2,347	2,451	2,800	2,182	2,347	2,451	2,800	2,182	32,370

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10 YEAR PLAN

2025/2026 - 2034/2035

Fleet

		£'000											
COST CODE	PROJECT NAME	Estimated Spend Prior to 31.03.25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
806000004	HSCP - Vehicles						501					501	1,002
806000001	Education - Vehicles			168			293	102				293	856
806000002	Environment - Vehicles			942	1,445	866	1,968	1,400	909	1,445	866	1,968	11,809
806000005	Environment - GPRS System	10	95			105					105		315
		10	95	1,110	1,445	971	2,762	1,502	909	1,445	971	2,762	13,982

EAST RENFREWSHIRE COUNCIL
GENERAL FUND CAPITAL PROGRAMME

APPENDIX B

10 YEAR PLAN

2025/2026 - 2034/2035

Resources

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000	2033/34 £'000	2034/35 £'000	TOTAL £'000
GRANTS											
GENERAL CAPITAL GRANT - MAIN	6,083	6,083	6,083	6,083	6,083	6,083	6,083	6,083	6,083	6,083	60,830
GENERAL CAPITAL GRANT - RENEWAL OF PLAYPARKS	524										524
SPORTSCOTLAND			300								300
ACTIVE TRAVEL INFRASTRUCTURE FUND	430										430
SEPA (WHITE CART ENV. IMPROVEMENTS)	605										605
CITY DEAL	2,000	2,000									4,000
SALIX/CENTRAL ENERGY EFFICIENCY FUND	75	75	75	75	75	75	75	75	75	75	750
TOTAL GRANTS	9,717	8,158	6,458	6,158	6,158	6,158	6,158	6,158	6,158	6,158	67,439
DEVELOPER CONTRIBUTIONS	1,676	100	100	100	110	0	0	0	0		2,086
EAST REN. CULTURE & LEISURE TRUST CONTRIBUTION			600								600
INVESTMENT FOR FUTURE RESERVE	550										550
BORROWING											
ASSETS	934	1,331	1,831	1,461	3,932	1,723	1,295	1,935	1,810	3,419	19,671
CITY DEAL	16,273	2,309									18,582
GENERAL	37,221	32,178	16,701	9,376	12,081	7,325	58	-437	-537	-642	113,324
TOTAL BORROWING	54,428	35,818	18,532	10,837	16,013	9,048	1,353	1,498	1,273	2,777	151,577
TOTAL RESOURCES	66,371	44,076	25,690	17,095	22,281	15,206	7,511	7,656	7,431	8,935	222,252

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