



Glasgow City Council

City Administration Committee

Report by Councillor Richard Bell, Depute Leader and City Treasurer and City Convener for Financial Inclusion

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Item 1

13th February 2025

BUDGET MONITORING 2024-25; PERIOD 10

Purpose of Report:

This report provides a summary of financial performance for the period 1 April 2024 to 13 December 2024.

Recommendations:

The City Administration Committee is asked to:

- i. approve the adjustments relating to the revenue budget at section 4
- ii. note that this report and all detailed service reports will be considered by the Finance and Audit Scrutiny Committee

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐

consulted: Yes ☐ No ☐

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1. Introduction

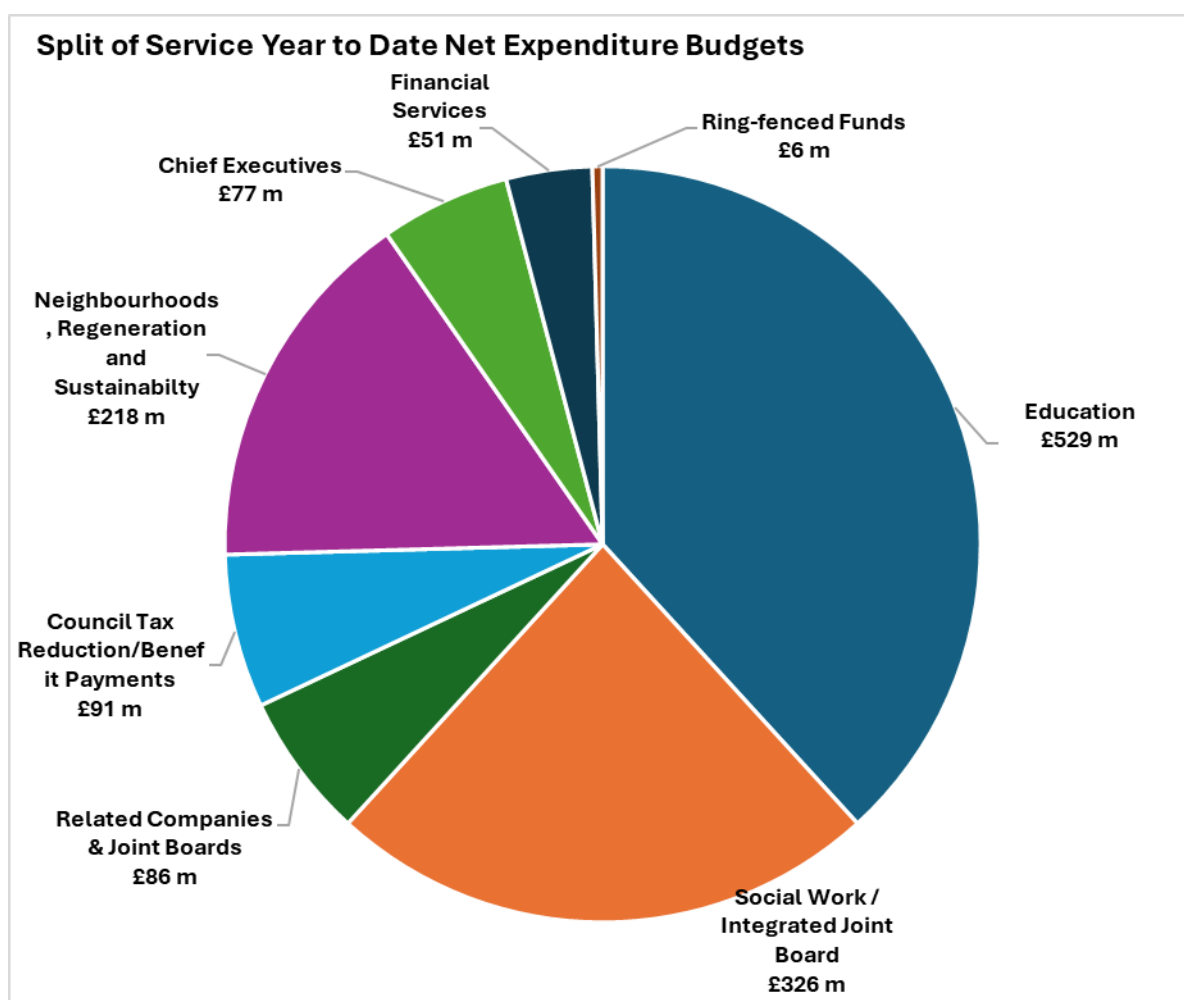
- 1.1 This report provides a summary of financial performance for the period 1 April 2024 to 13 December 2024.

2. Reporting Format

- 2.1 This report provides a summary of the Council's financial position.

3. Approved Budget

- 3.1 The 2024-25 budget was approved by Council on 15 February 2024 and the detailed service estimates were subsequently approved by the City Administration Committee on 9 May 2024.
- 3.2 These budgets are shown as "Original Annual Budget", in the attached monitoring statements. In order to monitor financial performance accurately, budgets will be updated each period to reflect new monies, operational changes and any additional approvals.



- 3.3 The key changes to the original budget made up to period 10 are outlined in section 4, below.

4. Revenue Budget

- 4.1 During periods 8 to 10 there has been a net budget increase of £25.6m resulting in a cumulative budget increase of £76.4m to date. Service specific budget changes are summarised in the paragraph below.
- 4.2 The significant budget changes since the start of the year are as follows:
 - 4.2.1 Expenditure budgets across a number of services have increased by a total of £0.6m to reflect previously approved general carry forwards.
 - 4.2.2 Expenditure budgets across all services have increased by a total of £11.3m to reflect the impact of the 2024/25 pay award.
 - 4.2.3 Expenditure budgets within Education Services have increased by £8.7m in respect of the additional funding for the increase in Employers Superannuation for Teachers from 23% to 26%.
 - 4.2.4 Expenditure budgets within Education Services have increased by £1.1m in respect of Probationer Funding from the Scottish Government.
 - 4.2.5 Expenditure budgets within Financial Services have increased by £3.7m to reflect additional Scottish Welfare Fund funding from the Scottish Government.
 - 4.2.6 Income and expenditure budgets within NRS have increased by £11.5m to reflect additional grant funding from the Scottish Government for the Affordable Housing programme.
 - 4.2.7 Income and expenditure budgets within NRS have increased by £0.5m in respect of an additional grant from Strathclyde Partnership for Transport for Consultancy Services.
- 4.3 There have also been adjustments to income and expenditure budgets in line with the Executive Director of Finance's delegated powers and budget realignments between and within various service departments to reflect the transfer of responsibilities and service reconfigurations.

5. Summary Position

Revenues

5.1 Council Tax

- 5.1.1 A probable outturn exercise has now been completed and is projecting that the actual income expected to be collected from council tax is £350.0 million. This is £4.2m more than budget.
- 5.1.2 The council tax collected to 31 December 2024 amounts to £244.0m. This represents 83.19% of the figure to be collected and is 0.32% ahead of last year's equivalent collection figure. The collection target for 2024/25 is 94%.

5.2 Non Domestic Rates

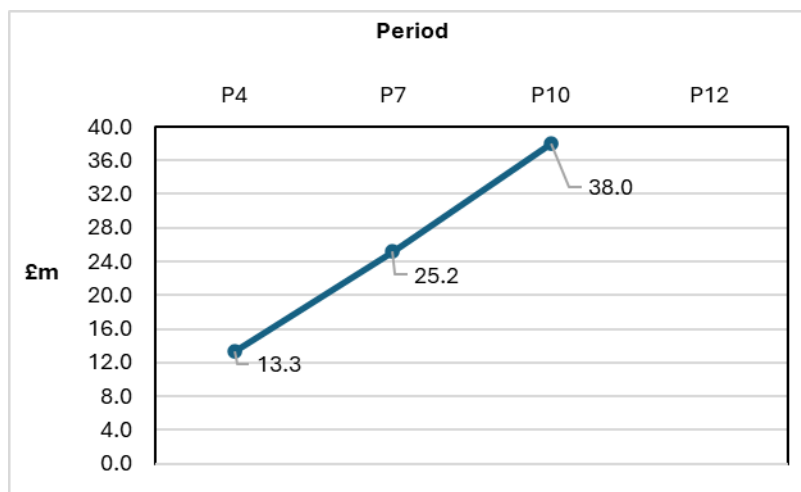
5.2.1 Non Domestic Rates (NDR) income is allocated to councils as part of the local government settlement. The council retains all NDR it collects, however where this varies from the amount included within the Local Government settlement a commensurate increase or decrease is made to the general revenue grant to ensure no overall change in the total revenue support provided by the Scottish Government.

5.2.2 The Non Domestic Rates collected to 31 December 2024 amounts to £347.1m. This represents 79.74% of the figure to be collected and is 2.61% ahead of last year's equivalent collection figure. The collection target for 2024/25 is 91%.

6. General Fund

6.1 Net expenditure is running at 103.6% of profile, representing an overspend of £38.0m. This reflects overspends within Neighbourhoods, Regeneration and Sustainability, Education Services and Related Companies partly offset by an underspend in Financial Services.

6.2 Net Expenditure Position – budget variance:



7. Services

7.1 Neighbourhoods, Regeneration and Sustainability £22.8m

7.1.1 This reflects an overspend of £12.9m in Property Asset Management due to utility supply price increases, increased rent, rates and repairs across the entire GCC property estate.

7.1.2 There are also overspends in Refuse Collection and Disposal due to agency, overtime, transport costs, higher costs relating to waste disposal contractor payments and a shortfall in income, and in Roads Operations mainly due to an increase in streetlighting costs, increased transport and traffic management contractor costs and a shortfall in income. These pressures

are offset by underspends due to staff vacancies where some recruitment is underway and from lower vehicle leasing costs.

7.2 Education Services £13.2m

- 7.2.1 This reflects overspends in staffing associated with ongoing pressures from pupil roll increases and from additional staffing required to meet the increasing complexity of pupil needs in the ASL sector. There are further overspends in pupil transport due to cost increases within the transport sector. Income is under-recovered in Secondary schools in relation to school letting and school meal income and in ASL due to a reduction in the number of placements being recharged due to leavers. These pressures are offset by a non-recurring underspend in Early Years employee costs.

7.3 Financial Services -£1.5m

- 7.3.1 This reflects an underspend in the value of Non-Domestic Rates Empty Property Relief awarded and an underspend in employee costs in CBS. This is off-set by an overspend in Catering and Facilities Management due to an under recovery of income within Encore venues and overspends within employee costs and continued pressure within food provision costs. Benefits are overspent due to the anticipated under recovery of income relating to Housing Benefits, partly offset by the anticipated underspend against Council Tax Reduction.

7.4 Related Companies £3.5m

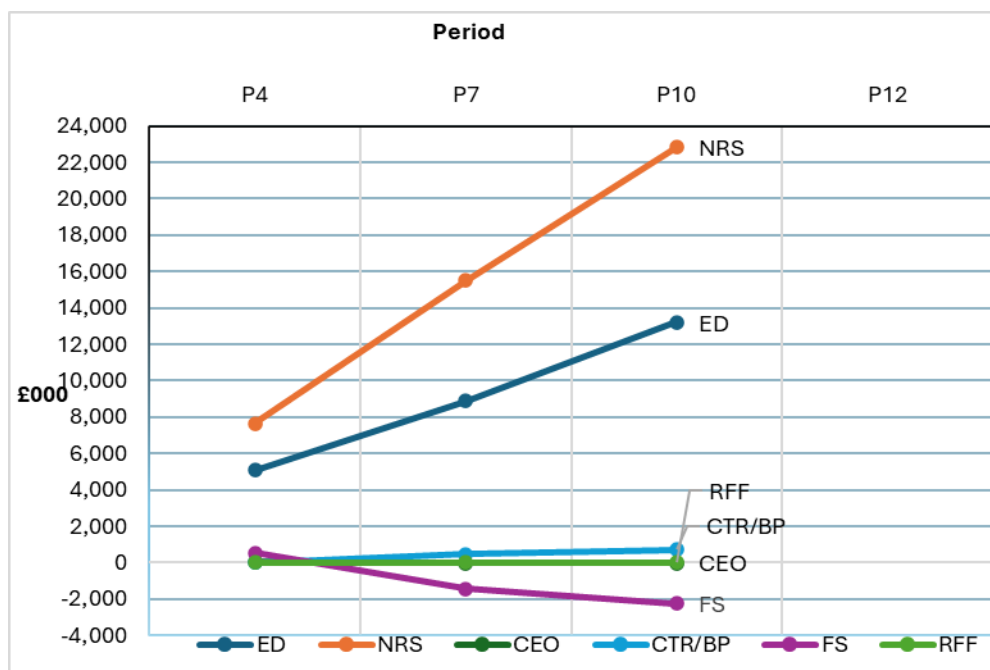
- 7.4.1 This reflects an identified deficit within Glasgow Life (£3.1m) and the RSBI deficit within City Building Joint Venture (£0.4m).

8. Social Work Services

- 8.1 The Glasgow City Integration Joint board (IJB) is now responsible for the planning and commissioning of health and social care services within the city.
- 8.2 While the financial position of Social Work Services continues to be monitored through the Council's existing reporting structures the overall financial position is now the responsibility of the IJB and is therefore reported separately from the General Fund. The Reserves policy of the IJB has resulted in the transfer of previous year underspends to IJB reserves to mitigate any ongoing or future budget pressures.
- 8.3 At period 10 Social Work Services is showing an overspend of £8.7m. This overspend reflects overspends within Adult Services and Children and Families offset by underspends within Older People/Physical Disabilities, Criminal Justice and Resources.

9. Service Variance Comparison

9.1 Service financial performance across the year to date is illustrated below:



10. Forecast

- 10.1 As previously reported, the probable outcome is forecasting a £11.7m draw from the Budget Support Fund as detailed in appendix 1.
- 10.2 The position will continue to be reviewed throughout the remainder of the year and any significant variances reported through the normal monitoring process.
- 10.3 Social Work Services have updated the projection of the net costs of Home Office decisions which are now projected to be £14.9m for 2024-25. However, activity remains volatile which is making predictions hard to do with any degree of accuracy. The impact of this pressure when known is anticipated to be met by a draw from the budget support fund.

11. Recommendations

- 11.1 The City Administration Committee is asked to:
- (I) approve the adjustments relating to the revenue budget at section 4
 - (II) note that this report and all detailed service department reports will be considered by the Finance and Audit Scrutiny Committee.

LIST of Attachments:

- Key Figures
- Council Tax Income
- Non Domestic Rates Income
- General Fund Summary
- Social Work Services Summary

APPENDIX 1

GLASGOW CITY COUNCIL BUDGET MONITORING

KEY FIGURES

PERIOD 10 - 1 April 2024 to 13 December 2024

Measure	Status (Under or Over Budget Profile)	Period 10	Probable
Council Tax Income	Ahead		+£4.2m
Council Tax Collection Rate	Ahead	+0.32%	
Non Domestic Rates Collection Rate	Ahead	+2.61%	
General Fund Net Expenditure	Over	+£34.5m	+£48.3m
<u>Service Departments:</u>			
Chief Executive's Office	On budget		
Education Services	Over	+£13.2m	+£17.9m
Financial Services	Under	-£2.2m	-£2.9m
Financial Services – Benefit Payments	Over	+£0.7m	+£1.0m
Financial Services – Ring Fenced Funds	On budget		
Neighbourhoods, Regeneration and Sustainability	Over	+£22.8m	+£32.3m
		+£34.5m	+£48.3m
Pay award impact			+£3.1m
Glasgow Guarantee release			-£3.4m
Additional General Revenue Grant			-£7.5m
Financing Costs			-£11.2m
Related Companies		+£3.5m	+£5.1m
Reduction in Contribution to Budget Support Fund			-£30.2m
Probable Outturn			Nil
Social Work Services	Over	+£8.7m	+£0.8m
<u>General Fund Balances</u>			
2024-25 Budget Contribution to Budget Support Fund			+£18.5m
Reduction in Contribution			-£30.2m
Revised 2024-25 Contribution from Budget Support Fund			-£11.7m

Glasgow City Council

Budget Monitoring 2024/25

Revenues - Income Monitoring and Cash Collection

Period to 31st December 2024

Council Tax

	Estimate 2024/25 £000	Forecast Outturn 2024/25 £000	Variance £000
Income Monitoring			
	345,879	350,049	4,170

Cash Collection

Month	Actual Cash in Month £000	Actual Cash to Date £000	% of Cash Collected to Date %	Last Year Actual %	Comparison v Last Year %
April	40,497	40,497	13.89	13.41	0.48
May	27,201	67,698	23.05	23.02	0.03
June	24,102	91,800	31.01	31.35	-0.34
July	25,763	117,563	39.65	39.89	-0.24
August	25,039	142,602	48.25	48.67	-0.42
September	25,325	167,927	56.88	57.15	-0.27
October	25,433	193,360	65.62	65.74	-0.12
November	26,865	220,225	74.99	74.65	0.34
December	23,766	243,991	83.19	82.87	0.32
January			0.00	89.48	
February			0.00	92.15	
March			0.00	93.79	

**Total Cash to be Collected
(i.e. net of Council Tax Reduction etc)** **293,293**

Target collection in year (94%) **275,695**

Glasgow City Council

Budget Monitoring 2024/25

Revenues - Cash Collection

Period to 31st December 2024

Non Domestic Rates

Month	Actual Cash in Month £000	Actual Cash to Date £000	% of Cash Collected to Date %	Last Year Actual %	Comparison v Last Year %
April	26,633	26,633	5.90	2.41	3.49
May	32,891	59,524	13.25	11.59	1.66
June	60,941	120,465	26.93	26.28	0.65
July	32,648	153,113	34.29	33.22	1.07
August	31,376	184,489	41.69	40.63	1.06
September	28,268	212,757	47.97	47.08	0.89
October	61,463	274,220	61.90	61.29	0.61
November	34,641	308,861	70.78	69.63	1.15
December	38,201	347,062	79.74	77.13	2.61
January			0.00	83.89	
February			0.00	90.03	
March			0.00	91.54	
Total Cash to be Collected		435,258			
Target collection in year (91%)		396,085			

GLASGOW CITY COUNCIL
2024/25 REVENUE BUDGET : MONITORING REPORT
GENERAL FUND SERVICE SUMMARY

PERIOD 10: 1 APRIL 2024 TO 13 DECEMBER 2024

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure	
				Actual £000	Budgeted £000	Actual £000	Budgeted £000	Actual £000	Budgeted £000	£000	
106,417	17,145	123,562	Chief Executive's Office	92,289	92,412	15,119	15,230	77,170	77,182	-12	
747,988	30,211	778,199	Education Services	557,812	545,440	15,796	16,619	542,016	528,821	13,195	OVER
49,668	3,681	53,349	Financial Services	88,525	91,842	39,390	40,465	49,135	51,377	-2,242	
92,064	-335	91,729	Financial Services - Council Tax Reduction Scheme/Benefit Payments	254,114	254,467	162,833	163,893	91,281	90,574	707	OVER
7,368	3,501	10,869	Financial Services - Ring-fenced Funds	5,705	5,705	0	0	5,705	5,705	0	
195,365	9,924	205,289	Neighbourhoods, Regeneration and Sustainability	383,423	360,583	142,359	142,353	241,064	218,230	22,834	OVER
106,102	5,390	111,492	Related Companies and Joint Boards	89,504	86,013	25	25	89,479	85,988	3,491	OVER
-40,291	0	-40,291	Specific Grant	0	0	283	283	-283	-283	0	
1,264,681	69,517	1,334,198	TOTAL	1,471,372	1,436,462	375,805	378,868	1,095,567	1,057,594	37,973	OVER

Net Expenditure : Rate of Spend as Percentage of Budget to Date

	4	7	10	12
Percentage	103.1%	103.3%	103.6%	

CITY OF GLASGOW COUNCIL
2024/25 REVENUE BUDGET : MONITORING REPORT
SOCIAL WORK SERVICES SUMMARY

PERIOD 10: 1 APRIL 2024 TO 13 DECEMBER 2024

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure	
				Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	£000	
				£000	£000	£000	£000	£000	£000		
563,163	6,950	570,113	Social Work Services	613,885	581,004	270,226	246,034	343,659	334,970	8,689	OVER
-15,482	0	-15,482	Specific Grant	0	0	9,031	9,031	-9,031	-9,031	0	
0	0	0	Transfer from IJB reserves	0	0	8,689	0	-8,689	0	-8,689	
547,681	6,950	554,631	TOTAL	613,885	581,004	287,946	255,065	325,939	325,939	0	

Net Expenditure : Rate of Spend as Percentage of Budget to Date

	4	7	10	12
Percentage	100.0%	100.0%	100.0%	