Financial Outlook 2027-29 noted, after division - Instruction to Chief Executive and Executive Director of Financial Services.

4 There was submitted a report by the Executive Director of Financial Services regarding the draft 2-year spending gap for 2027 to 2029, and the work undertaken to prepare a draft longer-term forecast to 2037, including the costs associated with the new Pay and Grading Structure that is subject to a concurrent report, advising

(1) of several key assumptions and projections for the Local Government Settlement based on Scottish Spending Review 2026 published alongside the Scottish Budget 2026/27 in January 2026 which provided indicative allocations for 2027/28 and 2028/29 that was broadly flat cash and the forward assumption for these and future years was for no growth in the Settlement;

(2) that one of the considerations for pay inflation assumptions was that the Scottish Government Public Sector Pay Policy and that the most recent policy from 2025/26 covered 3 years from 2025 to 2028;

(3) of the Council's committment to meeting the cost of the estimated overspend on homelessness within the Health and Social Care Partnership, as detailed in the report;

(4) that employer pension contributions to Strathclyde Pension Fund (SPF) Contributions would reduce to 15% from April 2027, which had been based on interim work undertaken by SPF during 2025 and that a full triennial acutarial valuation would be undertaken with indicative results expected in the autumn;

(5) of the Pay and Grading Scheme costs, core assumptions relating to the ongoing financial position, and of the financial forecast 2027-29, as detailed in the report;

(6) of the medium term financial forecast and of the key risks in relation to Homelessness, Pay and Grading, financial settlement, probable outturn, delivery of savings and pay inflation; and

(7) that the latest projections had forecast a budget gap of £195.3 million for 2027-29 including Homelessness which the Scottish Government had committed to contributing to the £93 million pressure.

Councillor Aitken, seconded by Councillor Bell, accepted the amendment by Councillor Molyneux and moved that committee

(a) note

 (i) the financial projections, as detailed in the report;

 (ii) with concern that homelessness expenditure was forecast to increase to £75m in 2027/28 and £93m in 2028/29, placing a significant and continuing pressure on the Council's financial position and therefore welcomes the commitment from the Scottish Government to support homelessness in the city and believes that this should take the form of substantial and sustained revenue support as well as a capital investment in both temporary and settled housing stock, and policy flexibilities where appropriate;

(iii) the on-going discussion with the Scottish Government in relation to Homelessness;

(iv) that engagement with COSLA and the Scottish Government on the 2027-29 budgets would continue, highlighting the disproportionate impact of flat cash settlements on Councils and the ongoing failure to failure to deliver both the levels of resourcing and fiscal autonomy required under the European Charter for Local Self-Government;

(b) agrees that representations should continue to be made to both the Scottish and UK Governments on the impact of Home Office decision-making and the application of homelessness legislation;

(c) welcomed the commitment from the Scottish Government to support homelessness in the city; and

(d) instructed the Chief Executive and Executive Director of Financial Services, in consultation with the Public Services Reform and Financial Strategy Political Oversight Group to develop a forward budget strategy to address the financial gap detailed in the report and that it should be presented to this Committee on 17th September 2026.

Councillor Docherty, seconded by Councillor McDougall, moved as an amendment that the committee

(1) notes

(a) the financial projections set out in the report;

(b) with concern that homelessness expenditure is forecast to increase to £75m in 2027/28 and £93m in 2028/29, placing a significant and continuing pressure on the Council's financial position;

(c) that Glasgow City Council has required repeated exceptional interventions from the Scottish Government, including temporary financial flexibilities and one-off funding arrangements, and considers that these measures have failed to provide the long-term certainty required to address homelessness pressures in a sustainable manner; and

(2) instructs the Chief Executive and Executive Director of Financial Services to report on the financial impact on Glasgow of Scotland's homelessness legislative framework, including the abolition of priority need and the operation of local connection arrangements;

(3) instructs the Chief Executive and Executive Director of Financial Services, in consultation with the Glasgow City Health and Social Care Partnership, to bring forward proposals aimed at reducing long-term homelessness expenditure through increased prevention activity, tenancy sustainment, faster access to settled accommodation and reduced reliance on temporary accommodation; and

(4) agrees that representations should continue to be made to both the Scottish and UK Governments regarding policy and funding decisions which contribute to financial pressures on Glasgow City Council.

On a vote being taken by calling the roll, 9 members voted for the amendment and 13 for the motion, with one abstention. The motion was accordingly declared to be carried.