Glasgow City Council

City Administration Committee

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

Contact: Robert Emmott Ext: 73837

Item 1

20th August 2026

BUDGET MONITORING 2026-27: PERIOD 3

Purpose of Report:

This report provides a summary of financial performance for the period 1 April 2026 to 26 June 2026.

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 ☐

1. Introduction

1.1 This report provides a summary of financial performance for the period 1 April 2026 to 26 June 2026.

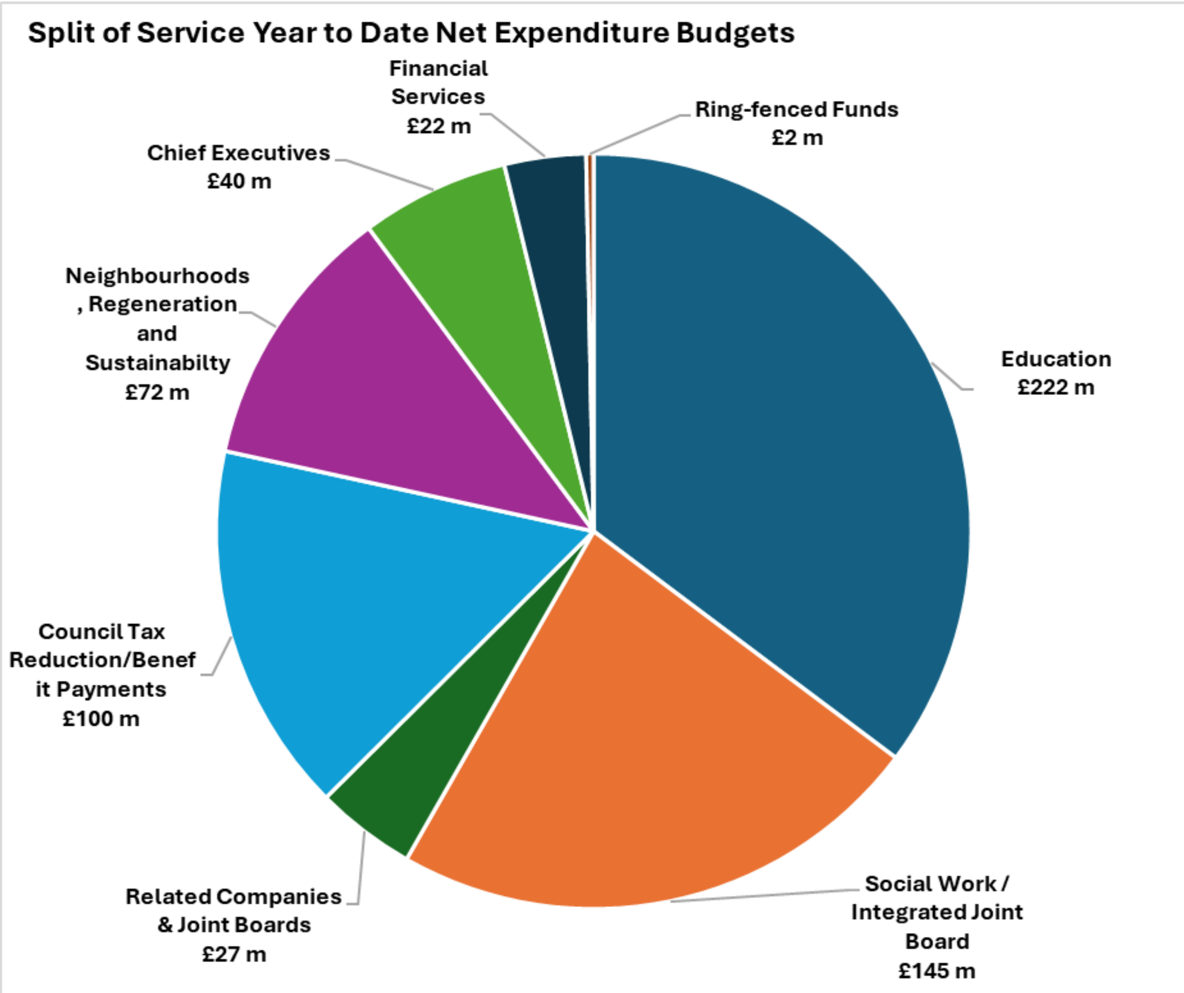
2. Reporting Format

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

3. Approved Budget

3.1 The 2026-27 budget was approved by Council on 24 February 2026 and the detailed service estimates were subsequently approved by the City Administration Committee on 23 April 2026.

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 3 are outlined in section 4, below.

4. Revenue Budget

4.1 Up to period 3 there has been a net budget increase of £10.9m resulting in a cumulative budget increase of £10.9m 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 £7.7m to reflect previously approved general carry forwards.

4.2.2 Income and expenditure budgets within Chief Executives have increased by £14.5m in respect of No One Left Behind, Tackling Child Poverty and All Age Employability Support funding from the Scottish Government.

4.2.3 Income and expenditure budgets within Chief Executives have increased by £2.8m in respect of Local Growth Fund funding from the UK Government.

4.2.4 Net expenditure budgets within Chief Executives have increased by £1.9m to reflect the transfer of Destination Marketing and Marketing Organisation from Glasgow Life. Net expenditure budgets within Related Companies have decreased commensurately to reflect the reduction in the service fee to Glasgow Life following this transfer.

4.2.5 Expenditure budgets within Education services have increased by £2.6m in respect of Probationer Funding from the Scottish Government.

4.2.6 Income and expenditure budgets within Social Work have increased by £6.3m in respect of Criminal Justice funding from the Scottish Government.

4.3 There have also been adjustments to income and expenditure budgets in line with the Executive Director of Financial Service'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 The Council Tax income budget is £403.9m. This will continue to be monitored and further updated in future reports.

5.1.2 The council tax collected to 30 June 2026 amounts to £105.7m. This represents 30.40% of the figure to be collected and is 0.48% behind last year's equivalent collection figure. The collection target for 2026/27 is 94%.

5.2 Non Domestic Rates

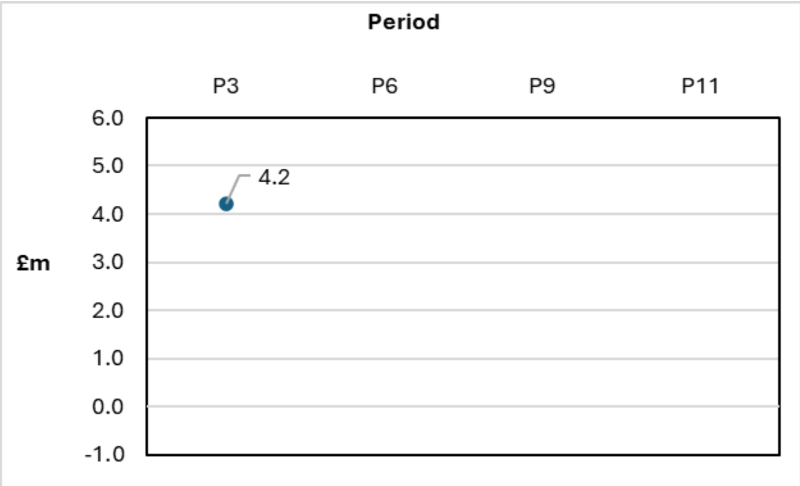
5.2.1 Non Domestic Rates (NDR) income is allocated to councils as part of the local government settlement. The council retains all NDR it collects, however where this varies from the amount included within the Local Government settlement a commensurate increase or decrease is made to the general revenue 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 30 June 2026 amounts to £127.6m**.** This represents 27.90% of the figure to be collected and is 0.54% ahead of last year's equivalent collection figure. The collection target for 2026/27 is 91%.

6. General Fund

6.1 Net expenditure is running at 100.9% of profile, representing an overspend of £4.2m against the budgeted position as at period 3. This reflects overspends within Neighbourhoods, Regeneration and Sustainability and Education Services.

6.2 Net Expenditure Position – budget variance:



6.3 The 2026-27 budget includes approved savings of £23.5m for services. At this stage of the year the forecast is that £17.7m will be achieved. The shortfalls are within Chief Executives service (£0.9m) and NRS (£4.9m). These shortfalls are due to delayed implementation of savings options however it is expected that most of these savings will be realised in full in 2027-28.

6.4 The 2026-27 budget also includes approved investment of £11.1 million for services. There are a number of investments in Neighbourhoods, Regeneration and Sustainability where there have been delays due to the recruitment of new staff, procurement processes and feasibility studies being required. This results in a forecast shortfall in NRS in the current year of £0.9 million.

6.5 The revised implementation plans for delayed savings and investments has been reflected in the profiling of service budgets and is included in the position reported below.

7. Services

7.1 Neighbourhoods, Regeneration and Sustainability £2.3m

7.1.1 This reflects an overspend of £1.5m in Refuse Collection and Disposal due to employee costs as a result of absence levels and a delay in the roll out of service reform projects, transport costs, higher costs relating to waste disposal contractor payments and a shortfall in income. Property repairs are also overspent by £0.4m due to the cost of repairs across the entire GCC estate and utilities costs are overspent by £0.5m due to costs not reducing as anticipated. Roads Operations are overspent by £0.7m mainly as a result of an under recovery of parking income where some savings have not yet been implemented. These pressures are offset by underspends in other areas of the service mainly due to underspends in staffing costs related to vacancies as well as an over recovery of income from planning fees.

7.2 Education Services £1.9m

7.2.1 This reflects an overspend of £2.0m in ASL due to additional staff and transport costs associated with the continued increasing demand in this area as well as an under-recovery of income from purchased placing requests and increased costs in relation to ASL tribunals. The overspend in ASL is being off-set by underspends mainly in employee costs in Early Years where recruitment is ongoing. A number of mitigating actions are being implemented across the service to address the anticipated overspend pressures within ASL across the year and the impact this will have on the service.

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.

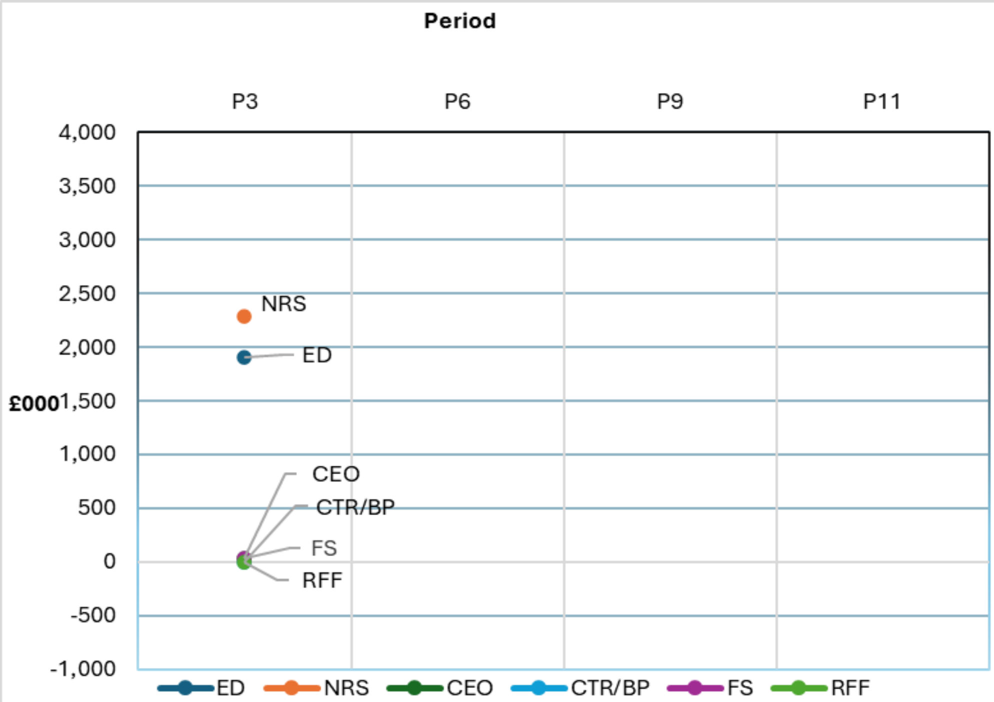
8.2 While the financial position of Social Work Services continues to be monitored through the Council's existing reporting structures the overall financial position is now the responsibility of the IJB and is therefore reported separately from the General Fund. The Reserves policy of the IJB has resulted in the transfer of previous year underspends to IJB reserves to mitigate any ongoing or future budget pressures.

8.3 At period 3 Social Work Services is showing an overspend of £0.2m. This overspend reflects an overspend within Operations and Governance offset by an underspend within Older People Services and Primary Care.

8.4 The council has agreed to underpin the costs of Homelessness associated with Home-Office decision making in 2026-27. To date the costs incurred are £10.8 million. As a short term, one off, measure in 2026-27 the council funded £56.0 million in its budget in respect of Homelessness.

9. Service Variance Comparison

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



10. Forecast

10.1 A probable out-turn will be undertaken at Period 6 and reported in the next monitoring report. Mitigating actions have been identified by management within Education services and NRS to address the ongoing budget pressures and this will be reviewed again at Period 6.

10.2 There continues to be a significant budget pressure from Homelessness currently forecast to be £56 million in the current year. These costs are budgeted to be met as a short term, one off, measure in 2026-27. Actions to address this in 2026-27 are currently being considered however these need to be urgently progressed to minimise the need for significant savings in 2027-28 to address this pressure.

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 3 - 1 April 2026 to 26 June 2026

Measure	Status (Under or Over Budget Profile)	Period 3
Council Tax Income	On line	
Council Tax Collection Rate	Behind	-0.48%
Non Domestic Rates Collection Rate	Ahead	+0.54%
General Fund Net Expenditure	Over	+£4.2m
Service Departments:		
Chief Executive's Office	On budget	
Education Services	Over	+£1.9m
Financial Services	On budget	
Financial Services – Benefit Payments	On budget	
Financial Services – Ring Fenced Funds	On budget	
Neighbourhoods, Regeneration and Sustainability	Over	+£2.3m
Related Companies	On budget	
		+£4.2m
Social Work Services	Over	+£0.2m