

**Glasgow City Council****City Administration Committee****Report by Councillor Richard Bell, Depute Leader and City Treasurer and Convener for Financial Inclusion****Contact: Martin Booth Ext: 73837****BUDGET MONITORING 2024-25; PERIOD 4****Purpose of Report:**

This report provides a summary of financial performance for the period 1 April 2024 to 28 June 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 ☐**PLEASE NOTE THE FOLLOWING:**

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1. Introduction

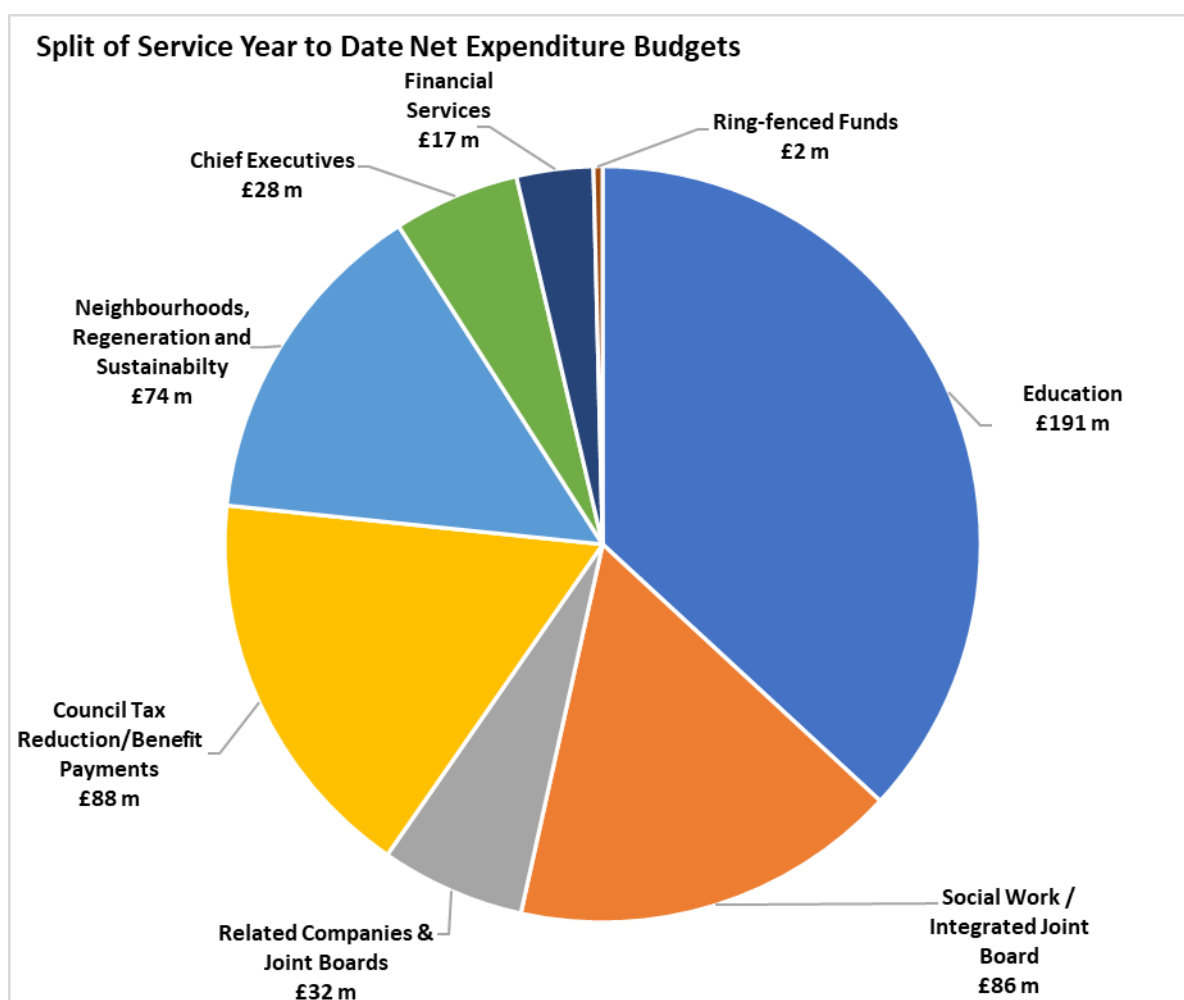
- 1.1 This report provides a summary of financial performance for the period 1 April 2024 to 28 June 2024.

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 4 are outlined in section 4, below.

4. Revenue Budget

4.1 Up to period 4 there has been a net budget increase of £35.5m resulting in a cumulative budget increase of £35.5m 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 £19.1m to reflect previously approved general carry forwards.

4.2.2 Expenditure budgets within Education Services (£4.0m) and Neighbourhoods, Regeneration and Sustainability (£6.7m) have increased by £10.7m to reflect draws from the Budget Support Fund to cover the cost of unachieved savings and for the allocation of budget pressures included in the 2024-25 approved Budget.

4.2.3 Income and expenditure budgets within Chief Executives have increased by £11.3m due to funding received from the Scottish Government for No One Left Behind Tackling Child Poverty (£5.4m) and All Age Employability Support (£5.9m).

4.2.4 Income and expenditure budgets within Education Services have increased by £8.1m due to funding received from the Scottish Government for Strategic Equity Funding (£7.3m) and for the West Collaborative (£0.8m).

4.2.5 Expenditure budgets within Education Services have increased by £1.6m in respect of Probationer Funding from the Scottish Government.

4.2.6 Income and expenditure budgets within Education Services have increased by £0.7m in relation to Glasgow Chamber of Commerce Funding for Developing the Young Workforce.

4.2.7 Expenditure budgets within Related Companies have increased by a total of £4.1m to reflect draws from the Budget Support Fund covering ER/VR costs.

4.2.8 Income and expenditure budgets within Social Work Services have increased by £1.9m as a result of funding received from the Scottish Government for Criminal Justice Recovery funding.

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 The Council Tax income budget is £345.9 million. This will continue to be monitored and further updated provided in future reports.

5.1.2 The council tax collected to 30 June 2024 amounts to £91.8m. This represents 31.01% of the figure to be collected and is 0.34% behind last year's equivalent collection figure. The collection target for 2024/25 is 94%.

5.2 Non Domestic Rates

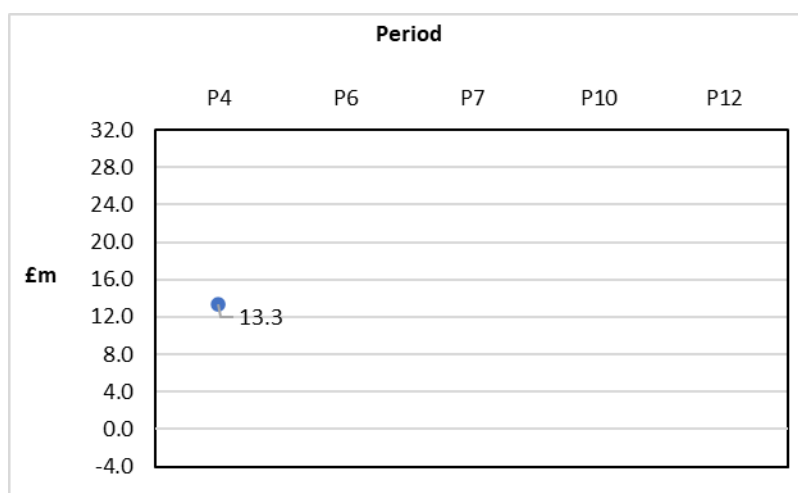
5.2.1 Non Domestic Rates (NDR) income is allocated to councils as part of the local government settlement. The council retains all NDR it collects, however where this varies from the amount included within the Local Government settlement a commensurate increase or decrease is made to the general revenue 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 30 June 2024 amounts to £120.5m. This represents 26.93% of the figure to be collected and is 0.65% 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 103.1% of profile, representing an overspend of £13.3m. This reflects overspends within Neighbourhoods, Regeneration and Sustainability, Education Services and Financial Services.

6.2 Net Expenditure Position – budget variance:



7. Services

7.1 Neighbourhoods, Regeneration and Sustainability £7.7m

7.1.1 This reflects an overspend of £3.7m in Property Asset Management due to utility supply price increases, increased rent, rates, repairs and lower rental income 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 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 £5.1m

- 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 Primary and Secondary schools in relation to school letting and Secondary School meal income is below target. These pressures are offset by a non-recurring underspend in Early Years employee costs.

7.3 Financial Services £0.5m

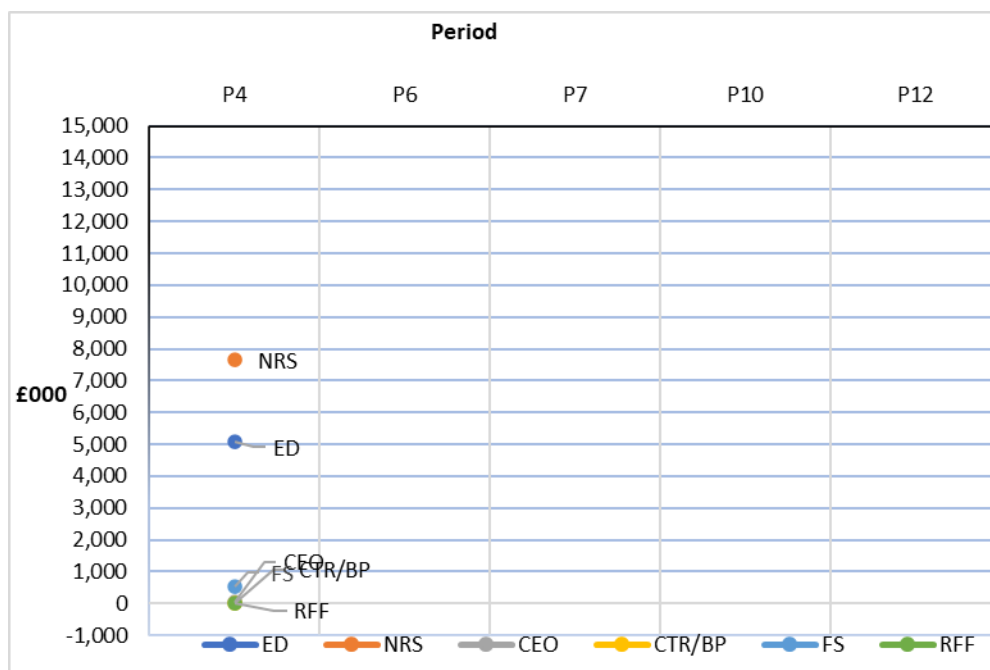
- 7.3.1 This reflects an overspend in Catering and Facilities Management due to an under recovery of income within Encore venues and overspends within employee costs and continued pressure within food provision costs.

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 4 Social Work Services is showing an overspend of £3.3m. 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 Services will require to take actions to bring the overspend position back into line. This will include ceasing non-essential spend and recruiting to essential posts only. This will be kept under review and progress reported through future monitoring reports.

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

**GLASGOW CITY COUNCIL
BUDGET MONITORING**

KEY FIGURES

PERIOD 4 - 1 April 2024 to 28 June 2024

Measure	Status (Under or Over Budget Profile)	Period 4
Council Tax Income	On line	
Council Tax Collection Rate	Behind	-0.34%
Non Domestic Rates Collection Rate	Ahead	+0.65%
General Fund Net Expenditure	Over	+£13.3m
<u>Service Departments:</u>		
Chief Executive's Office	On budget	
Education Services	Over	+£5.1m
Financial Services	Over	+£0.5m
Financial Services – Benefit Payments	On budget	
Financial Services – Ring Fenced Funds	On budget	
Neighbourhoods, Regeneration and Sustainability	Over	+£7.7m
		<hr/> +£13.3m <hr/>
Social Work Services	Over	+£3.3m

Glasgow City Council

Budget Monitoring 2024/25

Revenues - Income Monitoring and Cash Collection

Period to 30th June 2024

Council Tax

Income Monitoring	Estimate 2024/25 £000	Forecast Outturn 2024/25 £000	Variance £000
	345,879	345,879	0

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			0.00	39.89	
August			0.00	48.67	
September			0.00	57.15	
October			0.00	65.74	
November			0.00	74.65	
December			0.00	82.87	
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)** **296,073**

Target collection in year (94%) **278,309**

Glasgow City Council

Budget Monitoring 2024/25

Revenues - Cash Collection

Period to 30th June 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			0.00	33.22	
August			0.00	40.63	
September			0.00	47.08	
October			0.00	61.29	
November			0.00	69.63	
December			0.00	77.13	
January			0.00	83.89	
February			0.00	90.03	
March			0.00	91.54	
Total Cash to be Collected		447,369			
Target collection in year (91%)		407,106			

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

PERIOD 4: 1 APRIL 2024 TO 28 JUNE 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	16,069	122,486	Chief Executive's Office	30,640	30,557	2,700	2,657	27,940	27,900	40	OVER
747,988	7,092	755,080	Education Services	201,489	196,742	4,987	5,321	196,502	191,421	5,081	OVER
49,668	909	50,577	Financial Services	29,463	29,258	12,263	12,583	17,200	16,675	525	OVER
92,064	-335	91,729	Financial Services - Council Tax Reduction Scheme/Benefit Payments	140,311	140,311	52,784	52,784	87,527	87,527	0	
7,368	300	7,668	Financial Services - Ring-fenced Funds	1,742	1,742	0	0	1,742	1,742	0	
195,365	6,775	202,140	Neighbourhoods, Regeneration and Sustainability	129,999	123,764	48,269	49,690	81,730	74,074	7,656	OVER
106,102	4,127	110,229	Related Companies and Joint Boards	32,397	32,397	8	8	32,389	32,389	0	
-40,291	0	-40,291	Specific Grant	0	0	141	141	-141	-141	0	
1,264,681	34,937	1,299,618	TOTAL	566,041	554,771	121,152	123,184	444,889	431,587	13,302	OVER

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

	4	6	7	10	12
Percentage	103.1%				

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

PERIOD 4: 1 APRIL 2024 TO 28 JUNE 2024

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure £000	
				Actual £000	Budgeted £000	Actual £000	Budgeted £000	Actual £000	Budgeted £000		
563,163	562	563,725	Social Work Services	203,217	188,742	110,961	99,816	92,256	88,926	3,330	OVER
-15,482	0	-15,482	Specific Grant	0	0	2,580	2,580	-2,580	-2,580	0	
0	0	0	Transfer from IJB reserves	0	0	3,330	0	-3,330	0	-3,330	
547,681	562	548,243	TOTAL	203,217	188,742	116,871	102,396	86,346	86,346	0	

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

	4	6	7	10	12
Percentage	100.0%				