



**Glasgow City Council**

**City Administration Committee**

**Item 1**

6th November 2025

**Report by Councillor Richard Bell, Depute Leader of the Council, City Treasurer and City Convener for Financial Inclusion**

**Contact: Robert Emmott Ext: 73837**

**BUDGET MONITORING 2025-26; PERIOD 7**

**Purpose of Report:**

This report provides a summary of financial performance for the period 1 April 2025 to 19 September 2025.

**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

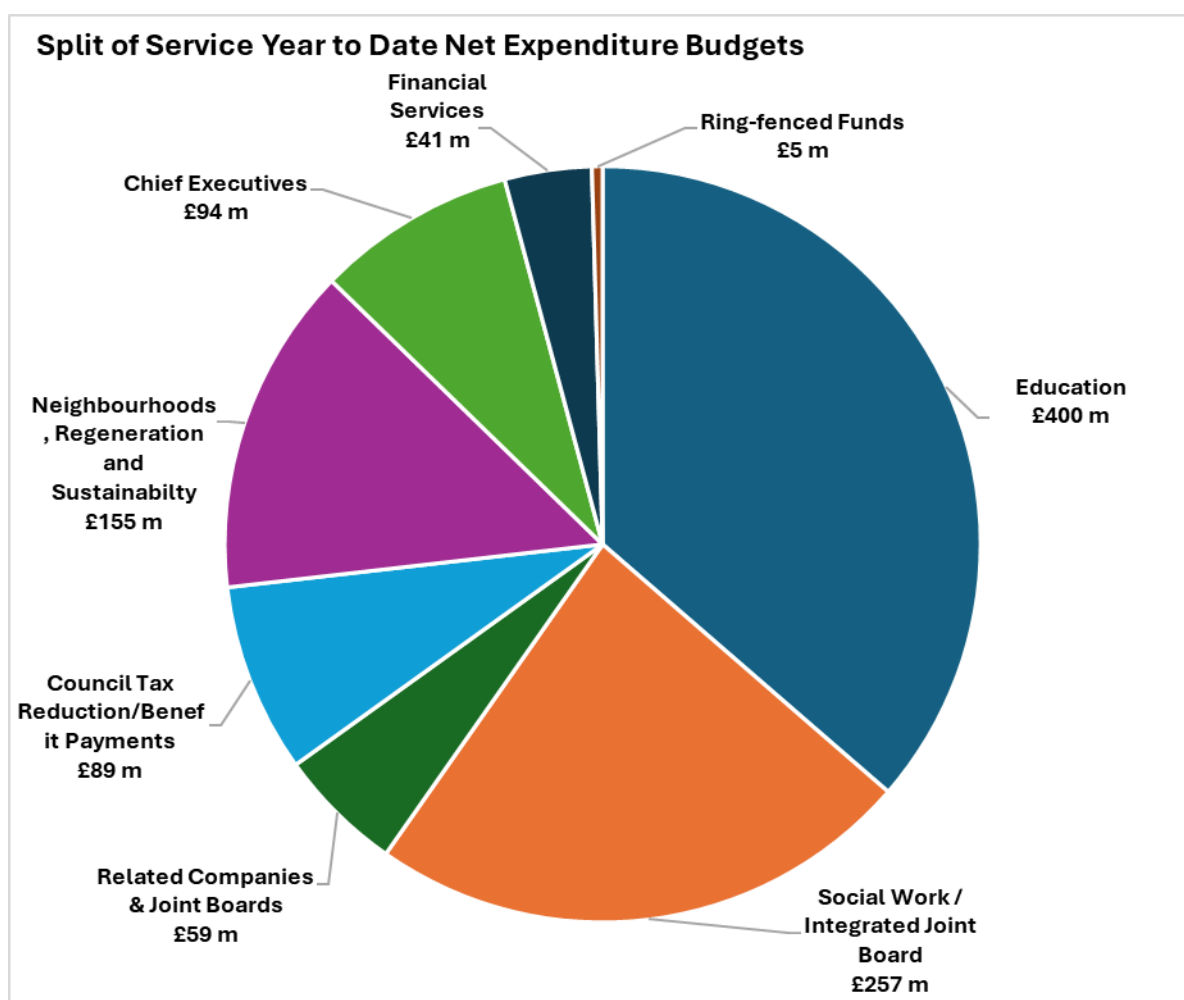
- 1.1 This report provides a summary of financial performance for the period 1 April 2025 to 19 September 2025.

## 2. Reporting Format

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

## 3. Approved Budget

- 3.1 The 2025-26 budget was approved by Council on 20 February 2025 and the detailed service estimates were subsequently approved by the City Administration Committee on 9 May 2025.
- 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 7 are outlined in section 4, below.

#### **4. Revenue Budget**

- 4.1 Up to period 7 there has been a net budget increase of £14.8m resulting in a cumulative budget increase of £24.8m 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 £1.5m to reflect previously approved general carry forwards.
  - 4.2.2 Expenditure budgets across all services have increased by a total of £8.2m in respect of the 2025/26 pay award.
  - 4.2.3 Income and expenditure budgets within Education services have increased by £0.7m as a result of Care Experienced Attainment funding from the Scottish Government.
  - 4.2.4 Income and expenditure budgets within Education services have increased by £7.1m as a result of Strategic Equity funding received from the Scottish Government.
  - 4.2.5 Income and expenditure budgets within Education services have increased by £1.7m as a result of funding received from the Scottish Government for the Scottish Milk and Healthy Snack Scheme.
  - 4.2.6 Expenditure budgets within Education services have increased by £4.8m as a result of Probationer funding received from the Scottish Government.
  - 4.2.7 Income and expenditure budgets within Neighbourhoods, Regeneration and Sustainability have increased by £0.6m as a result of People and Places grant funding received from the Strathclyde Partnership for Transport.
  - 4.2.8 Income and expenditure budgets within Neighbourhoods, Regeneration and Sustainability have increased by £1.0m as a result of the allocation of additional Extended Producers Responsibility funding.
  - 4.2.9 Income and expenditure budgets within Social Work have increased by £0.8m in relation to the estimated Care Experienced Children and Young People (CECYP) 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

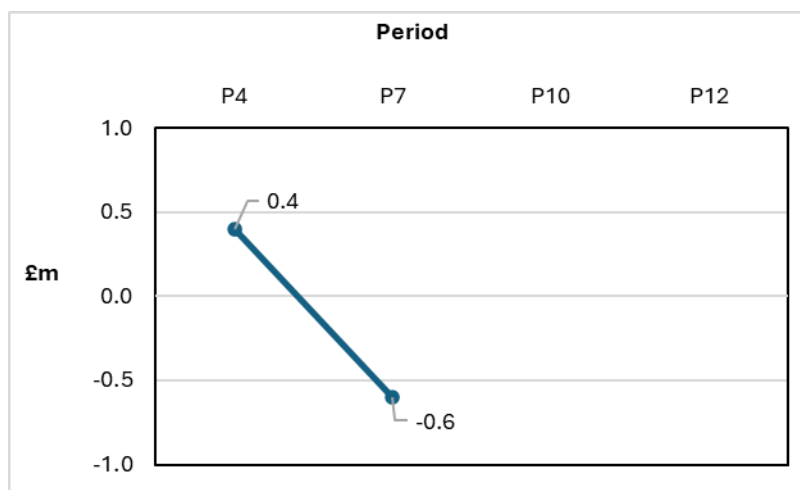
- 5.1.1 A probable outturn exercise has now been completed and is projecting that the actual income expected to be collected from council tax is £379.5 million. This is £2.4m more than budget.
- 5.1.2 The council tax collected to 30 September 2025 amounts to £183.7m. This represents 56.69% of the figure to be collected and is 0.19% behind last year's equivalent collection figure. The collection target for 2025/26 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 September 2025 amounts to £213.9m. This represents 49.05% of the figure to be collected and is 1.08% ahead of last year's equivalent collection figure. The collection target for 2025/26 is 91%.

## 6. General Fund

- 6.1 Net expenditure is running at 99.9% of profile, representing a small underspend against the budgeted position as at period 7. There are small overspends within Neighbourhoods, Regeneration and Sustainability and Chief Executives which are more than offset by underspends in Education, Financial Services and Related Companies.
- 6.2 Net Expenditure Position – budget variance:



- 6.3 The 2025-26 budget includes approved savings of £22.6m for services. At this stage of the year the forecast is that £21.4m will be achieved. The shortfalls are within Chief Executives service (£0.2m) and NRS (£1.0m). These shortfalls are mainly due to delayed implementation of savings options however it is expected that most of these savings will be realised in full in 2026-27.
- 6.4 The 2025-26 budget also includes approved investment of £12.1 million for services. The implementation of investments is progressing. This includes the provision of free school meals for all Primary 6 children from August. This is currently being reviewed as initial uptake hasn't been as high as expected. There are a number of investments in Neighbourhoods, Regeneration and Sustainability with recruitment of new staff progressing with 90% of the posts filled across Streets & Parks service areas, however, this excludes Parking Attendants where 65 posts are being readvertised. This results in a forecast shortfall in NRS in the current year of £3.3 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 £0.1m**

- 7.1.1 This reflects an overspend of £3.1m 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. These pressures are offset by underspends in other areas of the service mainly due to underspends in staffing costs related to vacancies and also to new posts agreed as part of the 2025-26 budget where costs will only be incurred for part of the year as well as an over recovery of income from Planning fees.

### **7.2 Education Services £-0.3m**

- 7.2.1 This reflects an overspend of £3.0m in ASL due to additional staff and transport costs associated with the continued increasing demand in this area. The overspend in ASL is being off-set by underspends mainly in employee costs in Early Years where recruitment is ongoing. There are also underspends in teachers employee costs where additional teachers will be in place from August, but funding is for the full financial year.

### **7.3 Other Services £-0.4m**

- 7.3.1 Financial Services is reporting a small overspend resulting from under recovered Encore income, increased Empty Property Relief charges offset by underspends in employee costs across the service. Chief Executives is

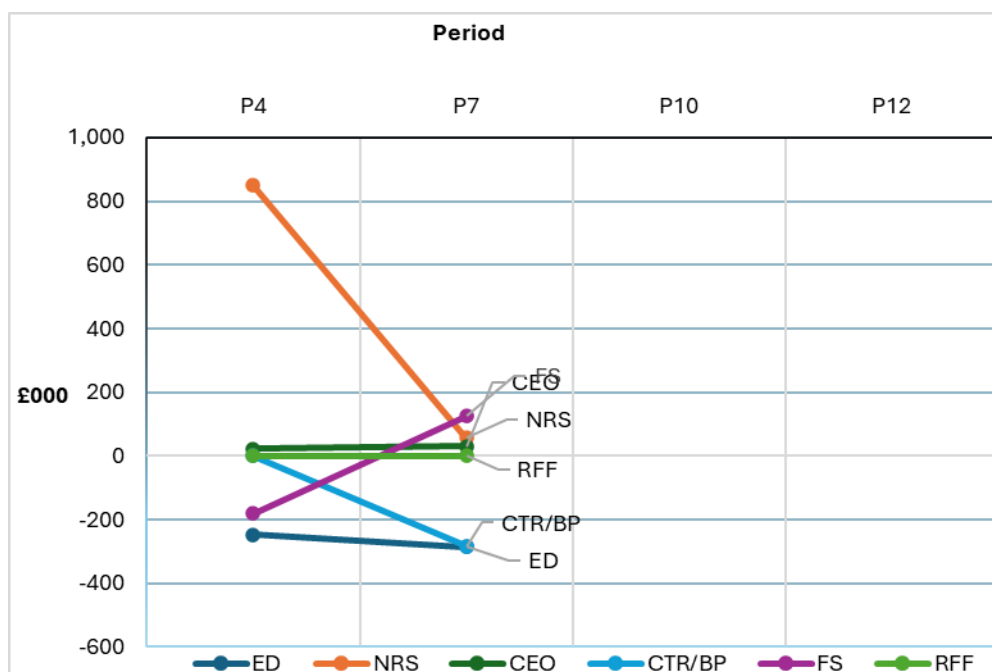
reporting a small overspend mainly due to a lack of attrition and delayed delivery of savings resulting in an overspend in Employee Costs. Related Companies is currently reporting a small underspend as a result of a RSBI surplus within City Building Joint Venture.

## **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 7 Social Work Services is showing an overspend of £1.8m. This overspend reflects overspends within Adult Services, Older People/Physical Disabilities and Children and Families offset by underspends within Criminal Justice and Resources.
- 8.4 The council has agreed to underpin the costs of Homelessness associated with Home-Office decision making in 2025-26. To date the costs incurred are £18.8 million. This is budgeted to be met from the Budget Support Fund in 2025-26. However, these costs are expected to fully extinguish this fund in the current year and so actions are required to address these costs in future years.

## **9. Service Variance Comparison**

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



## 10. Forecast

- 10.1 The probable outturn for the year has been completed. This shows service net direct expenditure over budget by £0.3m as detailed in appendix 1. At this time budget pressures in Education Services due to demand for ASL and within NRS mainly related to Refuse Collection and Disposal are being offset by underspends in other areas of their budgets and also by action being taken by NRS management. This is fully reflected in the probable outturn, however, elements of the underspends are not recurring and so this will need considered as part of the 2026-27 budget.
- 10.2 Social Work Services have also completed a probable outturn for the IJB which indicates that overall net expenditure is anticipated to be £4.7m over budget. This overspend will be met from IJB reserves and has no net impact on the Council's overall financial position.
- 10.3 The probable outturn includes the impact of the pay award for 2025-26 excluding teachers. In respect of teachers pay award the probable reflects the budgeted assumption of 3%. It is assumed that any additional cost resulting from the final agreed pay award will be met by additional funding from the Scottish Government.
- 10.4 Council tax income is projected to be £2.4m greater than budget.
- 10.5 Financing costs are currently projected to be underspent by £8.2m due to a lower level of capital expenditure and associated borrowing than anticipated and higher interest returns on cash balances than budgeted.
- 10.6 Contributions from related companies are anticipated to be £2.2m below budget. This reflects a lower return from City Building related to cost pressures and lower turnover within City Building (Contracts) (£2.6m) offset by an increased return from City Property (£0.4m). In addition, costs in respect of RSBI are under

budget by £0.4m and costs in respect of Glasgow Life are under budget by £0.1m due to utilities costs. The total impact of Related Companies activities is £1.7m above budget.

10.7 In light of the overall position an additional contribution of £9.0m has been allocated to the Insurance Fund to support the ongoing demands experienced by the fund in recent years.

10.8 Overall the probable is forecasting a net overspend of £0.4m which can be met from general reserves. This is after the £8.7m budgeted contribution to the budget support fund. An updated forecast for the budget support fund is detailed below:

Balance as at 1/4/25 +£28.5m

Budgeted Contribution 25/26 +£8.7m

Estimated balance at 31/3/26 +£37.2m

10.9 There continues to be a significant budget pressure from Homelessness currently forecast to be over £37.3 million in the current year. These costs are budgeted to be met mainly from the Budget Support Fund however this would fully use the remaining balance in this fund. 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 2026-27 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 7 - 1 April 2025 to 19 September 2025

| Measure                                         | Status<br>(Under or Over<br>Budget Profile) | Period 7      | Probable      |
|-------------------------------------------------|---------------------------------------------|---------------|---------------|
| Council Tax Income                              | Ahead                                       |               | -£2.4m        |
| Council Tax Collection Rate                     | Behind                                      | -0.19%        |               |
| Non Domestic Rates Collection Rate              | Ahead                                       | +1.08%        |               |
| General Fund Net Expenditure                    | Over                                        | -£0.3m        | +£0.3m        |
| <b><u>Service Departments:</u></b>              |                                             |               |               |
| Chief Executive's Office                        | Over                                        | +£0.1m        | +£0.1m        |
| Education Services                              | Under                                       | -£0.3m        | -£0.1m        |
| Financial Services                              | Over                                        | +£0.1m        | +£0.3m        |
| Financial Services – Benefit Payments           | Under                                       | -£0.3m        | -£0.5m        |
| Financial Services – Ring Fenced Funds          | On budget                                   |               |               |
| Neighbourhoods, Regeneration and Sustainability | Over                                        | +£0.1m        | +£0.5m        |
|                                                 |                                             | <b>-£0.3m</b> | <b>+£0.3m</b> |
| Financing Costs                                 |                                             |               | -£8.2m        |
| Related Companies                               | Under                                       | -£0.3m        | +£1.7m        |
| Additional contribution to the Insurance Fund   |                                             |               | +£9.0m        |
| <b>Probable Outturn</b>                         |                                             |               | <b>+£0.4m</b> |
| Social Work Services                            | Over                                        | +£1.8m        | +£4.7m        |

# Glasgow City Council

## Budget Monitoring 2025/26

### Revenues - Income Monitoring and Cash Collection

Period to 30th September 2025

#### Council Tax

| Income Monitoring | Estimate<br>2025/26<br>£000 | Forecast<br>Outturn<br>2025/26<br>£000 | Variance<br>£000 |
|-------------------|-----------------------------|----------------------------------------|------------------|
|                   | 377,086                     | 379,480                                | 2,394            |

#### Cash Collection

| Month     | Actual Cash<br>in Month<br>£000 | Actual Cash<br>to Date<br>£000 | % of Cash<br>Collected to Date<br>% | Last Year<br>Actual<br>% | Comparison<br>v Last Year<br>% |
|-----------|---------------------------------|--------------------------------|-------------------------------------|--------------------------|--------------------------------|
| April     | 46,545                          | 46,545                         | 14.56                               | 13.89                    | 0.67                           |
| May       | 25,246                          | 71,791                         | 22.30                               | 23.05                    | -0.75                          |
| June      | 28,339                          | 100,130                        | 30.88                               | 31.01                    | -0.13                          |
| July      | 29,530                          | 129,660                        | 39.88                               | 39.65                    | 0.23                           |
| August    | 26,424                          | 156,084                        | 48.17                               | 48.25                    | -0.08                          |
| September | 27,591                          | 183,675                        | 56.69                               | 56.88                    | -0.19                          |
| October   |                                 |                                | 0.00                                | 65.62                    |                                |
| November  |                                 |                                | 0.00                                | 74.99                    |                                |
| December  |                                 |                                | 0.00                                | 83.19                    |                                |
| January   |                                 |                                | 0.00                                | 89.32                    |                                |
| February  |                                 |                                | 0.00                                | 92.23                    |                                |
| March     |                                 |                                | 0.00                                | 93.37                    |                                |

**Total Cash to be Collected  
(i.e. net of Council Tax Reduction etc)** **324,017**

**Target collection in year (94%)** **304,576**

# Glasgow City Council

## Budget Monitoring 2025/26

### Revenues - Cash Collection

Period to 30th September 2025

#### Non Domestic Rates

| Month                           | Actual Cash<br>in Month<br>£000 | Actual Cash<br>to Date<br>£000 | % of Cash<br>Collected to Date<br>% | Last Year<br>Actual<br>% | Comparison<br>v Last Year<br>% |
|---------------------------------|---------------------------------|--------------------------------|-------------------------------------|--------------------------|--------------------------------|
| April                           | 24,112                          | 24,112                         | 5.42                                | 5.90                     | -0.48                          |
| May                             | 33,940                          | 58,052                         | 13.16                               | 13.25                    | -0.09                          |
| June                            | 62,336                          | 120,388                        | 27.36                               | 26.93                    | 0.43                           |
| July                            | 30,362                          | 150,750                        | 34.42                               | 34.29                    | 0.13                           |
| August                          | 30,470                          | 181,220                        | 41.43                               | 41.69                    | -0.26                          |
| September                       | 32,695                          | 213,915                        | 49.05                               | 47.97                    | 1.08                           |
| October                         |                                 |                                | 0.00                                | 61.90                    |                                |
| November                        |                                 |                                | 0.00                                | 70.78                    |                                |
| December                        |                                 |                                | 0.00                                | 79.74                    |                                |
| January                         |                                 |                                | 0.00                                | 85.32                    |                                |
| February                        |                                 |                                | 0.00                                | 90.40                    |                                |
| March                           |                                 |                                | 0.00                                | 92.06                    |                                |
| Total Cash to be Collected      |                                 | 436,075                        |                                     |                          |                                |
| Target collection in year (91%) |                                 | 396,828                        |                                     |                          |                                |

**GLASGOW CITY COUNCIL**  
**2025/26 REVENUE BUDGET : MONITORING REPORT**  
**GENERAL FUND SERVICE SUMMARY**

PERIOD 7: 1 APRIL 2025 TO 19 SEPTEMBER 2025

| Original<br>Annual<br>Budget<br>£000 | Approved<br>Changes<br>£000 | Revised<br>Budget<br>£000 | Department                                                         | Total Expenditure |           | Total Income |          | Net Expenditure |          | Variance<br>on Net<br>Expenditure<br>£000 |      |
|--------------------------------------|-----------------------------|---------------------------|--------------------------------------------------------------------|-------------------|-----------|--------------|----------|-----------------|----------|-------------------------------------------|------|
|                                      |                             |                           |                                                                    | Actual            | Budgeted  | Actual       | Budgeted | Actual          | Budgeted |                                           |      |
|                                      |                             |                           |                                                                    | £000              | £000      | £000         | £000     | £000            | £000     |                                           |      |
| 125,379                              | 1,661                       | 127,040                   | Chief Executive's Office                                           | 108,120           | 107,875   | 13,595       | 13,381   | 94,525          | 94,494   | 31                                        | OVER |
| 822,395                              | 38,471                      | 860,866                   | Education Services                                                 | 407,992           | 408,214   | 8,395        | 8,332    | 399,597         | 399,882  | -285                                      |      |
| 49,988                               | 615                         | 50,603                    | Financial Services                                                 | 64,736            | 65,009    | 24,052       | 24,451   | 40,684          | 40,558   | 126                                       | OVER |
| 100,027                              | 0                           | 100,027                   | Financial Services - Council Tax Reduction Scheme/Benefit Payments | 180,595           | 180,865   | 91,631       | 91,618   | 88,964          | 89,247   | -283                                      |      |
| 7,368                                | 2,859                       | 10,227                    | Financial Services - Ring-fenced Funds                             | 5,149             | 5,149     | 0            | 0        | 5,149           | 5,149    | 0                                         |      |
| 219,461                              | -26,684                     | 192,777                   | Neighbourhoods, Regeneration and Sustainability                    | 250,284           | 249,378   | 95,621       | 94,772   | 154,663         | 154,606  | 57                                        | OVER |
| 110,061                              | 794                         | 110,855                   | Related Companies and Joint Boards                                 | 58,360            | 58,628    | 6            | 6        | 58,354          | 58,622   | -268                                      |      |
| -23,789                              | -20                         | -23,809                   | Specific Grant                                                     | 0                 | 0         | 146          | 146      | -146            | -146     | 0                                         |      |
| 1,410,890                            | 17,696                      | 1,428,586                 | TOTAL                                                              | 1,075,236         | 1,075,118 | 233,446      | 232,706  | 841,790         | 842,412  | -622                                      |      |

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

|            |        |       |    |    |
|------------|--------|-------|----|----|
|            | 4      | 7     | 10 | 12 |
| Percentage | 100.1% | 99.9% |    |    |

CITY OF GLASGOW COUNCIL  
2025/26 REVENUE BUDGET : MONITORING REPORT  
SOCIAL WORK SERVICES SUMMARY

PERIOD 7: 1 APRIL 2025 TO 19 SEPTEMBER 2025

| Original<br>Annual<br>Budget<br>£000 | Approved<br>Changes<br>£000 | Revised<br>Budget<br>£000 | Department                 | Total Expenditure |          | Total Income |          | Net Expenditure |          | Variance<br>on Net<br>Expenditure<br>£000 |      |
|--------------------------------------|-----------------------------|---------------------------|----------------------------|-------------------|----------|--------------|----------|-----------------|----------|-------------------------------------------|------|
|                                      |                             |                           |                            | Actual            | Budgeted | Actual       | Budgeted | Actual          | Budgeted |                                           |      |
|                                      |                             |                           |                            | £000              | £000     | £000         | £000     | £000            | £000     | £000                                      |      |
| 591,959                              | 5,846                       | 597,805                   | Social Work Services       | 418,905           | 412,643  | 154,639      | 150,153  | 264,266         | 262,490  | 1,776                                     | OVER |
| -15,482                              | 1,206                       | -14,276                   | Specific Grant             | 0                 | 0        | 5,948        | 5,948    | -5,948          | -5,948   | 0                                         |      |
| 0                                    | 0                           | 0                         | Transfer from IJB reserves | 0                 | 0        | 1,776        | 0        | -1,776          | 0        | -1,776                                    |      |
| 576,477                              | 7,052                       | 583,529                   | TOTAL                      | 418,905           | 412,643  | 162,363      | 156,101  | 256,542         | 256,542  | 0                                         |      |

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

|            |        |        |    |    |
|------------|--------|--------|----|----|
|            | 4      | 7      | 10 | 12 |
| Percentage | 100.0% | 100.0% |    |    |