

## **UK Labour budget fails to deliver for Glasgow and Scotland – Motion as adjusted approved, after division.**

**10** Councillor Bell, seconded by Councillor Aitken, moved that:-

“Council notes with concern that the UK Labour Government Budget once again fails to deliver for Glasgow and Scotland, and that despite promises of prosperity, families face higher bills, rising unemployment, and stagnant growth. Council believes that public confidence in Westminster is broken.

Council agrees with the Office for Budget Responsibility that the Budget will not boost growth, leaves the UK with unsustainable debt and record interest costs, that fiscal headroom is based on unrealistic assumptions and falls fall short of delivering meaningful reform. While Council welcomes the belated ending of the two-child cap, Council notes that families have been pushed further into poverty during the year it was kept in place by Labour and that its retention has caused huge damage to the wellbeing of tens of thousands of children in Scotland.

Council believes that the UK government is still failing to take meaningful action to reduce child and family poverty and must commit to matching the Scottish Government's investments in measures such as the Scottish Child Payment. Council further notes, for example, that although Scottish income tax rates remain unchanged, UK threshold freezes will push many already struggling households into poverty by bringing them into a tax-paying bracket for the first time, and that this comes on top of household energy bills now being an average £340 higher than when the government took office, despite its promises to the contrary.

Council further notes that claims of record support for Scotland are misleading: that additional funding is modest and uncertain and does not cover even half the forecast cost to the Scottish Government of the rise in Employer's National Insurance contributions, and that UK threshold freezes are among measures that will further reduce Scotland's devolved budget.

Council further notes that while English regions receive multi-year settlements, the Chancellor yet again missed the opportunity to provide parity for cities in devolved nations, including Glasgow, further disadvantaging them and creating risk of falling behind in investment and growth. Council agrees with the UK Core Cities that this continued inequity for city regions in the devolved nations is unfair and unsustainable and supports calls for parity of capital funding.

In contrast, Council warmly welcomes the announcement by the First Minister at the annual State of the City Region Economy conference, committing to bring forward enabling legislation to allow Scotland's city regions - beginning with the Glasgow City Region - to seek legal status and devolution of powers and resource relating to, for example, skills, enterprise, business growth, inward investment, transport, development and land use, and believes that this has genuinely transformational potential for people and places across the region.

Council therefore instructs the Chief Executive to write to the Chancellor to call for her to deliver genuine fiscal reform to secure sustainable funding for public

services; to urgently provide for parity of funding between the Glasgow City Region and English metro regions; and to address policies harming Glasgow's communities and economy."

Councillor Hussain, seconded by Councillor Vallis, moved as an amendment to delete all and insert the following:-

"Council notes the UK Labour Government's Autumn Budget announced on 26th November 2025, which sets out measures aimed at reducing the cost of living, tackling child poverty, and supporting economic growth. Key announcements include the abolition of the two-child benefit cap from April 2026, expected to lift approximately 450,000 children out of poverty nationally; a rise in the National Minimum Wage to £12.71 for over-21s from April 2026; energy bill reductions through reform of renewable subsidy funding and an additional £1.5 billion investment in the Warm Homes Plan; and continued freeze on fuel duty alongside new investment in health services.

Council further notes that these measures will have significant implications for Glasgow residents and for the Council's own financial planning and service delivery. Glasgow currently faces child poverty rates of around 36%, and fuel poverty remains a major challenge, particularly in older housing stock. These changes align with Glasgow's Strategic Plan priorities on tackling poverty and inequality, delivering a fairer economy.

Council notes that the Budget provides an additional £820 million for the Scottish Government, which will flow through the Scottish block grant to support devolved services such as health, education, and housing. Council further notes that this is on top of £9.1 billion already committed during the recent Spending Review by the UK Labour Government, bringing total additional funding for Scotland to nearly £10 billion. Council emphasises the importance of these resources being used effectively and calls for a fair allocation to ensure Glasgow receives an equitable share.

Council resolves to;

- Write to the Scottish Government requesting a detailed breakdown of the allocation of funds received from the UK Labour Government, to ensure Glasgow receives an equitable share.
- Agree to engage with COSLA and other Scottish councils to ensure fair distribution of resources and to advocate for local government's role in delivering national priorities.
- Reaffirms Glasgow City Council's commitment to tackling child poverty, supporting fair work, and to ensure that local strategies reflect the opportunities and challenges arising from the Autumn Budget.

Councillor Molyneux, seconded by Councillor Gallagher, moved as an amendment-

- (1) that in the second paragraph replace "boost growth" with "support sustainable and inclusive growth" and remove one of the repeated uses of "fall";

(2) to delete the fourth paragraph ending “promises to the contrary.” and replace with the following:

“Council notes that the freezing of the personal allowance and all income tax thresholds risks pushing many already struggling households into poverty by bringing them into a tax-paying bracket for the first time and that this comes on top of household energy bills now being an average £340 higher than when the government took office, despite its promises to the contrary. Council further notes that threshold freezes have a potential impact on the Scottish budget due to block grant adjustments. Council considers that personal taxes should protect those on low incomes as far as possible and commends the progressive seven band system agreed by the Scottish Parliament.”;

(3) that at the end of original fifth paragraph ending “...Scotland’s devolved budget.”, add the following:

“Council notes the modest steps in the budget to tax wealth more but believes a more comprehensive approach to wealth taxation could have raised substantial additional investment for public services and to tackle poverty and inequality, and calls on the Scottish Government to do more to tax wealth within the scope of devolved powers.”;

(4) that in the original seventh paragraph

- (a) between “for example,” and “skills,” add “decarbonisation,” ;
- (b) between “inward investment,” and “transport,” add “community wealth building,”; and
- (c) between “transport,” and “development,” add “housing,”;

(5) that after the original seventh paragraph, insert the following new paragraph:

“Council believes the city region should have wide-ranging powers, including financial powers like rates retention, precepting powers, land value capture, capital financing powers and direct tax powers. However, Council also considers there is a risk that extending such powers within the current governance model risks creating a democratic deficit, and therefore believes additional powers should be accompanied by greater democratic accountability, representativeness and citizen participation. However, given that Scotland has adopted proportional forms of representation at local and national levels, it would be a retrograde step to concentrate power in a single person, so Council opposes directly elected mayors/provosts, unless as part of a wider, representative and accountable structure.”; and

(6) that after the original eighth paragraph, insert the following new paragraph:

“Council also instructs the Chief Executive to write to the Cabinet Secretary for Finance calling for the Scottish Budget to deliver a real terms increase in

local government funding to at least £16bn, greater funding flexibilities for councils and an immediate investment of £750m in social care as requested by COSLA, as well as targeted support to meet Glasgow's homelessness pressures, and for this to be funded by progressive use of devolved tax powers, including opportunities to tax wealth."

Councillor Hutchison, seconded by Bailie Hoy, moved as an amendment to delete all and insert the following:-

Council laments the decades of austerity politics which have led us into the current disastrous position in which UK public debt interest payments amount to £111 billion or 8.3% of total public spending this year.

Council notes with concern analysis by the London School of Economics which found that austerity measures led to 190,000 excess deaths across the UK and exacerbated existing health inequalities between regions, with Glasgow City Region among the hardest hit.

Council agrees that the abolition of the two-child cap is welcome, but notes that this policy was completely inhumane and should never have been introduced. Council believes that the £155 million which the Scottish Government had allocated to mitigate the impact of this cruel policy must be directed towards other policies which will reduce child poverty, for example by increasing the rate of the Scottish Child Payment.

Council notes that the Scottish Women's Budget Group has pointed out that the biggest omission in the budget is social infrastructure, with no commitments in relation to care infrastructure or support for care services, childcare or social care, all of which are crucial for advancing women's equality.

Council acknowledges that the 3-year freeze in personal tax thresholds between 2028 and 2031 will result in basic rate taxpayers paying £220 more tax per year. The Jimmy Reid Foundation notes that the average household will be £850 worse off over the course of the parliament.

Council notes that this budget was a wasted opportunity for the introduction of meaningful wealth taxes, a policy direction which is supported by 75% of adults across the political spectrum according to a July 2025 YouGov poll.

Council supports COSLA's manifesto requests for increased, multi-year, flexible funding for local government, including additional investment in social care, and for meaningful progress on exploring place-based funding.

Council notes its concern that the Glasgow City Region is not a fully democratically representative body and expresses its strong preference for funding to be devolved directly to local authorities unless and until a more democratic and transparent structure is implemented. Council notes recent recommendations from Centre for Cities that Glasgow City Region be made more democratically accountable.

Council therefore instructs the Chief Executive to write to the Chancellor to call for her to deliver genuine fiscal reform to secure sustainable funding for public services and to address policies harming Glasgow's communities and economy, and to write to the Cabinet Secretary for Finance and Local Government calling on her to prioritise spending on policies which will reduce child poverty such as increasing the rate of the Scottish Child Payment, as well as addressing COSLA's manifesto requests for fairer funding for local authorities."

Councillor Bell, with the approval of his seconder, accepted the amendment by Councillor Molyneux, resulting in the following adjusted motion:-

"Council notes with concern that the UK Labour Government Budget once again fails to deliver for Glasgow and Scotland, and that despite promises of prosperity, families face higher bills, rising unemployment, and stagnant growth. Council believes that public confidence in Westminster is broken.

Council agrees with the Office for Budget Responsibility that the Budget will not support sustainable and inclusive growth, leaves the UK with unsustainable debt and record interest costs, that fiscal headroom is based on unrealistic assumptions and falls short of delivering meaningful reform. While Council welcomes the belated ending of the two child cap, Council notes that families have been pushed further into poverty during the year it was kept in place by Labour and that its retention has caused huge damage to the wellbeing of tens of thousands of children in Scotland.

Council believes that the UK government is still failing to take meaningful action to reduce child and family poverty and must commit to matching the Scottish Government's investments in measures such as the Scottish Child Payment.

Council notes that the freezing of the personal allowance and all income tax thresholds risks pushing many already struggling households into poverty by bringing them into a tax-paying bracket for the first time and that this comes on top of household energy bills now being an average £340 higher than when the government took office, despite its promises to the contrary. Council further notes that threshold freezes have a potential impact on the Scottish budget due to block grant adjustments. Council considers that personal taxes should protect those on low incomes as far as possible and commends the progressive seven band system agreed by the Scottish Parliament.

Council further notes that claims of record support for Scotland are misleading: that additional funding is modest and uncertain and does not cover even half the forecast cost to the Scottish Government of the rise in Employer's National Insurance contributions, and that UK threshold freezes are among measures that will further reduce Scotland's devolved budget. Council notes the modest steps in the budget to tax wealth more but believes a more comprehensive approach to wealth taxation could have raised substantial additional investment for public services and to tackle poverty and inequality, and calls on the Scottish Government to do more to tax wealth within the scope of devolved powers.

Council further notes that while English regions receive multi-year settlements, the Chancellor yet again missed the opportunity to provide parity for cities in devolved

nations, including Glasgow, further disadvantaging them and creating risk of falling behind in investment and growth. Council agrees with the UK Core Cities that this continued inequity for city regions in the devolved nations is unfair and unsustainable and supports calls for parity of capital funding.

In contrast, Council warmly welcomes the announcement by the First Minister at the annual State of the City Region Economy conference, committing to bring forward enabling legislation to allow Scotland's city regions - beginning with the Glasgow City Region - to seek legal status and devolution of powers and resource relating to, for example, decarbonisation, skills, enterprise, business growth, inward investment, community wealth building, transport, housing, development and land use, and believes that this has genuinely transformational potential for people and places across the region.

Council believes the city region should have wide-ranging powers, including financial powers like rates retention, precepting powers, land value capture, capital financing powers and direct tax powers. However, Council also considers there is a risk that extending such powers within the current governance model risks creating a democratic deficit, and therefore believes additional powers should be accompanied by greater democratic accountability, representativeness and citizen participation. However, given that Scotland has adopted proportional forms of representation at local and national levels, it would be a retrograde step to concentrate power in a single person, so Council opposes directly elected mayors/provosts, unless as part of a wider, representative and accountable structure.

Council therefore instructs the Chief Executive to write to the Chancellor to call for her to deliver genuine fiscal reform to secure sustainable funding for public services; to urgently provide for parity of funding between the Glasgow City Region and English metro regions; and to address policies harming Glasgow's communities and economy.

Council also instructs the Chief Executive to write to the Cabinet Secretary for Finance calling for the Scottish Budget to deliver a real terms increase in local government funding to at least £16bn, greater funding flexibilities for councils and an immediate investment of £750m in social care as requested by COSLA, as well as targeted support to meet Glasgow's homelessness pressures, and for this to be funded by progressive use of devolved tax powers, including opportunities to tax wealth.

On a vote being taken electronically and by calling the roll, 3 voted for the amendment by Councillor Hutchison, 26 for the amendment by Councillor Hussain and 39 for the motion as adjusted, with 1 abstention.

The motion, as adjusted was accordingly declared to be carried.