



Glasgow City Council

City Administration Committee

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

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Item 1

21st August 2025

BUDGET MONITORING 2025-26; PERIOD 4

Purpose of Report:

This report provides a summary of financial performance for the period 1 April 2025 to 27 June 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 ☐

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1. Introduction

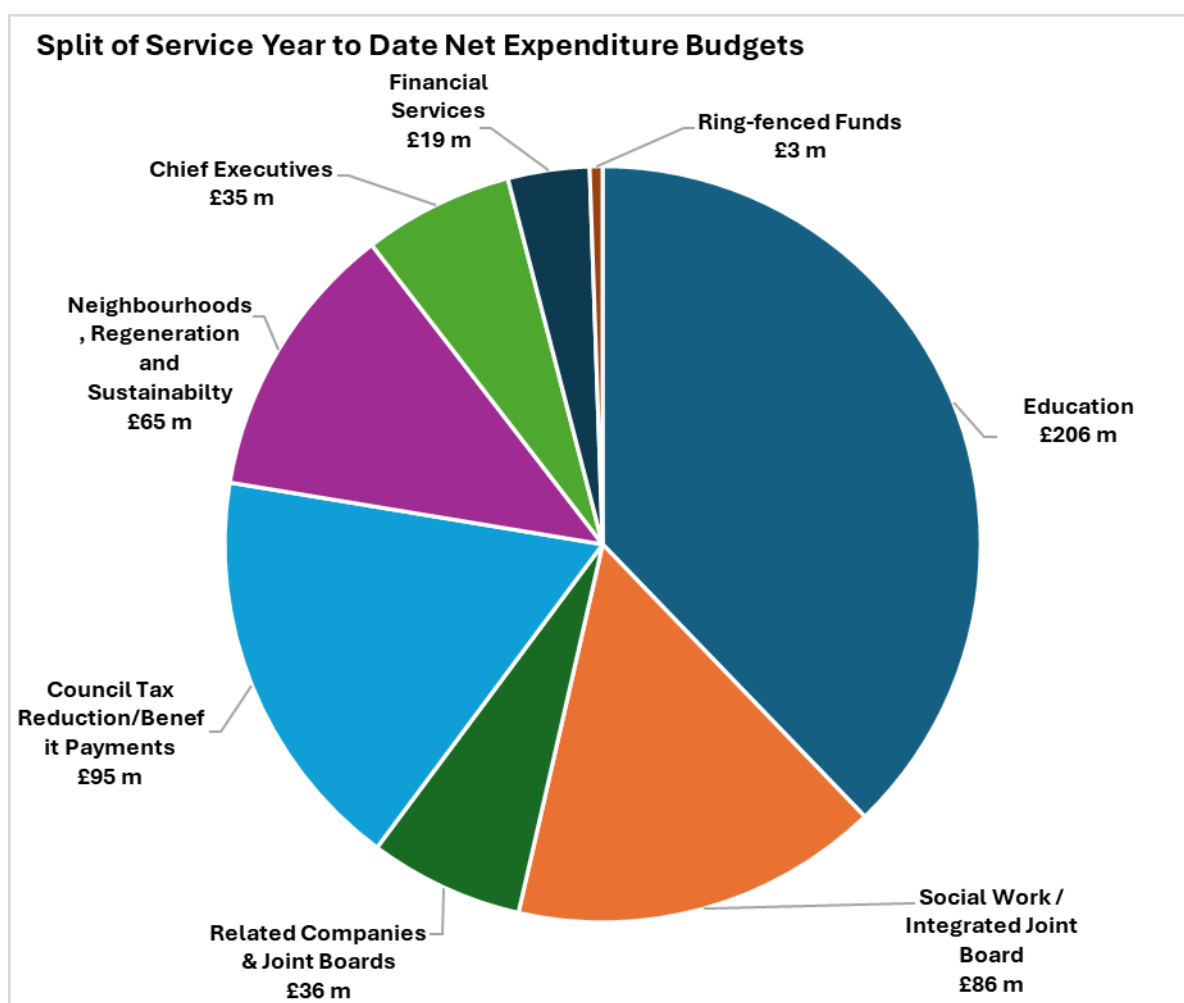
- 1.1 This report provides a summary of financial performance for the period 1 April 2025 to 27 June 2025.

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 4 are outlined in section 4, below.

4. Revenue Budget

- 4.1 Up to period 4 there has been a net budget increase of £10.0m resulting in a cumulative budget increase of £10.0m 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 £7.9m to reflect previously approved general carry forwards.
 - 4.2.2 Income and expenditure budgets within Chief Executives have increased by £12.9m as a result of funding received from the Scottish Government for No One Left Behind, Tackling Child Poverty and All Age Employability Support.
 - 4.2.3 Income and expenditure budgets within Chief Executives have increased by £9.1m as a result of funding received from the UK Government for the Shared Prosperity Fund.
 - 4.2.4 Income and expenditure budgets within Education services have increased by £0.7m as a result of funding received from the Glasgow Chamber of Commerce for Developing the Young Workforce.
 - 4.2.5 Income and expenditure budgets within Education services have increased by £1.1m as a result of funding received from Sportscotland for Active Schools.
 - 4.2.6 Expenditure budgets within Education services have increased by £2.0m as a result of funding received from the Scottish Government for Probationer Funding.
 - 4.2.7 Expenditure budgets within Social Work increased by £4.2m and income budgets increased by £5.4m as a result of a reduction in the ring-fenced funding and an overall funding increase from Scottish Government for Criminal Justice.
- 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 £377.1m. This will continue to be monitored and further updated in future reports.

5.1.2 The council tax collected to 30 June 2025 amounts to £100.1m. This represents 30.88% of the figure to be collected and is 0.13% behind last year's equivalent collection figure. The collection target for 2025/26 is 94%.

5.2 Non Domestic Rates

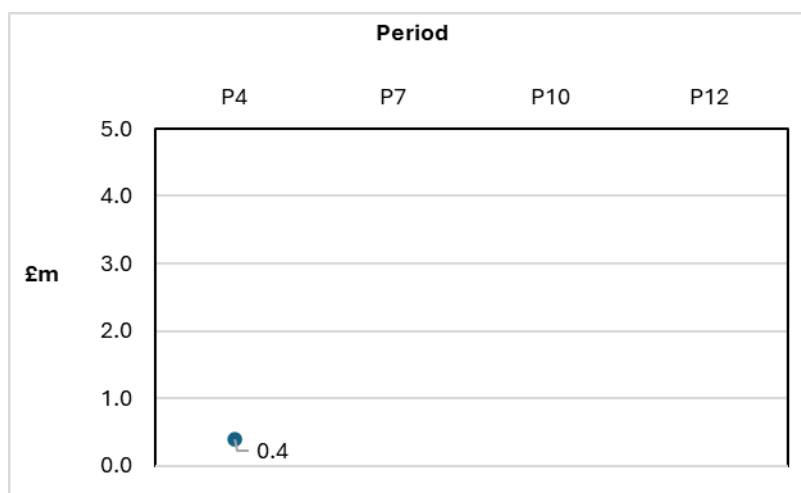
5.2.1 Non Domestic Rates (NDR) income is allocated to councils as part of the local government settlement. The council retains all NDR it collects, however where this varies from the amount included within the Local Government settlement a commensurate increase or decrease is made to the general revenue 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 June 2025 amounts to £120.4m. This represents 27.36% of the figure to be collected and is 0.43% 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 100.1% of profile, representing a small overspend of £0.4m. This reflects an overspend within Neighbourhoods, Regeneration and Sustainability partly offset by underspends in Education and Financial Services.

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 £20.5m will be achieved. The shortfalls are within Chief Executives service (£0.2m) and NRS (£1.9m). 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

which is on track for delivery. There are a number of investments in Neighbourhoods, Regeneration and Sustainability with recruitment of new staff progressing with most expected to be in place by end of August. However this results in a forecast shortfall in NRS in the current year of £1.8 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 £0.8m

- 7.1.1 This reflects an overspend of £1.3m 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, and in Roads Operations mainly due to an under recovery of income. Property repairs are also overspent by £0.7m 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.

7.2 Education Services £-0.2m

- 7.2.1 This reflects an overspend of £1.0m 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 £-0.2m

- 7.3.1 Financial Services is reporting a small underspend resulting from staff vacancies. 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 on-line with budget.

8. Social Work Services

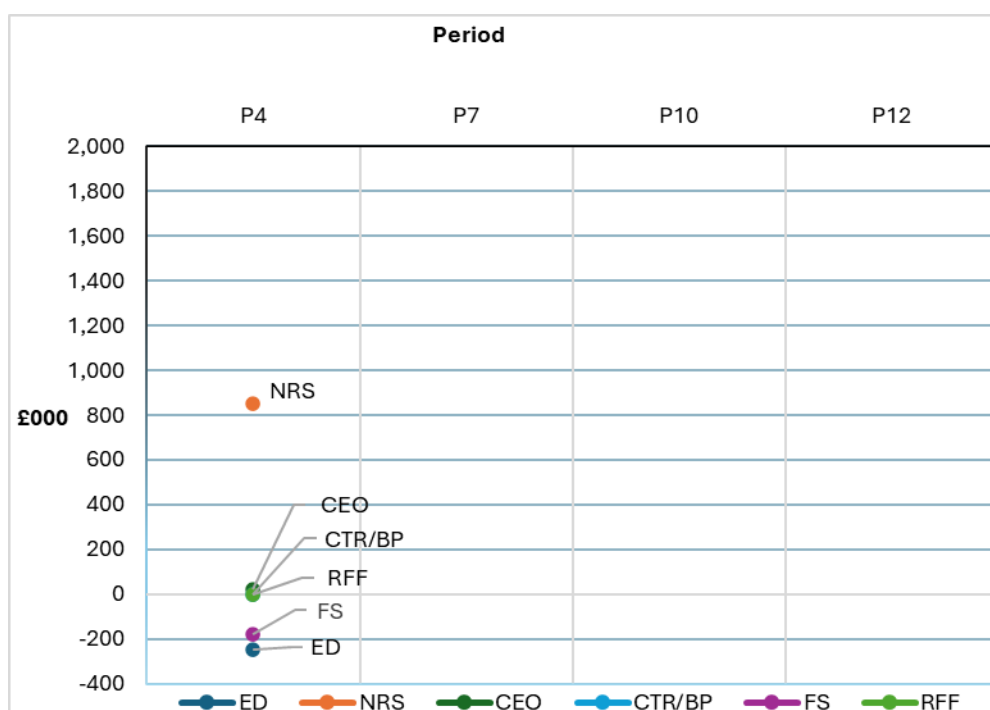
- 8.1 The Glasgow City Integration Joint board (IJB) is now responsible for the planning and commissioning of health and social care services within the city.
- 8.2 While the financial position of Social Work Services continues to be monitored through the Council's existing reporting structures the overall 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 £0.1m. This overspend reflects overspends within Adult Services, Children and Families and Resources offset by underspends within Older People/Physical Disabilities and Criminal Justice.
- 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 £8.1 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 A probable out-turn will be undertaken at Period 7 and reported in the next monitoring report. 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 off-set by underspends in other areas of their budgets and also by action being taken by NRS management. No further action is proposed at this stage but this will be reviewed again at Period 7. However, elements of the underspends are not recurring and so this will need considered as part of the 2026-27 budget.

- 10.2 There continues to be a significant budget pressure from Homelessness currently forecast to be over £40 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.
- 10.3 The position will continue to be updated and 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 2025 to 27 June 2025

Measure	Status (Under or Over Budget Profile)	Period 4
Council Tax Income	On Line	
Council Tax Collection Rate	Behind	-0.13%
Non Domestic Rates Collection Rate	Ahead	+0.43%
General Fund Net Expenditure	Over	+£0.4m
<u>Service Departments:</u>		
Chief Executive's Office	On budget	
Education Services	Under	-£0.2m
Financial Services	Under	-£0.2m
Financial Services – Benefit Payments	On budget	
Financial Services – Ring Fenced Funds	On budget	
Neighbourhoods, Regeneration and Sustainability	Over	+£0.8m
Related Companies	On budget	
		<hr/> +£0.04m <hr/>
Social Work Services	Over	+£0.1m

Glasgow City Council

Budget Monitoring 2025/26

Revenues - Income Monitoring and Cash Collection

Period to 30th June 2025

Council Tax

Income Monitoring	Estimate 2025/26 £000	Forecast Outturn 2025/26 £000	Variance £000
	377,086	377,086	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	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			0.00	39.65	
August			0.00	48.25	
September			0.00	56.88	
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)** **324,206**

Target collection in year (94%) **304,754**

Glasgow City Council

Budget Monitoring 2025/26

Revenues - Cash Collection

Period to 30th June 2025

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	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			0.00	34.29	
August			0.00	41.69	
September			0.00	47.97	
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		440,049			
Target collection in year (91%)		400,445			

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

PERIOD 4: 1 APRIL 2025 TO 27 JUNE 2025

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		
125,379	1,001	126,380	Chief Executive's Office	37,512	37,315	2,488	2,313	35,024	35,002	22	OVER
822,395	5,502	827,897	Education Services	209,826	210,186	4,535	4,648	205,291	205,538	-247	
49,988	37	50,025	Financial Services	31,786	31,968	13,024	13,025	18,762	18,943	-181	
100,027	0	100,027	Financial Services - Council Tax Reduction Scheme/Benefit Payments	139,279	139,279	44,481	44,481	94,798	94,798	0	
7,368	2,859	10,227	Financial Services - Ring-fenced Funds	3,296	3,296	0	0	3,296	3,296	0	
219,461	196	219,657	Neighbourhoods, Regeneration and Sustainability	109,216	108,686	43,037	43,356	66,179	65,330	849	OVER
110,061	-245	109,816	Related Companies and Joint Boards	35,521	35,521	0	0	35,521	35,521	0	
-23,789	-20	-23,809	Specific Grant	0	0	146	146	-146	-146	0	
1,410,890	9,330	1,420,220	TOTAL	566,436	566,251	107,711	107,969	458,725	458,282	443	OVER

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

	4	7	10	12
Percentage	100.1%			

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

PERIOD 4: 1 APRIL 2025 TO 27 JUNE 2025

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure £000	
				Actual	Budgeted	Actual	Budgeted	Actual	Budgeted		
				£000	£000	£000	£000	£000	£000	£000	£000
591,959	-562	591,397	Social Work Services	206,282	204,692	117,411	115,908	88,871	88,784	87	OVER
-15,482	1,206	-14,276	Specific Grant	0	0	2,379	2,379	-2,379	-2,379	0	
0	0	0	Transfer from IJB reserves	0	0	87	0	-87	0	-87	
576,477	644	577,121	TOTAL	206,282	204,692	119,877	118,287	86,405	86,405	0	

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

	4	7	10	12
Percentage	100.0%			