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agus Còmhhdail
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Susanne Millar
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Our Reference: 202600540040
Your Reference: Glasgow City Council Motion (OFFICIAL)

5 October 2026

Dear Susanne Millar,

Thank you for writing to the Cabinet Secretary for Social Justice and Housing, Cabinet Secretary for Public Service Reform and the Cabinet Secretary for Economy, Tourism and Transport on 18 September. I am responding on behalf of my Cabinet colleagues in my role as Deputy First Minister and Cabinet Secretary for Finance and Local Government.

I note that elected members in Glasgow City Council have requested an update on a number of policy areas, and I hope that the information below is helpful.

Affordable housing

The Affordable Housing Supply Programme does not set Resource Planning Assumptions (RPAs) on the basis of equal division across all 32 local authority areas. The formula used to determine the share of the Affordable Housing Supply Programme funding that 30 local authority areas receive through the Strategic Housing Investment Framework was agreed with COSLA in 2012 and supports the delivery of local authority strategic affordable housing priorities. Glasgow City Council and the City of Edinburgh Council sit outwith this arrangement.

The Strategic Housing Investment Framework has five main categories: an initial equal share and then various indicators under the categories of market pressure (relating to affordability), deprivation (relating to the need for regeneration), population dispersion (relating to additional costs due to rurality) and homelessness reflecting the range of factors influencing housing need and supply.

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As above, Affordable Housing Supply Programme (AHSP) funding for Glasgow and Edinburgh, the two Transfer of Management of Development Funding (TMDF authorities), currently sits outwith the Strategic Housing Investment Framework agreed with COSLA in 2012. The shares for Glasgow and Edinburgh are based on their historic share of the programme and are usually 23.98% of the capital available for RPAs with Glasgow allocated 69.7% and Edinburgh 30.3%.

Recognising the impact of targeted acquisition funding in 2024-25 and 2025-26 on programme levels across the country and the significant share that went to Glasgow and Edinburgh, the Cabinet Secretary for Housing requested the historic share of the programme that they receive be smoothed (27%) and within that the split has been adjusted to 65% for Glasgow and 35% for Edinburgh.

RPAs for Glasgow over the four year period 2026-2030 total £515.772 million, the highest of all local authority areas, with the next highest RPAs being £238 million less than Glasgow.

Clyde Metro

The Scottish Government remains committed to supporting on-going development work on Clyde Metro. As you will be aware, the proposals are currently at the Case for Investment stage, which will provide greater certainty on network options, delivery phasing, costs and funding considerations, helping to inform future decisions on implementation and investment.

Improvements to public transport access to Glasgow Airport, including potential connectivity via key employment, healthcare and regeneration destinations, are being considered as part of this work. The Scottish Government recognises the importance of improving sustainable transport connections across the Glasgow City Region and the potential benefits this could bring for regional connectivity, economic development, and access to key destinations.

Mass transit schemes in Scotland's three largest cities, including Glasgow, are included within the development pipeline in the recently published and is available on the Scottish Government website: [Annex B - Development and Future Pipelines - Infrastructure Delivery Pipeline 2026 - gov.scot](#). A robust programme level business case is required to support their progression to the Delivery Pipeline in due course. Decisions on future implementation and investment will be informed by the evidence and recommendations emerging from the ongoing Clyde Metro Case for Investment, which is due to be completed in 2027.

Glasgow City Region

I recognise and welcome the work in Glasgow City Region to create a stronger regional proposition. The Scottish Government is committed to empowering Scotland's regions and have recently published a set of proposals for local governance reform as a starting point for discussion on this.

These proposals aim to get the balance right between those priorities best delivered at a national or regional level, and those which are best delivered closer to communities. The Government's starting point is ensuring that we have the capacity and the capability in the right places – strategically and locally – to unleash economic opportunities and achieve the ambitions of communities in all areas of Scotland. The Scottish Government looks forward to engaging with Glasgow City Region over the coming months, with the aim of building as much shared agreement as possible on the future shape of local governance before the end of the year.

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Council Tax and Non-Domestic Rates

The Scottish Government is clear that Council Tax reform is needed, and I am working to build cross-party agreement on the future of Council Tax.

You refer to the programme of engagement in the last parliament to build consensus on the future of Council Tax. This programme was undertaken jointly by the Scottish Government and Local Government and included a consultation, five public engagement events and two roundtable discussions with tax professionals.

The Scottish Government commissioned an independent research company to analyse the findings from the consultation and public engagement events. The analytical report was published on Friday 11 September and is available on the Scottish Government website: [Future of council tax in Scotland: consultation analysis - final report - gov.scot](#). A summary of views expressed by experts is also available on the Scottish Government website: [Future of Council Tax in Scotland Expert Roundtables - gov.scot](#). The findings demonstrate strong public and stakeholder support for reform, and I am grateful to all Local Government partners who contributed to this research.

The Scottish Government is undertaking a comprehensive review of non-domestic rates which builds on our commitment to examine the impact and configuration of all our reliefs in advance of the next revaluation on 1 April 2029. This is intended to ensure that the system supports economic growth, remains fair and proportionate, and provides sustainable funding for high-quality local services. The review will examine improvements and reforms that can be made to the system, working closely with business to ensure the clarity, incentive and transparency which businesses need.

It is further vital that our ambitious reforms to Local Government not only deliver enhanced accountability but also ensure the sustainability of local services. Ensuring those reforms are fiscally sustainable will require changes to the current funding arrangements and I would anticipate that local revenue-raising powers, including the current local taxes, will be a key consideration in that process.

I trust that this information will be of interest to your elected members. However, please do get in touch with my officials should you require any clarification on any of these issues or have any further questions.

Yours sincerely,

JENNY GILRUTH

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