Financial Outlook 2027-29 update noted.

5 With reference to the minutes of 20th August 2026 (Print 3, page 44) instructing the Chief Executive and Executive Director of Financial Services, in consultation with the Public Services Reform and Financial Strategy Political Oversight Group, to develop a forward budget strategy to address the financial gap detailed in the report and that it be presented to this Committee on 17th September 2026, there was submitted a report by the Executive Director of Financial Services providing an update on the matter**,** advising

(1) that an update had been deferred until now to enable ongoing discussions with the Scottish Government in respect of both homelessness and the implementation of the new Pay and Grading Structures to continue;

(2) of the proposals that had emerged from the Scottish Government Programme for Government and future options for Public Service Reform and how at this stage, there was insufficient clarity on what would emerge and the impact this might have on the Council to reflect any changes in its financial outlook, however an initial report had been provided to the Public Sector Reform and Financial Strategy Political Oversight Group (PSRFSPOG) alongside offers of engagement between PSRFSPOG members/officers and the Scottish Government with specific proposals expected in due course;

(3) the UK budget presented on 28th October 2026 included a £600m cash increase in Scottish funding spread across the period 2026-30, and for 2027/28 the net change of £206m included an increase of £283m in revenue funding, a reduction of £102m in capital and an extra £25m for financial transactions;

(4) that nothing in the UK Budget materially changed the financial projections as set out in the report and it was recommended that the Council should continue with the current assumption of a flat cash settlement for Scottish Local Government;

(5) that changes in demand for homelessness through the summer period had created more uncertainty in potential future costs, with an indicated range of between £46m and £80m for 2027/28, and that Health and Social Care Officers had been working with partners to identify further ways to reduce this cost through increasing the supply of both social and private rented properties;

(6) that detailed discussions were ongoing with the Scottish Government following confirmation that the 2027/28 Local Government Settlement would include a meaningful contribution towards Glasgow's unique issues on homelessness;

(7) of the revised financial implications of Pay and Grading Scheme costs over a five-year period following negotiations with Trade Unions and with support of the Scottish Government, as detailed in the report;

(8) of the financial forecast 2027-29, as detailed in the report; and

(9) that the Public Service Reform and Financial Strategy Political Oversight Group would continue to oversee the development of options for the 2027/28 budget pending the forthcoming budgets and 2027/28 Local Government Settlement.

After consideration, the committee

(a) noted the report;

(b) agreed that the Public Service Reform and Financial Strategy Political Oversight Group would continue to oversee the development of the 2027/28 budget; and

(c) noted that the Executive Director of Financial Services would report back to this committee following the publication of the 2027/28 Local Government Settlement.